



**NORTH MARIN  
WATER DISTRICT**

**NORTH MARIN WATER DISTRICT  
AGENDA - REGULAR MEETING**  
April 16, 2013 – 7:30 p.m.  
District Headquarters  
999 Rush Creek Place  
Novato, California

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<b>Est. Time</b>	<b>Item</b>	<b>Subject</b>
7:30 p.m.	<b>CALL TO ORDER</b>	
	1. <b>APPROVE MINUTES FROM REGULAR MEETING</b> , April 2, 2013	
	2. <b>GENERAL MANAGER'S REPORT</b>	
	3. <b>OPEN TIME: (Please observe a three-minute time limit)</b>	
		This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	4. <b>STAFF/DIRECTORS REPORTS</b>	
	5. <b>QUARTERLY FINANCIAL STATEMENT</b>	
	6. <b>MONTHLY PROGRESS REPORT w/Customer Service Questionnaire</b>	
		<b>CONSENT CALENDAR</b>
		The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.
	7. <b>Consent – Approve:</b> Annexation – 33 Ocean View Avenue, Dillon Beach	
	8. <b>Consent – Approve:</b> Revised District Policies Number 8, 10 & 11	
	9. <b>Consent – Approve:</b> Replacement of Photocopier	
		<b>ACTION CALENDAR</b>
	10. <b>Approve:</b> Proposed Rate Increase Notification for West Marin Water & Oceana Marin Sewer Customers	
	11. <b>Approve:</b> Notice of Cessation for Recycled Water South Service Area Project (Phase 1b)	
	12. <b>Approve:</b> CalTrans Marin Sonoma Narrows/NMWD AEEP Reach E Aqueduct Construction Phase – Pipeline Inspection/Testing Service	
	13. <b>Approve:</b> Approve the North Bay Water Reuse Authority Third Amended Memorandum of Understanding	

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)

<b>Est. Time</b>	<b>Item</b>	<b>Subject</b>
8:30 p.m.		<b>INFORMATION ITEMS</b>
	14.	Initial Review - Proposed FY 13/14 Equipment Budget
	15.	Initial Review - FY 14 Capital Improvement Projects Budget
	16.	Board Review of District Policies- 12- Attorney's Attendance at West Marin Meetings 13- Board of Directors Compensation and Procedures 16- Condemnation Policy Statement 18- Energy Self Sufficiency Policy 20- Jackets – Winter Safety
	17.	iPad Pilot Program Update
	18.	<b>MISCELLANEOUS</b> Disbursements Self-Insured Workers' Comp – 3 <sup>rd</sup> Quarter Status Report Cost of Election City Council consideration of a potential moratorium on processing of development applications in the North Redwood Blvd Corridor Area  <u>News Articles:</u> Another level of purity for Inverness water PRBO to become Point Blue Lack of rain raising red flags among Marin water agencies San Rafael Engineer to receive state water award
	19.	<b>CLOSED SESSION:</b> In accordance with California Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General Manager.
9:30 p.m.	20.	<b>ADJOURNMENT</b>

**NORTH MARIN WATER DISTRICT  
OUTSTANDING INVOICES  
3/31/2013**

Inv#	Invoiced To	Amount	Invoice Date	Last Contact	Notes	Job #
11449	John Frank Rossi	2,012.67	07/25/08	2/8/2013	Reimbursement for Damaged Hydrant-Novato Blvd & Grant Ave <sup>1</sup>	1.1071.08
12216	Disney Construction	1,855.69	09/19/12	4/1/2013	Reimbursement for Damaged Water Service-Bolling Circle	1.1056.13
12277	Caltrans	119,362.44	01/10/13	4/1/2013	Utility Agreement-Redwood Landfill Road Interchange-Costs through 12/31/12	1.7118.01
12295	Redwood Empire Disposal	4,084.22	02/26/13	4/1/2013	Reimbursement for Damaged Hydrant-1001 Green Oak Dr	1.1069.13
12306	Novato Unified School District	372.88	03/11/13		Progress Billing-San Ramon Elementary Multi	1.2761.00
		<u>\$127,687.90</u>				

1) Payments received: \$100 4/28/11, \$60 6/6/11, \$350 9/23/11, \$200 11/28/11, \$100 1/12/12, 2/15/12, 3/6/12, 4/9/12, 5/2/12, 6/1/12, 7/9/12, 8/3/12, 9/5/12, 10/9/12, 11/2/12, 12/12/12, 1/7/2013, 2/8/13, 3/11/13.

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**DRAFT**  
**NORTH MARIN WATER DISTRICT**  
**MINUTES OF REGULAR MEETING**  
**OF THE BOARD OF DIRECTORS**  
April 2, 2013

**CALL TO ORDER**

President Fraites called the regular meeting of the Board of Directors of North Marin Water District to order at 7:30 p.m. at the District Headquarters and the agenda was accepted as presented. Present were Directors Jack Baker, Stephen Petterle, Dennis Rodoni and John Schoonover. Also present were General Manager Chris DeGabriele, Secretary Katie Young, Auditor-Controller David Bentley and Chief Engineer Drew McIntyre.

Mark Soldati from GHD, District Consultant, Laura Jones, District employees Robert Clark (Operations/Maintenance Superintendent), and Doug Moore (Construction/Maintenance Superintendent) were in the audience.

**MINUTES**

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

**GENERAL MANAGER'S REPORT**

**Potter Valley Project Tour**

Mr. DeGabriele advised the Board that they, along with staff have been invited to attend the Potter Valley Project Tour on Wednesday, April 17<sup>th</sup>. He noted that the invitation came from the Mendocino County Farm Bureau and will be an all day tour.

**SCWA Strategic Plan Workshop**

Mr. DeGabriele informed the Board that he attended the Sonoma County Water Agency's Strategic Plan Workshop today, along with Director Rodoni. He stated the workshop included a review of the water supply strategies action plan update.

**OPEN TIME**

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

**STAFF/DIRECTORS REPORTS**

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

1 Doug Moore advised the Board that the construction crew will be starting a project next  
2 week on Sunset Parkway to replace a 12-inch cast iron water main and that he will provide the  
3 Board with a presentation when the work has been completed.

4 Robert Clark informed the Board that the District has started using recycled water this  
5 season. He noted that Las Gallinas Valley Sanitation District has started their plant and Novato  
6 Sanitary District is working out some water quality issues. Mr. Clark informed the Board that the  
7 Deer Island Plant is on, which feeds water to the StoneTree Golf Course.

8 Director Rodoni asked when the District will fill the reservoir at Hamilton. Mr. Clark stated  
9 that the reservoir is automatically filled from Las Gallinas.

10 Director Petterle informed the Board that he would like to give an update on use of the iPad  
11 for the digitized agenda packets at the next Board meeting.

12 **CONSENT CALENDAR**

13 On motion of Director Baker seconded by Director Petterle and unanimously carried, the  
14 following items were approved on the Consent Calendar:

15 **SAN MARIN HIGH SCHOOL WATER AGREEMENT 13-3**

16 The San Marin High School Cafeteria 6-Inch Fire Service Project proposes to construct a  
17 new fire sprinkled cafeteria building at the school site at 15 San Marin Drive. New water facilities  
18 required include approximately 610 feet of new 12" PVC, 20 feet of new 12" welded steel pipe, one  
19 6-inch fire service assembly and one commercial hydrant near the new fire service.

20 The Board approved Resolution No. 13 – 3 entitled, "Water Service Facilities Construction  
21 Agreement with Novato Unified School District," authorizing the Water Service Agreement entitled,  
22 "High Pressure Water Service Facilities Construction Agreement for San Marin High School  
23 Cafeteria 6-Inch Fire Service."

24 **NOVATO HIGH SCHOOL WATER AGREEMENT 13-4**

25 The Novato High School Cafeteria 6-Inch Fire Service Project proposes to construct a new  
26 fire sprinkled cafeteria building at the school site at 625 Arthur Street. New water facilities required  
27 include approximately 190 feet of new 12" PVC, 80 feet of 8" PVC, 20 feet of new 12" welded steel  
28 pipe, one 6-inch fire service assembly and one commercial hydrant near the new fire service.

29 The Board approved Resolution No. 13 – 4 entitled, "Water Service Facilities Construction  
30 Agreement with Novato Unified School District," authorizing the Water Service Agreement entitled,  
31 "Water Service Facilities Construction Agreement for Novato High School Cafeteria 6-Inch Fire  
32 Service."

1 **DESTRUCTION OF RECORDS 13-5**

2 The District's Policy for the Retention of Documents and Destruction of Specified Documents  
3 was approved by the Board in 2002 and revised in 2003. The Policy states that once a year, on or  
4 about April 21st, the documents designated as eligible will be destroyed in an appropriate manner.  
5 This year destruction of records is scheduled for April 19, 2013.

6 The Board approved Resolution 13 – 5 entitled, "North Marin Water District to Approve  
7 Destruction of Certain Records," authorizing destruction of certain documents identified for the  
8 Board on or about April 21, 2013 in the manner consistent with the District Policy.

9 **CONSOLIDATION OF DISTRICT ELECTION AND FILING INFORMATION 13-6**

10 The Board approved Resolution 13 - 6 entitled, "Resolution of the Governing Body of the  
11 North Marin Water District Proposing an Election be held in Marin County and Requesting the Board  
12 of Supervisors to Consolidate with any other Election Conducted on November 5, 2013 and  
13 Requesting Election Services by the Registrar of Voters." The resolution also contains language  
14 stating that the District is requesting that Marin County hold the election for the few Sonoma County  
15 voters eligible to vote for the District's Board. Directors Fraites and Schoonover's terms will end in  
16 2013.

17 **REVISED DISTRICT POLICIES NUMBER 2, 3 & 6**

18 The Board was given District policies number 2, 3 & 6 to review and revise at the prior Board  
19 meeting on March 19, 2013.

20 The Board adopted the following revised District policies, Policy Number 2 – Bill Adjustment  
21 Policy, Policy Number 3 – Bill Adjustment Re Natural Disasters, and Policy Number 6 – Late Charge  
22 and Shut Off Policy.

23 **ACTION CALENDAR**

24 **EMPLOYER ASSISTED HOUSING PROGRAM – BOARD POLICY #42**

25 David Bentley reminded the Board that over 20 years ago the Board desired to get  
26 employees to reside in the District's service territory. He noted at that time that only 16% of District  
27 Employee's lived in the service territory. Mr. Bentley stated that currently the District has 49% of  
28 employees living within the service territory and there are eight outstanding loans issued pursuant to  
29 the policy totaling \$1.44 million. Mr. Bentley stated that there is only \$58K remaining in the program  
30 and that staff recommends suspending the Board policy pending changes in conditions to warrant  
31 reinstatement.

1 Director Baker mentioned recent news articles regarding other public agency housing  
2 programs and asked that staff take a look at the policy and to determine if the policy needs revision.  
3 Director Baker requested that staff make adjustments to the policy and not necessarily suspend the  
4 program but revise it.

5 Director Rodoni agreed with Director Baker and stated that suspending the program for now  
6 is fine but he would like the District to consider revisions now so that the policy is in place when the  
7 Board decides to reinstate the program.

8 Director Petterle stated that he would like the District to put the program on hold for now and  
9 in the next three to six months review the policy and see what can be done to make it better. He  
10 opined that the program is a great thing for employees and that the District would like to encourage  
11 more staff to live in Novato.

12 Director Schoonover stated that he would like suspend the program now but also keep it for  
13 the future to encourage more people to move to Novato.

14 President Fraites stated that he agreed with the other Directors and stated that before the  
15 program started the District had 16% of its employees in the District service territory and now it has  
16 49%. He opined that the District needs to keep the program going but to look at it and make it better.

17 Mr. DeGabriele reminded the Board that the housing program has taken several iterations to  
18 become successful and the District can compare with other programs both in the county and outside  
19 of the county to consider revisions.

20 On motion of Director Petterle, seconded by Director Rodoni and unanimously carried the  
21 Board approved the staff recommendation and suspended Board Policy Number 42, the Employer  
22 Assisted Housing Program, pending a change in conditions warranting its reinstatement and  
23 requested that over the next three to six months staff identify any proposed changes to the policy  
24 that should come forward for further consideration.

25 **COMPENSATION FOR MEADOW PARK HOA DAMAGED LANDSCAPE/IRRIGATION**

26 Mr. DeGabriele reminded the Board of the last update they received regarding the Meadow  
27 Park Homeowner's Association damaged landscape and irrigation resulting from the Recycled  
28 Water South Phase 1b Construction. The Meadow Park Homeowners Association formed a  
29 landscape Ad Hoc committee to address these issues with the District. Mr. DeGabriele has met with  
30 the Ad Hoc committee and identified \$8,510 in bill adjustments, plus \$5,740 in landscape repairs,  
31 \$3,990 for irrigation system checks and another \$7,000 for further landscape repairs, irrigation  
32 system repairs and goodwill gesture. Mr. DeGabriele stated that costs expended to date total



1 \$18,240 and he is requesting the Board authorize \$7,180 to close out the issues with the Meadow  
2 Park Homeowners Association. He noted that the payment will require Meadow Park Homeowners  
3 to sign a property damage claim form releasing the District from all future claims.

4 Director Petterle asked if the Homeowner's Association was notified. Mr. DeGabriele  
5 responded that they were notified.

6 On motion of Director Schoonover, seconded by Director Petterle and unanimously carried,  
7 the Board authorized payments to date of \$18,240 and an additional check of \$7,180 as  
8 compensation for the Meadow Park Homeowners Association Landscape and Irrigation System  
9 repairs resulting from the Recycled Water Expansion Project Phase 1b.

10 **COMMENTS ON COUNTY OF MARIN PARKS AND OPEN SPACE NON-CONFORMING USE**  
11 **POLICY**

12 Director Petterle recused himself from this Board item.

13 Mr. DeGabriele stated that at the Marin County Parks and Open Space meeting held on  
14 March 21<sup>st</sup>, the commission recommended that the Marin County Board of Supervisors adopt a  
15 Non-Conforming Use Policy. Mr. DeGabriele reviewed the policy and drafted a comment letter to the  
16 Marin County Parks and Open Space suggesting they broaden the policy to enable easements, fee  
17 title and revocable permission through license, lease or permit for non-conforming uses. Mr.  
18 DeGabriele stated that he has spoke with Marin County Parks and Open Space staff who suggest  
19 he revise the District comment letter to be more specific to water and wastewater agencies  
20 easements. He noted that he has revised the letter and provided a copy with highlighted revisions to  
21 the Board. Mr. DeGabriele requested that the Board authorize the District to send the comment  
22 letter.

23 Director Rodoni questioned whether the policy has any impacts to the watershed or areas  
24 that open spaces uses that is on District's land. He asked if this was a policy revision or a new  
25 policy. Mr. DeGabriele stated that it is a new policy that Marin County Parks and Open Space is  
26 recommending their Board to adopt. Director Rodoni asked if it is more prohibitive than what they  
27 currently have. Mr. DeGabriele responded yes.

28 On motion of Director Rodoni, seconded by Director Schoonover and carried by the  
29 following vote, the Board authorized the General Manager to send the comment letter to Marin  
30 County Parks and Open Space:

31 AYES: Directors Baker, Fraites, Rodoni, Schoonover

32 NOES: None

1 ABSTAIN: Director Petterle

2 ABSENT: None

3 **INFORMATION ITEMS**

4 **2012 NOVATO WATER SYSTEM MASTER PLAN – ADMINISTRATIVE DRAFT**

5 Mr. McIntyre stated that he distributed the Administrative Draft 2012 Novato Water System  
6 Master Plan Update to the Board and that he, Robert Clark and Mark Soldati from GHD would be  
7 presenting a general overview. He stated that the development of the plan was a collaborative effort  
8 with himself, Laura Jones (District consultant), Mark Soldati, Robert Clark, Pablo Ramudo, Brad  
9 Stompe, Doug Moore, David Bentley and Chris DeGabriele.

10 Mr. McIntyre noted that the purpose of the study was to update the Capital Improvement  
11 Plan (CIP) that identifies the improvement projects and required funding through the FY 2035  
12 planning period.

13 Mr. Soldati summarized the scope of the project and said this plan is only for the Novato  
14 Water System and includes updates of city development forecasts, updating pressure zone, water  
15 quality goals, pipeline renewal replacements and development of a 5-year CIP and is coordinated  
16 with the District budget process. Mr. Soldati stated that the updated hydraulic evaluation and model  
17 provides fireflow analyses which reflects input from the Novato Fire Protection District.

18 Robert Clark gave an overview of the asset management section of the Master Plan. He  
19 stated that over the next five years the District's goal is to create an asset management plan that is  
20 outside of the master plan itself and create a database with evaluation matrixes to help understand  
21 what the expected life of the District's assets are going to be. Mr. Clark informed the Board that with  
22 the help of David Bentley, they put together the District's asset value history, by taking the initial cost  
23 of the assets and applying inflation, there are currently approximately \$230M worth of assets.

24 Mr. McIntyre requested the Board review the Master Plan Update and provide any  
25 comments they may have at the next Board meeting. He noted that the Master Plan will be brought  
26 back for acceptance by the Board at the May 7th meeting.

27 Mr. McIntyre acknowledged Laura Jones and Mark Soldati for their time and effort on the  
28 Master Plan along with all other staff members involved.

29 Director Rodoni asked when the District finds a deficit like at Half Moon Tank, does the  
30 District also look to possibly connect with other tanks in the vicinity. Mr. McIntyre replied that the  
31 District does look at the other tanks.

1 Director Baker asked if the Buck tank and Nunes tank were interconnected. Mr. McIntyre  
2 stated that a pump station lifts water from Nunes tank to Buck tank in a cascading approach.

3 Director Fraites asked if staff works with the fire district to determine the fireflow necessary in  
4 the areas served. Mr. McIntyre responded that the District has communication with the fire marshals  
5 and that fire flows have been updated pursuant to current codes in effect.

6 **BOARD REVIEW OF DISTRICT POLICIES NUMBER 8, 10 & 11**

7 Mr. DeGabriele informed the Board that three more policies are included for review, Policy  
8 Number 8 – Payment of Facilities Benefiting Non-Contiguous Areas, Policy Number 10 – Service  
9 Connection Dispute Compromise, and Policy Number 11 – Liability Contingency Fund Application  
10 for Water Improvement Districts. He noted that staff proposed some revisions and should the Board  
11 have any further suggestions to send their comments to him. Mr. DeGabriele stated that staff would  
12 bring back the revised policies to the next meeting for adoption.

13 **COMMENTS ON COUNTY OF MARIN STREAM CONSERVATION AREA ORDINANCE**

14 Mr. DeGabriele informed the Board that staff reviewed the County of Marin Stream  
15 Conservation Area Ordinance and provided comments to the County of Marin. He stated that the  
16 ordinance intends to protect stream corridors and habitat by establishing 50 to 100ft setbacks from  
17 streams depending on the size of the property. The District reminded the County that public utility  
18 facilities including water and wastewater facilities are exempt from local agency building and zoning  
19 ordinances and that the District recommended that emergency repair of landslides or slope failures  
20 which may impact stream flow be exempt from the policy.

21 **WAC/TAC MEETING – APRIL 1, 2013**

22 Mr. DeGabriele informed the Board that the Water Advisory Committee recommended that  
23 the Sonoma County Board of Supervisors adopt the draft budget. He stated that the District's  
24 purchased water rate would increase by 0.6% next fiscal year. Mr. DeGabriele reminded the Board  
25 that he did send a letter to Sonoma County Water Agency requesting that the District send an  
26 additional \$30 per acre foot next year to pre fund future capital contributions and that the water  
27 agency is preparing a counter proposal. He noted that other water contractors are prefunding capital  
28 projects with surcharges on their aqueduct capital charges.

29 Mr. DeGabriele stated that the WAC received a report from Pam Jeane about water supply  
30 conditions and currently on the Russian River normal water supply conditions are in place. He stated  
31 that currently Lake Mendocino holds 64K acre feet (AF) approximately 10K AF more than in 2009.  
32 He noted that Lake Sonoma has just as much water this year as last year and that Stafford Lake is  
33 about the same.

1 Mr. DeGabriele stated that the Sonoma County Water Agency will likely request the State  
2 Water Resource Control Board to reduce instream flows in the Upper Russian River and preserve  
3 storage in Lake Mendocino for the fall of the year when releases are needed for the returning  
4 Chinook Salmon.

5 **NBWRA MEETING – MARCH 25, 2013**

6 Mr. DeGabriele informed the Board that he and Director Schoonover attend the North Bay  
7 Water Reuse Authority meeting on March 25th. He stated that Ginger Bryant updated the Board on  
8 the Federal Advocacy indicating that the parties are not only looking at Bureau of Reclamation Title  
9 16 funding but two new sources recently introduced in Congress, the Water Infrastructure Finance  
10 Innovation Act and the Reclamation Infrastructure Finance Innovation Act.

11 Director Schoonover informed the Board that the District's budget for NBWRA next year was  
12 reduced.

13 **NBWA MEETING – APRIL 5, 2013**

14 President Fraites advised the Board that the North Bay Watershed Association would be  
15 meeting on Friday, April 5th.

16 **MISCELLANEOUS**

17 The Board received the following miscellaneous items: Disbursements, Direct Deposit of  
18 Disbursements, Marin Food Bank Letter and Native Plant Sale.

19 The Board also received the following news articles: County Oks \$50,000 bike park deal,  
20 Sonoma County says money spent on lobbying is a good investment, Valley of the Moon Press  
21 Release, and Salmon spawning on rebound in Lagunitas watershed.

22 **CLOSED SESSION**

23 President Fraites adjourned the Board into closed session at 9:00 p.m. in accordance with  
24 Government Code Section 54956.9; Conference with Legal Counsel - Anticipated Litigation –  
25 Significant Exposure to Litigation Pursuant to Paragraph (3) of Subdivision (d) of Government Code  
26 Section 54956.9 – One Potential Case.

27 **OPEN SESSION**

28 Upon returning to regular session at 9:25 p.m., President Fraites stated that during the  
29 closed sessions the Board had discussed the issue and no reportable action had been taken.

1 ADJOURNMENT

2 President Fraites adjourned the meeting at 9:26 p.m.

3 Submitted by

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Katie Young

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District Secretary

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# **NORTH MARIN WATER DISTRICT**



## **FINANCIAL STATEMENT FISCAL YEAR 2012-13**

**March 2013**

**NORTH MARIN WATER DISTRICT  
FINANCIAL STATEMENTS  
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**MEMORANDUM**

To: Board of Directors  
 From: David L. Bentley, Auditor-Controller  
 Subj: Information – FY12/13 March Financial Statement  
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April 12, 2013

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

**CONSOLIDATED SUMMARY**

<b>Actual vs. Budget</b>	<u>Mar-13</u>	<u>FY12/13 YTD Actual</u>	<u>FY12/13 Budget</u>	<u>FYTD / Budget %</u>
Operating Revenue	\$1,188,174	\$12,602,517	\$16,678,000	76%
Operating Expense	\$1,136,192	\$11,830,368	\$15,403,000	77%
Non-Operating Revenue/(Expense)	(\$40,245)	(\$373,001)	(\$488,000)	76%
Net Income/(Loss)	\$11,737	\$399,147	\$787,000	51%
Other Sources/(Uses) <sup>1</sup>	\$473,509	(\$2,040,094)	(\$497,000)	410%
Cash Increase/(Decrease)	\$485,246	(\$1,640,947)	\$290,000	-

<sup>1</sup> See Page 8.

For the first nine months (75%) of the fiscal year the District generated a net income of \$399,147 and saw a net cash decrease of \$1,640,947. Operating Revenue, at 76%, came in 4% more than budget, and Operating Expense, at 77%, came in 3% more than budget, seasonally adjusted. 76% of the Capital Improvement Projects Budget was expended this fiscal year-to-date. The District's total cash balance increased \$485,245 during the month. The cash increase is due primarily to receipt of Recycled Water SRF loan proceeds (\$1,099,155), offset by payments for the Recycled Water Expansion project (\$486,280) and replacement of Pt. Reyes Well #3 (\$108,495).

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

**NOVATO WATER**

<b>Year over Year Comparison</b>	<u>Mar-13</u>	<u>FYTD 12/13</u>	<u>FYTD 11/12</u>	<u>FY13 vs 12 Up/(Down)</u>
Operating Revenue	\$1,130,904	\$11,799,641	\$10,427,459	13%
Operating Expense	\$1,040,940	\$11,028,693	\$10,534,747	5%
Other Income / (Expense)	(\$11,773)	(\$159,147)	(\$240,696)	(34%)
Net Income / (Loss)	\$78,191	\$611,801	(\$347,985)	-
Active Accounts	20,491	20,491	20,479	0%
Consumption (MG)	196	2,081	2,024	3%
Average Commodity Rate/1,000 gal (net)	\$4.09	\$4.28	\$4.05	6%
Income / (Loss) / Active Account	\$3.82	\$29.86	(\$16.99)	-
Income / (Loss) / 1,000 Gal	\$0.40	\$0.29	(\$0.17)	-
Connection Fee Revenue	\$457,600	\$614,050	\$911,880	(33%)
Developer 'In-Kind' Contributions	\$42,954	\$223,439	\$433,547	(48%)

Consumption for the period was 3% more than the prior year same period. Total operating revenue, which includes wheeling and other miscellaneous service charges, increased 13% (\$1,372,183) primarily due to the 11% rate increase commencing June 1, 2012 coupled with the consumption increase. Total operating expense was 5% (\$493,946) more than last year same period, primarily due to an increase in purchased water cost (\$422,976).

The Stafford Treatment Plant started operation again on January 22 and produced 493 MG this fiscal year-to-date at a cost of \$3,057/MG<sup>1</sup> versus \$2,203/MG<sup>3</sup> from SCWA. The budget for Stafford is 750 MG at a cost of \$2,717/MG.

Salary and benefit cost charged to Novato operations was 1.5% less than last year same period. Staff time (hours) charged to Novato operations was 6.5% less than last year. Salary and benefit cost is \$3,924,442 this year-to-date, which is 74% of the \$5,336,000 budget for Novato operations.

The fiscal year-to-date net income (which includes non-operating items such as interest revenue and expense) of \$611,801 compares to a budgeted net income for the year of \$787,000 and to a net loss of \$347,985 for the prior year same period. \$840,712 (27%) of the Novato Water Capital Improvement Project Budget was spent versus \$1,102,044 (26%) for the prior year. \$614,050 in connection fees have been collected this fiscal year-to-date, which is 71% of budget. The Novato cash balance increased \$593,251 during the month, and stood at \$8,032,848 at month end, compared to a budgeted projection of \$10,400,000 at June 30, 2013.

<b>NOVATO RECYCLED</b>		FYTD	FYTD	FY13 vs 12
<b>Year over Year Comparison</b>	<u>Mar-13</u>	<u>12/13</u>	<u>11/12</u>	<u>Up/(Down)</u>
Operating Revenue	\$12,120	\$157,911	\$126,456	25%
Operating Expense	\$28,501	\$257,164	\$210,810	22%
Other Income / (Expense)	(\$25,307)	(\$239,838)	(\$17,773)	1249%
Net Income / (Loss)	<u>(\$41,687)</u>	<u>(\$339,091)</u>	<u>(\$102,127)</u>	232%
Active Accounts	15	15	3	400%
Consumption (MG)	2.8	37.7	32.0	18%
Average Commodity Rate/1,000 gal (net)	\$4.11	\$4.06	\$3.87	5%

The 0.5 MGD Deer Island Recycled Water Facility delivered 37.7 MG to consumers this fiscal year-to-date. Operating revenue was up 25% due primarily to the 7% commodity rate increase coupled with the 18% consumption increase. Total operating expense was \$46,354 (22%) more than last year, due primarily to the startup of two new distribution systems in north and south Novato. The recycled water was produced at a cost of \$7,332/MG<sup>2</sup> versus \$2,203/MG<sup>3</sup> from SCWA. The budgeted production cost of recycled water is \$6,981/MG.

The fiscal year-to-date net loss of \$339,091 compares to a budgeted net loss for the year of \$256,000 and a net loss of \$102,127 for the prior year same period. \$5,902,718 (107%) of the Improvement Project Budget was expended this fiscal year-to-date.

To date, \$14,326,497 has been expended on the North/South Area Expansion Projects. \$6,102,728 has been borrowed from Novato Water for the expansion pending receipt of Grant (\$2,079,744 received to date) & SRF Loan funds (\$4,015,490 received to date).

<sup>1</sup> Stafford production cost = op expense (\$853,243) + SRF loan interest (\$258,479) + plant depreciation (\$395,201) / 493 MG produced  
<sup>2</sup> Recycled Water production cost = op expense (\$128,008) + SRF loan interest (\$61,485) + plant depreciaton (\$86,939) / 37.7 MG produced  
<sup>3</sup> Cost of SCWA production per MG is comprised of O&M charge (\$1,727) + debt service charge (\$194) + Russian River conservation charge (\$221) + Russian River projects charge (\$61)

<b>WEST MARIN WATER</b>		FYTD	FYTD	FY13 vs 12
<b>Year over Year Comparison</b>	<b>Mar-13</b>	<b>12/13</b>	<b>11/12</b>	<b>Up/(Down)</b>
Operating Revenue	\$31,984	\$526,470	\$480,154	10%
Operating Expense	\$50,260	\$399,350	\$392,213	2%
Other Income / (Expense)	(\$3,284)	\$658	\$23,573	(97%)
Net Income / (Loss)	<u>(\$21,559)</u>	<u>\$127,778</u>	<u>\$111,514</u>	15%
Active Accounts	776	776	777	(0%)
Consumption (MG)	3.9	55.9	54.9	2%
Average Commodity Rate/1,000 gal (net)	\$5.18	\$7.50	\$7.12	5%
Income/ (Loss) / Active Account	(\$27.78)	\$164.66	\$143.52	15%
Income / (Loss) / 1,000 Gal	(\$5.53)	\$2.28	\$2.03	12%
Connection Fee Revenue	\$0	\$4,900	\$8,900	(45%)
Developer 'In-Kind' Contributions	\$0	(\$1,451)	\$49,094	-

Water consumption was 55.9 MG this fiscal year, up 2% from the previous year same period. Operating revenue of \$526,470 was \$46,317 (10%) more than last year due primarily to the 9% rate increase effective 8/1/12 coupled with the consumption increase.

Operating expenditures were \$399,350, 2% more than the previous year same period. The fiscal year-to-date net income of \$127,778 compares to a budgeted annual net income of \$123,000 and to a net income of \$111,514 for the prior year same period. \$310,465 (46%) of the Capital Improvement Project Budget was spent this fiscal year, and \$4,900 in connection fees were collected (\$46,000 is budgeted). The Solids Handling Facility project (\$171,240 expended to-date) is funded by a Bank of Marin loan (75%) and FRC Funds (25%). West Marin Water ended the period with a cash balance of \$710,744, compared to a budgeted projection of \$420,000 at June 30, 2013.

<b>OCEANA MARIN SEWER</b>		FYTD	FYTD	FY13 vs 12
<b>Year over Year Comparison</b>	<b>Mar-13</b>	<b>12/13</b>	<b>11/12</b>	<b>Up/(Down)</b>
Operating Revenue	\$13,166	\$118,494	\$117,813	1%
Operating Expense	\$16,492	\$145,161	\$133,065	9%
Other Income / (Expense)	\$118	\$25,326	\$26,065	(3%)
Net Income / (Loss)	<u>(\$3,208)</u>	<u>(\$1,341)</u>	<u>\$10,813</u>	-
Active Accounts	227	227	227	0%
Monthly Sewer Service Charge	\$58	\$58	\$58	0%
Income / (Loss) / Active Account	(\$14.13)	(\$5.91)	\$47.63	-
Connection Fee Revenue	\$0	\$0	\$0	-

Operating revenue of \$118,494 was 1% more than the previous year same period. Operating expenditures were \$12,097 (9%) more than last year same period due primarily to replacement of the disposal field flow meter (\$4,239) and replacement of the radiator in the generator (\$4,449). The fiscal year-to-date net loss of \$1,341 compares to a budgeted annual income of \$36,000 and to a net income of \$10,813 for the prior year same period. \$211,608 (66%) of the Capital Improvement Project Budget was expended.

No connection fees have been collected fiscal year-to-date. Oceana Marin ended the period with a cash balance of \$124,854, compared to a budgeted projection of \$108,000 at June 30, 2013.

**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET ASSETS  
FOR THE PERIOD ENDING MARCH 31, 2013**

<b>ASSETS</b>	<b>TOTAL</b>	<b>NOVATO WATER</b>	<b>NOVATO RECYCLED</b>	<b>WEST MARIN WATER</b>	<b>OCEANA MARIN SEWER</b>
<b>Cash &amp; Investments</b>					
Unrestricted/Undesignated Cash	\$62,258	\$0	\$0	\$0	\$62,258
<b>Restricted Cash (Note 1)</b>					
Connection Fee Fund	\$633,723	\$436,887	\$0	\$196,836	\$0
Wohler Pipeline Financing Fund	344,180	344,180	0	0	0
Collector #6 Financing Fund	1,588,331	1,588,331	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	2,643,118	2,162,550	0	480,568	0
Retiree Medical Benefits Fund	3,133,709	3,133,709	0	0	0
RWF Replacement Fund	0	0	0	0	0
Tax Receipts Held in Marin Co Treasury	3,340	0	0	3,340	1
STP SRF Loan Fund-Marine Co Treasury	367,190	367,190	0	0	0
RWS North/South SRF Payment Fund	0	0	0	0	0
<b>Designated Cash (Note 2)</b>					
Liability Contingency Fund	0	0	0	0	0
Self-Insured Workers' Compensation Fund	2,596	0	0	0	2,596
Drought Contingency Fund	0	0	0	0	0
Maintenance Accrual Fund	0	0	0	0	0
Conservation Incentive Rate Fund	0	0	0	0	0
Operating Reserve Fund	60,000	0	0	0	60,000
<b>Total Cash</b>	<b>\$8,868,446</b>	<b>\$8,032,848</b>	<b>\$0</b>	<b>\$710,744</b>	<b>\$124,854</b>
Gain/(Loss) on MV of Investments	10,737	10,737	0	0	0
<b>Market Value of Cash &amp; Investments</b>	<b>\$8,879,183</b>	<b>\$8,043,585</b>	<b>\$0</b>	<b>\$710,744</b>	<b>\$124,854</b>
<b>Current Assets</b>					
Net Receivables - Consumers	\$1,525,303	\$1,403,904	\$7,297	\$82,503	\$31,598
Accounts Receivable - Other	1,582,019	271,211	1,263,470	3,795	43,542
State Revolving Fund Receivable	4,640,915	0	4,640,915	0	0
Provision for Pension Related Debt (Note 13)	2,221,577	2,221,577	0	0	0
Prepaid Expense	31,639	30,115	0	0	1,525
Interest Receivable	14,283	9,486	4,797	0	0
Inventories	586,256	586,256	0	0	0
Loan Origination Fee	85,428	74,494	0	10,935	0
Deposits Receivable	24,000	24,000	0	0	0
<b>Total Current Assets</b>	<b>\$10,722,362</b>	<b>\$4,625,677</b>	<b>\$5,916,479</b>	<b>\$103,540</b>	<b>\$76,666</b>

**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET ASSETS  
FOR THE PERIOD ENDING MARCH 31, 2013**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
<b>Loans Receivable</b>					
Employee Loans (Note 3)	\$1,444,407	\$1,444,407	\$0	\$0	\$0
Housing Loan Impairment (Note 3)	(390,000)	(390,000)	0	0	0
Due From Other Funds	6,102,728	6,102,728	0	0	0
Other Long Term Receivables	2,333,983	0	2,333,983	0	0
<b>Loans Receivable</b>	<b>\$9,491,117</b>	<b>\$7,157,134</b>	<b>\$2,333,983</b>	<b>\$0</b>	<b>\$0</b>
<b>Property and Plant</b>					
Land & Land Rights	\$1,473,091	\$1,368,872	\$0	\$103,411	\$808
Dam, Lake, & Source Facilities	5,027,081	4,797,638	0	229,444	0
Treatment Facilities	20,865,798	17,374,033	2,666,198	319,913	505,655
Storage Facilities	18,109,617	16,196,307	43,014	1,870,296	0
Transmission Facilities	5,489,830	5,367,506	0	122,324	0
Distribution Facilities	61,391,862	55,032,000	2,271,602	4,088,261	0
Sewer Mains, Pumps, & Laterals	891,741	0	0	0	891,741
<b>Sub-Total</b>	<b>\$113,249,021</b>	<b>\$100,136,355</b>	<b>\$4,980,813</b>	<b>\$6,733,648</b>	<b>\$1,398,205</b>
Less Accumulated Depreciation (Note 5)	(37,641,346)	(33,189,815)	(871,218)	(2,819,566)	(760,747)
<b>Net Property and Plant</b>	<b>\$75,607,675</b>	<b>\$66,946,540</b>	<b>\$4,109,595</b>	<b>\$3,914,082</b>	<b>\$637,458</b>
<b>Buildings and Equipment</b>					
Buildings	\$1,785,152	\$1,785,152	\$0	\$0	\$0
Office Equipment	814,447	814,447	0	0	0
Laboratory Equipment	304,815	304,815	0	0	0
Trucks & Automobiles	1,151,490	1,151,490	0	0	0
Construction Equipment	762,213	745,835	16,378	0	0
Tools, Shop Equipment	218,586	218,586	0	0	0
<b>Sub-Total</b>	<b>\$5,036,703</b>	<b>\$5,020,325</b>	<b>\$16,378</b>	<b>\$0</b>	<b>\$0</b>
Less Accumulated Depreciation	(3,534,598)	(3,528,456)	(6,142)	0	0
<b>Net Buildings and Equipment</b>	<b>\$1,502,105</b>	<b>\$1,491,869</b>	<b>\$10,236</b>	<b>\$0</b>	<b>\$0</b>
<b>Construction In Progress</b>					
Developer	\$878,258	\$876,786	\$0	\$0	\$1,471
District	17,294,649	2,446,870	14,020,641	568,534	258,603
<b>Total Construction in Progress</b>	<b>\$18,172,907</b>	<b>\$3,323,657</b>	<b>\$14,020,641</b>	<b>\$568,534</b>	<b>\$260,075</b>
<b>Net Utility Plant</b>	<b>\$95,282,687</b>	<b>\$71,762,065</b>	<b>\$18,140,473</b>	<b>\$4,482,616</b>	<b>\$897,533</b>
<b>TOTAL ASSETS</b>	<b>\$124,375,349</b>	<b>\$91,588,461</b>	<b>\$26,390,935</b>	<b>\$5,296,900</b>	<b>\$1,099,052</b>

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**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET ASSETS  
FOR THE PERIOD ENDING MARCH 31, 2013**

	<u>TOTAL</u>	<u>NOVATO WATER</u>	<u>NOVATO RECYCLED</u>	<u>WEST MARIN WATER</u>	<u>OCEANA MARIN SEWER</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities</b>					
Trade Accounts Payable	\$1,148,614	\$996,667	\$146,752	\$0	\$5,195
Bond Debt Principal Payable-Current	21,731	0	0	21,731	0
Loan Debt Principal Payable-Current	953,782	724,404	227,233	2,145	0
Bank of Marin Principal Payable-Current	297,715	259,607	0	38,107	0
Bond/Loan Debt Interest Payable-Current	4,648	2,988	0	1,660	0
Accrued Interest Payable-SRF Loan	198,895	84,948	113,947	0	0
Deposits/Performance Bonds	126,162	103,274	0	21,388	1,500
Unemployment Insurance Reserve (Note 8)	26,053	26,053	0	0	0
Workers' Comp Future Claims Payable	19,880	18,826	219	616	219
Payroll Benefits (Note 9)	774,369	731,371	8,545	25,429	9,023
Due To Other Funds	6,102,728	0	6,102,728	0	0
Deferred Revenue	39,498	0	0	0	39,498
<b>Total Current Liabilities</b>	<b>\$9,725,627</b>	<b>\$2,959,692</b>	<b>\$6,599,423</b>	<b>\$111,077</b>	<b>\$55,435</b>
<b>Restricted Liabilities</b>					
Construction Advances	\$291,708	\$289,179	\$0	\$0	\$2,529
<b>Total Restricted Liabilities</b>	<b>\$291,708</b>	<b>\$289,179</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,529</b>
<b>Long Term Liabilities (Note 7)</b>					
Bonds Outstanding - PR6 (FmHA)	\$84,000	\$0	\$0	\$84,000	\$0
Bonds Outstanding - OL2 (NMWD)	3,921	0	0	3,921	0
Bonds Outstanding - PRE1 (FmHA)	72,000	0	0	72,000	0
Drought Loan (EDA)	74,491	65,435	0	9,056	0
STP Rehab SRF Loan	13,462,734	13,462,734	0	0	0
RWF SRF Loan	3,218,157	0	3,218,157	0	0
RWS North/South Expansion SRF Loan	8,577,132	0	8,577,132	0	0
Bank of Marin Loan	7,297,551	6,363,397	0	934,154	0
Pension Related Debt (Note 13)	2,221,577	2,221,577	0	0	0
Retiree Health Benefits Payable	533,483	533,483	0	0	0
<b>Total Long Term Liabilities</b>	<b>\$35,545,045</b>	<b>\$22,646,626</b>	<b>\$11,795,289</b>	<b>\$1,103,130</b>	<b>\$0</b>
<b>TOTAL LIABILITIES</b>	<b>\$45,562,380</b>	<b>\$25,895,497</b>	<b>\$18,394,712</b>	<b>\$1,214,207</b>	<b>\$57,964</b>

**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET ASSETS  
FOR THE PERIOD ENDING MARCH 31, 2013**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
<b>Net Assets</b>					
<b>Invested in Capital Assets</b>					
Contributions in Aid of Construction	\$62,187,555	\$55,315,071	\$4,104,370	\$2,096,967	\$671,147
Grants in Aid of Construction	5,018,134	114,420	3,520,499	1,383,215	0
Connection Fees (Note 15)	28,763,578	25,514,302	1,679,524	1,109,428	460,323
<b>Total Investment</b>	<b>\$95,969,267</b>	<b>\$80,943,793</b>	<b>\$9,304,394</b>	<b>\$4,589,610</b>	<b>\$1,131,470</b>
<b>Restricted Reserves</b>					
Connection Fee Fund	\$586,580	\$436,887	\$0	\$196,836	(\$47,143)
Wohler Pipeline Financing Fund	344,180	344,180	0	0	0
Collector #6 Financing Fund	1,588,331	1,588,331	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	6,643,903	5,988,423	0	655,480	0
Retiree Medical Insurance Fund	2,600,302	2,600,302	0	0	0
RWF Replacement Fund	161,661	0	161,661	0	0
RWS North/South SRF Payment Fund	622,735	0	622,735	0	0
<b>Designated Reserves</b>					
Liability Contingency Fund	414,700	315,815	0	98,885	0
Maintenance Accrual Fund	3,890,681	3,890,681	0	0	0
Self-Insured Workers' Compensation Fund	201,871	190,244	2,379	6,871	2,377
Conservation Incentive Rate Fund	59,649	0	0	59,649	0
Operating Reserve Fund	120,000	0	60,000	0	60,000
Earned Surplus - Prior Yrs	(34,546,400)	(30,301,499)	(2,358,751)	(1,784,342)	(101,809)
Net Income/(Loss)	399,147	611,801	(339,091)	127,778	(1,341)
FRC Transfer Prior Year	0	(1,168,010)	1,168,010	0	0
Transfer (To)/From Reserves (see below)	(273,638)	252,017	(625,114)	101,925	(2,466)
<b>Total Restricted &amp; Designated</b>	<b>(\$17,156,297)</b>	<b>(\$15,250,828)</b>	<b>(\$1,308,171)</b>	<b>(\$506,917)</b>	<b>(\$90,381)</b>
<b>TOTAL NET ASSETS</b>	<b>\$78,812,969</b>	<b>\$65,692,964</b>	<b>\$7,996,223</b>	<b>\$4,082,694</b>	<b>\$1,041,089</b>
<b>Transfer (To)/From Reserves</b>					
Wohler Pipeline Financing	\$55,894	\$55,894	\$0	\$0	\$0
Collector #6 Financing	146,972	146,972	0	0	0
Connection Fee	(8,889)	(8,579)	0	(221)	(89)
Liability Reserve	0	16,000	0	(16,000)	0
Maintenance Reserve	(75,000)	(75,000)	0	0	0
Retiree Medical Insurance Fund	(9,282)	(9,282)	0	0	0
(Gain)/Loss Self-Insured WC Fund	(95,404)	(83,777)	(2,379)	(6,871)	(2,377)
Bank of Marin Project Fund	338,829	209,789	0	129,040	0
RWS North/South SRF Payment Fund	(622,735)	0	(622,735)	0	0
Conservation Incentive Rate Fund	(4,022)	0	0	(4,022)	0
<b>Total Transfer</b>	<b>(\$273,638)</b>	<b>\$252,017</b>	<b>(\$625,114)</b>	<b>\$101,925</b>	<b>(\$2,466)</b>

**NORTH MARIN WATER DISTRICT  
SOURCES AND USES OF FUNDS STATEMENT - ALL SERVICE AREAS COMBINED  
FOR PERIOD ENDING MARCH 31, 2013**

	YTD Actual	Annual Budget	YTD/ Budget %	Prior YTD Actual
<b>OPERATING REVENUE</b>				
Water Sales	\$9,479,695	\$12,442,000	76%	\$8,709,537
Bimonthly Service Charge	2,678,292	3,630,000	74%	2,145,187
Sewer Service Charge	118,494	158,000	75%	117,813
Wheeling & Misc Service Charges	326,036	448,000	73%	179,343
<b>TOTAL OPERATING REVENUE</b>	<b>\$12,602,517</b>	<b>\$16,678,000</b>	<b>76%</b>	<b>\$11,151,881</b>
<b>OPERATING EXPENDITURES</b>				
Source of Supply	\$3,948,717	\$4,557,000	87%	3,342,524
Pumping	266,866	378,000	71%	219,043
Operations	528,345	575,000	92%	520,185
Water Treatment	1,411,659	1,925,000	73%	1,444,056
Sewer Service	97,495	108,000	90%	83,508
Transmission & Distribution	1,753,557	2,668,000	66%	1,790,238
Consumer Accounting	414,019	570,000	73%	431,091
Water Conservation	185,426	404,000	46%	197,658
General & Administrative	1,194,731	1,499,000	80%	1,071,000
Depreciation Expense	2,029,553	2,719,000	75%	2,012,175
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$11,830,368</b>	<b>\$15,403,000</b>	<b>77%</b>	<b>\$11,111,480</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$772,149</b>	<b>\$1,275,000</b>	<b>61%</b>	<b>\$40,401</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>				
Tax Proceeds	\$50,869	\$95,000	54%	\$57,496
Interest Revenue	71,837	128,000	56%	90,096
Miscellaneous Revenue	128,701	137,000	94%	114,182
Bond & Loan Interest Expense	(579,238)	(828,000)	70%	(641,387)
Miscellaneous Expense	(45,171)	(20,000)	226%	(4,383)
<b>TOTAL NON-OP REVENUE/(EXPENSE)</b>	<b>(\$373,001)</b>	<b>(\$488,000)</b>	<b>76%</b>	<b>(\$383,995)</b>
<b>NET INCOME/(LOSS)</b>	<b>\$399,147</b>	<b>\$787,000</b>	<b>51%</b>	<b>(\$343,594)</b>
<b>OTHER SOURCES/(USES) OF FUNDS</b>				
Connection Fees	\$618,950	\$921,000	67%	\$920,780
Loan Proceeds	1,910,449	4,819,000	40%	9,925,902
Grant Proceeds	1,510,024	2,041,000	74%	888,214
Stone Tree RWF Loan Principal	127,396	192,000	66%	124,381
Add Depreciation Expense	2,029,553	2,719,000	75%	2,012,175
Capital Equipment Expenditures	(106,835)	(233,000)	46%	(186,744)
Capital Improvement Projects	(7,265,504)	(9,622,000)	76%	(5,309,287)
Bond & Loan Principal Payments	(657,346)	(1,334,000)	49%	(506,098)
Change in Working Capital	(206,782)	0	-	402,270
<b>TOTAL OTHER SOURCES/(USES)</b>	<b>(\$2,040,094)</b>	<b>(\$497,000)</b>	<b>410%</b>	<b>\$8,271,593</b>
<b>CASH INCREASE/(DECREASE)</b>	<b>(\$1,640,947)</b>	<b>\$290,000</b>	<b>-</b>	<b>\$7,927,999</b>

**NORTH MARIN WATER DISTRICT  
INCOME STATEMENT AND CASH FLOW BY SERVICE AREA  
FOR PERIOD ENDING MARCH 31, 2013**

<u>SUMMARY INCOME STATEMENT</u>	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Operating Revenue	\$12,602,517	\$11,799,641	\$157,911	\$526,470	\$118,494
Operating Expense	11,830,368	11,028,693	257,164	399,350	145,161
<b>OPERATING INCOME/(LOSS)</b>	<u>\$772,149</u>	<u>\$770,948</u>	<u>(\$99,253)</u>	<u>\$127,121</u>	<u>(\$26,667)</u>
Non-Operating Revenue/(Expense)	(\$373,001)	(\$159,147)	(\$239,838)	\$658	\$25,326
<b>NET INCOME/(LOSS)</b>	<u>\$399,147</u>	<u>\$611,801</u>	<u>(\$339,091)</u>	<u>\$127,778</u>	<u>(\$1,341)</u>
<b>CAPITAL CONTRIBUTIONS</b>					
Developer In-Kind Contributions	\$223,458	\$223,439	\$0	(\$1,451)	\$1,471
Connection Fees	618,950	614,050	0	4,900	0
FRC Transfer	0	(377,855)	377,855	0	0
Capital Grants	1,510,024	0	1,510,024	0	0
<b>CAPITAL CONTRIBUTIONS</b>	<u>\$2,352,432</u>	<u>\$459,633</u>	<u>\$1,887,879</u>	<u>\$3,449</u>	<u>\$1,471</u>
<b>CHANGE IN NET ASSETS</b>	<u>\$2,751,579</u>	<u>(\$96,576)</u>	<u>\$2,716,798</u>	<u>\$131,227</u>	<u>\$131</u>
Net Assets July 1, 2012	76,061,390	65,789,541	5,279,425	3,951,466	1,040,958
Net Assets March 31, 2013	<u>\$78,812,969</u>	<u>\$65,692,965</u>	<u>\$7,996,223</u>	<u>\$4,082,693</u>	<u>\$1,041,089</u>

**CASH FLOW STATEMENT**

Net Income/(Loss)	\$399,147	\$611,801	(\$339,091)	\$127,778	(\$1,341)
Add Depreciation	2,029,553	1,763,066	122,993	111,375	32,120
<b>Cash Generated From Operations</b>	<u>\$2,428,701</u>	<u>\$2,374,866</u>	<u>(\$216,098)</u>	<u>\$239,153</u>	<u>\$30,779</u>
<b>Other Sources (Uses) of Funds</b>					
Consumer Receivables Decr (Incr)	\$1,554,219	\$1,421,971	\$129,723	\$31,370	(\$28,845)
Capital Assets Acquisition	(7,372,338)	(947,547)	(5,902,718)	(310,465)	(211,608)
Construction Advances (Decr) Incr	208,181	224,376	0	(16,194)	0
Other Assets/Liabilities Decr (Incr)	36,810	(702,355)	751,563	(13,584)	1,186
Trade Accounts Payable (Decr) Incr	(2,005,993)	(540,705)	(1,455,257)	0	(10,031)
Loan Proceeds	1,910,449	0	1,910,449	0	0
Grant Proceeds	1,510,024	0	1,510,024	0	0
Connection Fee Revenue	618,950	614,050	0	4,900	0
Connection Fee Transfer	0	(377,855)	377,855	0	0
Stone Tree RWF Loan Principal Pmts	127,396	0	127,396	0	0
Principal Paid on Debt	(657,346)	(551,419)	(48,595)	(57,331)	0
Interdistrict Loan Due To (From)	0	(2,815,658)	2,815,658	0	0
<b>Total Other Sources (Uses)</b>	<u>(\$4,069,648)</u>	<u>(\$3,675,143)</u>	<u>\$216,097</u>	<u>(\$361,305)</u>	<u>(\$249,298)</u>
<b>Net Cash Provided (Used)</b>	<u>(\$1,640,946)</u>	<u>(\$1,300,276)</u>	<u>\$0</u>	<u>(\$122,152)</u>	<u>(\$218,518)</u>
<b>Cash Balance July 1, 2012</b>	<u>10,509,392</u>	<u>9,333,125</u>	<u>0</u>	<u>832,895</u>	<u>343,372</u>
<b>Cash Balance March 31, 2013</b>	<u>\$8,868,446</u>	<u>\$8,032,848</u>	<u>\$0</u>	<u>\$710,744</u>	<u>\$124,854</u>

**NOVATO WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING MARCH 31, 2013**

	MARCH 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>OPERATING REVENUE</b>				
Water Sales	\$806,703	\$9,002,867	77%	\$8,245,635
Bill Adjustments	(4,753)	(95,906)	-	(50,699)
Bimonthly Service Charges	285,594	2,570,342	73%	2,056,275
Account Turn-on Charges	8,304	56,450	76%	55,971
New Account Charges	665	6,925	77%	6,940
Returned Check Charges	99	1,080	54%	1,251
Hydrant Meter Up/Down Charges	300	2,400	60%	3,520
Backflow Service Charges	9,098	76,724	78%	56,097
Lab Service-Outside Clients	1,300	20,523	-	9,268
Wheeling Charges - MMWD	23,595	158,237	63%	43,201
Regulation 15 Forfeiture	0	0	0%	0
<b>TOTAL OPERATING REVENUE</b>	<b>\$1,130,904</b>	<b>\$11,799,641</b>	<b>76%</b>	<b>\$10,427,459</b>
<b>OPERATING EXPENSE</b>				
<b>SOURCE OF SUPPLY</b>				
Supervision & Engineering	\$700	\$5,809	39%	\$6,883
Operating Expense - Source	383	4,036	37%	5,638
Maint/Monitoring of Dam	3,874	25,703	92%	14,841
Maint of Lake & Intakes	7,826	13,804	115%	8,085
Maint of Structures	0	0	0%	0
Maint of Watershed	0	2,880	11%	114
Water Quality Surveillance	1,625	10,328	86%	12,679
Fishery Maint	0	100	3%	1,864
Erosion Control	0	17,525	292%	7,358
Purchased Water (Note 4)	331,469	3,849,337	89%	3,426,361
<b>SOURCE OF SUPPLY</b>	<b>\$345,877</b>	<b>\$3,929,522</b>	<b>88%</b>	<b>\$3,483,824</b>
<b>PUMPING</b>				
Operating Expense - Pumping	\$0	\$0	0%	\$0
Maint of Structures & Grounds	3,834	22,077	60%	22,577
Maint of Pumping Equipment	1,534	31,960	52%	26,871
Electric Power	14,355	192,805	83%	156,332
<b>PUMPING</b>	<b>\$19,722</b>	<b>\$246,842</b>	<b>73%</b>	<b>\$205,780</b>
<b>OPERATIONS</b>				
Supervision & Engineering	\$17,998	\$141,813	99%	\$137,357
Operating Expense - Operations	26,801	203,197	102%	184,891
Maintenance Expense	9,296	72,177	78%	80,987
Telemetry Equipment/Controls Maint	7,985	28,879	42%	53,141
Leased Lines	1,585	13,357	64%	14,513
<b>OPERATIONS</b>	<b>\$63,664</b>	<b>\$459,424</b>	<b>88%</b>	<b>\$470,888</b>

**NOVATO WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING MARCH 31, 2013**

	MARCH 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>WATER TREATMENT</b>				
Supervision & Engineering	\$10,847	\$84,493	122%	\$85,211
Operating Expense - Water Treatment	24,577	213,549	78%	199,905
Purification Chemicals	15,292	256,416	60%	242,548
Sludge Disposal	11,499	76,702	92%	95,725
Maint of Structures & Grounds	3,305	36,632	45%	64,354
Maint of Purification Equipment	10,838	111,421	84%	96,216
Electric Power	10,340	74,030	69%	107,552
Water Quality Programs	7,534	69,047	161%	70,443
Laboratory Direct Labor	29,772	238,341	73%	249,412
Lab Service-Outside Clients	2,550	24,189	173%	12,917
Water Quality Supervision	6,254	45,444	54%	45,012
Laboratory Supplies & Expense	5,011	47,170	81%	41,848
Customer Water Quality	3,663	31,605	54%	28,675
Lab Cost Distributed	(1,893)	(19,389)	84%	(19,025)
<b>WATER TREATMENT</b>	<b>\$139,588</b>	<b>\$1,289,650</b>	<b>74%</b>	<b>\$1,320,793</b>
<b>TRANSMISSION &amp; DISTRIBUTION</b>				
Supervision & Engineering	\$35,492	\$312,133	64%	\$320,069
Maps & Records	7,070	78,973	60%	73,595
Operation of T&D System	7,504	111,395	86%	120,668
Facilities Location	7,882	58,261	166%	54,496
Safety: Construction & Engineering	3,814	32,718	56%	25,197
Customer Service Expense	12,966	125,844	77%	117,517
Flushing	3,730	17,805	89%	48,347
Storage Facilities Expense	8,042	54,356	39%	100,061
Cathodic Protection	728	10,024	72%	12,434
Maint of Valves/Regulators	13,002	97,659	38%	76,423
Maint of Mains	4,289	64,309	42%	37,675
Backflow Prevention Program	6,350	75,112	85%	67,255
Maint of Copper Services	9,308	114,219	57%	147,450
Maint of PB Service Lines	25,831	382,603	101%	359,926
Single Service Installations	(6,864)	(4,012)	-	4,736
Maint of Meters	6,285	62,371	39%	92,002
Detector Check Assembly Maint	338	6,346	11%	25,393
Maint of Hydrants	2,556	25,329	42%	17,957
<b>TRANSMISSION &amp; DISTRIBUTION</b>	<b>\$148,322</b>	<b>\$1,625,445</b>	<b>64%</b>	<b>\$1,701,200</b>
<b>CONSUMER ACCOUNTING</b>				
Meter Reading	\$12,536	\$111,599	83%	\$103,252
Collection Expense - Labor	2,947	21,697	72%	20,774
Collection Expense - Agency	0	1,304	65%	1,199
Billing & Consumer Accounting	23,144	187,626	69%	209,713
Contract Billing	1,059	13,467	71%	13,753
Stationery, Supplies & Postage	3,661	46,901	70%	48,339
Uncollectable Accounts	1,515	17,436	62%	20,955
Office Equipment Expense	548	6,834	114%	6,113
Distributed to West Marin (3.7%)	(1,174)	(10,501)	70%	(11,563)
<b>CONSUMER ACCOUNTING</b>	<b>\$44,235</b>	<b>\$396,364</b>	<b>73%</b>	<b>\$412,535</b>

**NOVATO WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING MARCH 31, 2013**

	MARCH 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>WATER CONSERVATION</b>				
Residential	\$16,913	\$159,697	54%	\$156,921
Commercial	182	769	3%	1,027
Public Outreach/Information	910	14,405	29%	27,873
Large Landscape	745	10,033	37%	11,277
<b>TOTAL WATER CONSERVATION</b>	<b>\$18,749</b>	<b>\$184,904</b>	<b>46%</b>	<b>\$197,098</b>
<b>GENERAL AND ADMINISTRATIVE</b>				
Directors Fees	\$400	\$10,100	67%	\$11,000
Legal Fees	648	5,086	46%	3,993
Human Resources	3,098	24,260	84%	15,580
Auditing Fees	0	20,600	98%	28,900
Consultants	2,385	41,215	94%	26,432
General Office Salaries	100,760	906,041	77%	915,478
Safety: General District Wide	349	11,094	79%	14,327
Office Supplies	1,466	20,270	41%	17,422
Employee Events	118	5,682	71%	5,716
Other Administrative Expense	1,775	14,717	92%	12,879
Dues & Subscriptions	675	45,402	91%	48,835
Vehicle Expense	676	6,084	76%	6,084
Meetings, Conferences & Training	12,994	83,907	54%	58,431
Recruitment Expense	167	718	36%	882
Gas & Electricity	3,152	21,316	82%	18,364
Telephone	459	2,397	60%	2,421
Water	0	1,103	110%	879
Buildings & Grounds Maint	2,403	34,056	100%	28,077
Office Equipment Expense	5,802	62,892	72%	55,835
Insurance Premiums & Claims	6,058	58,099	58%	83,738
Retiree Medical Benefits	13,992	134,405	78%	128,175
Expensed Equipment Purchases	0	0	-	3,383
(Gain)/Loss on Self-Ins Workers' Comp	(11,044)	(96,941)	194%	(47,608)
(Gain)/Loss on Overhead Charges	(37,165)	53,819	-36%	(123,218)
G&A Applied to Other Operations (6.3%)	(6,055)	(59,372)	67%	(75,919)
G&A Applied to Construction	(38,135)	(273,473)	83%	(243,964)
<b>GENERAL &amp; ADMINISTRATIVE</b>	<b>\$64,976</b>	<b>\$1,133,476</b>	<b>80%</b>	<b>\$996,370</b>
Depreciation (Note 5)	195,805	1,763,066	75%	1,746,258
<b>TOTAL OPERATING EXPENSE</b>	<b>\$1,040,940</b>	<b>\$11,028,693</b>	<b>77%</b>	<b>\$10,534,747</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>\$89,964</b>	<b>\$770,948</b>	<b>60%</b>	<b>(\$107,289)</b>

**NOVATO WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING MARCH 31, 2013**

	MARCH 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>NON-OPERATING REVENUE</b>				
Interest:				
General Funds	\$1	\$0	0%	\$11,595
Facility Reserve Charge Fund	15	1,198	30%	4,354
Wohler Pipeline Financing Fund	138	1,166	58%	2,229
Collector #6 Financing Fund	635	5,225	75%	9,324
Retiree Medical Insurance Fund	1,257	9,815	82%	10,131
Self-Insured Workers' Comp Fund	0	0	-	33
Aqueduct Energy Efficiency Proj Fund	779	6,864	29%	0
Recycled Water Advance (Note 10)	15,752	135,351	1692%	0
West Marin Water Advance (Note 10)	0	0	0%	3,269
<b>Total Interest Revenue</b>	<b>\$18,578</b>	<b>\$159,619</b>	<b>266%</b>	<b>\$40,935</b>
Rents & Leases	3,877	55,802	85%	53,833
Other Non-Operating Revenue	12,823	67,718	101%	41,594
Gain/(Loss) on MV of Investments	1,355	(1,224)	-	14,517
<b>NON-OPERATING REVENUE</b>	<b>\$36,633</b>	<b>\$281,915</b>	<b>146%</b>	<b>\$150,879</b>
<b>NON-OPERATING EXPENSE</b>				
Bank of Marin AEEP Loan Interest Exp	\$19,268	\$173,079	75%	\$113,179
STP SRF Loan Interest Expense	28,769	258,479	74%	271,792
Drought Loan Interest Expense	332	2,988	60%	3,504
Other Non-Operating Expense	38	6,517	33%	3,100
<b>NON-OPERATING EXPENSE</b>	<b>\$48,406</b>	<b>\$441,062</b>	<b>73%</b>	<b>\$391,576</b>
<b>NET INCOME/(LOSS)</b>	<b>\$78,191</b>	<b>\$611,801</b>	<b>69%</b>	<b>(\$347,985)</b>
 <b>BEGINNING FUND EQUITY</b>				
		\$65,789,541		\$65,458,806
NET INCOME/(LOSS)	78,191	611,801		(347,985)
<b>CONTRIBUTED CAPITAL</b>				
Developer 'In-Kind' Contributions	42,954	223,439	-	433,547
Connection Fees	457,600	614,050	71%	911,880
FRC Transfer to Recycled Water	(6,375)	(377,855)	0%	0
FRC Transfer to Recycled Water Prior Yr	0	(1,168,010)	0%	0
<b>ENDING FUND EQUITY</b>		<b>\$65,692,965</b>		<b>\$66,456,248</b>



**NOVATO RECYCLED WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING MARCH 31, 2013**

	MARCH 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>OPERATING REVENUE</b>				
Recycled Water Sales	\$11,550	\$154,870	61%	\$123,964
Bill Adjustments	0	(1,752)	-	0
Bimonthly Service Charges	570	4,457	74%	2,224
Backflow Service Charges	0	336	-	268
<b>TOTAL OPERATING REVENUE</b>	<b>\$12,120</b>	<b>\$157,911</b>	<b>61%</b>	<b>\$126,456</b>
<b>OPERATING EXPENSE</b>				
<b>SOURCE OF SUPPLY</b>				
Purchased Water - NSD	\$0	\$0	0%	\$0
Purchased Water - LGVSD	0	0	0%	0
<b>SOURCE OF SUPPLY</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$0</b>
<b>PUMPING</b>				
Maint of Structures & Grounds	\$0	\$0	-	\$555
Maint of Pumping Equipment	0	99	5%	319
<b>PUMPING</b>	<b>\$0</b>	<b>\$99</b>	<b>5%</b>	<b>\$875</b>
<b>OPERATIONS</b>				
Supervision & Engineering	\$1,258	\$14,209	355%	\$5,223
Operating Expense - Operations	2,001	7,081	118%	6,517
Potable Water Consumed	5,954	23,958	-	13,121
Maintenance Expense	0	0	0%	353
Telemetry Equipment/Controls Maint	0	1,716	19%	3,290
<b>OPERATIONS</b>	<b>\$9,213</b>	<b>\$46,964</b>	<b>213%</b>	<b>\$28,505</b>
<b>WATER TREATMENT</b>				
Purification Chemicals	\$1,251	\$19,862	66%	\$13,394
Maint of Structures & Grounds	0	0	-	342
Maint of Purification Equipment	1,494	1,856	46%	1,307
Electric Power	95	4,625	116%	4,920
Laboratory Direct Labor	578	12,722	42%	14,433
Lab Expense Distributed from Novato	255	7,061	54%	7,568
<b>WATER TREATMENT</b>	<b>\$3,674</b>	<b>\$46,126</b>	<b>57%</b>	<b>\$41,964</b>
<b>TRANSMISSION &amp; DISTRIBUTION</b>				
Supervision & Engineering	\$465	\$5,042	34%	\$1,682
Maps & Records	9	9	-	0
Operation of T&D System	0	6,304	630%	57
Storage Facilities Expense	241	17,327	-	504
Maint of Valves/Regulators	0	148	-	0
Backflow Prevention Program	0	0	0%	0
Maint of Meters	0	0	-	260
<b>TRANSMISSION &amp; DISTRIBUTION</b>	<b>\$714</b>	<b>\$28,831</b>	<b>107%</b>	<b>\$2,503</b>
<b>GENERAL AND ADMINISTRATIVE</b>				
Distributed from Novato (1.1%)	\$1,239	\$12,153	68%	\$14,740
<b>GENERAL &amp; ADMINISTRATIVE</b>	<b>\$1,239</b>	<b>\$12,153</b>	<b>68%</b>	<b>\$14,740</b>
<b>Depreciation</b> (Note 5)	<b>13,660</b>	<b>122,993</b>	<b>75%</b>	<b>122,224</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$28,501</b>	<b>\$257,164</b>	<b>69%</b>	<b>\$210,810</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>(\$16,381)</b>	<b>(\$99,253)</b>	<b>88%</b>	<b>(\$84,354)</b>

**NOVATO RECYCLED WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING MARCH 31, 2013**

	MARCH 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>NON-OPERATING REVENUE</b>				
Interest:				
RWF Replacement Fund	\$0	\$0	-	\$90
Stone Tree RWF Loan	4,797	44,449	75%	47,845
<b>Total Interest Revenue</b>	<b>\$4,797</b>	<b>\$44,449</b>	<b>75%</b>	<b>\$47,935</b>
Other Non-Operating Revenue	0	0	-	0
<b>NON-OPERATING REVENUE</b>	<b>\$4,797</b>	<b>\$44,449</b>	<b>75%</b>	<b>\$47,935</b>
<b>NON-OPERATING EXPENSE</b>				
RWF SRF Loan Interest Expense	\$6,956	\$61,485	75%	\$65,091
Expansion SRF Loan Interest Expense	7,395	49,404	41%	0
Other Non-Operating Expense	0	38,047	-	616
Interest-Advance from Novato (Note 10)	15,752	135,351	-	0
<b>NON-OPERATING EXPENSE</b>	<b>\$30,104</b>	<b>\$284,287</b>	<b>141%</b>	<b>\$65,707</b>
<b>NET INCOME/(LOSS)</b>	<b>(\$41,687)</b>	<b>(\$339,091)</b>	<b>132%</b>	<b>(\$102,127)</b>
<b>BEGINNING FUND EQUITY</b>		\$5,279,424		\$5,051,917
NET INCOME/(LOSS)	(41,687)	(339,091)		(102,127)
State Prop 50 Grant	0	0	0%	0
IRWMP Prop 84 Grant	922	529,432	272%	0
Water Smart Grant	0	955,255	146%	0
Federal ARRA Grant	0	25,337	2%	888,214
FRC Transfer from Novato	6,375	377,855	0%	0
FRC Transfer from Novato Prior Yr	0	1,168,010		0
<b>ENDING FUND EQUITY</b>		<b>\$7,996,222</b>		<b>\$5,838,004</b>

**WEST MARIN WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING MARCH 31, 2013**

	MARCH 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>OPERATING REVENUE</b>				
Water Sales	\$20,437	\$430,796	79%	\$397,563
Bill Adjustments	(234)	(11,179)	-	(6,926)
Bimonthly Service Charges	11,729	103,493	91%	86,688
Account Turn-on Charges	20	662	74%	559
New Account Charges	5	145	73%	135
Returned Check Charges	27	54	-	36
Backflow Service Charges	0	2,500	64%	1,947
Lab Service-Outside Clients	0	0	-	150
<b>TOTAL OPERATING REVENUE</b>	<b>\$31,984</b>	<b>\$526,470</b>	<b>79%</b>	<b>\$480,154</b>
<b>OPERATING EXPENSE</b>				
<b>SOURCE OF SUPPLY</b>				
Operating Expense	\$461	\$11,652	233%	\$7,938
Operating Supplies & Expense	0	0	-	2,341
Maint of Structures	0	7,543	24%	7,475
Water Quality Surveillance	0	0	0%	0
<b>SOURCE OF SUPPLY</b>	<b>\$461</b>	<b>\$19,195</b>	<b>52%</b>	<b>\$17,755</b>
<b>PUMPING</b>				
Operating Labor	\$0	\$0	0%	\$0
Maint of Structures and Grounds	737	4,636	42%	1,668
Maint of Pumping Equip	754	3,524	29%	467
Electric Power	1,024	11,764	78%	10,254
<b>PUMPING</b>	<b>\$2,514</b>	<b>\$19,925</b>	<b>51%</b>	<b>\$12,389</b>
<b>OPERATIONS</b>				
Supervision & Engineering	\$470	\$3,292	110%	\$2,497
Operating Expense	808	10,062	168%	7,661
Maint of Telemetry Equipment	3,182	4,952	31%	7,008
Leased Lines	788	3,651	73%	3,625
<b>OPERATIONS</b>	<b>\$5,248</b>	<b>\$21,957</b>	<b>73%</b>	<b>\$20,792</b>
<b>WATER TREATMENT</b>				
Supervision & Engineering	\$282	\$3,660	61%	\$3,486
Operating Expense	68	6,345	49%	9,540
Purification Chemicals	50	150	3%	5,460
Maint of Structures & Grounds	0	0	0%	0
Maint of Purification Equipment	1,044	5,202	31%	8,049
Electric Power	1,702	18,956	73%	15,614
Laboratory Direct Labor	3,172	22,401	102%	18,871
Laboratory Services	0	1,981	50%	2,400
Water Quality Supervision	94	2,587	86%	3,240
Customer Water Quality	134	2,273	45%	3,478
Lab Expense Distributed from Novato	1,638	12,328	123%	11,161
<b>WATER TREATMENT</b>	<b>\$8,184</b>	<b>\$75,883</b>	<b>68%</b>	<b>\$81,299</b>

**WEST MARIN WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING MARCH 31, 2013**

	MARCH 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>TRANSMISSION &amp; DISTRIBUTION</b>				
Supervision & Engineering	\$2,476	\$14,569	104%	\$11,008
Maps & Records	147	3,314	110%	1,673
Operating Expense	0	113	-	186
Facilities Location - USA	190	1,847	46%	1,355
Customer Service Expense	976	9,984	55%	10,701
Flushing	5,639	5,639	188%	0
Storage Facilities Expense	568	11,447	72%	24,578
Cathodic Protection	0	1,020	-	1,628
Maint of Valves	6,206	6,206	103%	657
Valve Operation Program	0	115	2%	0
Maint of Mains	0	434	9%	0
Water Quality Maintenance	0	725	-	6,530
Maint of Backflow Devices	0	0	0%	0
Backflow Dev Inspection/Survey	338	1,157	19%	3,024
Maint of Copper Services	0	6,931	139%	4,189
Maint of PB Service Lines	(1,296)	33,117	301%	14,949
Maint of Meters	231	1,002	50%	1,126
Detector Check Assembly Maint	0	0	0%	1,783
Maint of Hydrants	0	0	0%	0
Hydrant Operation	0	0	0%	0
Single Service Installation	0	1,660	-	3,149
<b>TRANSMISSION &amp; DISTRIBUTION</b>	<b>\$15,475</b>	<b>\$99,282</b>	<b>95%</b>	<b>\$86,535</b>
<b>CONSUMER ACCOUNTING</b>				
Meter Reading	\$605	\$5,549	50%	\$5,353
Collection Expense - Labor	80	839	42%	821
Uncollectable Accounts	298	424	-	478
Distributed from Novato (3.6%)	1,027	9,216	71%	9,958
<b>CONSUMER ACCOUNTING</b>	<b>\$2,011</b>	<b>\$16,029</b>	<b>62%</b>	<b>\$16,610</b>
<b>WATER CONSERVATION</b>				
Water Conservation Program	\$408	\$522	13%	\$560
<b>TOTAL WATER CONSERVATION</b>	<b>\$408</b>	<b>\$522</b>	<b>13%</b>	<b>\$560</b>
<b>GENERAL AND ADMINISTRATIVE</b>				
Distributed from Novato (3.1%)	\$3,586	\$35,160	69%	\$43,393
Expensed Improvement Projects	(\$48)	\$0	-	\$0
<b>GENERAL &amp; ADMINISTRATIVE</b>	<b>\$3,560</b>	<b>\$35,182</b>	<b>69%</b>	<b>\$43,393</b>
Depreciation (Note 5)	12,399	111,375	73%	112,881
<b>TOTAL OPERATING EXPENSE</b>	<b>\$50,260</b>	<b>\$399,350</b>	<b>72%</b>	<b>\$392,213</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>(\$18,276)</b>	<b>\$127,121</b>	<b>117%</b>	<b>\$87,940</b>

**WEST MARIN WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING MARCH 31, 2013**

	MARCH 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>NON-OPERATING REVENUE</b>				
Interest - FRC	\$79	\$221	-	\$0
Interest - Bank of Marin Project Fund	224	2,346	39%	0
Rents & Leases	0	3,917	98%	3,424
Tax Proceeds - PR-3 G.O. Bond	7	290	-	7,876
Tax Proceeds - OL-2 G.O. Bond	3	2,929	73%	2,301
Tax Proceeds - PR-2 Tax Allocation	77	23,067	51%	22,908
Conservation Incentive Rate Fund	0	1	-	0
Other Non-Operating Revenue	0	1,984	-	0
<b>NON-OPERATING REVENUE</b>	<b>\$390</b>	<b>\$34,755</b>	<b>59%</b>	<b>\$36,508</b>
<b>NON-OPERATING EXPENSE</b>				
Bank of Marin Loan Interest Expense	\$2,828	\$25,771	78%	\$0
PR-3 G.O. Bond Interest Expense	0	339	48%	850
OL-2 G.O. Bond Interest Expense	32	376	75%	504
PRE-1 Revenue Bond Interest Exp	383	3,449	77%	3,787
PR-6 Revenue Bond Interest Exp	383	3,450	73%	3,750
Drought Loan Interest Expense	47	419	70%	496
Interest-Advance from Novato (Note 10)	0	0	-	3,269
Other Non-Operating Expense	0	294	29%	279
<b>NON-OPERATING EXPENSE</b>	<b>\$3,673</b>	<b>\$34,098</b>	<b>76%</b>	<b>\$12,935</b>
<b>NET INCOME/(LOSS)</b>	<b>(\$21,559)</b>	<b>\$127,778</b>	<b>104%</b>	<b>\$111,514</b>
<b>BEGINNING FUND EQUITY</b>				
NET INCOME/(LOSS)	(21,559)	127,778		111,514
<b>CONTRIBUTED CAPITAL</b>				
Developer 'In-Kind' Contributions	0	(1,451)		49,094
Connection Fees	0	4,900	11%	8,900
<b>ENDING FUND EQUITY</b>		<b>\$4,082,693</b>		<b>\$4,105,676</b>

**OCEANA MARIN SEWER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING MARCH 31, 2013**

	MARCH 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>OPERATING REVENUE</b>				
Sewer Service Charges	\$13,166	\$118,494	75%	\$117,813
<b>TOTAL OPERATING REVENUE</b>	<b>\$13,166</b>	<b>\$118,494</b>	<b>75%</b>	<b>\$117,813</b>
<b>OPERATING EXPENSE</b>				
<b>SEWAGE COLLECTION</b>				
Supervision & Engineering	\$2,977	\$8,261	118%	\$3,714
Inspection	0	72	-	0
Operating Expense	275	1,180	59%	1,273
Facilities Location	545	756	76%	1,054
Maint of Lift Stations	186	4,595	459%	2,080
Electric Power	654	6,807	68%	7,010
<b>SEWAGE COLLECTION</b>	<b>\$4,636</b>	<b>\$21,670</b>	<b>103%</b>	<b>\$15,130</b>
<b>SEWAGE TREATMENT</b>				
Operating Expense	\$286	\$13,823	99%	\$13,365
Maint of Structures	0	277	-	1,213
Maint of Equipment	0	2,294	-	500
Laboratory Direct Labor	0	0	-	566
Lab Expense Distributed from Novato	0	0	-	297
Electric Power	669	5,844	97%	5,473
<b>SEWAGE TREATMENT</b>	<b>\$955</b>	<b>\$22,238</b>	<b>111%</b>	<b>\$21,413</b>
<b>SEWAGE DISPOSAL</b>				
Operating Expense	\$0	\$495	-	\$0
Maint of Pump Stations	\$370	\$5,435	272%	\$837
Maint of Storage Ponds	0	966	-	0
Maint of Irrigation Field	0	0	-	218
<b>SEWAGE DISPOSAL</b>	<b>\$370</b>	<b>\$6,895</b>	<b>345%</b>	<b>\$1,054</b>
<b>CONTRACT OPERATIONS</b>				
Contract Operations	\$5,188	\$46,692	73%	\$45,911
Equipment Replacements/Upgrades	0	0	0%	0
<b>CONTRACT OPERATIONS</b>	<b>\$5,188</b>	<b>\$46,692</b>	<b>72%</b>	<b>\$45,911</b>
<b>CONSUMER ACCOUNTING</b>				
Collection Expense - County of Marin	\$0	\$341	-	\$341
Distributed from Novato (0.6%)	146	1,285	64%	1,605
<b>CONSUMER ACCOUNTING</b>	<b>\$146</b>	<b>\$1,626</b>	<b>81%</b>	<b>\$1,946</b>
<b>GENERAL AND ADMINISTRATIVE</b>				
Distributed from Novato (1.1%)	\$1,230	\$12,060	67%	\$14,656
Liability Insurance	169	1,860	62%	2,142
<b>GENERAL AND ADMINISTRATIVE</b>	<b>\$1,399</b>	<b>\$13,920</b>	<b>66%</b>	<b>\$16,798</b>
<b>Depreciation</b> (Note 5)	<b>3,797</b>	<b>32,120</b>	<b>78%</b>	<b>30,813</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$16,492</b>	<b>\$145,161</b>	<b>84%</b>	<b>\$133,065</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>(\$3,326)</b>	<b>(\$26,667)</b>	<b>190%</b>	<b>(\$15,252)</b>

**OCEANA MARIN SEWER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING MARCH 31, 2013**

	<u>MARCH 2013</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
<b><u>NON-OPERATING REVENUE</u></b>				
Rents & Leases	\$0	\$500	50%	\$500
Interest - Connection Fee Reserve	0	71	-	395
Interest - General Funds	34	476	16%	830
Interest - Self Insured WC Fund	1	6	-	2
Tax Proceeds - OM-1/OM-3 Tax Alloc	83	24,583	53%	24,412
Other Non-Operating Revenue	0	4	-	313
<b>NON-OPERATING REVENUE</b>	<b>\$118</b>	<b>\$25,639</b>	<b>51%</b>	<b>\$26,453</b>
<b><u>NON-OPERATING EXPENSE</u></b>				
Other Non-Operating Expense	\$0	\$313	-	\$388
<b>NON-OPERATING EXPENSE</b>	<b>\$0</b>	<b>\$313</b>	<b>-</b>	<b>\$388</b>
<b>NET INCOME/(LOSS)</b>	<b>(\$3,208)</b>	<b>(\$1,341)</b>	<b>(4%)</b>	<b>\$10,813</b>
<b><u>BEGINNING FUND EQUITY</u></b>				
NET INCOME/(LOSS)	(3,208)	(1,341)		10,813
<b><u>CONTRIBUTED CAPITAL</u></b>				
Contribution in Aid of Construction	1,471	1,471	-	0
Connection Fees	0	0	0%	0
<b>ENDING FUND EQUITY</b>		<b>\$1,041,089</b>		<b>\$1,050,575</b>

**NORTH MARIN WATER DISTRICT  
ANALYSIS OF WORKER'S COMP, CONNECTION FEE AND CIR FUNDS  
FOR PERIOD ENDING MARCH 31, 2013**

	TOTAL	NOVATO WATER	WEST MARIN WATER	OCEANA MARIN SEWER	RECYCLED WATER
<b><u>WORKERS' COMPENSATION FUND</u></b>					
WC Cash Balance 7/1/12	\$1,593	\$0	\$0	\$1,593	\$0
Less: Projected Prior FY Claims Liability	21,783	20,440	800	271	272
Add: Funds borrowed to subsidize operations	126,657	120,341	4,714	0	1,602
<b>WC Reserve Balance 7/1/12</b>	<b>\$106,467</b>	<b>\$99,901</b>	<b>\$3,914</b>	<b>\$1,322</b>	<b>\$1,330</b>
Add: WC Expense Charged to Operations FYTD	141,121	133,642	4,375	1,552	1,552
Interest Earned	6	0	0	6	0
Subtotal	\$247,594	\$233,543	\$8,289	\$2,880	\$2,882
Less: Claims Expense Paid	901	853	28	10	10
Excess Insurance Premium	35,822	33,923	1,110	394	394
Administration Fees	9,000	8,523	279	99	99
<b>WC Reserve Balance 3/31/13</b>	<b>\$201,871</b>	<b>\$190,243</b>	<b>\$6,871</b>	<b>\$2,377</b>	<b>\$2,379</b>
Add: Projected Claims Liability	19,880	18,826	616	219	219
Funds borrowed to subsidize operations	(219,156)	(209,069)	(7,488)	0	(2,599)
<b>WC CASH BALANCE 3/31/13</b>	<b>\$2,597</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,596</b>	<b>\$0</b>
<b><u>CONNECTION FEE FUND</u></b>					
Connection Fee Cash Balance 7/1/12	\$807,417	\$757,461	\$0	\$49,956	
Add: funds borrowed to subsidize operations	255,365	0	255,365	0	
<b>Connection Fee Reserve Balance 7/1/12</b>	<b>\$1,062,782</b>	<b>\$757,461</b>	<b>\$255,365</b>	<b>\$49,956</b>	
Add: Connection Fees Collected FYTD	618,950	614,050	4,900	0	
Interest Earned	1,490	1,198	221	71	
Subtotal	\$1,683,222	\$1,372,709	\$260,486	\$50,027	
Less: Fees Expended FYTD	718,787	557,967	63,650	97,170	
Fees transferred to RWS FYTD (Note 15)	377,855	377,855	0	0	
<b>Connection Fee Reserve Balance 3/31/13</b>	<b>\$586,580</b>	<b>\$436,887</b>	<b>\$196,836</b>	<b>(\$47,143)</b>	
Less: Funds borrowed to subsidize operations	(47,143)	0	0	(47,143)	
<b>CONNECTION FEE CASH BALANCE 3/31/13</b>	<b>\$633,723</b>	<b>\$436,887</b>	<b>\$196,836</b>	<b>\$0</b>	
<b><u>CONSERVATION INCENTIVE RATE FUND</u></b>					
CIR Cash Balance 7/1/12	\$0	\$0	\$0		
Add funds borrowed to subsidize operations	55,627	0	55,627		
<b>CIR Reserve Balance 7/1/12</b>	<b>\$55,627</b>	<b>\$0</b>	<b>\$55,627</b>		
Add: CIR Charges Billed FYTD	62,667	54,254	8,413		
Regulation 15 Forfeitures	0	0	0		
Interest Earned	1	0	1		
Subtotal	\$118,295	\$54,254	\$64,041		
Less: CIR Funds Expended FYTD <sup>1</sup>	37,562	37,040	522		
Bill Adjustments	19,721	17,409	2,312		
<b>CIR Reserve Balance 3/31/13</b>	<b>61,013</b>	<b>(\$194)</b>	<b>\$61,207</b>		
Less funds borrowed to subsidize operations	61,013	(194)	61,207		
<b>CIR CASH BALANCE 3/31/13</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		

<sup>1</sup> 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, 2013**

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	MARCH 2013	FYTD TOTAL	FY 12/13 BUDGET	(OVER) UNDER	Notes
<b>1 INFORMATION SYSTEMS</b>					
<b>Administration</b>					
a. Server Software Upgrade		\$0	\$8,900	\$8,900	c,1
	\$0	\$0	\$8,900	\$8,900	
<b>2 ADMINISTRATION</b>					
a. Photocopier		\$0	\$25,000	\$25,000	c,1
b. Meter Reading Devices & Software	0	19,384	20,000	616	c,1
	\$0	\$19,384	\$45,000	\$25,616	
<b>3 ENGINEERING</b>					
a. Multi-Function Wide-Carriage Copier (Used)		\$0	\$9,000	\$9,000	c,1
	\$0	\$0	\$9,000	\$9,000	
<b>4 CONSTRUCTION</b>					
a. 1" Potable Water Hose & Fittings (300')		\$6,676	\$8,600	\$1,924	c
	\$0	\$6,676	\$8,600	\$1,924	
<b>5 OPERATIONS</b>					
a. Chlorine Dioxide Analyzer		\$0	\$6,500	\$6,500	c,1
	\$0	\$0	\$6,500	\$6,500	
<b>6 VEHICLE &amp; ROLLING EQUIPMENT EXPENDITURES</b>					
a. Portable Air Compressor		\$21,286	\$20,000	(\$1,286)	c,1
b. 800 Gallon Portable Vac Trailer		0	65,000	65,000	c,1
c. 3/4-ton 2WD Alternate Fuel Pickup w/Svc Body	0	29,438	35,000	5,562	c,1
d. 3/4-ton 2WD Alternate Fuel Pickup w/Svc Body	0	30,051	35,000	4,949	c,1
	\$0	\$80,775	\$155,000	\$74,225	
<b>TOTAL EQUIPMENT EXPENDITURES</b>	<b>\$0</b>	<b>\$106,835</b>	<b>\$233,000</b>	<b>\$126,165</b>	

Notes:

- (c) Capitalized  
(1) Replacement item.

**NORTH MARIN WATER DISTRICT  
OVERHEAD ACCOUNT ANALYSIS  
FOR PERIOD ENDING MARCH 31, 2013**

	YEAR TO DATE ACTUAL	ANNUAL BUDGET	YTD/ BUDGET %
<b><u>Material Handling</u></b>			
Material Overhead Recovered (15%)	\$58,753	\$125,000	47%
Labor	\$61,713	\$114,000	54%
Materials, Supplies & Expense	5,517	6,000	92%
Correction to Inventory Counts	3,764	0	-
Depr on Warehouse Equipment	3,593	5,000	72%
	<u>\$74,587</u>	<u>\$125,000</u>	60%
Net Gain / (Loss)	<u>(\$15,834)</u>	<u>\$0</u>	-
<b><u>Construction Supplies</u></b>			
Const Supplies Overhead Recovered (10%)	\$162,745	\$348,000	47%
Labor	\$65,554	\$76,000	86%
Materials, Supplies & Expense	57,708	72,000	80%
Small Tools	12,182	19,000	64%
Depreciation	3,357	4,000	84%
	<u>\$138,802</u>	<u>\$171,000</u>	81%
Net Gain / (Loss)	<u>\$23,943</u>	<u>\$177,000</u>	14%
<b><u>Vehicle &amp; Equipment</u></b>			
Vehicle & Equipment Recovered <sup>1</sup>	\$254,957	\$332,000	77%
Labor	\$64,450	\$97,000	66%
Materials, Supplies & Expense	38,703	61,000	63%
Fuel	80,898	120,000	67%
Depreciation	81,950	118,000	69%
	<u>\$266,001</u>	<u>\$396,000</u>	67%
Net Gain / (Loss)	<u>(\$11,045)</u>	<u>(\$64,000)</u>	17%

<sup>1</sup> 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.

**NORTH MARIN WATER DISTRICT  
EXPENDITURES BY CATEGORY  
FOR PERIOD ENDING MARCH 31, 2013**

OPERATING EXPENSE	Novato	Recycled	West Marin	Oceana Marin	YTD Total	Annual Budget	YTD Budget %	Prior YTD Actual	% Change
1 Salaries & Benefits	\$3,924,442	\$45,359	\$126,735	\$14,606	\$4,111,142	\$5,571,000	74%	\$4,114,540	0%
2 Water Purchases	3,849,337	0	0	0	3,849,337	4,399,000	88%	3,426,361	12%
3 Depreciation	1,763,066	122,993	111,375	32,120	2,029,553	2,719,000	75%	2,012,175	1%
4 Materials, Services & Supplies	798,949	40,893	52,393	69,180	961,415	1,413,000	68%	748,260	28%
5 Chemicals	256,416	19,862	150	0	276,428	460,000	60%	261,402	6%
6 Electric Power	266,834	4,625	30,720	12,651	314,831	399,000	79%	307,155	2%
7 Tools & Supplies (Distrib)	109,628	2,151	8,299	640	120,719	255,000	54%	174,011	-31%
8 Vehicles and Equipment (Distrib)	162,086	2,069	12,974	758	177,886	231,000	77%	179,198	-1%
9 Retiree Medical Expenses	134,405	0	0	0	134,405	172,000	78%	128,175	5%
10 Office Supplies & Postage	67,171	0	0	0	67,171	109,000	62%	65,762	2%
11 Water Conservation Rebates	44,118	0	0	0	44,118	104,000	42%	39,349	12%
12 Insurance & Claims	58,099	0	0	1,860	59,959	104,000	58%	85,880	-30%
13 Overhead Charges (Gain)/Loss	(43,122)	0	0	0	(43,122)	(202,000)	21%	(173,956)	-75%
14 Distributed Costs	(362,735)	19,214	56,703	13,345	(273,473)	(331,000)	83%	(244,261)	12%
15 <b>Total Operating Expense</b>	<b>\$11,028,693</b>	<b>\$257,164</b>	<b>\$399,350</b>	<b>\$145,161</b>	<b>\$11,830,368</b>	<b>\$15,403,000</b>	<b>77%</b>	<b>\$11,095,672</b>	<b>7%</b>
16 Interest Expense & Other*	441,062	284,287	34,098	313	759,760	848,000	90%	645,194	18%
17 <b>Total Expense</b>	<b>\$11,469,755</b>	<b>\$541,451</b>	<b>\$433,447</b>	<b>\$145,474</b>	<b>\$12,590,128</b>	<b>\$16,251,000</b>	<b>77%</b>	<b>\$11,740,866</b>	<b>7%</b>
<b>Warehouse, Shop &amp; Yard</b>									
18 Salaries & Benefits	\$174,609	\$0	\$0	\$0	\$174,609	\$286,000	61%	\$164,080	6%
19 Materials, Services & Supplies	311,362	1,228	0	0	312,590	281,000	111%	279,789	12%
20 Distributed Costs	(485,970)	(1,228)	0	0	(487,199)	(567,000)	86%	(443,869)	10%
21 <b>Total W/H, Shop &amp; Yard</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$0</b>	<b>0%</b>
<b>District Capital Outlay</b>									
22 Salaries & Benefits	\$241,951	\$312,685	\$67,575	\$22,581	\$644,792	\$665,000	97%	\$555,566	16%
23 Equipment	106,835	0	0	0	106,835	233,000	46%	192,060	-44%
24 Debt Principal Payments	551,419	43,574	57,331	0	652,325	1,334,000	49%	65,505	896%
25 Materials, Services & Supplies	598,762	5,590,033	242,891	173,335	6,605,021	8,957,000	74%	4,945,449	34%
26 <b>Total District Capital Outlay</b>	<b>\$1,498,967</b>	<b>\$5,946,293</b>	<b>\$367,797</b>	<b>\$195,916</b>	<b>\$8,008,973</b>	<b>\$11,189,000</b>	<b>72%</b>	<b>\$5,758,581</b>	<b>39%</b>
<b>Developer Funded Projects</b>									
27 Salaries & Benefits	\$92,519	\$0	\$2,860	\$1,074	\$96,453	\$265,000	36%	\$155,967	-38%
28 Materials, Services & Supplies	104,254	0	5,805	397	110,456	355,000	31%	219,492	-50%
29 <b>Total Developer Projects</b>	<b>\$196,773</b>	<b>\$0</b>	<b>\$8,665</b>	<b>\$1,471</b>	<b>\$206,910</b>	<b>\$620,000</b>	<b>33%</b>	<b>\$375,459</b>	<b>-45%</b>
30 <b>Total</b>	<b>\$13,165,496</b>	<b>\$6,487,744</b>	<b>\$809,909</b>	<b>\$342,862</b>	<b>\$20,806,011</b>	<b>\$28,060,000</b>	<b>74%</b>	<b>\$17,874,906</b>	<b>16%</b>

\*Includes Interfund Interest

**NORTH MARIN WATER DISTRICT  
VEHICLE FLEET ANALYSIS  
FOR PERIOD ENDING MARCH 31, 2013**

Year	Description	Veh#	Assigned	Fiscal Year to Date			Vehicle Cost per Mile					
				Mileage	Expense <sup>1</sup>	Recovery <sup>2</sup>	Gain/(Loss)	Mileage	Life to Date	FYTD	FY12	FY11
1	1993 Ford F250 4x4	29	Cilia	4,026	\$5,441	\$4,206	(\$1,235)	137,436	\$0.58	\$1.35	\$0.79	\$1.42
2	1994 GMC C1500	30	STP	483	\$529	\$420	(\$109)	134,549	\$0.31	\$1.10	\$0.94	\$0.81
3	1999 Dodge Ram 1500	32	Engineering	4,966	\$2,594	\$2,525	(\$69)	69,979	\$0.43	\$0.52	\$0.54	\$0.49
4	2000 Dodge Dakota	40	Pool	1,495	\$633	\$1,007	\$373	103,649	\$0.47	\$0.42	\$0.98	\$0.70
5	2001 Dodge Ram 1500	41	On-Call	8,207	\$4,344	\$3,617	(\$727)	112,353	\$0.53	\$0.53	\$0.55	\$0.62
6	2001 Dodge Dakota	42	Bynum	6,727	\$4,849	\$6,663	\$1,814	117,418	\$0.34	\$0.72	\$0.45	\$0.95
7	2002 Chev K1500 4x4	47	Engineering	3,147	\$1,617	\$2,066	\$448	103,488	\$0.34	\$0.51	\$0.56	\$0.72
8	2003 Dodge Dakota 4x4	49	Stompe	4,565	\$2,333	\$2,377	\$44	74,690	\$0.40	\$0.51	\$0.74	\$0.46
9	2003 Chev C1500	51	Pool	3,312	\$2,331	\$1,707	(\$624)	99,594	\$0.37	\$0.70	\$0.56	\$0.52
10	2004 Chev C1500	53	Kurfirist	6,074	\$4,562	\$7,206	\$2,644	95,804	\$0.41	\$0.75	\$0.69	\$0.45
11	2004 Chev C1500 Xtra Cab	54	Mello	2,932	\$1,551	\$915	(\$636)	74,111	\$0.38	\$0.53	\$0.80	\$0.46
12	2005 Honda Civic Hybrid	56	Lab	7,564	\$1,305	\$3,857	\$2,552	56,272	\$0.22	\$0.17	\$0.30	\$0.26
13	2005 Honda Civic Hybrid	57	Engineering	2,040	\$282	\$1,372	\$1,089	37,294	\$0.21	\$0.14	\$0.36	\$0.41
14	2005 Ford Ranger	58	Roberto	6,056	\$4,078	\$6,693	\$2,615	90,701	\$0.43	\$0.67	\$0.64	\$0.52
15	2005 Ford Ranger	59	Venegas	7,945	\$3,738	\$6,909	\$3,171	84,645	\$0.42	\$0.47	\$0.49	\$0.52
16	2006 Chev Colorado	501	Moore	12,034	\$4,568	\$9,309	\$4,741	98,657	\$0.36	\$0.38	\$0.39	\$0.46
17	2007 Chev K2500 4x4	502	Corda, Joe	6,766	\$3,156	\$12,910	\$9,754	58,199	\$0.53	\$0.47	\$0.85	\$0.53
18	2007 Chev Colorado	504	Grisso	2,708	\$1,020	\$4,004	\$2,984	27,404	\$0.41	\$0.38	\$0.39	\$0.58
19	2008 Ford F250 4x4	505	Arendell	7,944	\$6,742	\$12,227	\$5,485	58,019	\$0.69	\$0.85	\$0.69	\$0.63
20	2008 Ford F250 4x4	506	STP	3,855	\$2,823	\$3,682	\$859	33,342	\$0.85	\$0.73	\$0.90	\$0.58
21	2008 Chev Colorado 4x4	509	Lemos	9,378	\$3,005	\$3,840	\$835	56,908	\$0.32	\$0.32	\$0.30	\$0.36
22	2009 Toyota Prius Hybrid	510	Clark	11,378	\$2,534	\$4,508	\$1,974	63,007	\$0.18	\$0.22	\$0.18	\$0.21
23	2010 Ford F150 4x4	511	STP	8,443	\$2,938	\$7,865	\$4,927	31,693	\$0.43	\$0.35	\$0.40	\$0.58
24	2010 Ford F150	512	Ortiz	10,194	\$4,136	\$4,968	\$832	46,582	\$0.45	\$0.41	\$0.58	\$0.37
25	2010 Ford F150	513	LeBrun	3,591	\$1,574	\$3,828	\$2,254	21,786	\$0.46	\$0.44	\$0.46	\$0.48
26	2012 Ford F250	515	Reed	2,814	\$2,352	\$5,239	\$2,887	2,814	\$0.84	\$0.84	-	-
27	2012 Ford F250	516	Castellucci	3,175	\$2,617	\$6,499	\$3,881	3,175	\$0.82	\$0.82	-	-
<b>Total 3/4 Ton &amp; Under</b>				<b>151,819</b>	<b>77,654</b>	<b>130,418</b>	<b>52,764</b>	<b>1,893,569</b>	<b>\$0.42</b>	<b>\$0.51</b>	<b>\$0.55</b>	<b>\$0.54</b>
1	1999 Ford F350 W/Svc Body	19	Pool	841	\$3,189	\$1,727	(\$1,462)	127,780	\$0.73	\$3.79	\$1.40	\$2.58
2	2002 Int'l 5 Yd Dump	44	Rupp	5,689	\$6,076	\$12,573	\$6,497	72,811	\$1.52	\$1.07	\$2.02	\$1.83
3	1999 Ford F550 3-Yd Dump <sup>3</sup>	52	Crew	2,563	\$3,574	\$6,091	\$2,517	73,332	\$0.93	\$1.39	\$5.46	\$1.41
4	1999 Int'l 5 Yd Dump <sup>4</sup>	55	Crew	3,240	\$5,153	\$9,809	\$4,656	65,873	\$1.28	\$1.59	\$2.20	\$1.52
5	2006 Int'l 4300 Crew	503	Reed	3,246	\$20,346	\$14,284	(\$6,062)	22,749	\$2.70	\$6.27	\$1.82	\$2.32
6	2008 Ford F350 4x4	507	Latanyshyn	8,830	\$7,250	\$11,946	\$4,696	57,832	\$0.86	\$0.82	\$1.15	\$0.82
7	2009 Peterbilt 335 Crew	508	Kehoe	2,334	\$3,361	\$14,883	\$11,522	15,920	\$2.01	\$1.44	\$2.81	\$1.88
8	2012 Int'l 5 Yd Dump	514	Sjblom	3,793	\$5,914	\$11,135	\$5,221	6,281	\$1.93	\$1.56	\$2.50	-
<b>Total 1 Ton &amp; Over</b>				<b>30,536</b>	<b>\$54,862</b>	<b>\$82,447</b>	<b>\$27,585</b>	<b>442,578</b>	<b>\$1.16</b>	<b>\$1.80</b>	<b>\$1.84</b>	<b>\$1.35</b>

<sup>1</sup> Expense amount shown excludes depreciation (approximately \$75,000 for FY13).

<sup>2</sup> Recovery is the amount charged to projects and operations to recover the expense of owning and operating the vehicle. Commencing 7/1/07 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.

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

<sup>4</sup> 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, 2013**

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Description		COST THRU JUNE 2012	MARCH 2013	FYTD TOTAL	FY 12/13 BUDGET	(OVER) UNDER	TOTAL COST
<b>NOVATO</b>							
a. Residential							
1-7700-01	1 Cash for Grass	\$216,961	\$666	\$5,978	\$24,000	\$18,022	\$222,939
1-7700-02	2 Landscape Efficiency Rebates	25,693	0	2,704	7,500	4,796	28,396
1-7700-03	3 Fixtures Purchases	32,086	495	495	5,000	4,505	32,581
1-7700-06	4 Washing Machine Rebates	290,692	665	11,941	20,000	8,059	302,633
1-7700-07	5 Demonstration Garden Improvements	54,377	0	0	500	500	54,377
1-7700-11	6 Toilet Rebate SF	839,411	2,494	21,128	34,000	12,872	860,539
1-7700-12	7 Toilet Rebate MF	18,081	0	0	4,000	4,000	18,081
1-7700-13	8 Residential Audits	168,585	2,566	32,227	40,000	7,773	200,811
1-7700-16	9 Water Waste Ordinance Monitoring	29,922	0	0	20,000	20,000	29,922
1-7700-17	10 Swimming Pool Cover Rebate	226	0	0	0	0	226
1-7700-19	11 ET Controller Rebate	15,185	0	6,190	5,000	(1,190)	21,375
1-7700-08	12 Administration	821,727	8,385	72,173	125,000	52,827	893,900
1-7700-20	13 New Development Wtr Cons Program	31,340	1,097	6,099	8,000	1,901	37,439
1-7700-21	14 Demand Offset Rebate Program	978	0	217	5,000	4,783	1,195
1-7700-23	15 Grant Administration	0	546	546	0	(546)	546
b. Commercial							
1-7701-02	1 Toilet Rebate Program	64,027	0	500	10,000	9,500	64,527
1-7701-03	2 Commercial Audits	5,987	182	269	15,000	14,731	6,256
c. Public Outreach/Information							
1-8672-16	1 Fall Newsletter	31,788	0	6,296	8,000	1,704	38,084
1-8672-17	2 Spring Newsletter	44,421	0	0	12,000	12,000	44,421
1-8672-18	3 Summer Newsletter	5,139	0	0	4,000	4,000	5,139
1-7700-04	4 Public Outreach / H <sub>2</sub> O Fair	84,000	0	11	10,000	9,989	84,011
1-7700-05	5 Marketing	101,566	910	8,098	16,000	7,902	109,664
1-7700-22	6 Public Outreach/Leadership Novato	9,309	0	0	0	0	9,309
d. Large Landscape							
1-8653-02	1 Large Landscape Audits	70,618	0	143	10,000	9,857	70,761
1-7702-01	2 Large Landscape Budgets	22,586	359	2,265	3,000	735	24,851
1-7702-02	3 Large Landscape Irrig Efficiency Rebates	11,376	0	0	5,000	5,000	11,376
1-8653-01	4 CIMIS Station Maintenance	18,653	22	199	2,000	1,801	18,852
1-7702-03	6 Administration-Large Landscape	14,180	364	7,425	7,000	(425)	21,606
<b>TOTAL NOVATO WATER CONSERVATION</b>		<b>\$3,028,915</b>	<b>\$18,749</b>	<b>\$184,904</b>	<b>\$400,000</b>	<b>\$215,096</b>	<b>\$3,213,818</b>
<b>WEST MARIN</b>							
2-5166-00	a. Water Conservation Program	\$37,391	\$408	\$522	\$4,000	\$3,478	\$37,913
<b>TOTAL WATER CONSERVATION EXPENDITURES</b>		<b>\$3,066,306</b>	<b>\$19,157</b>	<b>\$185,426</b>	<b>\$404,000</b>	<b>\$218,574</b>	<b>\$3,251,731</b>

**NORTH MARIN WATER DISTRICT  
CAPITAL IMPROVEMENT PROJECTS  
PERIOD ENDING MARCH 31, 2013**

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Description	COST THRU JUNE 2012	MARCH 2013	FYTD TOTAL	FY 12/13 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
<b>1 PIPELINE REPLACEMENTS/ADDITIONS</b>						
a. Main/Pipeline Replacements						
1-7130-00 1 STP 18" Transmission Line Assess/Repair (13,200')	\$0	\$4,065	\$5,820	\$160,000	\$154,180	\$5,820
b. Main/Pipeline Additions						
1-7134-00 1 Digital to Leveroni Looping (12"@600')	0	1,287	13,630	130,000	116,370	13,630
1-7135-00 2 DeLong to Cain Looping (8"@400')	0	0	378	100,000	99,623	378
c. PB Service Line Replacements						
1-7123-10 1 Center Rd/Garner/Oak Forest/Simmons/3rd St (19 Svcs)	32,966	0	22,760	0	(22,760)	55,726
1-7123-11 2 Pacheco Valle (42 Svcs)	0	0	2,833	84,000	81,167	2,833
1-7123-12 3 Loma Verde (14 Svcs)	0	937	44,959	0	(44,959)	44,959
4 Repl PB in Sync w/City Paving (45 Svcs)	0	0	0	90,000	90,000	0
1-7138-00 5 Sunset Parkway/Cambridge 12" @ 600'	0	3,822	55,815	0	(55,815)	55,815
1-7139-00 6 PB Repl-City Measure A, Group 5	0	8,598	14,797	0	(14,797)	14,797
d. Relocations to Sync w/City & County C.I.P.						
1 Other Relocations	0	0	0	80,000		
e. Aqueduct Replacements & Enhancements						
1-7118-01 1 MSN Aqueduct Caltrans Reimb-Segment B1	118,166	1,107	4,070	0	(4,070)	122,236
1-7118-02 2 MSN Aqueduct Caltrans Reimb-Segment B2	24,587	(3,599)	2,291	0	(2,291)	26,878
1-7118-03 3 MSN Aqueduct Caltrans Reimb-Segment B3	86,625	1,505	19,946	0	(19,946)	106,571
1-7118-04 4 AEEP Permitting & Design	582,748	17,357	73,356	1,300,000	1,226,644	656,104
1-7118-05 5 AEEP Legal Challenge/Litigation	10,679	0	0	0	0	10,679
1-7118-06 6 AEEP Loan Procurement	0	0	0	0	0	0
1-7118-07 7 AEEP- B1 Construction	98	6,710	114,267	0	(114,267)	114,365
1-7118-08 8 AEEP- B2 Construction	0	0	597	0	(597)	597
1-7118-09 9 AEEP- B3 Construction	0	0	0	0	0	0
1-7118-10 10 MSN Aqueduct Caltrans Reimb-Seg B2 Gunn Dr <sup>s</sup>	0	1,371	7,187	0	(7,187)	7,187
<b>TOTAL PIPELINE REPLACEMENTS/ADDITIONS</b>	<b>\$855,868</b>	<b>\$43,160</b>	<b>\$382,707</b>	<b>\$1,944,000</b>	<b>\$1,481,294</b>	<b>\$1,238,575</b>
<b>2 SYSTEM IMPROVEMENTS</b>						
1-7008-09 a. RTU Upgrades	\$0	\$1,638	\$1,710	\$10,000	\$8,290	\$1,710
1-7007-07 b. Detector Check Assembly Upgrade/Repl(~14/yr)	0	39,383	81,280	150,000	68,720	81,280
1-7090-03 c. Anode Installations (150/yr)	0	0	100	30,000	29,900	100
1-7132-00 d. Radio Expansion Telemetry Upgrades	14,046	0	10,065	15,000	4,935	24,111
1-8650-19 e. Sampling Stations (6 biennially)	0	2,709	30,163	24,000	(6,163)	30,163
1-7054-03 f. Inaccurate Meter Replacement	0	7,883	14,919	16,000	1,081	14,919
1-7136-00 g. Facilities Security Enhancements	0	0	0	25,000	25,000	0
1-7137-00 h. Backflow Device Upgrade-BMK (14 Svcs)	0	1,975	13,258	30,000	16,742	13,258
<b>TOTAL SYSTEM IMPROVEMENTS</b>	<b>\$14,046</b>	<b>\$53,588</b>	<b>\$151,496</b>	<b>\$300,000</b>	<b>\$148,504</b>	<b>\$165,541</b>

**NORTH MARIN WATER DISTRICT  
CAPITAL IMPROVEMENT PROJECTS  
PERIOD ENDING MARCH 31, 2013**

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Description	COST THRU JUNE 2012	MARCH 2013	FYTD TOTAL	FY 12/13 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
<b>3 BUILDINGS, YARD, &amp; S.T.P. IMPROVEMENTS</b>						
a. Administration Building						
1-6501-43 1 Electronic Document Management System	\$0	\$0	\$0	\$50,000	\$50,000	\$0
2 Other Admin Bldg Improvements	0	0	0	25,000	25,000	0
1-6501-35 3 ADA Access Phase I	27,048	0	2,767	0	(2,767)	29,815
1-4040-00 4 Gustafson Ct House Acquisition	0	(453)	1,448	0	(1,448)	1,448
b. Corp Yard/Warehouse/Construction Office						
1-6502-46 1 SMART Crossing Upgrade(@ Golden Gate Pl)	0	0	0	58,000	58,000	0
2 Other Yard Improvements	0	0	0	15,000	15,000	0
1-6502-44 3 Yard Paving	6,710	0	87,980	0	(87,980)	94,690
c. Stafford Treatment Plant						
1-6600-70 1 Watershed Erosion Control	9,000	0	25,154	25,000	(154)	34,154
1-6600-60 2 Leveroni Creek Bank Repair	50,684	309	99,163	145,000	45,837	149,847
1-6600-69 3 Dam Concrete Apron Repairs	87,397	0	22,431	50,000	27,569	109,828
1-6600-54 4 Start-Up Flushing Connection	8,165	0	0	200,000	200,000	8,165
1-6600-77 5 Solar Panel Build	13,602	0	29,379	0	(29,379)	42,982
1-6600-78 6 STP Portable Generator Connection	3,173	0	6,827	0	(6,827)	10,000
1-6600-79 7 STP Potable Water Feed Pipeline Rehab	11,448	1,584	14,230	0	(14,230)	25,678
<b>TOTAL BUILDING, YARD, &amp; STP IMPROVEMENTS</b>	<b>\$217,228</b>	<b>\$1,441</b>	<b>\$289,380</b>	<b>\$568,000</b>	<b>\$278,620</b>	<b>\$506,609</b>
<b>4 STORAGE TANKS &amp; PUMP STATIONS</b>						
1-6112-24 a. Lynwood Pump Station Motor Control Center	\$36,416	\$0	\$0	\$265,000	\$265,000	\$36,416
1-6217-20 b. Pacheco Tank Cl2 Mixing System	70,691	258	17,129	30,000	12,871	87,820
<b>TOTAL STORAGE TANKS &amp; PUMP STATIONS</b>	<b>\$107,107</b>	<b>\$258</b>	<b>\$17,129</b>	<b>\$295,000</b>	<b>\$277,871</b>	<b>\$124,236</b>
<b>5 RECYCLED WATER</b>						
5-7127-00 a. NBWRA Grant Program Administration	\$556,658	\$542	\$312,285	\$325,000	\$12,715	\$868,943
5-6055-01 b. Expansion to North Svc Area-Non ARRA	66,918	810	43,936	0	(\$43,936)	110,854
5-6055-11 c. Expansion to North Svc Area-Seg 1 <sup>1,2</sup>	817,769	0	1,852	1,000,000	998,148	819,621
5-6055-12 d. Expansion to North Svc Area-Seg 2 <sup>1,2</sup>	1,587,533	(26,871)	799,765	0	(799,765)	2,387,298
5-6055-13 e. Expansion to North Svc Area-Seg 3 <sup>1,2</sup>	1,972,813	0	5,153	0	(5,153)	1,977,966
5-6055-14 f. Expansion to N Svc Area-Plum St Storage <sup>1,2</sup>	599,264	597	13,602	0	(13,602)	612,866
5-6055-20 g. RW Expansion N Svc Area-Retrofit-Private Property <sup>2</sup>	111,482	68	16,103	0	(16,103)	127,585
5-6055-21 h. RW Expansion N Svc Area-Retrofit-Gov't Property <sup>2</sup>	32,397	23	3,991	0	(3,991)	36,387
5-6055-22 i. RW Expansion N Svc Area-Onsite Retrofit-Const	8,692	6,412	239,192	0	(239,192)	247,884
5-6056-01 j. Expansion to South Svc Area-Non ARRA	1,309	0	611	0	(611)	1,920
5-6056-11 k. Expansion to South Svc Area-Phase 1A <sup>1,2</sup>	855,728	10,415	573,731	4,200,000	3,626,269	1,429,460
5-6056-12 l. Expansion to South Svc Area-Phase 1B <sup>1,2</sup>	1,481,933	34,415	2,335,424	0	(2,335,424)	3,817,357
5-6056-13 m. Expansion to South Svc Area-Phase 2 <sup>1,3</sup>	172,450	529,147	1,204,882	0	(1,204,882)	1,377,332
5-6056-14 n. Expansion to South Svc Area-Bolling Circle PS	0	39,013	45,355	0	(45,355)	45,355

**NORTH MARIN WATER DISTRICT  
CAPITAL IMPROVEMENT PROJECTS  
PERIOD ENDING MARCH 31, 2013**

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Description	COST THRU JUNE 2012	MARCH 2013	FYTD TOTAL	FY 12/13 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
5-6056-20 o. RW Expansion S Svc Area-Retrofit-Private Property <sup>2,4</sup>	107,325	3,338	223,271	0	(223,271)	330,596
5-6056-21 p. RW Expansion S Svc Area-Retrofit-Gov't Property <sup>2</sup>	51,507	2,085	72,962	0	(72,962)	124,469
5-6057-00 q. RW Exp N/S Group 2 Site Retrofit	0	3,960	10,603	0	(10,603)	10,603
<b>TOTAL RECYCLED WATER</b>	<b>\$8,423,778</b>	<b>\$603,953</b>	<b>\$5,902,718</b>	<b>\$5,525,000</b>	<b>(\$377,718)</b>	<b>\$14,326,497</b>

**6 WEST MARIN WATER SYSTEM**

System Improvements:

2-6601-32 a. TP Solids Handling & Land Acquisition <sup>7</sup>	\$109,655	\$2,064	\$61,586	\$400,000	\$338,414	\$171,240
2-6603-20 b. Pt. Reyes Well #3 Replacement	78,613	0	174,780	165,000	(9,780)	253,394
2-6603-21 c. Pt. Reyes Well #3 Rehab	15,415	0	0	0	0	15,415
2-6601-35 d. Treatment Plant Control Valve Replacement	0	142	161	75,000	74,839	161
2-6604-20 e. Gallagher Auxiliary Stream Gauge	0	0	0	30,000	30,000	0
2-6257-20 f. Tank Seismic Upgrades	6,647	1,500	8,140	0	(8,140)	14,787
2-6601-34 g. TP RTU Upgrade	0	4,800	13,547	0	(13,547)	13,547
2-7123-13 h. PB Rpl-County Paving-Balboa,Portola,Mesa, 2nd St	0	49,459	52,203	0	(52,203)	52,203
2-7087-01 i. Gallagher Well & Pipeline Design	0	48	48	0	(48)	48
<b>TOTAL WEST MARIN WATER SYSTEM</b>	<b>\$210,330</b>	<b>\$58,013</b>	<b>\$310,465</b>	<b>\$670,000</b>	<b>\$359,535</b>	<b>\$520,795</b>

**7 OCEANA MARIN SEWER SYSTEM**

8-6672-26 a. Infiltration Repair-FY13	\$0	\$0	\$982	\$15,000	\$14,018	\$982
8-7085-01 b. Tahiti Way Lift Pumps Rebuild	15,691	0	16,011	20,000	3,989	31,703
8-6001-20 c. Cross Country Sewer Line Rehab	33,181	742	194,614	275,000	80,386	227,796
8-6607-21 d. Treatment Pond Algae Control Device	0	0	0	10,000	10,000	0
<b>TOTAL OCEANA MARIN SEWER SYSTEM</b>	<b>\$48,873</b>	<b>\$742</b>	<b>\$211,608</b>	<b>\$320,000</b>	<b>\$108,392</b>	<b>\$260,481</b>

**TOTAL PROJECT EXPENDITURES**

**\$9,877,230      \$761,155      \$7,265,503      \$9,622,000      \$2,276,497      \$17,142,734**

**8 LESS FUNDED BY GRANTS, LOANS & REIMBURSEMENTS**

(Accrued)/Deferred

a. RW Expansion - North Service Area Grant <sup>2</sup>	(\$377,574)	\$0	\$377,574	\$479,000	\$101,426	\$0
b. RW - North Service Area Loan <sup>1</sup>	(1,625,949)	1,099,155	1,359,454	1,438,000	78,546	(266,495)
c. RW Expansion - South Service Area Grant <sup>2,3,4</sup>	(309,088)	(142,177)	(1,032,093)	(64,000)	968,093	(1,341,181)
d. RW - South Service Area Loan <sup>1</sup>	(1,882,584)	(412,262)	(2,871,334)	(193,000)	2,678,334	(4,753,918)
e. MSN Aqueduct Caltrans Reimb-Segment B1-B3 <sup>5</sup>	(229,378)	987	(26,307)	0	26,307	(255,685)
f. AEEP Segment B1-B3 <sup>5</sup>	6,406,573	(17,357)	(73,356)	(1,300,000)	(1,226,644)	6,333,217
g. AEEP- B1 Construction <sup>5</sup>	0	(6,710)	(114,267)	0	114,267	(114,267)
h. AEEP- B2 Construction <sup>5</sup>	0	0	(597)	0	597	(597)
i. AEEP- B3 Construction <sup>5</sup>	0	0	0	0	0	0
j. MSN Aqueduct Caltrans Reimb-Segment B2 Gunn Dr <sup>5</sup>	0	(1,371)	(7,187)	0	7,187	(7,187)
k. TP Solids Handling & Land Acquisition <sup>7</sup>	699,323	(1,548)	(46,189)	(400,000)	(353,811)	653,134
<b>FUNDING BY OTHERS (ACCRUED)/DEFERRED</b>	<b>\$2,681,323</b>	<b>\$518,718</b>	<b>(\$2,434,303)</b>	<b>(\$40,000)</b>	<b>\$2,394,303</b>	<b>\$247,020</b>



**NORTH MARIN WATER DISTRICT  
CAPITAL IMPROVEMENT PROJECTS  
PERIOD ENDING MARCH 31, 2013**

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Description	COST THRU JUNE 2012	MARCH 2013	FYTD TOTAL	FY 12/13 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
<b>Received</b>						
a. RW Expansion - North Service Area Grant <sup>2</sup>	(\$838,088)	\$0	(\$700,411)	(\$735,000)	(\$34,589)	(\$1,538,499)
b. RW - North Service Area Loan <sup>1</sup>	(2,105,041)	(1,099,155)	(1,910,449)	(2,182,000)	(271,551)	(4,015,490)
c. RW Expansion - South Service Area Grant <sup>2,3,4</sup>	(244,656)	0	(296,589)	(1,306,000)	(1,009,411)	(541,245)
d. RW - South Service Area Loan <sup>1</sup>	0	0	0	(2,637,000)	(2,637,000)	0
e. MSN Aqueduct Caltrans Reimb-Segment B1-B3 <sup>5</sup>	0	0	0	0	0	0
f. AEEP Segment B1-B3 <sup>5</sup>	(7,000,000)	0	(119,362)	0	119,362	(7,119,362)
g. AEEP- B1 Construction <sup>6</sup>	0	0	(26,584)	0	26,584	(26,584)
h. AEEP- B2 Construction <sup>6</sup>	0	0	0	0	0	0
i. AEEP- B3 Construction <sup>6</sup>	0	0	0	0	0	0
j. MSN Aqueduct Caltrans Reimb-Segment B2 Gunn Dr <sup>5</sup>	0	0	0	0	0	0
k. TP Solids Handling & Land Acquisition <sup>7</sup>	(781,564)	0	0	0	0	(781,564)
<b>FUNDING BY OTHERS RECEIVED</b>	<b>(\$10,969,349)</b>	<b>(\$1,099,155)</b>	<b>(\$3,053,395)</b>	<b>(\$6,860,000)</b>	<b>(\$3,806,605)</b>	<b>(\$14,022,744)</b>
<b>NET PROJECT EXPENDITURES</b>	<b>\$1,589,204</b>	<b>\$180,718</b>	<b>\$1,777,805</b>	<b>\$2,722,000</b>	<b>\$864,195</b>	<b>\$3,367,010</b>

CIP SUMMARY-GROSS EXPENDITURES:	Current	FYTD Total	FY 12/13	FYTD/
	Month		Budget	Budget%
Novato Water Capital Projects	\$98,447	\$840,712	\$3,107,000	27%
Novato Recycled Water Capital Projects	603,953	5,902,718	5,525,000	107%
West Marin Water Capital Projects	58,013	310,465	670,000	46%
Oceana Marin Sewer Capital Projects	742	211,608	320,000	66%
<b>Gross Capital Improvement Project Outlays</b>	<b>\$761,155</b>	<b>\$7,265,504</b>	<b>\$9,622,000</b>	<b>76%</b>

CIP SUMMARY-NET EXPENDITURES:	Current	FYTD Total	FY 12/13	FYTD/
	Month		Budget	Budget%
Novato Water Capital Projects	\$73,997	\$473,051	\$1,807,000	26%
Novato Recycled Water Capital Projects	49,514	828,871	325,000	255%
West Marin Water Capital Projects	56,465	264,276	270,000	98%
Oceana Marin Sewer Capital Projects	742	211,608	320,000	66%
<b>Net Capital Improvement Project Outlays</b>	<b>\$180,718</b>	<b>\$1,777,806</b>	<b>\$2,722,000</b>	<b>65%</b>

**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) The District anticipates receiving reimbursement from Caltrans for 100% of costs charged to jobs 1.7118.01-1.7118.03, & 1.7118.10.
- (6) The District anticipates receiving partial reimbursement from Caltrans for costs charged to jobs 1.7118.07-1.7118.09.
- (7) Funding provided 75% by Bank of Marin Loan & 25% by connection fees.

## 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.

**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.

**Retiree Medical Benefits Fund:** The District pays the cost of health insurance for retiree (age 55 to 65) and spouse under any group plan offered by PERS. The District's contribution toward the chosen plan is capped in the same manner as all other District employees in the same class. Coverage terminates when the retiree or spouse becomes eligible for Medicare. The retiree must be at least 55 and have a minimum of 12 years of service at the date of retirement. When the retiree or spouse becomes eligible for Medicare, the District pays up to the couple annuitant rate for the rest of the retiree and spouse's lives. In August 2003 the Board directed staff to transfer \$2.55M (\$2.3M for current retirees plus \$250,000 for future retirees) from unrestricted cash to fund this liability. In 2010 an Actuarial Analysis calculated the District's liability at \$3.5 million. At that time the Board directed staff to add \$1,500 per employee annually as a payroll cost overhead to be accrued to amortize this liability. This reserve fund accrues interest monthly. Accounting Standards require that the \$3.5M reserve be fully funded in 20 years.

**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.

**West Marin Tax Proceeds – Marin County Treasury:** Balance of tax proceeds collected and disbursed by the County of Marin for repayment of the Olema (OL-2) and Point Reyes (PR-3) 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.

## **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. 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 FY98 the West Marin Water System was included in the fund and built-up a proportional reserve of \$74,000 over several years. 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 August 2008 \$500,000 was transferred to this reserve from the Self-Insured Workers' Compensation Fund and made available to fund Employer Assisted Housing Program loans. 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.

**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 \$2,000,000) of budgeted annual water sales. In FY09 \$50,335 was added to the reserve. The fund balance accrues interest monthly. The fund was fully depleted in FY10.

**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 FY 93. In FY 94 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 \$6.8M. 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:** 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 eight employee-housing loans currently outstanding totaling \$1,441,785: 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, a \$192,585 loan dated October 2008, and a \$245,000 loan dated June 2010.

**Housing Loan Impairment:** The Employer Assisted Housing Loans outstanding were written down by \$390,000 at June 30, 2012, 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 4 employee loans outstanding totaling \$2,624.

**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:

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

**Note 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 2012-2013**

Service Area	Description	Issue Date	Rate	Original Amount	Payment Due	Final Pmt	FY13		6/30/13 Outstanding Balance
							Interest	Principal	
1 Novato	EDA Loan	1977	5.0%	\$351,770	7/1	7/1/17	\$4,681	\$13,743	\$79,874
2 Novato	SRF Loan - STP	2004	2.39%	\$16,528,850	7/1 & 1/1	7/1/29	\$342,895	\$701,580	\$13,819,824
3 Novato	Bank of Marin Loan	2011	3.54%	\$7,000,000	27 <sup>th</sup> /mo	10/27/31	\$228,999	\$253,043	\$6,521,787
							<u>\$576,575</u>	<u>\$968,366</u>	<u>\$20,421,485</u>
4 RWF	SRF Loan	2006	2.4%	\$4,302,560	6/19	6/19/27	\$81,833	\$191,534	\$3,218,157
5 Point Reyes	PR-3 GO	1973	5.0%	\$250,000	1/1	1/1/13	\$700	\$14,000	\$0
6 Olema	OL-2 GO	1975	5.0%	\$70,000	1/1	1/1/15	\$562	\$3,552	\$7,652
7 Point Reyes	EDA Loan	1977	5.0%	\$46,000	7/1	7/1/17	\$662	\$2,041	\$11,201
8 PRE	PRE-1 Revenue	1980	5.0%	\$240,000	10/1 & 4/1	4/1/20	\$4,600	\$10,000	\$83,000
9 Point Reyes	PR-6 Revenue	1981	5.0%	\$217,800	7/1 & 1/1	7/1/21	\$4,600	\$8,000	\$84,000
10 West Marin	Bank of Marin Loan	2012	3.54%	\$1,000,000	27 <sup>th</sup> /mo	10/27/31	\$33,614	\$37,144	\$962,856
							<u>\$44,738</u>	<u>\$74,737</u>	<u>\$1,148,709</u>
						<b>Total</b>	<u>\$703,146</u>	<u>\$1,234,637</u>	<u>\$24,788,351</u>

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. The project was completed in June 2007, and the first payment was made June 19, 2008.
5. In November of 1970, by a 70% "yes" vote, voters approved the formation of the PR-3 improvement district and a bonded indebtedness of \$250,000 to acquire and improve the Inverness Park and Point

Reyes Water Companies. On 9/5/73 the bond issue was purchased in its entirety by the U.S. Department of Agriculture, Farmers Home Administration Rural Development Administration, on a 5%, 40-year payback basis. System upgrades included replacement of a major portion of the distribution facilities, installation of a treatment plant, addition of a 100,000-gallon storage tank in Point Reyes Station and connection of the Inverness Park System to the Point Reyes Station water source (Lagunitas Creek).

6. 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%.
7. 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.
8. 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.
9. 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.
10. 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  $\$450 \times 52 = \$23,400$ ).

#### **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 (2.8% at 6/30/12); 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**

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

#### **Note 13 – Provision for Pension Related Debt (Side Fund)**

NMWD is one of 164 agencies assigned in 2003 by CalPERS to a pooled-risk group of agencies having less than 100 employees that participate in the 2.5% at 55 benefit plan. The funded ratio for this pool was 63.9% at June 30, 2010 (the most recent data available). The unfunded liability for the combined 164 agencies was \$369M. Based on NMWD's payroll as a percent of total payroll of the 164 agencies, NMWD's share of the unfunded liability was about \$4.2M.

At the time the District was assigned to the risk pool, a "side fund" was created to account for the difference between the funded status of the pool and the funded status of the District's plan. The side fund (\$2.2M of the \$4.2M unfunded liability at June 30, 2012) is credited on an annual basis with the actuarial investment return assumption, currently 7.75%. The side fund is amortized 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 Assets, 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 Assets** (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 assets*. 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 21) 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 (cash was transferred FY13):

	<u>Expansion Local Share</u>		NBWRA	SRF RWF Loan	Expansion SRF Loan	TOTAL	Transfer Executed
	North	South					
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			\$319,719		\$58,137	\$377,855	\$1,545,865
	<b>\$367,137</b>	<b>\$265,500</b>	<b>\$874,777</b>	<b>\$113,975</b>	<b>\$58,137</b>	<b>\$1,679,524</b>	<b>\$1,679,524</b>



**Note 16 –Debt Service Coverage Ratio**

Debt Service Coverage Ratio shall mean 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.

	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13 Budgeted</b>
Net Income/(Loss)	(\$3,616,979)	(\$1,156,582)	(\$217,163)	\$787,000
Depreciation	\$2,659,884	\$2,660,418	\$2,726,598	\$2,719,000
Interest Expense	\$694,044	\$710,416	\$654,484	\$828,000
Connection Fees	\$1,796,028	\$387,610	\$1,005,680	\$921,000
<b>Total Available For Debt Service</b>	<b>\$1,532,977</b>	<b>\$2,601,862</b>	<b>\$4,169,599</b>	<b>\$5,255,000</b>
<b>Annual Debt Service</b>	<b>\$1,384,506</b>	<b>\$1,385,156</b>	<b>\$1,770,894</b>	<b>\$2,162,000</b>
<b>Debt Service Coverage Ratio</b>	<b>1.11</b>	<b>1.88</b>	<b>2.35</b>	<b>2.43</b>

	<b>FYTD13</b>	<b>FY13 Budgeted</b>
<b>Bank of Marin Debt Service Coverage Calculation<sup>1</sup></b>		
Change in Net Assets <sup>2</sup>	\$2,751,579	\$3,749,000
Interest Expense	\$579,238	\$828,000
Depreciation & Amortization	\$2,029,553	\$2,719,000
<b>Total Available for Debt Service</b>	<b>\$7,712,803</b>	<b>\$7,296,000</b>
<b>Bank of Marin Annual Debt Service</b>	<b>\$552,800</b>	<b>\$552,800</b>
<b>Bank of Marin Coverage Ratio</b>	<b>13.95</b>	<b>13.20</b>

<sup>1</sup>Per the October 27, 2011 Bank of Marin loan agreement, each June 30, beginning June 30, 2012, the Debt Service Coverage Ratio shall not be less than 1.2 to 1.

"Debt Service Coverage Ratio" shall mean the ratio of (i) Borrower's change in net assets plus interest, depreciation, and amortization during the fiscal-year period ending on the Determination Date to the sum of the scheduled principal and interest payments on the Loan during the twelve-month period following the Determination Date.

<sup>2</sup> See page 9

6

**NORTH MARIN WATER DISTRICT**  
**MONTHLY PROGRESS REPORT FOR March 2013**  
 April 16, 2013

1.

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

Month	FY12/13	FY11/12	FY10/11	FY09/10	FY08/09	13 vs 12 %
July	389	371	379	360	419	5%
August	396	373	368	367	417	6%
September	346	347	358	335	393	0%
October	283	249	278	233	313	14%
November	166	183	164	176	173	-10%
December	146	156	141	149	143	-6%
January	151	178	146	140	107*	-15%
February	148	147	134	124	136	1%
March	211	156	151	152	150	35%
<b>FYTD Total</b>	<b>2,237</b>	<b>2,160</b>	<b>2,119</b>	<b>2,036</b>	<b>2,251</b>	<b>4%</b>

\*Jan 2009 Kastania Meter Malfunction - water production understated by est 56MG

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

Month	FY12/13	FY11/12	FY10/11	FY09/10	FY08/09	13 vs 12 %
July	9.8	9.2	9.9	10.0	11.8	6%
August	9.7	9.4	9.9	10.6	11.9	3%
September	8.3	8.7	9.2	9.6	10.2	-5%
October	7.4	6.5	7.8	6.9	9.8	14%
November	5.2	5.1	4.9	5.6	7.2	1%
December	4.5	4.9	4.8	4.5	6.9	-9%
January	5.0*	4.8	4.3	4.2	6.4	4%
February	4.4	4.5	3.9	3.9	5.5	-2%
March	5.5	4.4	5.6	5.7	5.6	24%
<b>FYTD Total</b>	<b>59.7</b>	<b>57.6</b>	<b>60.4</b>	<b>60.8</b>	<b>75.3</b>	<b>4%</b>

\* Jan '13 PRE Tank #4 overflow &amp; Olema Tank cleaning resulted in loss of 322,000 gal.

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

Month	FY12/13	FY11/12	FY10/11	FY09/10	FY08/09	13 vs 12 %
July	49	115	109	152	131	-58%
August	83	126	108	150	128	-34%
September	72	77	112	155	117	-6%
October	88	113	111	80	81	-22%
November	64	106	95	0	0	-40%
December	0	49	0	0	0	-
January	21	0	0	0	0	-
February	57	0	0	0	0	-
March	61	0	52	32	0	-
<b>FYTD Total</b>	<b>493</b>	<b>586</b>	<b>588</b>	<b>569</b>	<b>458</b>	<b>-16%</b>

**Recycled Water Production - in Million Gallons - FY to Date**

Month	FY12/13	FY11/12	FY10/11	FY09/10	FY08/09	13 vs 12 %
July	11.2	11.0	11.9	12.0	13.6	2%
August	10.5	12.2	11.2	12.9	13.6	-14%
September	8.5	9.6	9.5	10.2	10.9	-11%
October	0.0	0.0	2.6	2.6	6.4	-
November	0.0	0.0	0.0	0.0	0.0	-
December	0.0	0.0	0.0	0.0	0.0	-
January	0.0	0.0	0.0	0.0	0.0	-
February	0.0	0.0	0.0	0.0	0.0	-
March	1.4	0.0	0.0	0.0	0.0	-
<b>FYTD Total</b>	<b>31.5</b>	<b>32.8</b>	<b>35.2</b>	<b>37.7</b>	<b>44.5</b>	<b>-4%</b>

## 2. Stafford Lake Data

	March Average	March 2012	March 2013
Rainfall this month	3.6 Inches	6.0 Inches	.94 Inches
Rainfall this FY to date	24.4 Inches	15.9 Inches	18.34 Inches
Lake elevation*	195.0 Feet	188.1 Feet	194.6 Feet
Lake storage**	1,323 MG	864 MG	1,290 MG

\* Spillway elevation is 196.0 feet

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

## Temperature (in degrees)

	Minimum	Maximum	Average
March 2012 (Novato)	34	85	57
March 2013 (Novato)	38	90	62

## 3. Number of Services

March 31	Novato Water			Recycled Water			West Marin Water			Oceana Marin Swr		
	FY13	FY12	Incr %	FY13	FY12	Incr %	FY13	FY12	Incr %	FY13	FY12	Incr %
Total meters	20,756	20,746	0.0%	19	2	850%	819	820	-0.1%	-	-	-
Total meters active	20,491	20,479	0.1%	15	2	650%	776	777	-0.1%	-	-	-
Active dwelling units	23,942	23,869	0.3%	0	0	-	811	807	0.5%	227	227	0.0%

## 4. Oceana Marin Monthly Status Report (March)

Description	Mar. 2012	Mar. 2013
Effluent Flow Volume (MG)	0.77	0.475
Irrigation Field Discharge (MG)	0	0.422
Treatment Pond Freeboard (ft)	3.4	4.4
Storage Pond Freeboard (ft)	4.0	6.2

## 5. Developer Projects Status Report (March)

### District Projects Status Report - Const Dept (March)

Job No.	Project	% Complete	% This month
7139.00	PB Replacement- City Measure A, Group 5	20	20
7087.07	Fire Service (DCA) Replacement	70	65
2.7123.13	PB Replacement- Balboa, Portola, Mesa, 2 <sup>nd</sup> Street	80	80
8650.19	W.Q. Sample Stations	100	5

## Employee Hours to Date, FY 12/13

As of Pay Period Ending March 31, 2013

Percent of Fiscal Year Passed = 75%

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction	1,061	1,694	63	Construction	2,480	3,815	65
Engineering	299	1,313	23	Engineering	4,118	3,855	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 Mar 13	0	0	0	0	2	4,430
FY through Mar 12	17	7,208	1	1	2	2,994

Days without a lost time accident through March 31, 2013= 443 days

## 7. Energy Cost

FYE		Kwh	March		Fiscal Year-to-Date thru March		
			¢/Kwh	Cost/Day	Kwh	¢/Kwh	Cost/Day
2013	Stafford TP	60,341	17.1¢	\$332	380,206	17.5¢	\$218
	Pumping	111,591	12.9¢	\$449	1,131,968	14.7¢	\$579
	Other*	46,394	15.6¢	\$201	334,048	18.7¢	\$213
		218,326	14.6¢	\$966	1,846,223	16.0¢	\$1,018
2012	Stafford TP	17,571	12.7¢	\$70	672,143	16.0¢	\$389
	Pumping	74,329	14.9¢	\$369	1,040,769	14.8¢	\$561
	Other*	34,391	17.0¢	\$202	350,660	19.4¢	\$238
		126,291	15.2¢	\$599	2,063,572	15.9¢	\$1,175
2011	Stafford TP	24,343	13.6¢	\$103	657,145	15.8¢	\$374
	Pumping	91,459	14.8¢	\$315	1,051,620	14.9¢	\$544
	Other*	37,931	16.9¢	\$195	368,529	19.3¢	\$258
		153,733	15.2¢	\$597	2,077,294	16.0¢	\$1,163

\*Other includes West Marin Facilities

## 8. Water Conservation Update

	Month of March 2013	Fiscal Year to Date	Program Total to Date
High Efficiency Toilet (HET) Rebate (\$100 each)	24	196	2582
Retrofit Certificates Filed	21	242	4699
Cash for Grass Rebates Paid Out	2	25	513
Washing Machine Rebates	11	195	6094
Water Smart Home Survey	18	114	1354

## 9. Utility Performance Metric

CUSTOMER SERVICE INTERRUPTIONS	March No. of Customers Impacted
PLANNED	
Duration Between 0.5 and 4 hours	6
Duration Between 4 and 12 hours	
Duration Greater than 12 hours	
UNPLANNED	
Duration Between 0.5 and 4 hours	4
Duration Between 4 and 12 hours	
Duration Greater than 12 hours	
SERVICE LINES REPLACED	March
Polybutylene	6
Copper (Replaced or Repaired)	0

## NORTH MARIN WATER DISTRICT

### Summary of Complaints & Service Order March 2013

Prepared: 04/09/13

Type	Mar-13	Mar-12	Action Taken March 2013
<b><u>Consumers' System Problems</u></b>			
Service Line Leaks	0	13	~
Meter Leak Consumer's Side	16	0	Notified Consumer
House Plumbing	0	0	~
Noisy Plumbing	1	0	Failing PRV. Notified Consumer
Seepage or Other	0	0	~
House Valve / Meter Off	6	10	Turned Back On
Nothing Found	3	1	Notified Consumer
Low Pressure	1	1	Pressure good @ 60 PSI.
High Pressure	0	1	~
Water Waster Complaints	0	0	~
<b>Total</b>	<b>27</b>	<b>26</b>	
<b><u>Service Repair Reports</u></b>			
Register Replacements	0	0	~
Meter Replacement	6	1	Replaced
Meter Box Alignment	0	0	~
Meter Noise	0	0	~
Dual Service Noise	0	0	~
Box and Lids	1	0	Replaced
Water Off/On Due To Repairs	0	2	~
Misc. Field Investigation	5	2	Notified Consumer
<b>Total</b>	<b>12</b>	<b>5</b>	
<b><u>Leak NMWD Facilities</u></b>			
Main-Leak	0	0	~
Mains-Nothing Found	0	0	~
Mains-Damage	0	0	~
Service- Leak	6	3	Repaired
Services-Nothing Found	2	5	Notified Customer
Service-Damaged	0	0	~
Fire Hydrant-Leak	8	1	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	4	2	Replaced
<b>Total</b>	<b>20</b>	<b>11</b>	
<b><u>High Bill Complaints</u></b>			
Consumer Leaks	9	4	Notified Customer
Meter Testing	0	0	~
Meter Misread	2	2	Notified Customer
Nothing Found	12	12	Notified Customer
Projected Consumption	0	0	~
Excessive Irrigation	0	0	~
<b>Total</b>	<b>23</b>	<b>18</b>	

## NORTH MARIN WATER DISTRICT

### Summary of Complaints & Service Order March 2013

Prepared: 04/09/13

Type	Mar-13	Mar-12	Action Taken March 2013
<b><u>Low Bill Reports</u></b>			
Meter Misread	0	0	~
Stuck Meter	0	0	~
Nothing Found	0	0	~
Projected Consumption	0	0	~
Minimum Charge Only	0	0	~
<b>Total</b>	<b>0</b>	<b>0</b>	
<b><u>Water Quality Complaints</u></b>			
Taste and Odor	1	0	<b>Customer reported bad taste in water. (Palmer Dr)</b> Adverse taste likely due to chlorine. Chlorine concentration normal for our system. Advised customer to use carbon filter.
Color	1	0	<b>Customer reported black water from the hot water tap. (Moffett Ct)</b> Few particles visible in hot water. Advised flushing out water from heater tank.
Turbidity	0	0	~
Suspended Solids	1	0	<b>Customer reported white particles in the water. (Lassen Ln)</b> No particles found in samples collected. Other results were normal. Customer notified.
Other	0	0	~
<b>Total</b>	<b>3</b>	<b>0</b>	
<b>TOTAL FOR MONTH:</b>	<b>85</b>	<b>60</b>	<b>42%</b>
<b><u>Fiscal YTD Summary</u></b>			
Consumer's System Problems	320	301	6%
Service Repair Report	107	79	35%
Leak Complaints	202	217	-7%
High Bill Complaints	413	316	31%
Low Bills	3	8	-63%
Water Quality Complaints	32	41	-22%
<b>Total</b>	<b>1,077</b>	<b>962</b>	<b>12%</b>

**Change Primarily Due To**

Increase In Nothing Found  
 Increase In Meter Replacement  
 Decrease In Service Line Leak  
 Increase In Nothing Found  
 Decrease In Stuck Meter  
 Decrease In Other

## NORTH MARIN WATER DISTRICT

### Summary of Complaints & Service Order March 2013

Prepared: 04/09/13

<u>Type</u>	<u>Mar-13</u>	<u>Mar-12</u>	<u>Action Taken March 2013</u>
<b><u>"In House" Generated and Completed Work Orders</u></b>			
<b><u>Check Meter:</u></b> possible consumer/District leak, high bill, flooded, need read, etc.	205	192	
<b><u>Change Meter:</u></b> leaks, hard to read	10	8	
<b><u>Possible Stuck Meter</u></b>	3	2	
<b><u>Repair Meter:</u></b> registers, shut offs	0	0	
<b><u>Replace Boxes/Lids</u></b>	2	10	
<b><u>Hydrant Leaks</u></b>	0	0	
<b><u>Trims</u></b>	27	50	
<b><u>Dig Outs</u></b>	29	57	
<b><u>Letters to Consumer:</u></b> meter obstruction, trims, bees, gate access, etc.	0	0	
<b><u>Misc:</u></b> locate meter, get meter number, cross connection follow ups, kill service, etc.	0	0	
	<hr/> 276	<hr/> 319	

### **Bill Adjustments Under Board Policy:**

#### **March 13 vs. March 12**

Mar-13	16	\$4,987
Mar-12	34	\$6,472

#### **Fiscal Year to Date vs. Prior FYTD**

12/13 FYTD	302	\$108,747
11/12 FYTD	252	\$57,055

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**Customer Service Questionnaire Quarterly Report**

Quarter Ending 03/31/13



NMWD

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3/31/2013

	Response		
	Agree	Neutral	Disagree
<b>Water Quality</b>			
Courteous & Helpful			
Accurate Information			
Prompt Service			
Satisfactorily Resolved			
Overall Experience			
	0	0	0

	Agree	Neutral	Disagree
<b>Leak</b>			
Courteous & Helpful	11		
Accurate Information	11		
Prompt Service	10	2	
Satisfactorily Resolved	8	1	
Overall Experience	9		
	49	3	0

	Agree	Neutral	Disagree
<b>Billing</b>			
Courteous & Helpful	2		
Accurate Information	2		
Prompt Service	2		
Satisfactorily Resolved	2		
Overall Experience	2		
	10	0	0

	Response		
	Agree	Neutral	Disagree
<b>Pressure</b>			
Courteous & Helpful	2		
Accurate Information	1	1	
Prompt Service	2		
Satisfactorily Resolved	1	1	
Overall Experience	1	1	
	7	3	0

	Agree	Neutral	Disagree
<b>Noisy Pipes</b>			
Courteous & Helpful			
Accurate Information			
Prompt Service			
Satisfactorily Resolved			
Overall Experience			
	0	0	0

	Agree	Neutral	Disagree
<b>Other</b>			
Courteous & Helpful	1		
Accurate Information	1		
Prompt Service	1		
Satisfactorily Resolved	1		
Overall Experience	1		
	5	0	0

<b>Grand Total</b>	71	6	0
	92%	8%	0%

Questionnaires Sent Out	152	100%
Questionnaires Returned	21	14%

**Customer Service Questionnaire Quarterly Report**  
**Quarter Ending 03/31/13**

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Customer Comments	Staff Response to Negative Comments	Issues NMWD Should Address In The Future
<p><b>Water Quality</b></p> <p><b>Leaks</b>            I called about a leak. NMWD verified the problem.            Thank you for excellent service.            He was good. Checked everyting &amp; found leak in our irrigation.            Great Service. Thank You.            The gentleman advised us of the leak. Told us how to fix it. Great Service.</p> <p><b>Billing</b>            Thank you, very helpful.</p> <p><b>Other</b></p> <p><b>Pressure</b></p>		

## MEMORANDUM

To: Board of Directors

April 12, 2013

From: David L. Bentley, Auditor-Controller

Subj: Auditor-Controller's Monthly Report of Investments for March 2013

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**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of \$8,868,446 and a market value of \$8,879,185. During March the cash balance increased by \$485,245. For the fiscal year, the cash balance decreased \$1,640,946. The market value of securities held increased by \$1,355 during the month. The ratio of total cash to budgeted annual operating expense stood at 70%, up 4% from the prior month. This compares to the District's target ratio of 90%, or \$11.4 million. To date, \$6,096,774 has been advanced for the recycled water expansion project pending reimbursement via grant and SRF Loan funds.

At March 31, 2013, 67% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 17% in Time Certificate of Deposits, and 11% in Corporate Medium Term Notes. The weighted average maturity for the portfolio was 145 days, compared to 162 days at the end of last month. The LAIF interest rate for the month was 0.29%, the same as the previous month. The weighted average Portfolio rate was 0.44%, the same as the previous month. Including interest paid by Black Point Partners on the StoneTree Golf Club Recycled Water Facilities Loan, the District earned \$8,047 in interest revenue during March, with 35% earned by Novato Water, 60% 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:

"Total revenues for the fiscal year through the end of March were \$4.7 billion ahead of the Governor's estimates. While the first nine months of revenue far exceeded expectation, income tax deposits over the next two weeks will show whether that uptick is solid or fleeting. The Governor and lawmakers have exercised discipline by waiting to make spending decisions until we can explain whether this surge reflects economic growth, or simply means that taxpayers paid their taxes earlier than usual."

**NORTH MARIN WATER DISTRICT  
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS  
March 31, 2013**

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis <sup>1</sup>	3/31/2013 Market Value	Yield <sup>2</sup>	% of Portfolio <sup>3</sup>
<b>LAIF</b>	State of CA Treasury	A	Various	Open	\$5,913,174	\$5,919,840	0.29%	<b>67%</b>
<b>Time Certificate of Deposit</b>								
TCD	Bank of Marin	n/a	6/3/11	6/3/13	\$1,000,000	\$1,000,000	1.00%	11%
TCD	Ally Bank	n/a	9/28/12	10/1/14	248,000	248,000	0.85%	3%
TCD	Goldman Sachs	n/a	12/5/12	12/5/14	248,000	248,000	0.75%	3%
					<b>\$1,496,000</b>	<b>\$1,496,000</b>	<b>0.93%</b>	<b>17%</b>
<b>Corporate Medium Term Note</b>								
MTN	General Electric	AA+	1/29/13	10/9/15	\$1,003,742	\$1,003,336	0.70%	11%
					<b>\$1,003,742</b>	<b>\$1,003,336</b>	<b>0.70%</b>	<b>11%</b>
<b>Other</b>								
Agency	Marin Co Treasury	AA+	Various	Open	\$370,531	\$370,531	0.22%	4%
Bond	Olema G.O. Bond	A+	5/31/91	1/1/15	7,659	12,139	5.00%	0%
Other	Various	n/a	Various	Open	77,341	77,341	0.00%	1%
<b>TOTAL IN PORTFOLIO</b>					<b>\$8,868,446</b>	<b>\$8,879,185</b>	<b>0.44%</b>	<b>100%</b>

Weighted Avg. Maturity = 145 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, 2013.

<b>Interest Bearing Loans</b>	Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
Black Point Partners-BPGL	6/30/06	2/28/24	\$3,612,640	\$2,398,449	2.40%
Employee Housing Loans (8)	Various	Various	1,441,785	1,441,785	Contingent
Employee Computer Loans (4)	Various	Various	7,837	2,624	1.58% (avg)
<b>TOTAL INTEREST BEARING LOANS</b>			<b>\$5,062,262</b>	<b>\$3,842,858</b>	

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

7

MEMORANDUM

To: Board of Directors  
From: Drew McIntyre, Chief Engineer   
Subject: Consent for Annexation to North Marin Water District Service Territory  
APN: 100-152-28 succeeded by merging 100-152-09, 10, 18) – 33 Ocean View Avenue, Dillon Beach  
R:\Folders by Job No\2700 jobs\2770\Brown Annex Memo\_April 2013.doc

April 12, 2013

**RECOMMENDED ACTION: The Board declare its consent with the service territory annexation**


**FINANCIAL IMPACT: None - Developer Funded**

Samuel Brown and Linda Jo Fitz, owners of the above parcel, are requesting sewer service and inclusion of the 1,444 sq. ft. residence and 650 sq. ft accessory dwelling unit with full bath (joined by a common deck) at 33 Ocean Avenue, to North Marin Water District territorial boundaries (see Attachment 1). The 0.134 acre parcel (APN: 100-152-28) was formed by merging three adjacent parcels 100-152-09, 100-152-10 and 100-152-18 in November 2012. Marin LAFCo is the lead agency for the territorial boundary annexation (see Attachment 2) and the District must show its consent for the boundary change. Once approved by LAFCo, staff will process an Oceana Marin (OM-3) Improvement District Annexation request for Board Approval.

The above parcel can be served by the existing gravity sewer main on Ocean View Avenue and parcel 100-152-09 was identified as one of the nine parcels that can be considered for annexation (See Attachment 3). This parcel has also been identified in the Long-Range Master Plan for Oceana Marin Wastewater System as part of future connections. Staff has communicated that by irrevocable deed restriction, future building addition on the merged property will be prohibited. If the District annexes this property and connects to the Ocean View Avenue sewer, the sewage will have to be pumped from the property into the sewer via a privately owned sewer lift station similar to all sewer connections on the South side of Ocean View Avenue.

RECOMMENDATION:

That the Board declare its consent with the requested annexation and service to the subject parcel subject to LAFCo approval of the territorial boundary annexation and pursuant to District regulations including payment of all charges for annexation and service.

Approved by GM 

Date 4/12/2013



Proposed Annexation

**NORTH MARIN WATER DISTRICT APPLICATION FORM**

Job No.:	<u>S.2770</u>
Engineer:	<u>Carmela</u>
Deposit:	\$ <u>4,000.00</u>
Date Submitted:	<u>3/25/13</u>
FOR NMWD USE ONLY	

Please type or print clearly

**PROJECT NAME:** Brown Residence 33 Ocean View Ave. Old Dillon Beach APN: 100-152-09\*  
\*Recordation of Notice of Merger of parcels 100-152-09 with adjacent parcel 100-152-10 and 100-152-18 was recorded 11-13-2-12. (Exhibit "A")

**APPLICANT(S) NAME:** Samuel Brown

Phone No.: 707-523-0104

Organization: Individual

Address: 3175 Montecito Meadow Drive Santa Rosa, CA

Zip Code: 95404

No. & Type of Units: Single family residence (1444 sq ft, 2 bdrm, 1.5 bath) with accessory (650 sq ft bdrm with full bath) structure joined by common deck.

Application For Cost Estimate      Tentative Construction Date: August 2013

Other (Specify Work Requested): Connection to NMWD's Ocean View Avenue sewer main extension subject to a recorded irrevocable deed restriction prohibiting the addition of inhabitable square footage on the merged property (per NMWD Engineer, Drew McIntyre)

Well on Site Currently In Use OR Abandoned (Explain)

**OWNER(S) NAME:** Samuel Brown  
Linda Jo Fitz

Phone No.: 707-523-0104  
Phone No.: 415-437-2214

Organization

California Corporation       Limited Partnership       Individual  
 \_\_\_\_\_ Corporation       General Partnership       Other \_\_\_\_\_

Legal Name of Two Officers Authorized to Execute Legal Documents on Behalf of the Organization

Name	Title
Name	Title
Address	Zip Code

**ENGINEERING FIRM:** CSW/Stuber-Stroeh Engineering Group Inc. Phone No. 415-883-9850

Address: 45 Leveroni Court, Novato CA

Zip Code: 94949

Project Engineer's Name: Richard J. Souza, R.C.E #67892 (Email: RichS@scwst2.com)

**AGREEMENT TO PAY DISTRICT COSTS:** The undersigned hereby agrees to promptly pay all costs incurred by the District in processing this application, preparing cost estimates and otherwise performing the work request. Requested engineering advances are not fees but are deposits to offset actual costs incurred by the District. Additional advances may be required during the course of design work.

Date 3/23/13

Samuel Brown  
Samuel Brown, Owner

Date 3/23/13

Linda Jo Fitz  
Linda Jo Fitz, Owner



DM ✓  
CC ✓ 3/11/13  
TK

NOTICE OF MEETING AND AGENDA

Marin Local Agency Formation Commission  
March 14, 2013  
7:00 p.m., Thursday  
San Rafael Council Chambers  
1400 Fifth Avenue, San Rafael

7:00 P.M. – CALL TO ORDER

ROLL CALL

**PUBLIC COMMENT** *This portion of the meeting is reserved for persons desiring to address the Commission on any matter not listed on this agenda. All statements that require a response will be referred to staff for reply in writing or will be placed on the Commission's agenda for consideration at a later meeting. Speakers are limited to three minutes.*

NOTICE OF APPLICATION (Information only)

1. New applications have been received for the following proposals:
  - Annexation of the Lands of Ross to Homestead Valley Sanitary District (File #1313)
  - Annexation of the Lands of Brown to North Marin Water District (File #1315)

Action or Possible Action Items Below:

CONSENT CALENDAR ITEM(S)

2. Regular Meeting Minutes – February 1, 2013
3. Financial Reports – January and February 2013
4. Annexation of the Lands of Chris Hodge to Novato Sanitary District (File #1314):  
Proposed annexation of 0.66 acres located on Atherton Avenue near its intersection with Saddle Wood Drive. View Staff Report

Pursuant to GC Section 84308, if you wish to participate in the above proceedings, you or your agent are prohibited from making a campaign contribution of \$250 or more to any Commissioner or Alternate. This prohibition begins on the date you begin to actively support or oppose an application before LAFCO and continues until 3 months after a final decision is rendered by LAFCO. If you or your agent have made a contribution of \$250 or more to any Commissioner or Alternate during the 12 months preceding the decision, in the proceeding that Commissioner or Alternate must disqualify himself or herself from the decision. However, disqualification is not required if the Commissioner or Alternate returns that campaign contribution within 30 days of learning both about the contribution and the fact that you are a participant in the proceedings.



## NORTH MARIN WATER DISTRICT

999 RUSH CREEK PLACE - POST OFFICE BOX 146 • NOVATO, CALIFORNIA 94948 • (415) 897-4133 • FAX (415) 892-8043

September 20, 1995

Mr. Mark Riesenfeld, Director  
Marin County Planning Department  
Civic Center, Room 308  
San Rafael, CA 94903

Re: Sewer Service to Individual Properties in Old Dillon Beach Village  
NMWD File: Miscellaneous Old Dillon Beach File

Dear Mr. Riesenfeld:

Pursuant to our meeting on August 9, 1995, this letter is intended to improve the efficiency of our respective staffs in responding to requests for sewer service in the community of Old Dillon Beach Village (Village). North Marin's staff spends considerable time responding to requests for sewer service to lots in the Village which are outside of the District's sewer improvement district and territorial boundaries. These requests are often generated by your staff in response to Marin County Code, Section 1806, which requires that a lot within 400 feet of the public sewer must connect to the public sewer. Your staff has indicated they do not perceive there is a widespread problem with on-site sewer service in the Village and, as you are aware, the County cannot compel the District to provide sewer service to lots outside of the District's boundaries.

The District's Board has generally denied all requests for sewer service to lots outside the District's existing Oceana Marin improvement district boundaries in Old Dillon Beach since the cost of providing public sewer service for the Village community on a piece-meal basis is very expensive and will result in an unreliable and expensive, difficult to operate mixture of private and public sewer facilities. Thus, to make efficient use of staff time, both at the District and County, and to provide improved customer service to property owners in the community, the District is hereby identifying those lots in the Village which have an existing District gravity sewer fronting the property and which may be considered for annexation by the District Board of Directors in the future in accordance with District regulations.

As shown on Attachment 1, there is an existing District gravity sewer main in Ocean View Avenue south of North Street. Eight properties fronting this sewer have previously been annexed into the District's sewer improvement district and are eligible to receive sewer service from the District using this public sewer. There are nine additional properties which front this existing gravity sewer main in Ocean View Avenue (also shown on Attachment 1). These additional properties are not now within the District's Oceana Marin improvement district but no additional District sewage collection facility need be constructed to serve same and they may be considered for annexation by the District's Board of Directors in the future. Property owners whose parcels would require private pump systems to discharge into this existing gravity sewer main must comply with District regulations for said systems. The Assessor Parcel Numbers of these parcels are as follows:

- 100-133-10
- 100-133-12
- 100-152-01
- 100-152-04
- 100-152-05
- 100-152-06
- 100-152-07
- 100-152-08
- 100-152-09

ATTACHMENT 3

Mr. Mark Riesenfeld  
September 20, 1995  
page 2

Other existing lots in the Village will not be considered for annexation and sewer service by the District's Board of Directors until such time as there is support and funding available from the Village property owners for a community-wide public sewer system.

Sincerely,



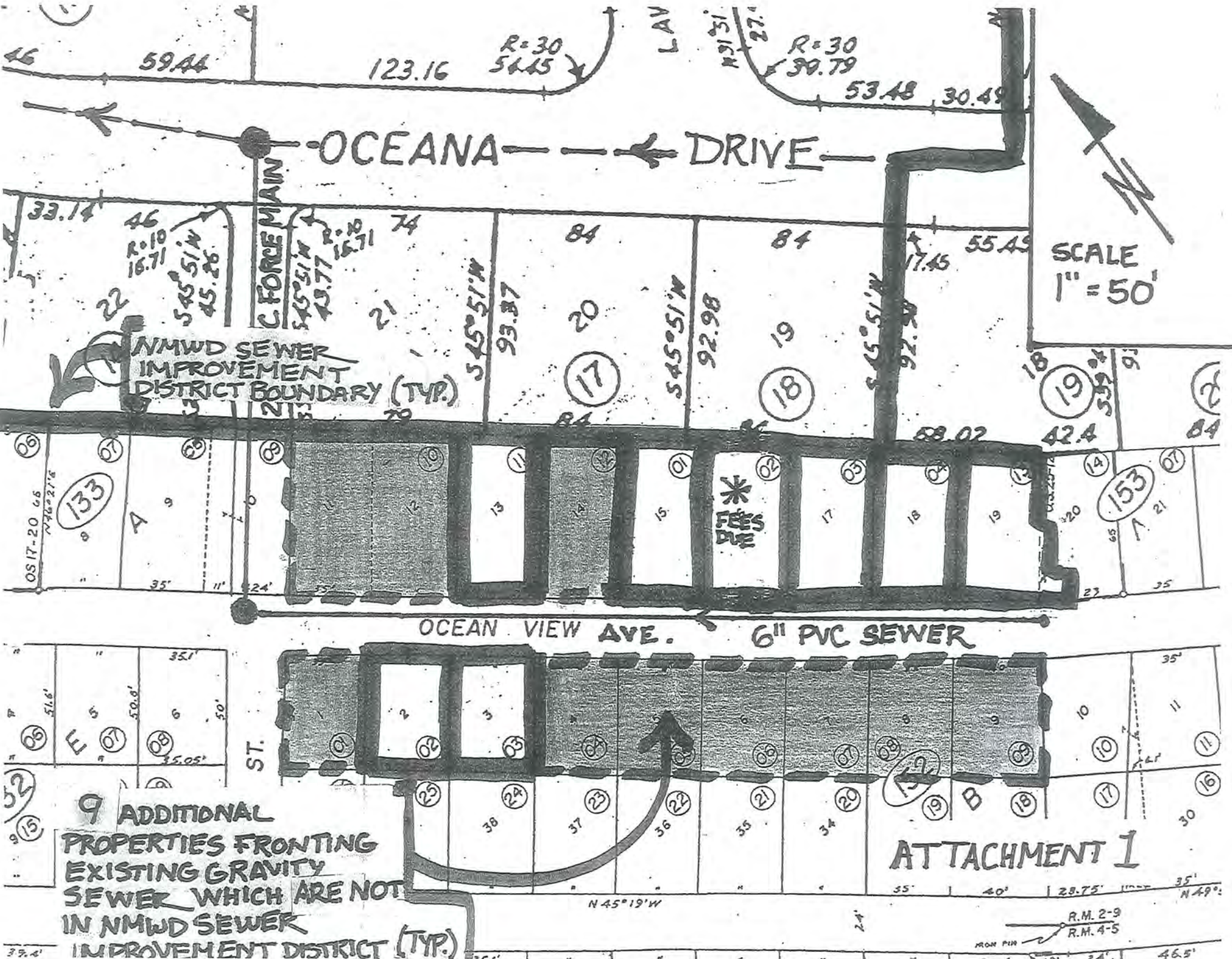
Chris DeGabriele  
General Manager/Chief Engineer

CD:edw

Attachment

cc: Dawn Mittleman  
Marin County LAFCO  
Civic Center  
San Rafael, CA 94903

Gary Giacomini  
Supervisor  
County of Marin  
Civic Center  
San Rafael, CA 94903



9 ADDITIONAL PROPERTIES FRONTING EXISTING GRAVITY SEWER WHICH ARE NOT IN NMWD SEWER IMPROVEMENT DISTRICT (TYP.)

ATTACHMENT I

SCALE  
1" = 50'

R.M. 2-9  
R.M. 4-5  
MON. PIN

8

MEMORANDUM

To: Board of Directors  
From: Chris DeGabriele, General Manager *CD*  
Subject: Adopt Revised District Policies Number 8, 10 & 11  
t:\hr\policies\bod policies\policy review 2013\bod memo adopt 040213.doc

April 12, 2013

**RECOMMENDED ACTION:** Adopt Revised District Policies  
**FINANCIAL IMPACT:** None

Pursuant to direction received at the March 19<sup>th</sup> Board meeting, three of the following District policies have been revised to reflect the Board and staff's comments and standardize the policy format:

- Policy Number 8 – Separate Financial Statements Maintained for Each Improvement District
- Policy Number 10 – Fee or Charge Dispute Hearing,
- Policy Number 11 – Liability Contingency Fund Application

**RECOMMENDATION:**

- Board adopt the revised District policies:
- Policy Number 8 – Separate Financial Statements Maintained for Each Improvement District
- Policy Number 10 – Fee or Charge Dispute Hearing
- Policy Number 11 – Liability Contingency Fund Application

Approved by GM *CD*

Date *4/12/2013*

**NORTH MARIN WATER DISTRICT**

**POLICY: ~~SERVICE CONNECTION FEE OR CHARGE DISPUTE~~  
~~COMPROMISE HEARING~~  
POLICY NUMBER: 10**

Original Date: 1958

Revision Adopted: May 16, 2006<sup>1</sup>

Any District customer who disputes a fee or charge is entitled to a hearing before the District Board of Directors. ~~Effective May 16, 2006, Resolution No. 176, initially establishing this policy, is hereby rescinded.~~

Revisions: 05/06, 04/13

<sup>1</sup> Policy 10 replaces Board Resolution No. 176, adopted in 1958.

## NORTH MARIN WATER DISTRICT

**POLICY:** ~~Policy for Payment of Facilities Benefiting Non-Contiguous Areas~~  
SEPARATE FINANCIAL STATEMENTS MAINTAINED FOR EACH IMPROVEMENT  
DISTRICT

**POLICY NUMBER:** 8

Original Date: 1967  
Revision Adopted: May 16, 2006<sup>1</sup>

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Each improvement district stands alone with regard to financing and charges. Accordingly, the cost of service to customers varies by improvement district. ~~Effective May 16, 2006, Resolution No. 686, initially establishing this policy, is hereby rescinded.~~

Revisions: 1967, 05/06, 04/13

<sup>1</sup> Policy 8 replaces Board Resolution No. 686, adopted in 1967.



## NORTH MARIN WATER DISTRICT

**POLICY: LIABILITY CONTINGENCY FUND APPLICATION**  
**POLICY NUMBER: 11**

Original Date: 2000  
Revision Adopted: June 6, 2006

---

Payment of a liability claim originating within the boundaries of a specific water-system improvement district will first be paid from available insurance proceeds or liability contingency reserve funds existing within that water-improvement district. If a claim exhausts the liability contingency reserve fund of a specific water-improvement district, the balance of liability remaining will be paid from the liability contingency reserve fund held by another improvement district. ~~(For example, if a liability claim exhausts the Novato Water System Improvement District liability contingency reserve fund, the balance of the remaining liability will be paid by the West Marin Water System Improvement District liability contingency reserve fund.)~~ The amount paid from the liability contingency reserve fund held by another improvement district shall be repaid to that improvement district over time pursuant to the Interdistrict Loan Policy (Policy No. 5)

Revisions: 2000, 06/06, 04/13

9

## MEMORANDUM

To: Board of Directors

April 12, 2013

From: David L. Bentley, Auditor-Controller

Subj: Approve – Purchase of Replacement Photocopier  
t:\gm\admin secty\2013 copier\photocopier purchase.doc**RECOMMENDED ACTION:** Approve**FINANCIAL IMPACT:** \$17,473

At the February 5, 2013 meeting, the Board authorized staff to solicit proposals for a replacement photocopier. We sent requests to thirteen vendors. Four companies proposed models that met all thirteen of the specified requirements. We tested the three models with the lowest life cycle cost. Zoom Imaging Solutions life cycle was much higher due to the price of the yearly maintenance and price per excess copy per year.

Company	Model	Rated Copies/ Minute	Price incl 1st Yr Maint	7-Year Life Cycle Cost <sup>1</sup>
Scott Technology	Canon Image Runner 6275	75	\$17,473	\$24,848
Scott Technology	Savin/Ricoh MP 7502SP	75	\$17,693	\$25,669
Discovery Office Systems	Kyocera 8000i	80	\$16,371	\$25,964
Zoom Imaging Solutions	Xerox	75	\$13,313	\$27,530

Staff "test drove" both the Kyocera and Savin models in-house. Staff members also went to Scott Technology warehouse to test the Canon. The Canon is the clear choice among the District's staff. The Canon features an optical character recognition (OCR) technology allowing for faster digital imaging and has a higher scan quality. The Canon also features less internal compartments so clearing jams is much easier and less frequent. The Kyocera would require a specialized program to allow OCR. In addition, the Kyocera was louder and emitted a "humming" noise when copying. The Kyocera was less user friendly than the Canon.

Scott Technology was founded in Rohnert Park in 1995. One of their largest customers is the County of Marin. The District's existing Administration copier was purchased from Scott Technology seven years ago and staff is pleased with their service. The District budget includes \$25,000 for this purchase.

**RECOMMENDATION:**

Authorize the Auditor-Controller to enter into an agreement with Scott Technology to purchase the Cannon Image Runner Advance 6275 for \$17,473.

<sup>1</sup> 7-Year Life Cycle Cost includes initial purchase of copier plus 6 years of maintenance service (including toner) at a 5% discount rate.

Approved by GM CDDate 4/12/2013

10

## MEMORANDUM

To: Board of Directors  
From: David L. Bentley, Auditor-Controller   
Subj: Proposed Rate Increases - West Marin Water & Oceana Marin Sewer  
t:\a\l\budget\wm\13\proposed rate increases.docx

April 12, 2013

**RECOMMENDED ACTION: Provide Direction to Staff****FINANCIAL IMPACT: None at this time**

A public hearing is scheduled for June 25 in Point Reyes Station to consider adoption of the FY2013-2014 (FY14) budgets and rate increases for both the West Marin Water and Oceana Marin Sewer systems. Staff recommends the following schedule to allow for appropriate customer notification of a proposed rate increase:

- April 16, 2013 - Board to consider proposed rate increase and provide direction to staff;
- May 7, 2013 - Board to approve Proposition 218 public hearing notice regarding consideration of a proposed rate increase to be mailed to each West Marin Water and Oceana Marin Sewer customer;
- May 11, 2013 - Deadline for customers to receive the public hearing notice (45 days prior to public hearing);
- June 25, 2013 - Point Reyes Station Public Hearing to consider proposed rate increases and budget adoption;
- July 1, 2013 - Proposed rate increase effective date.

**Staff Recommendation Summary**

West Marin Water System: A 20% increase in the bimonthly service charge consistent with the charges adopted for Novato Water customers, and a 5% increase in the water commodity rates, both effective July 1, 2013. The median single-family residential customer would see a 9% increase in annual water cost (\$51, or \$4.22/month.)

Oceana Marin Sewer System: A 12% increase (\$7/month) in the service charge, to \$65/month, effective July 1, 2013.

**West Marin Water System**

For the next two fiscal years WM Water will spend the remaining \$600,000 Bank of Marin Loan money to complete construction of the treatment plant Solids Handling Facility. The two following fiscal years (FY16 & FY17) will see \$500,000 expended on replacement of Paradise Ranch Estates Tank 4A, which burned in the 1995 Vision Fire. The Proposed Capital

Improvement Projects schedule (Attachment A) also shows construction of the \$1.6 million Gallagher Pipeline in FY17. Staff has applied for Federal and State assistance to finance the Gallagher Pipeline, which if received would accelerate construction of the project. The financial plan, however, assumes that the District will obtain private financing for the project with a 20-year, 4.5% loan. Said loan would require annual debt service payments of \$123,000, which equates to \$158 per customer per year, or about 18% of current fiscal year total water revenue.

As can be seen on Attachment B, West Marin Water's projected cash balance will fall through FY15 with construction of the Solids Handling Facility. Then, assuming water rates are increased 5% annually, the projected cash balance will increase each year thereafter. West Marin Water's detailed 5-Year Financial Forecast, is included as Attachment C.

### **Oceana Marin Sewer System**

The 5-Year Capital Improvement Projects plan (Attachment A) includes \$100,000 for installation of an 8th disposal trench in FY15 and FY16. The major project, budgeted in FY18, is cleaning and lining the settling and treatment ponds, projected to cost \$400,000. This Pond Lining project is the driver for the 12% rate increase proposed. The 5-year financial plan also incorporates 5% annual increases thereafter. Assuming the proposed rate increases are commenced this July, the Oceana Marin system will have adequate cash to construct the Pond Lining project in FY18 on a pay-go basis.

As can be seen on Attachment D, a 12% increase this July followed by annual 5% rate increases thereafter will allow Oceana Marin Sewer's FY17 projected cash balance to return to the FY12 level that existed prior to the Cross-Country Sewer Line Replacement project, and which would be sufficient to fund the FY18 Pond Relining Project. Absent rate increases, Oceana Marin's cash reserve balance will go negative in FY18. Oceana Marin Sewer's detailed 5-Year Financial Forecast is included as Attachment E.

### **STAFF RECOMMENDATION**

Direct Staff to prepare a letter to customers for Board consideration at its May 7 meeting advising of a June 25 rate hearing wherein the following will be considered:

- West Marin Water - Effective July 1, 2013, increase the bimonthly service charge 20% consistent with Novato Water's bimonthly service charge, and increase the water commodity rate by 5%.
- Oceana Marin Sewer - Effective July 1, 2013, increase the monthly service charge by 12% (\$7/month).

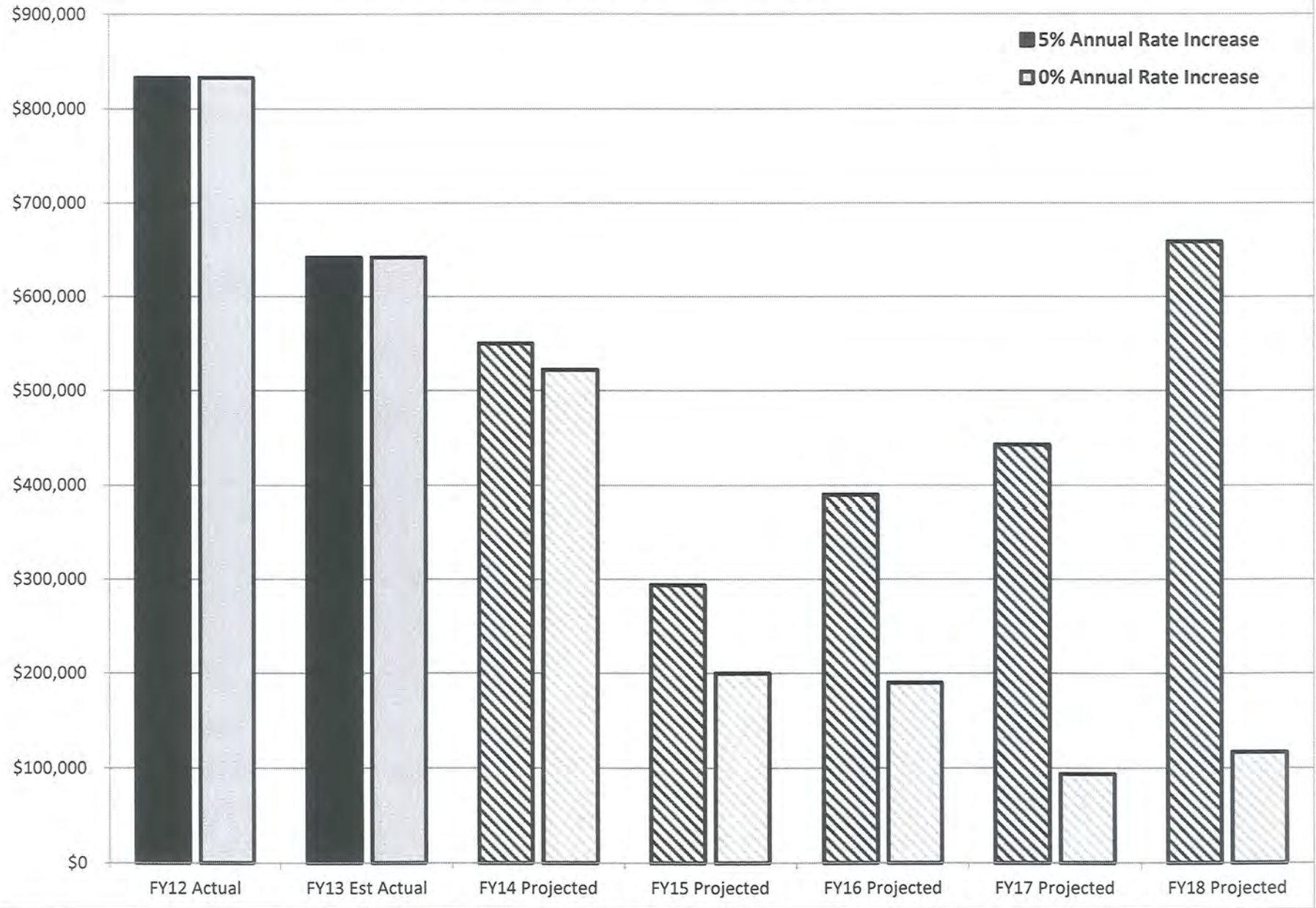
**Proposed Capital Improvement Projects**  
**5-Year Financial Plan**

4/9/13

t:\acl\excel\budget\14\5 yr cip fy14.xlsx\5 yr ip

	FY13 Budget	FY13 Est Actual	FY14 Budget	FY15 Budget	FY16	FY17	FY18
<b>6 WEST MARIN WATER SYSTEM</b>							
a. TP Solids Handling	\$400,000	\$100,000	\$200,000	\$500,000			
b. TP RTU Upgrade		\$25,000					
c. Point Reyes Well #3 Replace	\$165,000	\$180,000					
d. Treatment Plant Control Valve Replacement	\$75,000	\$50,000	\$25,000				
e. Gallagher Auxiliary Stream Gauge	\$30,000		\$30,000				
f. PB Replace in Sync w/ County Paving		\$75,000			\$50,000		
g. Replace PRE 2" Galvanized Steel Pipe				\$120,000			\$120,000
h. Olema PS Flood Protection & RTU Upgrade			\$100,000				
i. Emergency Generator Connections (2 Locations)			\$15,000				
j. Pt Reyes Tank #2 & #3 Seismic Piping Upgrade		\$10,000	\$65,000				
k. Replace PRE Tank #4A (25,000 gal w/82,000 gal Tank)					\$250,000	\$250,000	
l. Gallagher Pipeline (Note 3)		\$15,000				\$1,600,000	
	<b>\$670,000</b>	<b>\$455,000</b>	<b>\$435,000</b>	<b>\$620,000</b>	<b>\$300,000</b>	<b>\$1,850,000</b>	<b>\$120,000</b>
<b>7 OCEANA MARIN SEWER SYSTEM</b>							
a. Infiltration Repair	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
b. Tahiti Way Lift Pumps Rebuild (2) (every 5 yrs)	\$20,000	\$20,000				\$20,000	\$20,000
c. Cross Country Sewer Line Rehab (3,150')	\$275,000	\$200,000					
d. Treatment Pond Algae Control Device	\$10,000						
e. SCADA RTU Upgrade and Install			\$35,000				
f. Design/Install 8th Disposal Trench (300')				\$50,000	\$50,000		
g. Pond Cleaning & Lining							\$400,000
	<b>\$320,000</b>	<b>\$235,000</b>	<b>\$50,000</b>	<b>\$65,000</b>	<b>\$65,000</b>	<b>\$35,000</b>	<b>\$435,000</b>

### West Marin Water Projected Cash Balance





## WEST MARIN WATER

### 5-Year Financial Forecast

#	BASIC DATA	Actual 2010/11	Actual 2011/12	Estimated 2012/13	Proposed 2013/14	Projected 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18
1	Active Meters	770	777	776	778	780	782	784	786
2	Avg Commodity Rate/1,000 Gal	\$6.59	\$6.97	\$7.39	\$7.73	\$8.12	\$8.53	\$8.96	\$9.40
3	Potable Consumption (MG)	74	74	75	75	75	75	75	75
<b>INCOME</b>									
4	Commodity Charge	\$489,493	\$518,217	\$554,000	\$580,000	\$609,000	\$640,000	\$672,000	\$705,000
5	Minimum Service Charge	94,214	115,584	139,000	168,000	177,000	186,000	196,000	206,000
6	Connection Fee	16,150	36,600	5,000	46,000	46,000	46,000	46,000	46,000
7	PR-2 County Tax Allocation	38,446	40,598	45,000	43,000	44,000	45,000	46,000	47,000
8	PR-3 G.O. Bond Tax	13,803	13,938	0	0	0	0	0	0
9	OL-2 G.O. Bond Tax	3,528	3,757	4,000	4,000	0	0	0	0
10	Interest	0	0	3,000	3,000	2,000	1,000	2,000	2,000
11	Miscellaneous	(18,491)	4,921	11,000	11,000	11,000	11,000	11,000	11,000
12	<b>TOTAL INCOME</b>	<b>\$637,143</b>	<b>\$733,615</b>	<b>\$761,000</b>	<b>\$855,000</b>	<b>\$889,000</b>	<b>\$929,000</b>	<b>\$973,000</b>	<b>\$1,017,000</b>
<b>EXPENDITURES</b>									
13	Operating Expenditures	\$381,224	\$382,948	\$376,000	\$407,000	\$419,000	\$432,000	\$445,000	\$458,000
14	Bond & Loan Debt Service	48,105	55,597	121,000	105,000	106,000	101,000	225,000	223,000
15	Interdistrict Loan Interest	4,969	5,918	0	0	0	0	0	0
16	<b>TOTAL EXPENDITURES</b>	<b>\$434,298</b>	<b>\$444,463</b>	<b>\$497,000</b>	<b>\$512,000</b>	<b>\$525,000</b>	<b>\$533,000</b>	<b>\$670,000</b>	<b>\$681,000</b>
<b>NET INCOME BEFORE PROJECTS</b>		<b>\$202,845</b>	<b>\$289,152</b>	<b>\$264,000</b>	<b>\$343,000</b>	<b>\$364,000</b>	<b>\$396,000</b>	<b>\$303,000</b>	<b>\$336,000</b>
<b>OTHER SOURCES/(USES)</b>									
17	Capital Improvement Projects	(136,485)	(145,027)	(455,000)	(435,000)	(620,000)	(300,000)	(1,850,000)	(120,000)
18	Loan/Grant Proceeds	0	1,000,000	0	0	0	0	1,600,000	0
19	Loan from (Repayment to) Novato	(63,332)	(356,968)	0	0	0	0	0	0
20	Net Change in Working Capital	(13,013)	(4,575)	0	0	0	0	0	0
21	<b>INCREASE (DECREASE) IN CASH</b>	<b>(\$9,985)</b>	<b>\$782,582</b>	<b>(\$191,000)</b>	<b>(\$92,000)</b>	<b>(\$256,000)</b>	<b>\$96,000</b>	<b>\$53,000</b>	<b>\$216,000</b>
<b>CASH BALANCE</b>									
22	Operating Reserve	\$0	\$0	\$0	\$217,000	\$165,000	\$261,000	\$314,000	\$530,000
23	System Expansion Reserve	0	700,680	510,000	201,000	0	0	0	0
24	Liability Contingency Reserve	0	98,885	99,000	99,000	99,000	99,000	99,000	99,000
25	Bond Redemption Reserve	50,313	33,330	33,000	33,000	30,000	30,000	30,000	30,000
26	<b>TOTAL CASH BALANCE</b>	<b>\$50,313</b>	<b>\$832,895</b>	<b>\$642,000</b>	<b>\$550,000</b>	<b>\$294,000</b>	<b>\$390,000</b>	<b>\$443,000</b>	<b>\$659,000</b>
27	Amount Due to Novato Water	\$356,968	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	Depreciation Expense	\$147,002	\$150,169	\$148,000	\$156,000	\$163,000	\$173,000	\$178,000	\$209,000

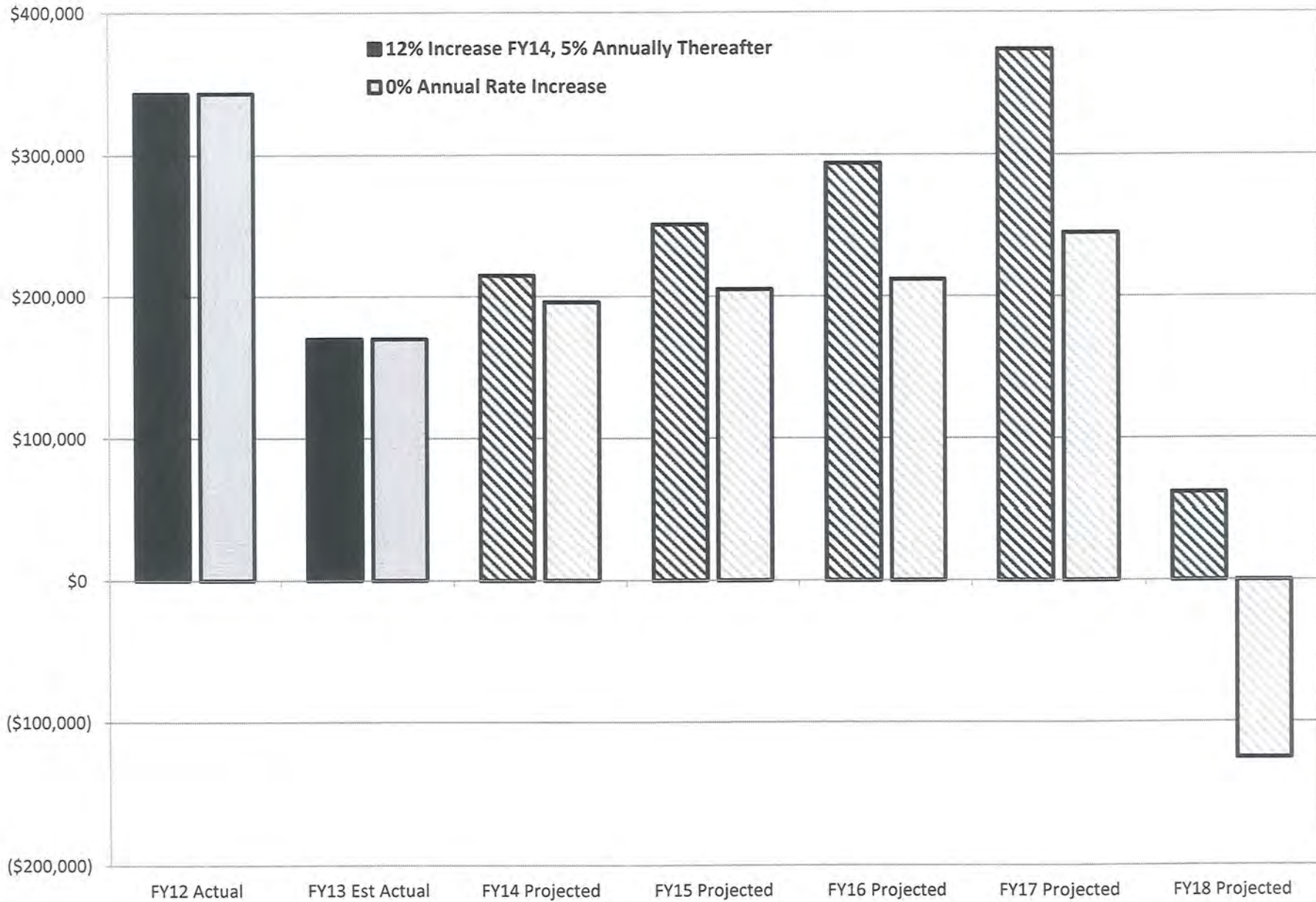
**WEST MARIN WATER NOTES**

## # 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 A commodity rate increase of 5% is proposed effective 7/1/13.
- 3 Projection based on FY13 estimated actual.
- 5 A 20% increase in the Bimonthly Service Charge consistent with Novato Water is proposed effective 7/1/13. Thereafter a 5% annual increase is proposed.
- 6 The connection fee was set at \$22,800 per equivalent dwelling unit effective August 1, 2010.
- 7 In July 2009 the State Legislature "borrowed" 8% (approximately \$3,500) of Point Reyes tax revenue. The Legislature promised to repay the borrowed money plus 2% interest per annum no later than June 30, 2013. Said repayment is incorporated into the FY13 budget. PR2 County Tax allocation is projected to increase 3% per year.
- 8, 9 GO Bond Taxes are Proposition 13 Exempt property tax levies that fund general obligation bond debt service. See Note 27 regarding the PR-3 GO Bond.
- 10 Projected available funds invested at 0.40%
- 11 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.
- 13 3% annual increase assumed after FY14.
- 14 Comprised of four 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1973 \$250,000 PR-3 GO bond maturing 2013; 2) 1975 OL-2 \$70,000 GO bond due 2015; 3) 1980 PRE-1 \$240,000 revenue bond due 2020; 4) 1981 PR-6 \$217,800 revenue bond due 2021; plus an Economic Development Administration \$46,000 5% 40-year loan in 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; commencing FY17 includes repayment of a Gallagher Pipeline loan.
- 15 Interest on interdistrict Loan to fund the LRIPP. Debt was fully repaid in June 2012 with Bank of Marin loan.
- 16 Excludes depreciation.
- 17 Capital Improvement Projects. See 5-year Improvement Projects Forecast.
- 18 \$1 million loan from Bank of Marin in June 2012. Assumes Gallagher Pipeline grant or loan proceeds offset the \$1.6 million installation cost.
- 19 Interdistrict loan repayment to fund the West Marin Long Range Improvement Project Plan (LRIPP). Fully repaid in June 2012.
- 22 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors. This reserve should have a balance of \$125,000 at June 30, 2013, however the funds have been used to subsidize operating deficits resulting from financing capital improvement projects. Future cash generated will accrue to the emergency operating reserve fund until it is whole.
- 23 System Expansion Reserve is composed of connection fee revenue and unexpended Bank of Marin loan funds.
- 24 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.
- 25 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 \$15K County Reserve.
- 27 Amount Due to Novato Water at fiscal year end.

### Oceana Marin Sewer Projected Cash Balance



## OCEANA MARIN SEWER

### 5-Year Financial Forecast

#		Actual 2010/11	Actual 2011/12	Estimated 2012/13	Proposed 2013/14	Projected 2014/15	Projected 2015/16	Projected 2016/17	Projected 2016/17
<b># BASIC DATA</b>									
1	Number of Connections	227	227	227	228	229	230	231	232
2	Monthly Service Charge	\$55.00	\$58.00	\$58.00	\$65.00	\$68.00	\$71.00	\$75.00	\$79.00
<b>INCOME</b>									
3	Monthly Service Charge	\$149,820	\$157,311	\$158,000	\$177,000	\$186,000	\$196,000	\$207,000	\$219,000
4	OM-1/OM-3 Tax Allocation	40,992	43,266	48,000	46,000	47,000	48,000	49,000	50,000
5	Connection Fees	0	0	0	15,000	15,000	15,000	15,000	15,000
6	Interest Revenue	2,555	1,387	1,000	1,000	1,000	1,000	1,000	1,000
7	Miscellaneous Revenue/(Expense)	(156)	10	0	1,000	1,000	1,000	1,000	1,000
8	<b>TOTAL INCOME</b>	<b>\$193,211</b>	<b>\$201,974</b>	<b>\$207,000</b>	<b>\$240,000</b>	<b>\$250,000</b>	<b>\$261,000</b>	<b>\$273,000</b>	<b>\$286,000</b>
9	<b>OPERATING EXPENDITURES</b>	<b>\$128,191</b>	<b>\$137,490</b>	<b>\$145,000</b>	<b>\$145,000</b>	<b>\$149,000</b>	<b>\$153,000</b>	<b>\$158,000</b>	<b>\$163,000</b>
<b>OTHER EXPENDITURES</b>									
10	Capital Imprvmnt Projects/Other	\$26,360	\$58,694	\$235,000	\$50,000	\$65,000	\$65,000	\$35,000	\$435,000
11	<b>TOTAL EXPENDITURES</b>	<b>\$154,551</b>	<b>\$196,184</b>	<b>\$380,000</b>	<b>\$195,000</b>	<b>\$214,000</b>	<b>\$218,000</b>	<b>\$193,000</b>	<b>\$598,000</b>
12	Net Change in Working Capital	\$9,603	\$21,639						
13	<b>INCREASE (DECREASE) IN CASH</b>	<b>\$48,263</b>	<b>\$27,429</b>	<b>(\$173,000)</b>	<b>\$45,000</b>	<b>\$36,000</b>	<b>\$43,000</b>	<b>\$80,000</b>	<b>(\$312,000)</b>
<b>CASH BALANCE</b>									
14	Operating Reserve	\$238,651	\$293,416	\$170,000	\$215,000	\$251,000	\$294,000	\$374,000	\$62,000
15	Connection Fee Reserve	77,292	49,956	0	0	0	0	0	0
16	<b>TOTAL CASH BALANCE</b>	<b>\$315,943</b>	<b>\$343,372</b>	<b>\$170,000</b>	<b>\$215,000</b>	<b>\$251,000</b>	<b>\$294,000</b>	<b>\$374,000</b>	<b>\$62,000</b>
17	Depreciation Expense	\$41,084	\$41,084	\$42,000	\$48,000	\$49,000	\$51,000	\$53,000	\$54,000

**OCEANA MARIN SEWER**



**NOTES**

# KEY

- 1 Assumes increase of 1 connection per year, which is the average over the last 5 years. Capacity is estimated at 308 dwelling units.
- 2 Proposed 12% (\$7/mo) increase commencing 7/1/13, followed by 5% annual increases thereafter to build cash to fund the FY18 \$400,000 Pond Relining Project.
- 4 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. In July 2009 the State Legislature "borrowed" 8% (approximately \$3,500) of Oceana Marin tax revenue. California promised to repay the borrowed money plus 2% interest per annum no later than June 30, 2013. Said repayment is incorporated into the FY13 budget. 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 0.40%
- 9 3% annual increase assumed after FY14.
- 10 Capital Improvement Projects. See 5-year Improvement Projects Forecast.
- 11 Excludes depreciation.
- 16 Cash available for operation, maintenance and improvements

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## MEMORANDUM

To: Board of Directors April 12 2013  
 From: Drew McIntyre, Chief Engineer   
 David Jackson, Associate Engineer   
 Subject: Notice of Cessation for Recycled Water Expansion South Service Area  
 Phase 1b Pipeline Construction Project (Disney Construction, Inc.)  
R:\Folders by Job No\6000 jobs\6056\Board Memos\6056 12 Phase 1b Notice of Cessation BOD memo.docx

**RECOMMENDED ACTION:** Authorize the General Manager to execute and record a Notice of Cessation for the Recycled Water Expansion South Service Area Phase 1b project.

**FINANCIAL IMPACT:** None

When closing out a project, the District normally files a Notice of Completion (NOC) with the county signifying that the Contactor has fulfilled their obligations under the contract (including correction of all work deficiencies and punch list items). As a pre-requisite to filing a NOC, the Contractor typically furnishes written notice that the work is complete and that all subcontractors and equipment suppliers have been paid. This protects the District from paying more than once for the same work. When this is done, the District Board approves Final Acceptance of the Project and authorizes the recording of a NOC. This NOC is then formally recorded, which starts the final 30-day clock for the contractor's equipment suppliers and subcontractors to file stop payment notices. Final payment can then be made to the Contractor within 35 days of the recordation of the NOC. The amount of the final payment is based on many considerations including retention, remaining claims, liquidated damages, stop notices, etc.

On the South Service Area Phase 1b Project, all field work has been complete for some time now and the final punch list item was completed on February 28, 2013. Disney Construction, Inc. (Disney) has stated they will not sign and/or provide the Final Waivers and Releases that are required by the District to proceed with recording of the NOC. It is in the District's best interest to close out the Phase 1b project in a prompt and fair manner. This includes a formal recordation to fulfill the statutory requirements for filing of potential stop payment notices, which would provide the District with a complete understanding of the amounts remaining to be paid to subcontractors and equipment suppliers. As an alternative to recording a NOC, Civil Code section 9202 authorizes the filing of a Notice of Cessation "if there has been a continuous cessation of labor for at least 30 days prior to the recordation" (see attached). Similarly, Public Contract Code 7107, which governs the release of retention, defines "completion" to include "...a cessation of labor for a continuous period of 30 days or more if the District files a Notice of Cessation." Under Civil Code section 9356, the Notice of Cessation, starts the 30-day clock for filing stop payment notices.

Project Cost Summary

The Board approved the award of a \$2,542,500 contract with Disney for the Phase 1b project with a contingency of \$200,000 (8% of contract value). To date the District has approved change orders totaling \$196,918. Total payment to-date to Disney is \$2,492,467

RECOMMENDATION

Authorize the General Manager to execute and record a Notice of Cessation for the Recycled Water Expansion South Service Area – Phase 1b project.



WHEN RECORDED RETURN TO:  
North Marin Water District  
999 Rush Creek Place  
Novato, CA 94945  
NO FEE REQUIRED  
GOVT CODE 27383

NOTICE OF CESSATION

NORTH MARIN WATER DISTRICT

Recycled Water Expansion – South Service Area Phase 1B Project  
NMWD Project No. 5 6056.12

NOTICE IS HEREBY GIVEN that the Board of Directors of the North Marin Water District, Marin County, California on the 16<sup>th</sup> day of April 2013, authorized the execution and recordation of this Notice of Cessation regarding the above described Project, the contract for which was heretofore entered into by and between the North Marin Water District and Disney Construction, Inc., 875 Mahler Road, Suite 188, Burlingame, CA, 94010, on February 22, 2012, in accordance with the Contractor's detailed bid and the plans and specifications heretofore adopted.

That labor for said work and improvements actually ceased on or about February 28, 2013, and labor cessation has continued thereafter through the date of recordation of this Notice of Cessation, the name of the surety on the contractor's bond for labor and materials is Safeco Insurance Company of America.

That said work and improvements consisted of furnishing all labor, materials, tools, and equipment necessary to perform the work required for the Recycled Water Expansion – South Service Area Phase 1B Project located in the City of Novato in Marin County, California, all as more particularly described and depicted in the plans and specifications advertised for bids on November 4, 2011, and the Contractor's detailed bid, which are on file in the District office.

Address of Owner: North Marin Water District  
999 Rush Creek Place  
Novato, CA 94945

DATED: \_\_\_\_\_

\_\_\_\_\_  
CHRIS DEGABRIELE, General Manager  
North Marin Water District (address above)

I, Chris DeGabriele, being duly sworn, hereby declare, under penalty of perjury that the foregoing is true and correct.

\_\_\_\_\_  
Date

\_\_\_\_\_  
CHRIS DEGABRIELE

State of California     )  
County of Marin        )

Subscribed and sworn to before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_  
\_\_\_\_\_ proved to me on the basis of satisfactory evidence to be the person who  
appeared before me.

\_\_\_\_\_  
Notary's Signature

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## MEMORANDUM

To: Board of Directors Date: April 12, 2013  
 From: Drew McIntyre, Chief Engineer   
 Subject: CalTrans Marin Sonoma Narrows (MSN)/NMWD AEEP Reach E Aqueduct Construction Phase – Pipeline Inspection/Testing Services  
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**RECOMMENDED ACTION:** Board authorize General Manager to execute an agreement between Harris & Associates and the District for pipeline inspection/testing services

**FINANCIAL IMPACT:** \$301,100 plus a \$30,000 contingency

Background

Pursuant to the Cooperative (Co-op) Agreement between North Marin Water District and CalTrans, CalTrans will pay approximately 96% of the estimated construction phase inspection and design engineering services associated with the aqueduct relocation and betterment. To ensure optimum quality control over aqueduct installation, the Co-op agreement has been negotiated to require CalTrans to compensate NMWD for providing a pipeline inspector to the CalTrans' Resident Engineer inspection team. Accordingly, CalTrans is reimbursing NMWD costs during the construction phase, including inspection/testing services, up to \$492,343.

At the January 15, 2013 Board meeting, staff received authorization from the Board to issue a request for proposal (RFP) for the CalTrans Marin Sonoma Narrows (MSN)/NMWD AEEP Reach E Aqueduct Construction Phase – Pipeline Inspection/Testing Services project. The RFP was sent to 25 bay area firms. Two firms submitted proposals to the District for this project: Harris & Associates (Harris) (Concord) and Vali-Cooper and Associates (Emeryville).

Selection Process

Proposals were received by the District on February 22, 2013. After review of the proposals, the two aforementioned firms were invited for oral interviews on Monday, March 18, 2013 at the District office. A selection committee including myself, Carmela Chandrasekera and Chris DeGabriele participated in the interviews. The qualifications of each firm were ranked separately by each panel member against the following selection criteria.

- Firm's qualifications and experience
- Firm's understanding of the project's needs
- Project team organization
- Project approach, and
- Relative experience of proposed inspector(s).

The greatest weight (i.e., 60 out of 100 points) was given to the project approach and experience of the proposed inspector/project team. Upon completion of the interviews and ranking, Harris was

ranked highest. The primary overriding factor was the experience of the proposed inspector. Overall, Harris' designated inspector's experience was more extensive and relevant to this project than that of the other firm.

Staff has been negotiating the scope of work and fee with Harris over the last couple of weeks. The attached contract (Attachment A) includes the final scope of work and fee schedule. The scope and fee includes materials testing and welding inspection by Harris' subconsultant, CTS. The pipeline inspection/testing services fee is 7% of total estimated construction costs of which 1.4% is associated with materials testing and welding inspection.

Project billing is structured on a time and expense (T&E) basis with a not to exceed limit (without prior authorization). Most of the expenses for this contract will be incurred in the FY13-14 budget year since construction is estimated to be about seven (7) months with a start date of May 2013.

#### **RECOMMENDATION**

Board authorize General Manager to execute an agreement between Harris & Associates and the District for pipeline inspection/testing services on a time and expense basis with a not-to-exceed limit of \$301,100 plus a contingency of \$30,000.

## AGREEMENT FOR CONSULTING SERVICES

The following is an agreement between **North Marin Water District**, hereinafter "**NMWD**", and **Harris & Associates**, hereinafter, "**Consultant**".

**WHEREAS**, Consultant is a duly qualified consulting firm, experienced in construction inspection of water distribution facilities.

**WHEREAS**, in the judgement of the Board of Directors of the NMWD, it is necessary and desirable to employ the services of the Consultant for the Marin Sonoma Narrows B1-Reach E project.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

### PART A -- SPECIFIC PROVISIONS:

**1. DESCRIPTION OF SERVICES AND PAYMENT:** Except as modified in this agreement, the services to be provided and the payment schedule are:

- a. The scope of work and fee amount covered by this agreement shall be that specified in the proposal dated March 21, 2013 and included in Attachment A of this agreement.
- b. The fee for the work shall be on a time and expense (T & E) basis utilizing the fee schedule included in Attachment A of this agreement and shall not exceed \$301,100 without prior written authorization by NMWD.

### PART B -- GENERAL PROVISIONS

**1. ASSIGNMENT/DELEGATION:** Except as above, neither party hereto shall assign, sublet or transfer any interest in or duty under this agreement without written consent of the other, and no assignment shall be of any force or effect whatsoever unless and until the other party shall have so consented.

**2. STATUS OF CONSULTANT:** The parties intend that the Consultant, in performing the services hereinafter specified, shall act as an independent contractor and shall have the control of the work and the manner in which it is performed. The Consultant is not to be considered an agent or employee of NMWD, and is not entitled to participate in any pension plan, insurance, bonus or similar benefits NMWD provides its employees.

**3. INDEMNIFICATION:** NMWD is relying on the professional ability and training of the Consultant as a material inducement to enter into this agreement. The Consultant hereby warrants that all its work will be performed in accordance with generally accepted professional practices and standards, as well as the requirements of applicable federal, state and local laws, it being understood that neither acceptance of the Consultant's work by NMWD nor Consultant's failure to perform shall operate as a waiver or release.

- a. With respect to professional services under this agreement, Consultant shall assume the defense of and defend NMWD, its directors, officers, agents, and employees in any action at law or in equity in which liability is claimed or alleged to arise out of, pertain to, or relate to, either directly or indirectly, the intentional or willful misconduct, recklessness, or negligent act, error, or omission of Consultant (or any person or organization for whom Consultant is legally liable) in the performance of the activities necessary to perform the services for District and complete the task provided for herein. In addition, Consultant shall indemnify, hold harmless, and release NMWD, its directors, officers, agents, and employees from and against any and all actions, claims, damages, disabilities or expenses, including attorney's fees and witness costs, that may be asserted by any person or entity including the Consultant, arising out of, pertaining to, or relating to, the negligent acts, errors or omissions, recklessness, or intentional or willful misconduct of the Consultant (or any consultant or subcontractor of Consultant) in connection with the activities necessary to perform the services and complete the task provided for herein, but excluding liabilities due to the sole negligence or willful misconduct of NMWD.
- b. With respect to all other than professional services under this agreement, Consultant shall indemnify, hold harmless, release and defend NMWD, its agents and employees from and against any and all actions, claims, damages, disabilities or expenses, including attorney's fees and witness costs that may be asserted by any person or entity, including the Consultant, arising out of or in connection with the activities necessary to perform those services and complete the tasks provided for herein, but excluding liabilities due to the sole negligence or willful misconduct of NMWD.

This indemnification is not limited in any way by any limitation on the amount or type of damages or compensation payable by or for the NMWD or its agents under workers' compensation acts, disability benefit acts or other employee benefit acts.

**4. PROSECUTION OF WORK:** The execution of this agreement shall constitute the Consultant's authority to proceed immediately with the performance of this contract. Performance of the services hereunder shall be completed by September 30, 2013 provided, however, that if the performance is delayed by earthquake, flood, high water or other Act of God or by strike, lockout or similar labor disturbance, the time for the Consultant's performance of this contract shall be extended by a number of days equal to the number of days the Consultant has been delayed.

**5. METHOD AND PLACE OF GIVING NOTICE, SUBMITTING BILLS AND MAKING PAYMENTS:** All notices, bills and payment shall be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail should be addressed as follows:

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

Consultant:  
Harris & Associates  
1401 Willow Pass Rd., Suite 500  
Concord, CA 94520  
Attention: Brian Danley

and when so addressed, shall be deemed given upon deposit in the United States Mail, postage prepaid. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills and payments are to be given by giving notice pursuant to this paragraph.

**6. MERGER:** This writing is intended both as the final expression of the agreement between the parties hereto with respect to the included terms of the agreement, pursuant to California Code of Civil Procedure Section 1856 and as a complete and exclusive statement of the terms of the agreement. No modification of this agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

**7. SEVERABILITY:** Each provision of this agreement is intended to be severable. If any term of any provision shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such provision shall be severed from this agreement and shall not affect the validity of the remainder of the agreement.

**8. TERMINATION:** At any time and without cause the NMWD shall have the right in its sole discretion, to terminate this agreement by giving written notice to the Consultant. In the event of such termination, NMWD shall pay the Consultant for services rendered to such date.

**9. TRANSFER OF RIGHTS/OWNERSHIP OF DATA:** The Consultant assigns to NMWD all rights throughout the work in perpetuity in the nature of copyright, trademark, patent, and right to ideas, in and to all versions of any plans and specifications, reports and document now or later prepared by the Consultant in connection with this contract.

The Consultant agrees to take such actions as are necessary to protect the rights assigned to NMWD in this agreement, and to refrain from taking any action which would impair those rights. The Consultant's responsibilities under this contract will include, but not be limited to, placing proper notice of copyright on all versions of any plans and specifications, reports and documents as NMWD may direct, and refraining from disclosing any versions of the reports and documents to any third party without first obtaining written permission of NMWD. The Consultant will not use, or permit another to use, any plans and specifications, reports and document in connection with this or any other project without first obtaining written permission of NMWD.

All materials resulting from the efforts of NMWD and/or the Consultant in connection with this project, including documents, reports, calculations, maps, photographs, computer programs, computer printouts, digital data, notes and any other pertinent data are the exclusive property of NMWD. Re-use of these materials by the Consultant in any manner other than in conjunction with activities authorized by NMWD is prohibited without written permission of NMWD.

Consultant shall deliver requested materials to NMWD in electronic format including but not limited to engineering plans (AutoCad, current edition) and specifications (MS Word, current edition).

**10. COST DISCLOSURE:** In accordance with Government Code Section 7550, the Consultant agrees to state in a separate portion of any report provided NMWD, the numbers and amounts of all contracts and subcontractors relating to the preparation of the report.

**11. NONDISCRIMINATION:** The Consultant shall comply with all applicable federal, state and local laws, rules and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition or physical handicap.

**12. EXTRA (CHANGED) WORK:** Extra work may be required. The Consultant shall not proceed nor be entitled to reimbursement for extra work unless it has been authorized, in writing, in advance, by NMWD. The Consultant shall inform the District as soon as it determines work beyond the scope of this agreement may be necessary and/or that the work under this agreement cannot be completed for the amount specified in this agreement. Said review shall occur before consultant incurs 75% of the total fee approved for any phase of the work. Failure to notify the District shall constitute waiver of the Consultant's right to reimbursement.

**13. CONFLICT OF INTEREST:** The Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. The Consultant further covenants that in the performance of this contract no person having any such interest shall be employed.

#### **14. INSURANCE REQUIREMENTS FOR CONSULTANTS**

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the consultant, his agents, representatives, employees or subcontractors.

##### **Minimum Scope of Insurance**

Coverage shall be at least as broad as:

1. Commercial General Liability coverage
2. Automobile Liability
3. Workers' Compensation insurance as required by the State of California.
4. Professional Liability insurance appropriate to the consultant's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

##### **Minimum Limits of Insurance**

Consultant shall maintain limits no less than:

1. General Liability (including operations, products and completed operations.): **\$1,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: **\$1,000,000** per accident for bodily injury and property damage.
3. Workers' Compensation Insurance: as required by the State of California.
4. Professional Liability, **\$1,000,000** per claim.

##### **Verification of Coverage**

Consultant shall furnish the District with original certificates and amendatory endorsements effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the District before work commences. The District reserves the right to require at any time complete and certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.



## **Subcontractors**

Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor to the District for review and approval. All coverage for subcontractors shall be subject to all of the requirements stated herein.

## **Self-Insured Retentions**

Any self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall reduce or eliminate such self-insured retentions as respects the District, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the District (such as a surety bond) guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

## **Other Insurance Provisions**

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The District, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the District..

## **Acceptability of Insurers**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

**15. DISPUTE RESOLUTION:** Any dispute or claim in law or equity between District and Consultant arising out of this agreement, if not resolved by informal negotiation between the parties, shall be mediated by referring it to the nearest office of Judicial Arbitration and Mediation Services, Inc. (JAMS) for mediation. Mediation shall consist of an informal, non-binding conference or conferences between the parties and the judge-mediator jointly, then in separate caucuses wherein the judge will seek to guide the parties to a resolution of the case. If the parties cannot agree to mutually acceptable member from the JAMS panel of retired judges, a list and resumes of available mediators numbering one more than there are parties will be sent to the parties, each of whom will strike one name leaving the remaining as the mediator. If more than one name remains, JAMS arbitrations administrator will choose a mediator from the remaining names. The mediation process shall continue until the case is resolved or until such time as the mediator makes a finding that there is no possibility of resolution.

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

**16. BILLING AND DOCUMENTATION:** The Consultant shall invoice NMWD for work performed on a monthly basis and shall include a summary of work for which payment is requested. The invoice shall state the authorized contract limit, the amount of invoice and total amount billed to date. The summary shall include time and hourly rate of each individual, a narrative description of work accomplished, and an estimate of work completed to date.

**17. REASONABLE ASSURANCES:** Each party to this agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise, with respect to performance of either party, the other may, in writing, demand adequate assurance of due performance and until the requesting party receives such assurance may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable" includes not only the conduct of the party with respect to performance under this agreement but also conduct with respect to other agreements with parties to this agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, not to exceed 30 days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance.

**NORTH MARIN WATER DISTRICT  
"NMWD"**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Chris DeGabriele, General Manager

**HARRIS & ASSOCIATES  
"CONSULTANT"**

Dated: \_\_\_\_\_

\_\_\_\_\_  
Brian Danley

## Scope of Services

### North Marin Water District Aqueduct Energy Efficiency Project-Reach E Pipeline/Inspection Testing Services

#### Mobilization Phase

Prior to the commencement of pipeline installation preparatory tasks include:

- Set up digital and electronic file systems
- Establish administrative procedures
- Review plans, specifications and related documentation
- Gather, review and file all permits related to pipeline construction
- Review requirements of EIR as it relates to pipeline construction
- Review approved lay sheets submitted by pipe supplier, Ameron
- Review approved submittals
- Establish protocols for communications with NMWD and Caltrans

#### Pipeline Inspection and Testing

Inspection and testing duties required to comply with Contract Documents include:

- Perform an inspection at pipe fabrication facility
- Verify that mass grading has been completed prior to commencement of pipeline installation
- Verify that utilities have been potholed, located and marked
- Monitor excavation and shoring for OSHA requirements
- Test and verify pipe zone and trench zone bedding material and compaction
- Verify line and grade of pipeline
- Verify installation of pipe, specials and fittings according to approved lay sheets
- Test and verify pipe welding
- Verify joint wrapping
- Verify installation of cathodic protection system
- Review, inspect and track contractors compliance with EIR mitigation monitoring plan, permits, storm water pollution protection plan (SWPPP), and other environmental compliance requirements related to pipeline installation.
- Verify pipeline pressure testing compliance
- Verify that line is flushed and cleaned prior to disinfection
- Coordinate Bac-T testing with NMWD staff
- Coordinate all related water service shutdowns, drainings and tie-ins with NMWD staff

#### Project Management

Project management tasks include:

- Establish meeting and reporting protocols between NMWD and Harris
- Act as liaison between CalTrans, NMWD and other agencies
- Provide contract management and oversight
- Attend regular construction progress meetings at Caltrans' office
- Participate in safety reviews and attend tailgate safety meetings
- Review and recommend progress payments and extra work bill processing
- Assist NMWD with warranty coordination, change orders, disputes and claims

## **Documentation**

Documentation tasks include:

- Provide before and after photographic documentation of entire alignment. Digital photos should include Station No and be descriptive.
- Prepare detailed daily inspection reports documenting field activities and recommend acceptance of work performed by to the CalTrans Resident Engineer. Daily inspection reports will include:
  - Contractor's workforce and equipment
  - Weather
  - Work accomplished by segment and station
  - Tests performed
  - Tally of unit price items completed
  - Issues
  - Force account work performed
  - Any information that could be considered useful at a later date
- Prepare monthly tally of unit price work completed (also for use by Caltrans)
- Update a red-lined set of contract drawings daily. Include any deviations from contract documents and any utilities or other items not noted on plans.

## **Close-out**

Closeout tasks include:

- Participant in Final Inspections
- Prepare punch-list
- Prepare final list of approved quantities for payment
- Prepare file of all pertinent submittals, and related documentation for delivery to NMWD
- Submit final red-lined drawings to NMWD
- Prepare final report
- Deliver digital and paper files to NMWD

## **Services Provided by Others**

- NMWD and/or Caltrans will provide Harris' inspector work space, if needed, including a desk and chair and access to standard office equipment and supplies.
- Caltrans will provide adequate on the job training to Harris' inspector in Caltrans construction administration and field safety procedures.

BAD

3/21/13

**Level of Effort and Fee**

**North Marin Water District  
Aqueduct Energy Efficiency Project-Reach E  
Pipeline/Inspection Testing Services**

Harris & Associates

Inspector	1150 hours	\$157/hour	\$180,550
Overtime inspection contingency (10%)	115 hours	\$196/hour	\$ 22,540
Administrative assistant	80 hours	\$ 95/hour	\$ 7,600
Project manager	84 hours	\$210/hour	\$ 17,640
Vehicle	7 months	\$1200/month	\$ 8,400
	Subtotal		\$236,730

CTS

Welding inspection/compaction testing	560 hours	\$ 82/hour	\$ 45,920
Welding/compaction contingency (10%)	56 hours	\$ 82/hour	\$ 4,592
Geotechnical engineer	8 hours	\$200/hour	\$ 1,600
ASNT Level III Review	8 hours	\$150/hour	\$ 1,200
Miscellaneous charges	(allowance)		\$ 5,200

Subconsultant Mark-up (10%) \$ 5,851

Total Estimated Fee \$301,093

Assumptions:

1. Inspector will be on-site full-time for seven months as indicated in attachment to RFP.
2. Inspection work in excess of 8 hours/day or 40/hours/week will be invoiced at 1.25% of standard hourly rate.
3. Welding inspection/compaction testing is estimated at 70 working days as indicated in attachment to RFP.
4. Hours indicated above are an estimate only. Invoices will be based on actual hours worked.

BAD  
3/25/13

13

## MEMORANDUM

To: Board of Directors Date: April 12, 2013  
 From: Drew McIntyre, Chief Engineer *DM*  
 Subject: Approve the North Bay Water Reuse Authority Third Amended Memorandum of Understanding  
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**RECOMMENDED ACTION:** Approve the Third Amended Memorandum of Understanding (MOU), subject to minor modifications of Section 2, Objectives.

**FINANCIAL IMPACT:** \$77,000 for FY14 (~\$18,000 decrease from approved FY13 budget)

The NBWRA Memorandum of Understanding (MOU) was first approved in March 2005 by the original five member agencies. One minor amendment related to the use of recycled water was made to the first amended version in September 2008. The Second Amended MOU added NMWD and Napa County as member agencies and was agreed upon by the member agencies in November 2010.

The modification process for the third amending of the MOU included the NBWRA Technical Advisory Committee's (TAC) MOU subcommittee meeting three times since November 2012 and reviewing five modified versions of the MOU. The TAC resolved all issues including:

- Adding a non-voting associate membership
- Incorporating new members for Phase 2 (i.e., Marin Municipal Water District and City of Petaluma)
- Clarified voting procedures
- Specifically identifying Phase 1 and Phase 2 participants (NMWD is only a Phase 1 participant)
- Added new definitions to reflect current budget and cost sharing practices
- Clarified initiation of membership, including the initiation fee calculation methodology
- Clarified termination of membership
- Extended the term of the MOU from three to five years

The member agency attorneys were sent the revised MOU on February 5, 2013. Between then and March 7, 2013 the attorneys (including NMWD's legal counsel) reviewed the MOU and made various minor language changes to clarify intent. No substantial changes were made.

The MOU is now ready to be approved by the NBWRA member agencies. The MOU becomes effective when the two-thirds (six) of the nine member agencies have authorized its

execution. Similar to the 2010 revision, eighteen original copies have been prepared and provided to the agencies in order of their schedule for approval. After an agency signs all eighteen copies they will pass it along to the next agency. All eighteen will ultimately be returned to Sonoma County Water Agency and two original signed copies will be delivered to each of the nine agencies.

One section of the MOU that may still be modified is Section 2, Objectives, which will be determined through the Phase 2 Workshop process. This item will be discussed and finalized at the April 15, 2013 Board meeting and workshop. As a consequence, approval of the MOU is conditional upon minor modifications to Section 2.

#### Financial Impacts

The NMWD FY13 budget for continued NBWRA participation is ~\$95,000. The FY14 \$77,000 NBWRA contribution results in a decrease of ~\$8,000 due to a combination of lower overall Phase 1 project costs and two new member agencies to share joint costs that are not easily attributed to either Phase 1 or Phase 2 costs.

#### RECOMMENDATION

That the Board authorize approval of the North Bay Water Reuse Authority Third Amended Memorandum of Understanding (MOU), subject to minor modifications of Section 2, Objectives, as approved by District legal counsel.



### Exhibit A



**Exhibit B****Percentages for Ongoing Phase 1 NBWRA Costs**

<b>Agency</b>	<b>25% Split Equally</b>	<b>Federal Authorization, Phase 1</b>	<b>Percentage of Remaining 75%</b>	<b>Total of Percentages</b>
<b>Las Gallinas Valley Sanitary District</b>	3.57%	\$1,222,473	3.67%	7.24%
<b>Novato Sanitary District</b>	3.57%	\$1,679,893	5.04%	8.61%
<b>North Marin Water District</b>	3.57%	4,689,504	14.07%	17.64%
<b>Sonoma Valley County Sanitation District</b>	3.57%	\$7,967,134	23.90%	27.47%
<b>Sonoma County Water Agency</b>	3.57%	\$0.00	0.00%	3.57%
<b>Napa Sanitation District</b>	3.57%	\$9,440,996	28.32%	31.89%
<b>Napa County</b>	3.57%	\$0.00	0.00%	3.57%
<b>Marin Municipal Water District</b>	0.00%	\$0.00	0.00%	0.00%
<b>City of Petaluma</b>	0.00%	\$0.00	0.00%	0.00%
<b>TOTALS</b>	25.00%	\$25,000,000	75.00%	100.00%

## Notes:

1. Percentages may be revised pursuant to the provisions of this MOU based on adding additional signatory members, revisions to the projects in Phase 1, or continuation beyond Phase 1, subject to the approval of the parties.
2. The above schedule only includes costs and percentages related to Phase 1. Should member agencies choose to implement Phase 2 projects this schedule will be modified or a new schedule will be developed to detail cost sharing for Phase 2.

**Exhibit C****Percentages for Distribution of Phase 1 Federal Funds Received**

<b>Agency</b>	<b>Federal Authorization, Phase 1</b>	<b>Percentage</b>
<b>Las Gallinas Valley Sanitary District</b>	\$1,222,473	4.89%
<b>Novato Sanitary District</b>	\$1,689,893	6.72%
<b>North Marin Water District</b>	\$4,689,504	18.76%
<b>Sonoma Valley County Sanitation District</b>	\$7,967,134	31.87%
<b>Sonoma County Water Agency</b>	\$0.00	0.00%
<b>Napa Sanitation District</b>	\$9,440,996	37.76%
<b>Napa County</b>	\$0.00	0.00%
<b>Marin Municipal Water District</b>	\$0.00	0.00%
<b>City of Petaluma</b>	\$0.00	0.00%
<b>TOTALS</b>	<b>\$25,000,000</b>	<b>100.00%</b>

## Notes:

1. Percentages may be revised pursuant to the provisions of this MOU based on adding additional signatory members, revisions to the projects in Phase 1, or continuation beyond Phase 1, subject to the approval of the parties.
2. The above schedule only includes costs and percentages related to Phase 1. Should member agencies choose to implement Phase 2 projects this schedule will be modified or a new schedule will be developed to detail cost sharing for Phase 2.

NORTH BAY WATER REUSE AUTHORITY  
THIRD AMENDED  
MEMORANDUM OF UNDERSTANDING

Supersedes

Memorandum of Understanding  
First Amended Memorandum of Understanding  
Second Amended Memorandum of Understanding

March 15, 2005  
September 24, 2008  
November 3, 2010

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**MEMORANDUM OF UNDERSTANDING  
ESTABLISHING THE  
NORTH BAY WATER REUSE AUTHORITY**

This Memorandum of Understanding (“MOU”) establishes the North Bay Water Reuse Authority (“NBWRA”) for the purposes described herein. This MOU is made and entered into by and between the parties that are signatories to this MOU. The MOU was first approved March 15, 2005. The first amendment to the MOU was approved September 24, 2008. The second amendment to the MOU was approved November 3, 2010. This is the third amendment of the MOU that originally established the NBWRA. This third amendment to the MOU supersedes all previous versions of the MOU.

**Recitals**

WHEREAS, each of the parties to this MOU is a local government entity functioning within the North Bay Region, as depicted in **Exhibit A** attached hereto and incorporated by reference; and

WHEREAS, the parties desire to enter into an MOU to explore the feasibility of coordinating interagency efforts to expand the beneficial use of recycled water in the North Bay Region thereby promoting the conservation of limited surface water and groundwater resources; and

WHEREAS, the parties do not intend to create a separate public agency pursuant to Government Code §6500 et seq. through this MOU and no provision of this MOU should be so construed; and

WHEREAS, the parties hereto may later explore the feasibility of changing their organizational structure by establishing a Joint Powers Authority in a separate agreement that would advance the purpose and goals of the NBWRA, if construction projects are to be undertaken jointly or if such changes are necessary in order to receive federal or state funds; and

WHEREAS, the parties hereto recognize the value of using common resources effectively; and

WHEREAS, the parties hereto desire to be proactive on regulatory issues affecting the North Bay Region that transcend the traditional political boundaries of the parties; and

WHEREAS, the parties hereto desire to inform communities and the public in the North Bay Region about the importance of water conservation and the benefits of water reuse; and

WHEREAS, the parties hereto wish to coordinate their consideration and review of local, state and federal policies and programs related to the expansion of existing recycled water programs and the development of new recycled water programs in the North Bay Region; and

WHEREAS, the parties hereto find that promoting the stewardship of water resources in the North Bay Region is in the public interest and for the common benefit of all within the North Bay Region; and

WHEREAS, the parties recognize that there are current and future regulatory requirements which apply to water resources in the North Bay Region affecting one or more of said parties, and that these multiple regulatory requirements may be better addressed on a regional basis, and in a collaborative manner, and the parties wish to investigate more effective ways to share information and coordinate efforts to comply with said regulatory requirements; and

WHEREAS, the parties intend that participation in this MOU be entirely voluntary; and



WHEREAS, it is understood that the primary purpose of this MOU is to provide a governance structure, led by a Board of Directors consisting of members of the governing boards from the Member Agencies, for the successful completion of recycled water projects in the North Bay Region.

WHEREAS, the parties previously applied for federal funds to assist them with implementing their projects; and

WHEREAS, the parties did receive funding, which is part of a program authorized for construction in PL 111-11 that was signed into law in March 2009. The program can receive appropriations through the United States Bureau of Reclamation's Title XVI program which can include funds from the American Recovery and Reinvestment Act of 2009 and the U.S. Department of Interior, Bureau of Reclamation's Title XVI Program, including the WaterSMART Grant Program.

WHEREAS, Phase 1 includes receipt of the full \$25,000,000 federal authorization, and

WHEREAS, the parties are currently conducting Scoping Studies for potential additional projects that are known as Phase 2. The magnitude of Phase 2 projects has not yet been determined, but would be determined by a Feasibility Study should the parties choose to conduct one. The results of a Feasibility Study may lead to additional modifications of this MOU.

WHEREAS, the parties understand that reallocation of costs described herein, can be made with the approval of the parties as provided herein.

NOW, THEREFORE, the parties hereto do hereby enter into this Memorandum of Understanding, as follows:

Memorandum of Understanding

**1. Definitions.** As used in this MOU, the following words and phrases shall have the meanings set forth below unless the context clearly indicates otherwise.

- (a) "MOU" shall mean this third amended Memorandum of Understanding.
- (b) "NBWRA" shall mean the unincorporated, cooperative group of public agencies organized through this MOU and otherwise referred to as the North Bay Water Reuse Authority.
- (c) "Board of Directors" shall mean the governing body composed of members of the governing boards of the Member Agencies established pursuant to this MOU.
- (d) "Technical Advisory Committee" shall mean the administrative body established at the discretion of the Board of Directors pursuant to this MOU.
- (e) "Member Agency" or "Member Agencies" shall mean the local and/or regional public agencies regulated under the Clean Water Act, 33 U.S.C. § 1251 et seq., the federal Safe Drinking Water Act, 42 U.S.C. § 300f et seq., and/or the state Safe Drinking Water Act, Health & Safety Code § 116275 et seq., that operate within or have jurisdiction over any area within the North Bay Region, and that are signatories to this MOU. Member Agencies are entitled to one voting member on the Board of Directors and Technical Advisory Committee as defined herein.
- (f) "North Bay Region" shall mean the four counties identified in the North San Pablo Bay watershed as defined in PL 111-11, Section 9110, Title XVI; 43 U.S.C.390h-34; Marin, Napa, Solano, and Sonoma. Said area is depicted on the map attached hereto and incorporated herein as **Exhibit A**.

- (g) "Associate Member" shall mean a local and/or regional public agency as described in Section 1(e) or other organizations interested in the Purpose and Objectives of NBWRA. Associate Members may not sponsor current projects in Phase 1 or Phase 2 but may partner with Member Agencies. Associate Members are entitled to appoint one non-voting representative to the Board of Directors and to the Technical Advisory Committee.
- (h) "Administrative Agency" shall mean that Member Agency authorized pursuant to Section 12 to enter into contracts and perform other administrative functions on behalf of the NBWRA.
- (i) "EIR/EIS" shall mean the Environmental Impact Report/Environmental Impact Statement, prepared by Environmental Science Associates, that was certified and or approved by the Member Agencies during December 2009 and January 2010 and which serves as the basis of the projects to be partially funded by USBR.
- (j) "USBR" shall mean the United States Bureau of Reclamation.
- (k) "Phase 1" shall mean the projects described as Phase 1 of Alternative 1 of the EIR/EIS. It is understood that minor modifications to said projects may occur as actual design and construction occurs and that the individual agencies are responsible for possible modifications to the requirements of the EIR/EIS. Phase 1 participating Member Agencies include: Las Gallinas Valley Sanitary District, Novato Sanitary District, North Marin Water District, Sonoma Valley County Sanitation District, Sonoma County Water Agency, Napa Sanitation District, and Napa County.
- (l) "Phase 2" shall mean the remaining projects in the EIR/EIS Alternative 1 that are not included in Phase 1. Phase 2 shall also mean those potential projects described in the Final

Report – Phase 2 Project Definition Scoping Study Report, prepared by CDM Smith. It is understood that those projects may change through the completion of a Final Phase 2 Scoping Study and will not be finalized until a full Feasibility Study is completed. Phase 2 participating Member Agencies include: Las Gallinas Valley Sanitary District, Novato Sanitary District, Sonoma Valley County Sanitation District, Sonoma County Water Agency, Napa Sanitation District, Marin Municipal Water District, and City of Petaluma.

(m) “Construction Project” shall mean a project described in either the Phase 1 EIR/EIS or the Phase 2 EIR/EIS should one be completed.

(n) “Phase 1 Costs” shall mean those costs associated with engineering and environmental analysis associated with the construction of projects described in “Phase 1”, above.

(o) “Phase 2 Costs” shall mean those costs associated with efforts to conduct Scoping Studies, Workshops, Feasibility Studies, or obtaining federal funding for support of said studies for projects as described in “Phase 2”, above.

(p) “Joint Use Costs” shall mean those costs that are not easily differentiated between Phase 1 and Phase 2 since they benefit the entire program and not just a particular set of projects.

These costs may include but not be limited to program management and program development costs; costs of efforts to obtain federal funding; federal authorization and appropriations; state funding and legislation; outreach and community support; and administrative agency management and oversight in support of the program.

**2. Purpose.** The purpose of NBWRA is to provide recycled water for agricultural, urban, and environmental uses thereby reducing reliance on local and imported surface water and

groundwater supplies and reducing the amount of treated effluent released to San Pablo Bay and its tributaries.

3. **Objectives.** NBWRA projects will promote the expanded beneficial use of recycled water in the North Bay Region to:
  - (a) Offset urban and agricultural demands on surface water and groundwater supplies;
  - (b) Enhance local and regional ecosystems;
  - (c) Improve local and regional water supply reliability;
  - (d) Maintain and protect public health and safety;
  - (e) Promote sustainable practices;
  - (f) Give top priority to local needs for recycled water, and
  - (g) Implement recycled water facilities in an economically viable manner.
4. **Establishment of the NBWRA.** There is hereby established the North Bay Water Reuse Authority ("NBWRA"). The geographic boundaries of the NBWRA shall be the North Bay Region. (See **Exhibit A**). The NBWRA is an unincorporated association. By entering into this MOU, the parties do not intend to form a Joint Powers Authority pursuant to Government Code §6500 et seq.
5. **NBWRA Membership.** Any local and/or regional public agency regulated under the Clean Water Act, 33 U.S.C. § 1251 et seq., the federal Safe Drinking Water Act, 42 U.S.C. § 300f et seq., and/or the state Safe Drinking Water Act, Health & Safety Code § 116275 et seq., that operates within or has jurisdiction over any area within the North Bay Region may be a Member Agency or Associate Member of the NBWRA. Each Member Agency must be a signatory to this MOU.

**6. Governance.** NBWRA governance structure shall consist of a Board of Directors. The composition and responsibilities of the Board of Directors is detailed in Section 7.

**7. Board of Directors**

(a) Membership. The Board of Directors of the NBWRA shall consist of one voting representative from each Member Agency and may include one non-voting representative from each Associate Member. Such representative shall be a member of the governing board of the Member Agency or Associate Member. The Member Agency or Associate Member shall designate one representative and alternate(s) each of whom shall be members of the governing board of the Member Agency or Associate Member. In the event that a Member Agency's governing body representative and alternate(s) are unavailable for a particular meeting, the Member Agency's representative on the Technical Advisory Committee may serve as an alternate.

(b) Voting and Authorization Requirements. Each Member Agency representative on the Board of Directors shall have one vote. Except as set forth in subsections (i) and (iii) below and as otherwise specified herein, the affirmative vote of a majority of the voting members of the Board of Directors is required and is sufficient to approve any item.

(i) An affirmative vote representing two-thirds of all Member Agencies shall be required to adopt or modify the budget. The budget may not be increased by more than fifteen percent (15%) annually, without the unanimous approval of the members of the Board of Directors representing all Member Agencies.

(ii) Votes to approve the budget may not be unreasonably withheld.

(iii) Approval by the governing bodies of two-thirds of all Member Agencies shall be

required to modify this MOU.

- (c) Quorum. Representatives or alternates from a majority of the Member Agencies shall constitute a quorum for purposes of transacting business, except that less than a quorum may vote to adjourn a meeting or to set a date for the next meeting.
- (d) Open Meetings. The Board of Directors will comply with the Ralph M. Brown Act in conducting its meetings.
- (e) Adding Associate Members. Representatives of Associate Members may be added to the Board of Directors without modifying this MOU by a majority vote of the Board of Directors.

#### **8. Technical Advisory Committee**

- (a) Purpose. The Board of Directors may create a Technical Advisory Committee as needed for the month-to-month management of budget, schedule, and scopes of work for the NBWRA. Typical duties of a Technical Advisory Committee include recommending contracting for a program manager; working through technical details of work scopes and products; authorizing the administrative agency to enter into, modify, or accept work under any contract that is consistent with the budget approved by the Board of Directors, and reviewing and recommending courses of action to the Board of Directors for their consideration. The Board of Directors may create or dissolve the Technical Advisory Committee at any time for any purpose, and may adopt a set of rules governing the Technical Advisory Committee as it determines necessary to achieve the purpose and objectives stated herein. The Technical Advisory Committee may create subcommittees

for specific purposes, including, but not limited to, budget and financial issues, and modification of the MOU.

(b) Membership. The Technical Advisory Committee shall consist of one representative, not from the governing body, from each Member Agency. Such representative shall be the general manager or a designated staff member of the Member Agency. In the event that the general manager or staff member is unavailable for a meeting, he or she may designate an alternate. Associate Members may appoint a non-voting representative to the Technical Advisory Committee.

(c) Voting and Authorization Requirements: Each Member Agency representative on the Technical Advisory Committee shall have one vote. An affirmative vote of a majority of all voting members of the Technical Advisory Committee is required and sufficient to approve any item.

(d) Quorum. Representatives or alternates from a majority of the Member Agencies shall constitute a quorum for purposes of transacting business, except that less than a quorum may vote to adjourn a meeting or to set a date for the next meeting.

**9. Terms of Office.** Each representative on the Board of Directors shall serve for as long as he or she is a member of the governing board of his or her Member Agency and is designated by the Member Agency to act as its representative. If at any time a vacancy occurs on the Board of Directors, a replacement shall be appointed by the Member Agency to fill the unexpired term of the previous representative within ninety (90) days of the date that such position becomes vacant.



**10. Alternates.** Alternate representatives to the Board of Directors or its Technical Advisory

Committee shall be empowered to cast votes in the absence of the regular representative or, in the event of a conflict of interest preventing the regular representative from voting, to vote because of such a conflict of interest.

**11. Officers of the NBWRA.** The Board of Directors of the NBWRA shall elect a Chair, a Vice-Chair and such other officers annually on the first meeting of the calendar year. The Chair and Vice-Chair shall be selected from among the Member Agency representatives. The Board of Directors may choose to adopt a policy that requires the rotation of the Chair, by Member Agency, on an annual basis. The duties of the Chair and Vice-Chair are as follows:

(a) Chair. The Chair shall direct the preparation of agendas, call meetings of the Board of Directors to order and conduct other activities as deemed appropriate by the Board of Directors. Any member of the Board of Directors may place an item on the NBWRA agenda.

(b) Vice-Chair. The Vice-Chair shall serve as the Chair in the absence of the regularly-elected Chair. In the event both the Chair and Vice-Chair are absent from a meeting which would otherwise constitute a quorum and a temporary Chair was not designated by the Chair at the last regular meeting, any voting Board member may call the meeting to order, and a temporary chair may be elected by majority vote to serve until the Chair or Vice-Chair is present.

**12. Administrative Agency.** The Member Agencies hereby designate the Sonoma County Water Agency to act as the Administrative Agency for the purpose of carrying out the provisions of this MOU. The authority delegated herein to the Administrative Agency shall be subject to the

restrictions upon the manner of exercising power applicable to the Administrative Agency, including but not limited to the purchasing ordinances and purchasing procedures of the Administrative Agency. Within these limits, the Board of Directors may direct the Administrative Agency's actions with respect to this MOU. The Administrative Agency, for the benefit of the NBWRA Members, shall:

- (a) Award, execute in its own name, and administer such contracts on behalf of the NBWRA, as may be authorized as set forth in Sections 7 and 8.
- (b) Through its controller and treasurer, act as the financial officer or functional equivalent and be the depositor and have custody of all money of the NBWRA from whatever source. The Administrative Agency shall draw warrants to pay demands for expenditures authorized by the Board of Directors or by its authorized representative pursuant to any delegation of authority authorized by the Board of Directors. The Administrative Agency will strictly account for all NBWRA funds, and will hold the funds in trust in a segregated account.
- (c) Provide budget analyses, warrant lists and other financial documents as required by the Board of Directors. The Administrative Agency's financial activities with regards to the NBWRA shall be subject to an outside audit at any time at the request of the Board of Directors. As a matter of course, the Administrative Agency will provide a separate annual audit of NBWRA funds to the Board of Directors.
- (d) Determine charges to be made against the NBWRA for the Administrative Agency's services. Payment of these charges shall be subject to the approval of the Board of Directors.

- (e) Prepare the reports identified in Section 20 if the Board of Directors has not designated another party or person to complete that task.
- (f) Enter into contracts with values up to \$15,000 without the approval of the Board of Directors or the Technical Advisory Committee, if consistent with the budget approved by the Board of Directors.

The Administrative Agency may resign its position as Administrative Agency upon 120 days written notice to all Member Agencies, and shall, before the effective date of its resignation, transfer all funds held on behalf of the NBWRA to any designated successor Administrative Agency. The Board of Directors may designate a successor Administrative Agency by majority vote. Should no other party be designated to act as Administrative Agency by the effective date of the resignation, the MOU shall terminate and the Administrative Agency shall distribute all property held on behalf of the NBWRA pursuant to Section 23.

**13. Staff and Consultants.** Subject to the approval and procedural provisions of Sections 7 and 12, the Administrative Agency may employ or contract for any staff or consultants as may be reasonably necessary to carry out the purposes of this MOU. Such persons may include legal counsel, administrative executives and other types of specialists. If an employee from any Member Agency performs staff or consulting work for the NBWRA, the governing body of that Member Agency may determine the charges to be made against the NBWRA for the services of that employee. Payment of these charges by the Administrative Agency on behalf of the NBWRA shall be subject to the approval of the Board of Directors, which approval shall not be unreasonably withheld.

**14. Sharing of Costs and Resources.**

- (a) The Board of Directors may assess annual dues of \$5,000 for membership in the NBWRA for Associate Members. Dues shall be used to offset Joint Use Costs for the Member Agencies.
- (b) The Board of Directors shall assess each Member Agency for costs associated with paying the Administrative Agency, staff or consultants and the funding of approved projects, under agreements approved by the Technical Advisory Committee pursuant to Section 8, or the Administrative Agency as provided in Section 12, or as authorized by the budget adopted by the Board of Directors as set forth in Section 7. Further, legal liabilities may arise out of actions of the Member Agencies (including the Administrative Agency) taken pursuant to this MOU. The activities of the NBWRA are part of a regional program that provides benefit to all agencies. Therefore, as described more particularly below, all Member Agencies that participate in Phase 1 construction projects shall pay a portion of ongoing Phase 1 costs equally and the remaining Phase 1 costs shall be based on approved project costs for Phase 1 of Alternative 1, as described in the certified EIR/EIS or as amended pursuant to Sections 14(e) and 16. The costs and liabilities will be allocated among each of the Member Agencies as follows:
  - (i) one quarter (25%) of costs and liabilities shall be allocated equally among each of the Member Agencies; and
  - (ii) three quarters (75%) of costs and liabilities shall be allocated among Member Agencies in proportion to the benefit to each Member Agency of participating in the NBWRA, in the form of federal funding that is described in applications for federal funding that

have been submitted to the USBR as of April 15, 2010 or as modified pursuant to Sections 14 (e) and 16 herein. The Sonoma County Water Agency shall pay its pro-rata share of the quarter of costs allocated under subsection (i) above, but shall not pay any costs allocated under subsection (ii), as it does not have any individual projects to be funded.

- (c) The parties hereto agree that the criteria set forth in subsection (b)(ii) produce the allocations listed in **Exhibit B**, attached hereto, and incorporated by reference. The parties agree that **Exhibit B** may be modified pursuant to Sections 14 (e) and 16.
- (d) Member Agencies were afforded the opportunity to receive reimbursement for previously allocated Phase 1 Costs and liabilities that were not based on benefits received during the period from the end of Fiscal Year 2010-2011 back to Fiscal Year 2005-2006 (the "Reimbursement Period"). Reimbursements were equal to (i) the actual costs paid by a Member Agency during the Reimbursement Period minus (ii) the amount of costs that were allocated to that Member Agency during the Reimbursement Period if the percentages defined in **Exhibit B** had been in effect. The final determination of costs and reimbursements subject to this subsection (d) was approved by a majority of the Board of Directors on May 21, 2012. No further or subsequent reimbursement for Phase 1 Costs as described in this section shall be contemplated.
- (e) Two or more Member Agencies can agree to reallocate project costs for Phase 1 among themselves, as long as the combined total for those agencies before and after reallocation are the same as the combined total for those agencies in the project schedule, subject to the approval of the Board of Directors. Such approval shall not be unreasonably withheld.

- (f) (1) In the case of non-contractual liabilities arising out of the activities of the parties under this MOU, the Member Agencies specifically repudiate the division of liability outlined in Government Code sections 895.2 *et seq.* and instead agree to share liability based on the relative fault of the parties.
- (2) Notwithstanding the foregoing paragraph, each Member Agency agrees that it is solely responsible for, and agrees to indemnify and defend the other Member Agencies from and against, any claims, liabilities, or losses relating to or arising out of the design, construction, inspection, operation, or maintenance of its separate project. Each Member Agency agrees that nothing in this MOU shall create, impose, or give rise to any liability, obligation, or duty of the Member Agency to the other Member Agencies or to any third party with respect to the manner in which the Member Agency designs, constructs, inspects, operates, or maintains its separate project.
- (g) A separate agreement between the Administrative Agency and the Member Agencies has been developed based on the requirements of the American Recovery and Reinvestment Act and Title XVI. A similar agreement may be established for Phase 2.
- (h) For those agencies choosing to participate in Phase 2 as defined herein, they shall share equally in all Phase 2 Costs as defined herein. Should member agencies choose to construct projects as part of Phase 2, there will be an opportunity to receive reimbursement for previously allocated costs and liabilities that were not based on benefits received. Said reimbursement shall be calculated in a manner similar to that described in Paragraph (d), above. Expenses for Phase 2 Scoping Studies shall not be eligible for reimbursement.

- (i) All Member Agencies shall pay an equal share of Joint Use Costs as defined herein.
- (ii) If a Member Agency that chooses to opt out of Phase 2/other non-Phase 1 tasks then later decides to participate, it will be subject to a buy-in fee approved by the Board of Directors. Said fee may include applicable costs plus interest from the inception of Phase 2/other non-Phase 1 tasks until such time that they decide to participate. Costs shall be based on the approved annual budget. Interest shall be based on the annual change in the Consumer Price Index - All Urban Consumers for San Francisco-Oakland-San Jose as determined by the Bureau of Labor Statistics, United States Department of Labor.

**15. Distribution of Funds Received.**

- (a) Distribution of funds received from USBR for Phase 1 projects shall be based on the Phase 1 project schedule as described in applications for federal funding submitted to USBR as of April 15, 2010 or as modified pursuant to Sections 14 (e) and 16, herein. Those percentages are based on the \$25,000,000 federal funding authorization for projects totaling \$100,000,000 and are detailed in **Exhibit C**, attached hereto, and incorporated by reference. The parties agree that **Exhibit C** may be modified pursuant to Sections 14 (e) and 16. Once a Member Agency has received federal funds for a project, that Member Agency is required to remain a participant in the NBWRA and a signatory to this MOU throughout the term of this MOU as described in Section 22. Should State funding become available to the NBWRA, its distribution shall also be as described in this Section. It is acknowledged that the Member Agencies may receive State funding from programs on an individual basis, and (i) this Section shall not apply to such individual State funding and

(ii) the allocations set forth in this Section shall not be affected by the receipt of any State funding.

(b) Should NBWRA be designated to receive federal funds for Phase 2/other non-Phase 1 tasks, this MOU will be modified accordingly.

**16. Initiation of Membership.** If an eligible agency as defined in Section 5 requests to join the NBWRA as a new Member Agency, the Board of Directors shall establish a membership initiation fee to such agency as a condition of joining the NBWRA. For the purposes of this revision of the MOU, the new Member Agencies shall include Marin Municipal Water District and City of Petaluma. The purpose of the initiation fee is to allow the Phase 1 Member Agencies to recover a portion of their investment costs in obtaining federal authorization for construction projects. The initiation fee for each new member agency shall be equal to 0.6% of the new Member Agency project costs as determined upon completion of the Phase 2 Scoping Study. The initiation fee shall be paid in a two-step process. Step one shall be a payment of \$25,000 by June 30, 2013. Step two shall be a payment of the remaining initiation fee by June 30, 2014. The collected initiation fees shall be distributed to the Phase 1 participating agencies according to the percentages specified in **Exhibit B**.

Cost allocations as described in **Exhibits B** and **C** may be revised upon the addition of additional Member Agencies, subject to the approval of a majority of the existing Member Agencies at that time. By virtue of becoming a signatory agency to this MOU pursuant to this Section 16, a new Member Agency is subject to all provisions of this MOU, including Section 17 below.



**17. Termination of Membership.** Member Agencies that participate in Phase 1 and have received federal monies for Phase 1 construction projects may not terminate their membership in the NBWRA before the completion of all Phase 1 construction projects or before the termination of this MOU as defined herein, whichever comes first. Member Agencies that participate in Phase 2 and have received federal monies for Phase 2 construction projects may not terminate their membership in the NBWRA before the completion of all Phase 2 construction projects or before the termination of this MOU as defined herein, whichever comes first. Phase 2 participants may voluntarily withdraw from the NBWRA prior to the receipt of federal monies for Phase 2 construction projects.

(a) Notwithstanding the above a Member Agency may petition the Board in writing for withdrawal from the NBWRA and may withdraw with the approval of two-thirds of the members of the Board of Directors representing Member Agencies.

(b) Effect of Termination. All rights of a Member Agency under this MOU shall cease on the termination of such Member Agency's membership. Termination shall not relieve the Member Agency from any obligation for charges, costs or liabilities incurred or arising from acts or omissions before the date of termination. The terminating Member Agency's responsibility for such charges, costs or liabilities shall be determined in a manner consistent with the allocations set forth in Section 14. Likewise, termination shall not preclude the Member Agency from any benefits that fully accrue before the date of termination. However, a resigned or terminated agency has no right to receive a portion of surplus funds at the termination of the NBWRA.

- 18. Procedures.** The Board of Directors may adopt bylaws, rules of conduct for meetings and operating procedures for the NBWRA. To facilitate such efforts, the NBWRA may adopt the administrative procedures and policies of a Member Agency.
- 19. Meetings.** The Board of Directors and the Technical Advisory Committee shall provide for meetings, as necessary.
- 20. Reports to Member Agencies.** Each year the NBWRA shall submit a written report to the governing body of each of the Member Agencies. This report shall describe the financial activities of the NBWRA during the preceding year.
- 21. Offices.** For the purposes of forming the NBWRA and for initial operation, the principal office of the NBWRA shall be located at the Administrative Agency. The Board of Directors may change said principal office from one location to another after providing thirty (30) days notice of such a change. The Chair shall notify each Member Agency in writing of the change.
- 22. Term.** This MOU shall terminate five years from its effective date, unless extended by some or all of the parties. This MOU shall also be terminated if the Administrative Agency has resigned pursuant to Section 12 and no other Member Agency has been designated to act as the Administrative Agency prior to the effective date of the resignation.
- 23. Disposition of Property and Surplus Funds.** At the termination of this MOU, any and all property, funds, assets, and interests therein held by the Administrative Agency on behalf of the NBWRA shall become the property of and be distributed to the then-Member Agencies. Money collected from Member Agencies and held in reserve by the Administrative Agency for payment of the costs of programs shall be allocated among Member Agencies in proportion to each Member Agency's contributions to such reserves. All other property,

funds, assets, and interests shall be distributed by the Administrative Agency to Member Agencies in proportion to each Member Agency's contributions to the NBWRA for dues and allocated costs. However, liabilities of the NBWRA in excess of those assets held by the Administrative Agency on behalf of the NBWRA at the time of termination shall be assessed against the Member Agencies and said Member Agencies shall be responsible for such liabilities. The allocation of responsibility for the payment of such liabilities shall be determined in a manner consistent with the provisions of Section 14.

24. **Minutes.** A secretary or clerk shall be appointed by the Board of Directors. The secretary or clerk shall cause to be kept minutes of all meetings of the Board of Directors and the Technical Advisory Committee, and shall cause a copy of the minutes to be forwarded to each Member Agency.
25. **Effective Date.** This revision to the MOU shall become effective when two-thirds of the Member Agencies listed in Exhibit B have authorized its execution.
26. **Counterparts.** This revision to the MOU may be executed in counterpart and each of these executed counterparts shall have the same force and effect as an original instrument and as if all of the parties to the aggregate counterparts had signed the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth below.

**Sonoma County Water Agency**

**Napa Sanitation District**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Sonoma Valley County Sanitation District**

**Novato Sanitary District**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth below.

**Las Gallinas Valley Sanitary District**

**North Marin Water District**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**County of Napa**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as set forth below.

**Marin Municipal Water District**

**City of Petaluma**

By: \_\_\_\_\_

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_


Date: \_\_\_\_\_

14

## MEMORANDUM

To: Board of Directors

April 12, 2013

From: David L. Bentley, Auditor-Controller 

Subj: Initial Review – Proposed FY13/14 Equipment Budget

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**RECOMMENDED ACTION:** Initial Review and Provide Direction to Staff

**FINANCIAL IMPACT:** None at this time - \$231,000 proposed for June 18 Public Hearing

Presented for your initial review is the proposed FY 2013/14 (FY14) Equipment Budget. The proposed budget totals \$231,000, down 1% from the adopted FY13 Equipment Budget (\$233,000). FY13 estimated actual expenditures are forecast at \$200,000. The 5-Year Financial Plan includes \$255,000 for FY14 Equipment purchases.

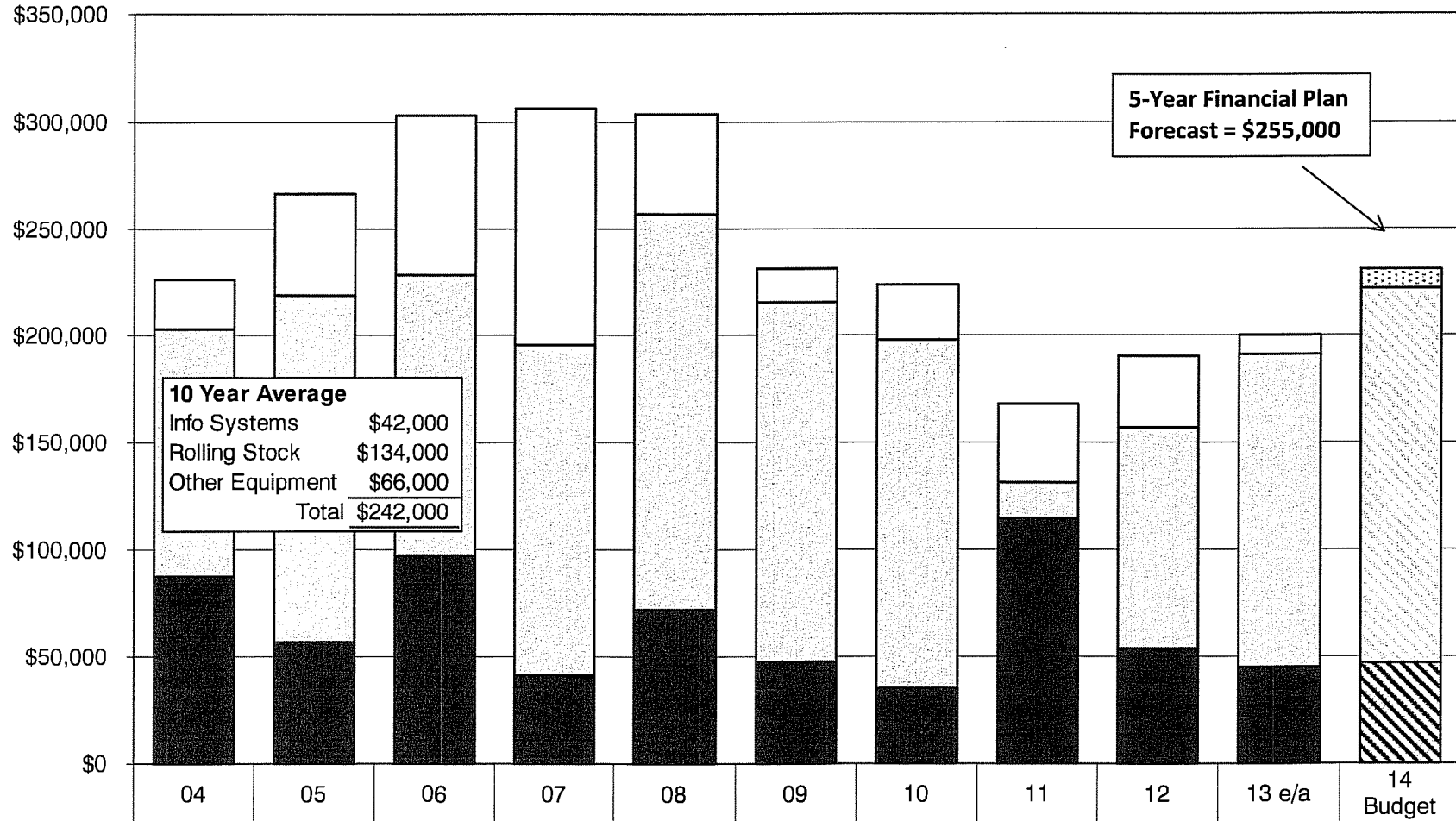
Purchase of rolling stock (two ½-ton hybrid pickups, two ¾-ton pickups and a propane powered forklift) comprise 76% of the Proposed FY14 Equipment Budget.

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

An additional Equipment Budget review is scheduled for May 21, and a public hearing and approval of the Equipment Budget is scheduled for June 18, 2013. Expression of Board comments and concerns earlier in the process, rather than later, is appreciated.



### History of Equipment Purchases



	04	05	06	07	08	09	10	11	12	13 e/a	14 Budget
□ Info Systems	\$23,440	\$47,650	\$74,666	\$110,726	\$46,572	\$15,761	\$25,925	\$36,375	\$33,346	\$9,000	\$9,000
□ Rolling Stock	\$115,407	\$162,234	\$131,185	\$154,281	\$185,181	\$168,055	\$162,696	\$16,671	\$103,057	\$146,000	\$175,000
■ Other Equipment	\$87,445	\$56,715	\$97,287	\$41,238	\$71,888	\$47,520	\$35,082	\$114,612	\$53,724	\$45,000	\$47,000
<b>Total</b>	<b>\$226,292</b>	<b>\$266,599</b>	<b>\$303,138</b>	<b>\$306,245</b>	<b>\$303,641</b>	<b>\$231,336</b>	<b>\$223,703</b>	<b>\$167,658</b>	<b>\$190,127</b>	<b>\$200,000e</b>	<b>\$231,000</b>

**Proposed  
Equipment Expenditures  
Fiscal Year 2013/2014 Budget**

4/11/13

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		<b>Proposed</b>	<b>Description</b>
<b>1 INFORMATION SYSTEMS</b>			
a.	Server Software Upgrade	\$9,000	Upgrade last two Servers from 2003 to 2008 software. Software already purchased, cost is IT install time.
		<b>\$9,000</b>	
<b>2 ADMINISTRATION</b>			
a.	Phone System	\$35,000	Replace 10-year old digital phone system with Internet Protocol system that runs on District network.
		<b>\$35,000</b>	
<b>3 ENGINEERING</b>			
a.	Multi-function Wide-Carriage Copier (Used)	\$12,000	Parts no longer available for existing obsolete copier
		<b>\$12,000</b>	
<b>4 VEHICLE &amp; ROLLING EQUIPMENT EXPENDITURES</b>			
a.	¾-ton 2WD Alternate Fuel Pickup w/Srvc Body	\$30,000	Replace '93 F250 4X4 with 137K miles (#29) that will be auctioned
b.	¾-ton 2WD Alternate Fuel Pickup w/Srvc Body	\$30,000	Replace '94 GMC 1500 with 134K miles (#30) that will be auctioned
c.	Propane Powered 5,000 lb Capacity Forklift	\$35,000	Replace STP '97 Hyster with inadequate 2,500 lb lift capacity. Will be auctioned
d.	Hybrid 2WD Pickup	\$40,000	Replace '00 Dodge Dakota with 103K miles (#40) that will be auctioned
e.	Hybrid 2WD Pickup	\$40,000	Replace '02 Chev K1500 4X4 with 103K miles (#47) that will be auctioned
		<b>\$175,000</b>	
<b>Total</b>		<b>\$231,000</b>	

	<b>Adopted Budget 2012/13</b>	<b>Estimated Actual 2012/13</b>	<b>Proposed Budget 2013/14</b>
<b>RECAP</b>			
Equipment	\$78,000	\$54,000	\$56,000
Rolling Stock	\$155,000	\$146,000	\$175,000
	<b>\$233,000</b>	<b>\$200,000</b>	<b>\$231,000</b>

### 5-Year Vehicle and Equipment Replacement Plan

Updated 3/1/13

FY13/14	New Item Description	Replacement Item Description	Cost
1	HD 3/4 Ton 2wd pickup, Alt fuel, tool box, radio	#505 Ford F250 4x4	\$30,000
2	Forklift	#902C 1997 Hyster, Needs more lift capacity (STP)	\$35,000
3	Hybrid Pickup 2WD	#58 into pool and #40 2000 Dodge Dakota to auction	\$40,000
4	Hybrid Pickup 2WD	#59 into pool and #30 to auction	\$40,000
5	3/4 Ton 4X4 Pickup, Alt fuel, w/Tool Box, Radio	#29 1993 Ford F250 4X4	\$30,000
Total			\$175,000

Note: The 2 hybrids will replace 58, 59 and #30 & 40 to be auctioned.

FY14/15	New Item Description	Replacement Item Description	Cost
1	Forklift	#902B 1989 Kalmar	\$30,000
2	1/2 Ton Pickup, Tool Box, Radio & Light Bar	#51 2003 Chevy Pick Up	\$25,000
3	4X4 Loader	#62 1993 Case 4X4 Loader	\$65,000
4	1/2 Ton Pickup w/Tool Box and Radio	#42 2001 Dodge Dakota pick-Up	\$25,000
5	HD 3/4 Ton 4x4 pickup, Alt fuel, radio, LED light	#506 Ford F250 4x4, bad fuel/engine	\$30,000
Total			\$175,000

Note: 902B, 54, 42 and 62 will be auctioned.

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	Hybrid Car	#56 2005 Honda Civic	\$25,000
Total			\$165,000

05 Honda replacement due to the expected high cost of battery & electronic control repairs.

FY16/17	New Item Description	Replacement Item Description	Cost
1	Hybrid 4X4 SUV	#57 2005 Honda Civic	\$30,000
2	5 Yard Diesel Dump truck	#55 1999 International Dump	\$120,000
3	Bar	#53 2004 Chevy Pick Up	\$25,000
Total			\$175,000

05 Honda replacement due to the expected high cost of battery & electronic control repairs.

FY17/18	New Item Description	Replacement Item Description	Cost
1	5 Yard Diesel Dump truck	#52 1996 Ford Super Duty Dump	\$125,000
2	1 Ton Flat Bed, Radio and Emergency Light	#19 1999 Ford F350	\$30,000
3	Light	#502 2002 Chevy 2500 4X4	\$30,000
Total			\$185,000

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 Dodge Dakota 4X4	\$35,000
2	Loader 4X4	Case Loader 4X4	\$65,000
3	HD 3/4 Ton 2wd Alt fuel, with service body, radio, LED light bar		\$35,000
4	HD 3/4 Ton 2wd Alt fuel, with service body, radio, LED light bar		\$35,000
Total			\$170,000

Note: 85, 36, 46 and 76 will go to auction.

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## MEMORANDUM

To: Board of Directors

April 12, 2013

From: David L. Bentley, Auditor-Controller 

Subj: Initial Review – FY14 Capital Improvement Project Budget

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**RECOMMENDED ACTION:** Initial Review and Provide Direction to Staff**FINANCIAL IMPACT:** None at this time - \$6.4 million FY14 & \$6.9 million FY15  
Gross Expenditure Budget Proposed for Consideration

Attached for your initial review is the proposed Fiscal Year 2013-14 (FY14) and FY2014-15 (FY15) 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 40 budgeted projects planned for FY14. Future presentations will segregate the budget into component parts for each 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 FY14 project is incorporated into the detail listing attached.

<u>Project</u>	<u>FY14</u>	<u>FY15</u>
Aqueduct Energy Efficiency Project - Hwy 101 <sup>1</sup>	\$2,600,000	\$2,300,000
Atherton Recoat & Mixing System (5 MG)	700,000	1,000,000
Relocate School Road Pump Station	100,000	500,000
WM Treatment Plant Solids Handling <sup>1</sup>	200,000	500,000
Other Projects	<u>2,803,000</u>	<u>2,555,000</u>
<b>Gross Project Outlay</b>	<b>\$6,403,000</b>	<b>\$6,855,000</b>
Less Loan Funding <sup>1,2</sup>	<u>(2,900,000)</u>	<u>(2,800,000)</u>
<b>Net Project Outlay (internally funded)</b>	<b><u>\$3,503,000</u></b>	<b><u>\$4,055,000</u></b>

<sup>1</sup> The Aqueduct Energy Efficiency and WM TP Solids Handling Projects are funded with a 3.5% Bank of Marin loan.

<sup>2</sup> Includes \$100,000 in SRF loan & Grant funding for the final wrap-up of the Recycled Water System Expansion Project.

The proposed two-year combined total project outlay, net of loan funding, comes in at \$7.6 million, up \$2.5 million from the \$5.0 million combined two-year budget adopted last year. The proposed FY14 CIP budget includes 40 projects, up from 36 approved for FY13.

District	Net Outlay		Increase (Decrease)
	Proposed FY14 & FY15	Adopted FY13 & FY14	
Novato Water	\$6,788,000	\$3,687,000	\$3,101,000
Recycled Water	300,000	470,000	(170,000)
WM Water	355,000	490,000	(135,000)
OM Sewer	115,000	370,000	(255,000)
<b>Total</b>	<b>\$7,558,000</b>	<b>\$5,017,000</b>	<b>\$2,541,000</b>

Novato Water's portion of the current 5-year CIP expenditure plan averages \$2.5 million annually in internally funded projects, up from \$2.1 million expended on average over the past 5 years. During February's 5-Year Financial Plan review with the Board staff discussed the need to increase Novato's average annual CIP outlay from \$2.0 million to \$2.5 million in response to the updated Master Plan finding that increased pipeline replacement work is required. However, in addition to increased pipeline replacement work, Novato Water's proposed CIP plan is front-loaded with the \$1.7 million Atherton Tank Recoating project, which pushes the average to \$3.4 million over the next two years, and which will require budgetary discipline to achieve a \$2.5 million average over the next five years.

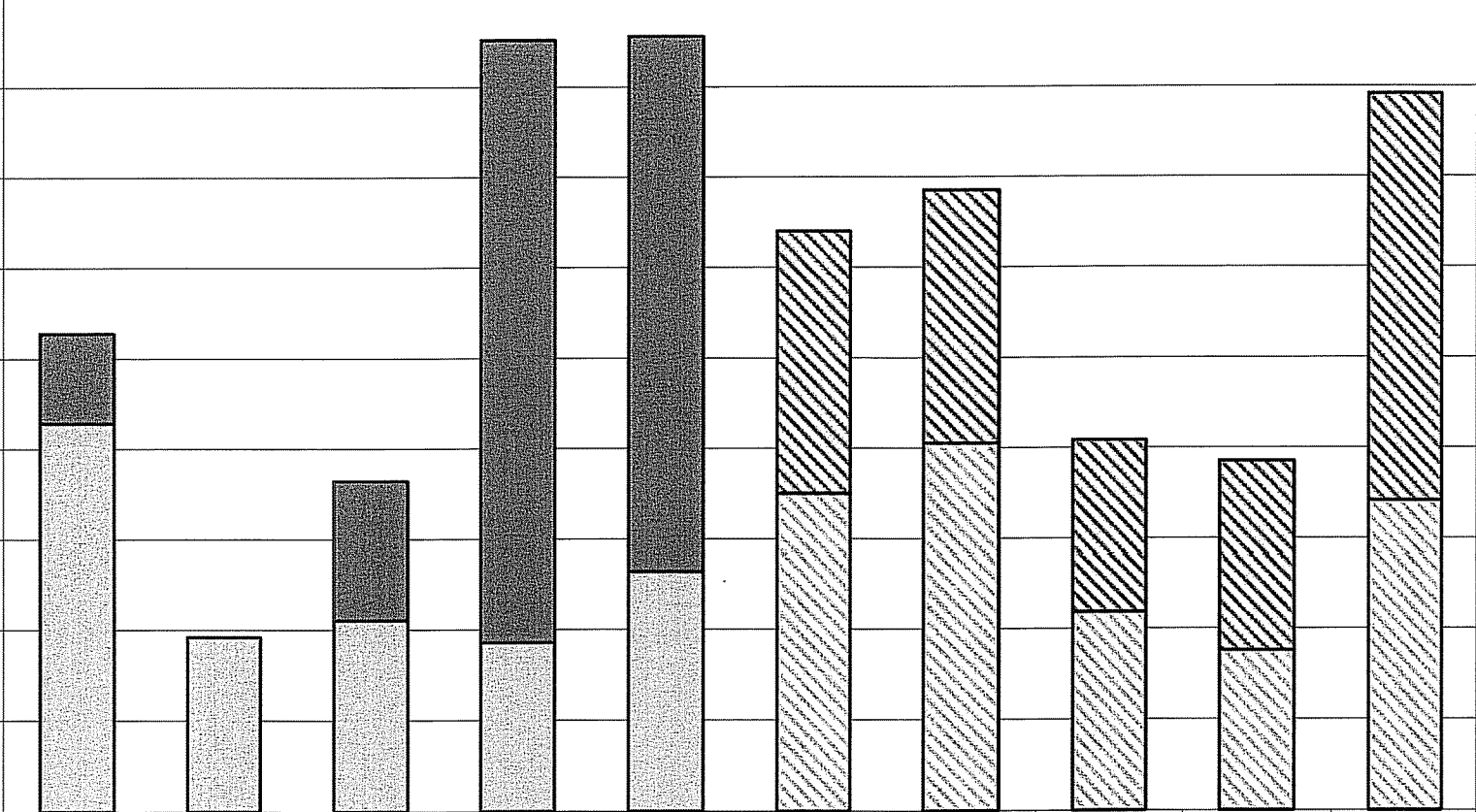
An additional review of the Novato Water & Recycled Water CIP budgets is scheduled for May 21, and a public hearing and approval of the Budgets is scheduled for June 18, 2013. An additional review of the West Marin Water and Oceana Marin Sewer CIP budgets is scheduled for June 4, with a public hearing planned for June 25 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

\$10,000  
\$9,000  
\$8,000  
\$7,000  
\$6,000  
\$5,000  
\$4,000  
\$3,000  
\$2,000  
\$1,000  
\$0

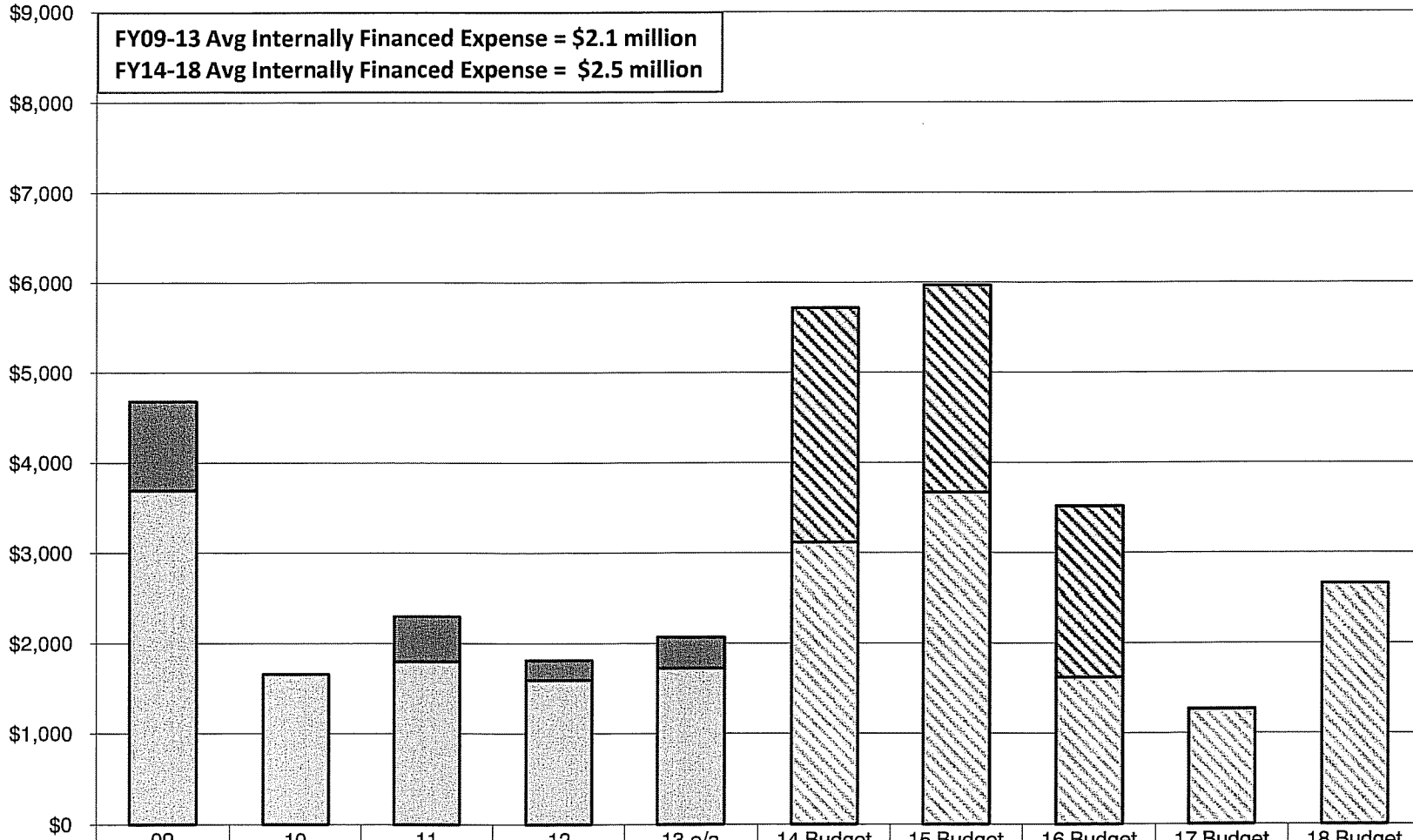
**FY09-13 Avg Internally Financed Expense = \$2.6 million**  
**FY14-18 Avg Internally Financed Expense = \$3.0 million**



	09	10	11	12	13 e/a	14 Budget	15 Budget	16 Budget	17 Budget	18 Budget
■ Debt/Grant Financed	\$990	\$0	\$1,542	\$6,665	\$5,925	\$2,900	\$2,800	\$1,900	\$2,100	\$4,500
□ Internally Financed	\$4,285	\$1,919	\$2,101	\$1,855	\$2,635	\$3,503	\$4,055	\$2,185	\$1,755	\$3,415
Total	\$5,275	\$1,919	\$3,643	\$8,520	\$8,560	\$6,403	\$6,855	\$4,085	\$3,855	\$7,915

### Novato Capital Improvement Project Expenditures

Thousands



	09	10	11	12	13 e/a	14 Budget	15 Budget	16 Budget	17 Budget	18 Budget
■ Debt/Grant Financed	\$990	\$0	\$500	\$215	\$350	\$2,600	\$2,300	\$1,900	\$0	\$0
■ Internally Financed	\$3,690	\$1,654	\$1,796	\$1,592	\$1,720	\$3,118	\$3,670	\$1,620	\$1,270	\$2,660
<b>Total</b>	<b>\$5,275</b>	<b>\$1,919</b>	<b>\$3,643</b>	<b>\$8,520</b>	<b>\$8,560</b>	<b>\$6,403</b>	<b>\$6,855</b>	<b>\$4,085</b>	<b>\$3,855</b>	<b>\$7,915</b>



**Proposed Capital Improvement Projects**  
**5-Year Financial Plan**

4/11/13

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		FY14 Budget	FY15 Budget	FY14 Project Description
<b>1. PIPELINE REPLACEMENTS/ADDITIONS</b>				
a.	Main/Pipeline Replacements			
1	So Novato Blvd - Rowland to Sunset (12"CI@1,000')	\$100,000	\$200,000	1st year of 2-year project to replace Cast Iron Pipe at the end of its useful life.
2	Shields Ln 6" Cast Iron (6"@1,120')	\$225,000		Replace Cast Iron Pipe at end of its useful life.
3	Ashley Ct 2" Thinwall Plastic (6"@200')	\$40,000		Replace plastic that has suffered a number of recent failures.
4	Grant/4th 1" Galvanized Steel (6"@400')	\$100,000		Replace galvanized steel that has been prone to failure.
5	Other Pipeline Replacements (60+ years old)	\$35,000	\$300,000	As needed
		\$500,000	\$500,000	
b.	Main/Pipeline Additions			
1	Zone A Pressure Improvements - Ignacio Area	\$250,000		Upsize Bel Marin Keys Intertie to enhance water delivery to the south service area.
2	San Mateo 24" Inlet/Outlet		\$440,000	
		\$250,000	\$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 (45 Srvcs)	\$135,000	\$90,000	PB service replacement coordinated with City Overlay Program
3	Atherton Oaks/Clay Ct (11 Srvcs)	\$33,000		Ongoing Polybutylene service line replacement program
4	Atherton Oaks/Summit Ln (20 Srvcs)	\$60,000		Ongoing Polybutylene service line replacement program
5	Other PB Replacements	\$47,000	\$310,000	Ongoing Polybutylene service line replacement program
		\$400,000	\$400,000	
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	\$2,600,000	\$2,300,000	North Marin Aqueduct upsizing/relocation
		<u>\$3,830,000</u>	<u>\$3,720,000</u>	

**Proposed Capital Improvement Projects**  
**5-Year Financial Plan**

4/11/13

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	FY14 Budget	FY15 Budget	FY14 Project Description
<b>2. SYSTEM IMPROVEMENTS</b>			
a. RTU Upgrades	\$10,000	\$10,000	Replace aging and unreliable RTUs
b. Flushing Taps at Dead-Ends (12 biennially)	\$50,000		Install flushing taps at dead-end zone valves to improve water quality
c. DCA Repair/Replace (~14/yr)	\$150,000	\$150,000	Detector Check Assembly replacements
d. Anode Installations (150/yr)	\$30,000	\$30,000	Place anodes on copper laterals for corrosion protection
e. Radio Telemetry	\$25,000	\$25,000	Install radio transmitters to replace leased lines
f. Sampling Stations (6 biennially)		\$50,000	
g. Inaccurate Meter Replacement	\$10,000		Replacement of inaccurate meters based on recommendations in the FY06 meter testing study.
h. Facilities Security Enhancements		\$25,000	
i. Backflow Device Upgrade - BMK (15 Srvcs/yr)	\$30,000	\$30,000	Replace DCVs with above grade RPP devices
j. Tank Access Hatch/Level Alarms (10 Sites)	\$35,000	\$35,000	Enhance tank security by adding remote alarm notification of unauthorized entry.
	<u>\$340,000</u>	<u>\$355,000</u>	

**3. BUILDING, YARD, STP. IMPROVEMENTS**

a. Administration Building			
1 Electronic Document Management System	\$150,000		Manage digital document creation, storage, retrieval & expiry.
2 Admin Office/Lab/Yard Remodel Plan	\$50,000		Move from conceptual to preliminary design phase.
	\$200,000	\$0	
b. Corp. Yard/Warehouse/Construction Office			
1 SMART Crossing Upgrade (@ Golden Gate Pl)	\$58,000		Shared Cost with Golden Gate Transit.
	\$58,000	\$0	
c. Stafford Treatment Plant			
1 Watershed Erosion Control	\$25,000	\$25,000	STRAW Project (\$9K) & Dairy Nutrient Control
2 Dam Concrete Apron Repair		\$50,000	
3 Start-up Flushing Connection	\$225,000		To allow flushing the Novato Blvd main from Sutro back to STP with Zone 2 water.
4 Lake Aeration Upgrade	\$50,000		Injection of diffused air into lake for improved water quality.
5 STP Emergency Power Generator		\$120,000	
	<u>\$300,000</u>	<u>\$195,000</u>	
	<u>\$558,000</u>	<u>\$195,000</u>	

**Proposed Capital Improvement Projects**  
**5-Year Financial Plan**

4/11/13

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	FY14 Budget	FY15 Budget	FY14 Project Description
<b>4. STORAGE TANKS/PUMP STATIONS</b>			
a. Tank Construction			
1 New Half Moon Tank Property Site Acquisition		\$200,000	
	\$0	\$200,000	
b. Tank Rehabilitation			
1 Atherton Recoat & Mixing System (5 MG)	\$700,000	\$1,000,000	1st of 2-year tank recoat project
	\$700,000	\$1,000,000	
c. Lynwood P.S. Motor Control Center	\$190,000		Move motor controls above-ground.
d. Relocate School Road/Crest P.S. (Design/Construct)	\$100,000	\$500,000	Design phase of Crest zone pump station.
	<u>\$990,000</u>	<u>\$1,700,000</u>	
<b>5. RECYCLED WATER (Note 2)</b>			
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	\$100,000		Completion of South Area Expansion
c. Other Recycled Water Expenditures		\$100,000	
	<u>\$200,000</u>	<u>\$200,000</u>	
<b>6 WEST MARIN WATER SYSTEM</b>			
a. TP Solids Handling	\$200,000	\$500,000	2nd phase of three year project to permit, design & construct a 60,000 gal solids handling facility.
b. Treatment Plant Control Valve Replacement	\$25,000		Replace 9 Point Reyes Treatment Plant control valves
c. Gallagher Auxiliary Stream Gauge	\$30,000		To record the Gallagher Well impact on Lagunitas Creek flow
d. Replace PRE 2" Galvanized Steel Pipe		\$120,000	
e. Olema PS Flood Protection & RTU Upgrade	\$100,000		Modify existing structure to prevent flooding of facilities by Olema Creek.
f. Emergency Generator Connections	\$15,000		For PRE & Olema Pump Stations
g. Pt Reyes Tank #2 & #3 Seismic Piping Upgrade	\$65,000		Install flexible piping connections to improve seismic safety.
	<u>\$435,000</u>	<u>\$620,000</u>	

**Proposed Capital Improvement Projects**  
5-Year Financial Plan


4/11/13

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	FY14 Budget	FY15 Budget	FY14 Project Description
<b>7 OCEANA MARIN SEWER SYSTEM</b>			
a. Infiltration Repair	\$15,000	\$15,000	Ongoing work to identify and repair collection pipelines to prevent rainwater from leaking into the system
b. SCADA RTU Upgrade and Install	\$35,000		Upgrade Equipment at Tahiti Way Lift Station
c. Design/Install 8th Disposal Trench (300')		\$50,000	
	<u>\$50,000</u>	<u>\$65,000</u>	
<b><u>SUMMARY - GROSS PROJECT OUTLAY</u></b>			
GROSS PROJECT OUTLAY	<u>\$6,403,000</u>	<u>\$6,855,000</u>	
Novato Water	\$5,718,000	\$5,970,000	
Recycled Water	\$200,000	\$200,000	
West Marin Water	\$435,000	\$620,000	
Oceana Marin Sewer	\$50,000	\$65,000	
GROSS PROJECT OUTLAY	<u>\$6,403,000</u>	<u>\$6,855,000</u>	
<b>LESS FUNDED BY LOANS/GRANTS</b>			
a. Aq Energy Efficiency Proj - Hwy 101 Widening	(\$2,600,000)	(\$2,300,000)	Funded from FY12 Bank of Marin loan
b. Recycled Water Sys Expansion - South Area	(\$100,000)	\$0	Funded 25% by Fed/State Grant; 75% by low-interest State
c. WM Treatment Plant Solids Handling	(\$200,000)	(\$500,000)	Funded from FY12 Bank of Marin loan
	<u>(\$2,900,000)</u>	<u>(\$2,800,000)</u>	
<b><u>SUMMARY - NET PROJECT OUTLAY</u></b>			
NET PROJECT OUTLAY	<u>\$3,503,000</u>	<u>\$4,055,000</u>	
Novato Water	\$3,118,000	\$3,670,000	
Recycled Water	\$100,000	\$200,000	
West Marin Water	\$235,000	\$120,000	
Oceana Marin Sewer	\$50,000	\$65,000	
INTERNALLY FUNDED PROJECT OUTLAY	<u>\$3,503,000</u>	<u>\$4,055,000</u>	
Total Number of Projects	40	27	

16

MEMORANDUM

To: Board of Directors  
From: Chris DeGabriele, General Manager   
Subject: Board Review of District Policies  
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April 12, 2013

**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** None

Attached for your review are the following District Policies:

- Policy Number 12- Attorney's Attendance at West Marin Meetings
- Policy Number 13- Board of Directors Compensation and Procedure
- Policy Number 16- Condemnation
- Policy Number 18- Energy Policy
- Policy Number 20- Purchased – Winter Safety Jackets

Proposed changes to the polices as recommended by staff are shown in highlight/strikeout format. Should the Board desire to amend these policies, staff will return the policy on a future agenda for Board consideration.

The most recent survey of Compensation for Agency Directors is attached for the Boards information coincident with review of Policy Number 13.

**NORTH MARIN WATER DISTRICT**

**POLICY: ATTORNEY'S ATTENDANCE AT WEST MARIN BOARD MEETINGS**

**POLICY NUMBER: 12**

Original Date: 11/19/74  
Revision Adopted: June 6, 2006

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District legal counsel will attend meetings of the District Board of Directors as deemed necessary by the General Manager or the Board.

Revisions: 11/74, 06/06, 04/13

## NORTH MARIN WATER DISTRICT

### POLICY: ~~BOARD OF DIRECTORS COMPENSATION AND PROCEDURE~~

POLICY NUMBER: 13

Original Date: 2004

Revision Adopted: August 1, 2006

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Each director shall receive compensation in an amount not to exceed one hundred dollars (\$100) per day for each day's attendance at meetings of the Board or for each day's service rendered as a director by prior approval of the Board. Such service shall include: attendance at special Board meetings or subcommittee meetings; attendance at workshops/seminars relevant to District activities; attendance at meetings with other public entities where District interests are subject to consideration. Furthermore, compensation shall not exceed ~~\$600 a total of six days~~ in any calendar month and any Director shall have the option to decline compensation for attending any special meetings or other activities relevant to the District's interest.

When a Director is authorized by prior approval of the Board to attend a meeting out of the immediate area (beyond a 100 mile radius from the NMWD service territory), the Director may request reimbursement of actual and necessary expenses for travel, meals, lodging and meeting registration, as applicable, in lieu of the standard \$100 per day compensation noted above.

Actual and necessary expenses shall remain within IRS Publication 463 guidelines, except that lodging for conferences or an organized educational activity shall not exceed the maximum group rate published by the conference or activity sponsor. Expenses shall be documented with receipts and attached to the submitted reimbursement voucher.

#### Procedure:

Compensation for meetings of the Board, including special meetings, will be presented on the disbursement list ~~of the first meeting~~first of the month following the month of attendance, as is currently the practice.

Compensation for attendance at committee meetings or other meetings attended on behalf of the Board will only be authorized after that Board member has submitted a voucher with justification to the Auditor-Controller.

#### Voucher Format:

*I attended the [describe meeting and purpose of attendance] on [date] and wish to be compensated as provided under the Board compensation policy.*

*/signature/      /date/*

Vouchers must be submitted no later than ~~six~~eight calendar days prior to the ~~Board meeting~~month the end for inclusion in the disbursement package and may be submitted electronically (email/facsimile).



**NORTH MARIN WATER DISTRICT**

**POLICY: CONDEMNATION**  
**POLICY NUMBER: 16**

Original Date: February 20, 1979  
Revision Adopted: August 1, 2006

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The North Marin Water District will not acquire land or easements by condemnation when the sole beneficiary of such action is an individual or single entity.

Revisions: 02/79, 08/06, 04/13

## **NORTH MARIN WATER DISTRICT**

**POLICY: ENERGY POLICY**  
**POLICY NUMBER: 18**

Original Date: December 1983  
Revision Adopted: September 2006

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It is the intent of the North Marin Water District to optimize energy use and continuously work toward a goal of energy self-sufficiency through the development of alternative energy resources and energy and water conservation efforts. The District will lower energy demand and reduce green house gas emissions in five categories at the District:

- Reduce Demand for Water
- Maximize Pumping Energy Efficiency
- Minimize Energy Intensity of Treatment Processes
- Maximize Energy Recovery
- Cut Peak Power Demands.

Revisions: 12/83, 09/06, 04/13

## NORTH MARIN WATER DISTRICT

**POLICY: PURCHASE OF WINTER SAFETY JACKETS**  
**POLICY NUMBER: 20**

Original Date: 1993  
Revision Adopted: 9/5/06

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~~That a~~All Construction and Maintenance Department personnel, the Construction Inspector and any employees participating in distribution system flushing, shall be provided with suitable heavy safety jackets at a reasonable cost approved by the General Manager.

Revisions: 1993, 09/06, 04/13

# NMWD Survey of Surrounding Water Agencies Monthly Compensation for Agency Directors

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July 2012

Agency (No. of Directors)	Stipend/Meeting	No. of Meetings/Mo	Total Paid FY10/11 for All Meetings	FY 10/11 Avg. Monthly Stipend/Director (Total / 12)	Medical/Dental/Vision
East Bay MUD (7)	Monthly Stipend of \$1,120	Req'd to attend min. of 3 mtgs/month, "or 50% of assigned meetings"	\$94,080	\$1,120	Family Coverage
Contra Costa Water District (5)	\$100 (max. \$1,000/mo.)	2 (compensated for up to 8 special mtgs/conf.)	\$41,600	\$693	Family Coverage
Alameda County WD (5)	\$175	1 (compensated for up to 8 special mtgs/conf.)	\$39,725	\$662	Family Coverage
MMWD (5)	\$145	2 (may attend add'l 3-6 committee mtgs)	\$36,798	\$613	Couple Coverage for medical & dental; no vision
<b>North Marin Water District (5)</b>	<b>\$100</b>	<b>2</b>	<b>\$15,100</b>	<b>\$252</b>	<b>No Benefits</b>
Mid-Peninsula County Water District (5)	\$100	1 (compensated for add'l special mtgs. or conf.)	\$7,300	\$122	Family Coverage
Valley of the Moon WD (5)	\$100	1 (compensated for up to 6 special mtgs or conf.)	\$5,600	\$93	No Benefits

**NMWD Survey of Surrounding Non-Water Agencies  
Monthly Compensation for Agency Directors**

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July 2012

<b>Agency (No. of Directors)</b>	<b>Stipend/Meeting</b>	<b>No. of Meetings/Mo</b>	<b>Total Paid FY 10/11 for All Meetings</b>	<b>FY 10/11 Avg. Monthly Stipend/Director (Total / No. of Directors / 12)</b>	<b>Medical/Dental/Vision</b>
Las Gallinas Valley Sanitary District (5)	\$253	2  (may attend add'l mtgs/mo up to 6)	\$52,562	\$876	Up to \$200/mo. per Director for long-term care and dental
Ross Valley Sanitary District (5)	\$258	1  (may attend add'l 2-4 committee mtgs/mo)	\$37,796	\$630	No Benefits
NSD (5)	\$225	2-3	\$39,600	\$660	Director Coverage; no vision
Sausalito-Marin City Sanitary District (5)	\$160	1  (may attend add'l 5 committee mtgs/mo)	\$9,600	\$160	No Benefits
Tiburon Sanitary District #5 (5)	\$100	1  (may attend up to 6 committee mtgs)	\$9,500	\$158	No Benefits
Novato Fire District (5)	\$100	2  (plus any special mtgs)	\$12,300	\$205	No Benefits
Central Marin Sanitation Agency (6)	\$100	1  (plus any special mtgs)	\$7,200	\$100	No Benefits

17

MEMORANDUM

To: Board of Directors  
From: Katie Young, District Secretary *KY*  
Subject: iPad Pilot Program Update  
t:\gm\admin secty\2013\ipad pilot program update.doc

April 12, 2013

**RECOMMENDED ACTION:** Information Only

**FINANCIAL IMPACT:** None at this time

Director Petterle has used an iPad to receive and review the agenda packets over the past two Board meetings. The Friday before the meeting staff prepares the digital agenda packet and saves it in a program called DropBox where Director Petterle can then retrieve it and save it on his iPad. Once this has been completed he is able to open his agenda packet in a program called iAnnotate to view the packet and make any notations he may desire.

Below are Director Petterle's comments and opinions about the iPad system.

"Here are some of the advantages of the Ipad:

- Highlighting and notes are simple;
- It creates a permanent record of meetings and I can easily go back to previous meetings to follow a particular topic;
- It's less cumbersome than a binder. I can relax, sit on the couch, and go through my board packet;
- I use it easily for my NMWD email.

Here are some of the disadvantages:

- It takes an adjustment--that doesn't make it worse than paper, just different;
- I like to have a printed agenda in front of me at board meetings, so Katie prepares a separate agenda that I have available to me at the table."

Director Petterle will have further comments and I will be providing a short demonstration at the meeting. Staff will draft a policy regarding use of the iPad for Board consideration at a future meeting.

We estimate that should the Board of Directors and all District officers use digital agendas the District will annually save 116 reams of paper, 96 man-hours of agenda print and collating time, and 36 man-hours of delivery time, valued at \$3,800. The cost of the necessary iPads and programs total \$4,500 and would be fully recovered in 15 months time.

18



**DISBURSEMENTS - DATED APRIL 4, 2013****Item #18**

Date Prepared: 4/2/13

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	All Star Rents	Lift Rental for Installing Pump @ STP (1 Day)	\$39.81
2	American Family Life Ins	March Employee Contrib for Accident, Disability & Cancer Ins	4,000.20
3	AT&T	Telephone Charges: Voice Lines	139.36
4	Backflow Distributors	Calibration on Backflow Tester	196.38
5	Baker, Jack	March Director's Fee (Less Adjustment for Jan Overpayment)	100.00
6		Cafeteria Plan: Uninsured Medical Reimbursement	1,200.00
7	Buckeye Nursery	Plants for Hamilton Pipeline Restoration (RW South Phase 1a)	1,574.44
8	Business Card	Equipment Sterilizer (\$234) (Lab), Notary Insurance (\$33) (Young), Internet Payment (\$124), iAnnotate App for iPads (Young & Petterle) (\$20), Renewal of Domain Names (3) (\$134) & Web Hosting Fee to 2018 (\$292)	836.79
9	Calif Public Health Services	Large Water System Fee (7/1/12-12/31/12)	630.00
10	California State Disbursement	Wage Assignment Order (2)	1,143.00
11	Calpico	Anodes (8)	1,226.70
12	Case Excavating	Release Retention on Oceana Marin Sewer Lining Project	7,296.80
13	Cummings Trucking	Sand (50 yds)	2,432.41
14	D'Arrigo, Amador	Novato "Washer Rebate" Program	50.00
15		Cafeteria Plan - Uninsured Medical Reimbursement	1,035.54
16	E & M	Software Maintenance Contract for Distribution SCADA (2) (Budget \$6,500)	6,989.26

Seq	Payable To	For	Amount
17	Fisher Scientific	Temperature Recording Hardware for Quality Assurance (Lab)	89.09
18	Fraites, Rick	March Director's Fee, North Bay Watershed Association Meeting on 3/1/13 (Less Adjustment for Jan/Feb Overpayment)	100.00
19	Gere, Willa	Novato "Toilet Rebate" Program	200.00
20	Kaiser Foundation Health Plan	Pre-Employment Physical & Perf Test (Renfort)	125.00
21		Vision Reimbursement	16.30
22	Landeros, Dianne	Exp Reimb: Wiley Breakfast Meeting on 3/22/13 in Oakland. Mileage (\$39), Toll & Parking	50.74
23		Vision Reimbursement	423.00
24	Lincoln Life	Deferred Compensation PPE 3/31/13	9,907.06
25		Cafeteria Plan - Child Care Reimbursement	416.66
26	Marin County Recorder	Lien Filing Fee-Novato Development LLC	18.00
27	Microtech Scientific	Media (Lab)	168.42
28	Miller Pacific Engineering	Backfill Inspection & Compaction Testing of Pavement Repair (Balance Remaining on Contract \$19,121)	911.30
29		Wage Assignment Order	284.00
30	Nationwide Retirement Solution	Deferred Compensation PPE 3/31/13	1,025.00
31	New Pig	Disposable Nitrile Gloves (1,100) (\$247), All Purpose Wipers (750) (\$87) & Absorbent Mat (3 rolls) (\$149)	491.83
32	North Marin Water District	NMWD Assoc Dues 2/28/13 - 3/15/13	460.00
33	Novato Sanitary District	Non-Domestic Discharge Permit (NMW007) - Scheduled Monitoring Fees FY13	315.49
34	NTU Technologies	Anion Emulsion Polymer for STP Centrifuge (275 gal)	3,622.50
35	Pace Supply	1" Valve (\$346), Cutter Head Assembly (\$197), Els (4), Service Saddles (2) (\$81), Gaskets (2), Couplings (20) (\$437), Corp Stops (100) (\$1,652), Couplings (12), Bushing, Hex Bolt Kit (2), Bolt Down Boxes (4) (\$107) & Box Lid	2,970.72

Seq	Payable To	For	Amount
36	PG&E	Power: Treatment: (\$27) & Other (\$1,196 )	1,223.97
37	Phillips & Associates	March O & M of O.M. Wastewater Treatment System	5,187.96
38	Roberts & Brune	Couplings (7) (\$2,116), Service Saddles (2) (\$217), Els (13), Nipples (8), Coupling (20) (\$473), 4", 6", 8" & 10" Double Check Valves (\$20,166) (8), Valves (10) (\$185) Bushings (4), Caps (2) & Unions (11) (\$105)	23,330.80
39	Rodoni, Dennis	March Director's Fee (Less Adjustment for Jan Overpayment)	100.00
40	Schoonover, John	March Director's Fee Less Deferred (Less Adjustment for Jan Overpayment)	75.00
41	Schulze, Edward	Novato "Toilet Rebate" Program	200.00
42	Sequoia Safety Supply	Faceshields (12), Brief Relief Urine Bags (100) (\$222) & Lime Green Vests (2)	269.93
43	Shirrell Consulting Services	April Dental Insurance Admin Fee	293.80
44	SMART Real Estate	General Easement Access @ Golden Gate Transit Crossing (4/1/13 - 3/31/14)	674.84
45	Steven Engineering	Radio Antennas for Booster Pump Controllers	309.90
46	Tuscher, Lisa	Novato "Toilet Rebate" Program	300.00
47	United Rentals	Paving Breaker	1,066.90
48	Verizon Wireless	Feb CIMIS Station Data Transfer Fee	22.02
49	Zwerlein, John	Refund Alternative Compliance Reg 15 Deposit	630.00
		<b>TOTAL DISBURSEMENTS</b>	<b><u>\$84,170.92</u></b>

The foregoing payroll and accounts payable vouchers totaling \$84,170.92 are hereby approved and authorized for payment.

Auditor-Controller

Date

*Chris D. Fabian*

4/2/2013

General Manager

Date

## DISBURSEMENTS - DATED APRIL 11, 2013

Date Prepared: 4/9/13

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 P/E	\$116,027.28
EFT*	US Bank	Federal & FICA Taxes PPE 3/31/13	49,087.37
EFT*	State of California	State Tax & SDI PPE 3/31/13	8,641.01
1	101 Office Products	Toner Cartridges (1 Black, 2 Color) (STP)	115.24
2	Advanced Valve Tech	60mm Carbide Starter Drill Bit	403.24
3	Alioto, Francesca	Novato "Toilet Rebate" Program	100.00
4	AT&T	Telephone Charges - Leased Lines (\$276) & Voice Lines (\$532)	807.62
5	Automation Direct	PLC Parts for New RTU's	2,523.00
6	Barbour, Lianne	Novato "Toilet Rebate" Program	415.00
7	Bay Area Barricade Service	Striping Paint (36-17oz cans) (\$168) & Marking Paint (12-17oz cans)	212.55
8	Bay Alarm	Quarterly Fire Alarm Monitoring Fee (STP)	306.75
9	Bold & Polisner	February Legal Services: Fluoridation, NBWRA Grant Outreach (\$543), Quit Claim, RW Exp So Phs 1B (\$685) & SCWA (\$556)	1,875.00
10	Calif Dept of Fish & Wildlife	Fee to File Notification of Lake or Streambed Alteration 1602 Permit Pkg for the AEEP B3 Project	4,482.75
11	CDW-Government	Replacement Printer & Printer Cartridge (Filippi)	412.76
12	Cohen, Molly & Richard	Novato "Toilet Rebate" Program	300.00
13	Costco Wholesale	Kitchen Sponges, Coffeemate, Sugar, Coffee (\$49) & Dish Detergent	87.95
14	Cronin, Elise	Novato "Washer Rebate" Program	50.00

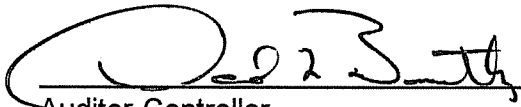
Seq	Payable To	For	Amount
15	DeGabriele, Chris	Exp Reimb: March Mileage	241.42
16	Dowden, Mary Ann	Accounts Payable Consulting Services (3/21-3/29/13) (Bal remaining on contract \$3,850)	1,330.00
17	Dresden, Ben	Novato "Washer Rebate" Program	50.00
18	Erlingsson, Atle	Novato "Washer Rebate" Program	50.00
19	Environmental Science Assoc	Progress Payment-Final Site Work RWS 1A, Phase 2 Permitting, Firemen's Fund Onsite Retrofit (Bal remaining on contract \$36,249)	10,988.26
20	Evantec	Membrane Filters (1,000) (Lab)	293.05
21	Fisher Scientific	Chloride Standard (Lab)	30.07
22	Golden Gate Petroleum	Diesel (\$3.82/gal)	1,298.75
23		Cafeteria Plan: Uninsured Medical Reimbursement	262.94
24	Grainger	Gas Powered Pump Volute (\$391), Tube Cutters (7) (\$119), Knee Boots (5 pr) (\$455), Shutter for Fan on Generator Building (\$145) (O.M.), Replacement Label Maker for Marking Wire (\$298), Replacement Angle Grinder (\$102), Submersible Pump for Windhaven P/S (\$462), Fluorescent Lamps (42) (\$274), Hip Boots (\$94), Diamond Blade Cutting Tools (2) (\$84), Outside Flood Lights, Tire for Hand Cart (2), Twist Wire Wheel (\$48), Fire Hose Nozzle, Batteries (9V & AA), Measuring Tapes (4), Lawn Rake, 'C' Batteries (36) & Kneeling Pad (\$38)	2,712.59
25	Hargreaves, Michael	Facility Map Database Analysis (Balance Remaining on Contract \$210)	1,080.00
26	Irish & Son Welding	Weld 2-8" Spools & 10" Spool	660.00
27	Janney, Dianne	Novato "Cash for Grass" Program	215.00
28	JS Company	Refund Security Deposit on Hydrant Meter Less Final Bill	720.25
29		Cafeteria Plan: Uninsured Medical Reimbursement	25.00


Seq	Payable To	For	Amount
30	Maltby Electric	Electrical Conduit Plugs (2), Caution Tape (3" X 100 FT) (\$107), Conduit Elbows & Conduit Fittings	129.66
31		Cafeteria Plan: Uninsured Medical Reimbursement	77.58
32	Marin Landscape Materials	Crushed Rock (2 yds) (\$107), Concrete (3 yd) (\$393), Shredded Bark (\$209) (Lynwood P/S) & Sand (\$245) (5 yds)	953.20
33	Drew McIntyre	Exp Reimb: Airfare (\$188), Food (\$139) & Lodging (\$426) for CA-NV AWWA Conference in Las Vegas on 3/25-3/28/13	752.83
34	Medora	Solar Bee Maintenance & Support Plan (3/1/13 to 2/28/14)	7,817.00
35	North Marin Auto Parts	Weather Stripping (10'), Seal for STP Pump, Oil Filter, Air Filter, Motor Oil (4 qts), Wiper Blades (3) (\$32), Bolts (2), Plastic Wire Loom, Cord Plugs for Trailer Lights, Mirror, Stop Light Bulbs (2) & Paint (4-12 oz cans)	202.12
36	North Bay Gas	March Cylinder Rental (3)	137.13
37	NTU Technologies	Dry Polymer (2,200 lbs) (STP)	6,468.00
38	Nute Engineering	South Area Water Recycling Construction Project (2/1/13-2/28/13) (Balance Remaining on Contract \$15,203)	234.00
39	Office Depot Business Service	File Folders (750) (\$48) & Adding Machine Tape (60 rolls)	65.85
40	Pace Supply	Corp Stops (5) (\$133), Fire Check Assembly (\$660) (2) & Cutter Head Assembly (2) (\$395)	1,188.60
41	Pacific Land Surveys	Mobilization for Gallagher Well Pipeline Project Survey (Bal Remaining on Contract (\$9,450)	1,050.00
42	PDM Steel Service Centers	Steel for Various Projects (Shop Stock)	746.28
43	PERS Retirement System	Pension Contribution PPE 3/31/13	45,852.37

Seq	Payable To	For	Amount
44	Pini Hardware	Propane Cylinder, Hardware Supplies, Irig Head, Plumbing for Sinks (STP), Vehicle Cleaning Supplies (\$76), Watering Can, Underwater Glue, Hose Bib Part, Extension Cords (7) (\$133), Glue, Round Rods (3), Paint Brushes (4), Metal Bar, Eye Bolts, Faucet Supply Line (Apartment), Trash Cans (\$43), Lock, Elbows (8), PVC Pipe for Irrig & Plumbing Parts, Bolts for Reservoir Hill Fill Valve (\$63)	476.67
45	Potocny, John	Novato "Washer Rebate" Program	50.00
46	Protection Engineering	Coal Tar Tape (40 rolls)	1,320.66
47	Red Wing Shoe Store	Safety Boots (Jeff Corda)	190.85
48	Roberts & Brune	Box Lids (52) (\$1,991), Cap, Service Saddles (22) (\$1,053), Gaskets (40) (\$824) & Unions (4)	3,906.83
49	School Fuel	Water Conservation Booth at 2013 Tour of Novato Event	250.00
50	Sebastopol Bearing & Hydraulic	75 HP Pump Shaft Seal (\$52), Coupling, Bracket & Safety Chain (\$57) ('07 Trailer), Hydraulic Hose & Couplings (\$339)	447.82
51	Shirrell Consulting Services	Mar Dental Expense	5,549.30
52	Sparling Instruments	Repair PRE Flow Meter	1,476.25
53	Stewart, William	Refund Alternative Compliance Reg 15 Deposit	630.00
54	Syar Industries	Asphalt (6 tons)	766.96
55	Teller, Carol	Novato "Washer Rebate" Program	50.00
56	Thomas Scientific	Buret (2) (\$241), Alcohol & PVC Tubing (Lab)	333.72
57	Ultra Scientific	Mineral Samples (3) (Lab)	216.00
58	United Parcel Service	Delivery Service: Sent 2 Backflow Testers for Calibration	13.91
59	USA BlueBook	16" Chemical Resistant Boots (3) (\$326) & Turbidity Standard(\$135) (STP)	460.74
60	Van Bebber Bros	Expanded Metal for Transport Trailer	79.10
61	Verizon California	Telephone Charges-Leased Lines	891.62

Seq	Payable To	For	Amount
62	Volvo Construction Equip Rents	Replacement Paving Breaker	1,232.75
63	Wiley Price & Radulovich	Breakfast Briefing Registration: Understanding New Employment Discrimination Laws & Regulations (Landeros) (3/22/13)	45.00
<b>TOTAL DISBURSEMENTS</b>			<b><u>\$289,867.65</u></b>

The foregoing payroll and accounts payable vouchers totaling \$289,867.65 are hereby approved and authorized for payment.

 4/8/13  
Auditor-Controller Date

 4/8/2013  
General Manager Date



## MEMORANDUM

To: Board of Directors  
From: David L. Bentley, Auditor-Controller  
Subj: Self-Insured Workers' Comp – 3rd Quarter Status Report  
t:\ac\word\personnel\wc\self ins status 0313.docx

April 12, 2013

**RECOMMENDED ACTION: None**

**FINANCIAL IMPACT: Cumulative Savings of \$167,000**

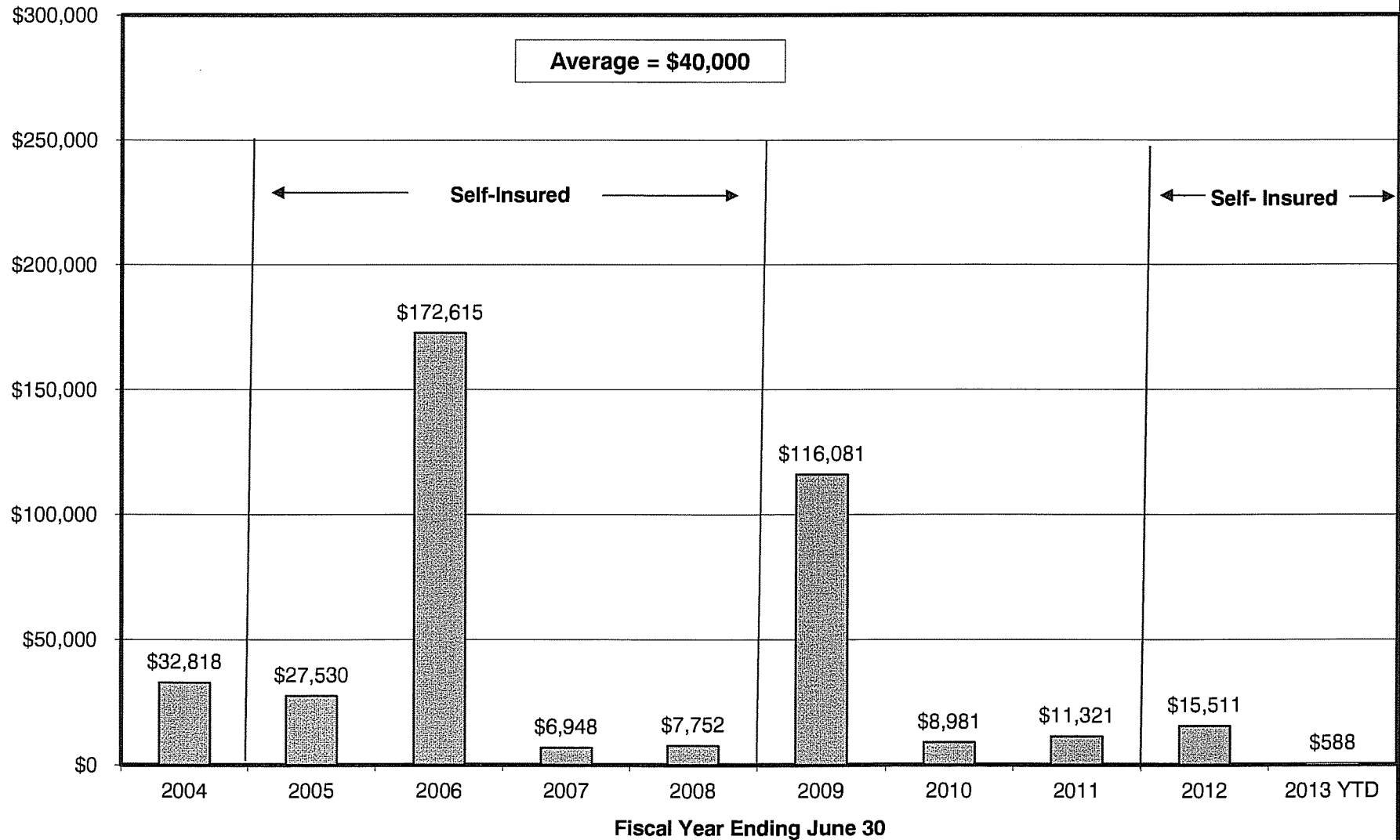
The District returned to self-insuring its workers compensation liability effective July 1, 2011, after the low-cost proposal for first-dollar workers' compensation coverage increased 20% over the prior year, to \$159,000. During FY12 two claims were incurred. Total medical and indemnity cost came to \$15,500, which amount includes a \$5,473 reserve for future medical. The cost to self-insure during FY12 was \$73,046, providing a savings of \$85,954 compared to purchasing standard coverage.

We were unable to obtain a quote for first-dollar workers' compensation insurance for FY13, however our broker advised that they are seeing premiums increase 6.5% on average, which would render an annual premium of \$169,000. During the first nine months of FY13 two minor claims were incurred, both of which have closed. Total medical cost was \$588. Cumulative savings for the first seven quarters of self-insurance total \$167,293. This money has been set-aside in a reserve for future claims.

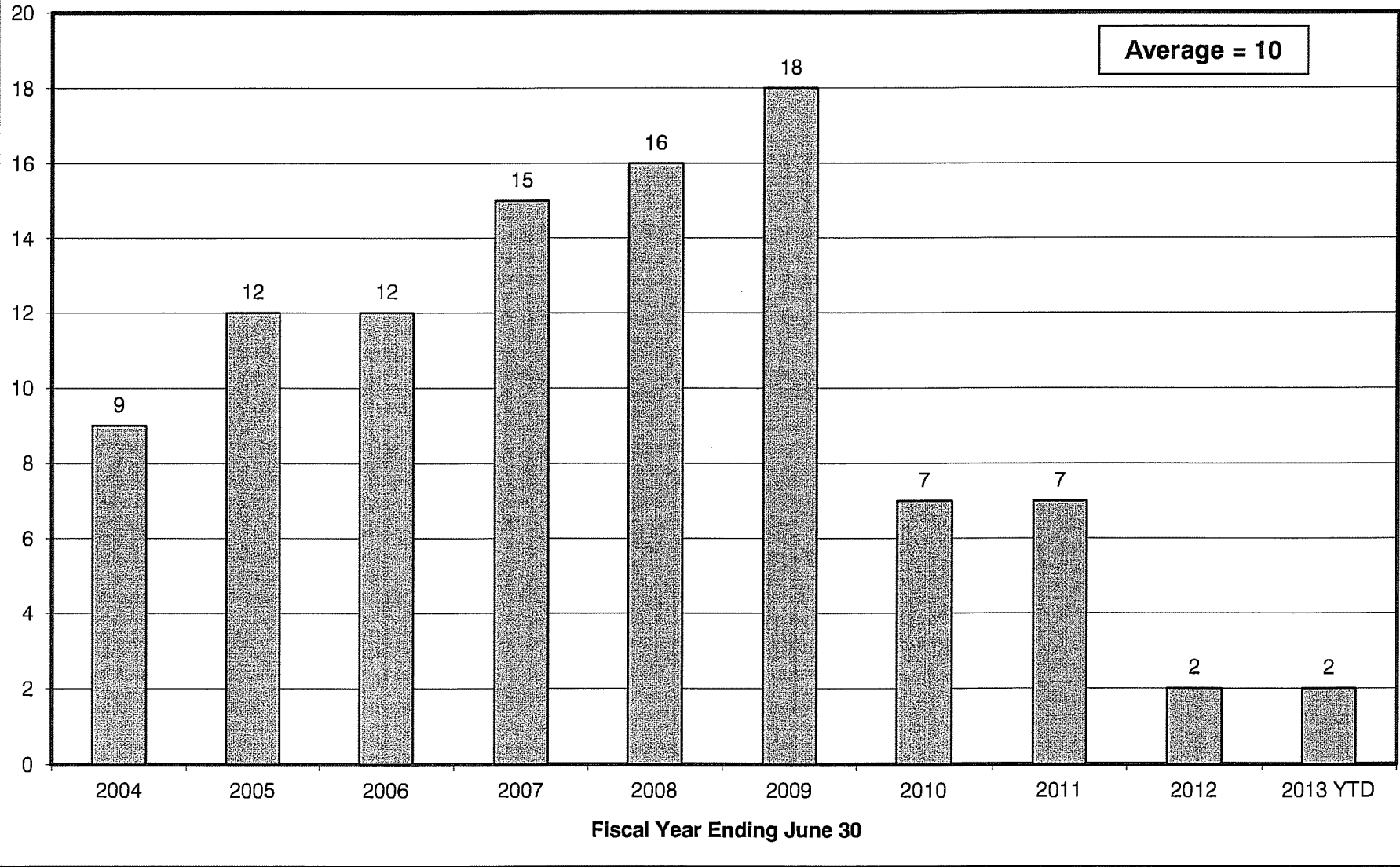
Attached are charts showing a 10-year history of annual claims cost (average \$40,000 per year) and 10-year history of claims frequency (average 10 claims per year).

	FY12	FY13 Thru 3/31/13	Cumulative
Premium Avoided	\$159,000	\$126,750	\$285,750
<b>Self-Insured Costs</b>			
Medical/Indemnity Claims	(15,500)	(588)	(16,088)
Third Party Administration	(12,000)	(9,000)	(21,000)
Excess Policy	(45,546)	(35,823)	(81,369)
Legal/Miscellaneous	0	0	-
Net Savings	\$85,954	\$81,339	\$167,293


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



### Workers' Compensation Claims Filed - Frequency 10 Year History



**MEMORANDUM**

To: Board of Directors  
From: David Bentley, Auditor Controller   
Subject: Cost of Election  
t:\gmladmin secty\2013\cost of election.doc

April 12, 2013

**RECOMMENDED ACTION:** None at this time

**FINANCIAL IMPACT:** Information Only

Per Elaine Ginnold, Marin County Registrar of Voters, NMWD currently has 36,315 registered voters within its boundaries. The Election Department estimates an election cost ranges between \$1.75 to \$3.00 per registered voter, depending upon the number of contested elections and initiatives on a given ballot. Elaine agreed that \$2 is a fair number to use for the upcoming November election, so NMWD's cost, assuming it is contested, would be about \$73,000.

On a related matter, consolidating the election allows Marin Elections department to deal with the half-dozen registered voters in Sonoma County that reside within NMWD's boundary. In 1991 we did not consolidate the election, and received a bill from Sonoma County elections department for \$1,784 to handle the ballots for those half-dozen Sonoma County residents.

B200 MISC / File

CD

April 4, 2013



THE CITY OF  
NOVATO  
CALIFORNIA

75 Rowland Way, #200  
Novato, CA 94945-3232  
415/899-8900  
FAX 415/899-8213  
[www.novato.org](http://www.novato.org)

Mayor  
Pat Eklund  
Mayor Pro Tem  
Eric Lucan  
Councilmembers  
Denise Athas  
Madeline Kellner  
Jeanne MacLeamy

City Manager  
Michael S. Frank

Re: City Council consideration of a potential moratorium on processing of development applications in the North Redwood Boulevard Corridor area

RECEIVED  
APR 08 2013  
North Marin Water District

Dear Property Owner:

The purpose of this letter is to inform you that the City Council on Tuesday, April 9 will consider whether to direct City staff to prepare a moratorium ordinance for consideration at a future public hearing. Both the Novato Chamber of Commerce and the Economic Development Advisory Commission have petitioned the City Council to enact a temporary moratorium on the processing of new development applications in the North Redwood Corridor area to provide an opportunity for the City to complete a land use plan for the area that would guide future decisions on preferred development patterns. The City Council has approved a work program for an update of the City's General Plan, with initial focus on the North Redwood Corridor.

At this time there is no specificity regarding the types of development applications which might be affected or the specific properties a moratorium might apply to. The purpose of this letter is to provide you with very early notification of the Council's consideration of the moratorium request.

The April 9 City Council meeting will begin at 6:30 p.m. at City Hall, 901 Sherman Avenue. Please feel free to contact me at (415) 899-8938 if you have preliminary questions about this matter.

Sincerely,

Robert M. Brown, AICP  
Community Development Director

# Another level of purity for Inverness water

WEST MARIN'S WATER  
By Samantha Kimmey

Inverness residents have long been engaged with their village's water supply. Intrepid locals helped wrest control of the district from a private company in the late 1970s and spoke out against sourcing water during dry spells from the North Marin Water District in the 1980s. But some may not be aware that

the Inverness Public Utility District, known as IPUD, is on the cusp of improving the water that is shuttled through the pipes and tanks around town and welcomed into homes with the twist of a faucet knob or the pull of a shower handle.

The district recently started testing a filtration system to reduce levels of potentially toxic compounds without compromising the water

with more chemicals or disinfectants. The nanofiltration technology, originally used in food processing to lighten the color of soy sauce, could be installed throughout the district sometime this spring, according to IPUD General Manager Scott McMorrow.

Over a decade ago, in 1996, IPUD installed a new filtration system to comply with environmental regulations, which included eliminating

disease-causing parasites like giardia. The Memcor filters remove particulates larger than a one-fifth of a micron after the water flows through chicken wire at the creeks to remove sticks and other debris, but before the water is disinfected.

In the past couple of years, however, a new problem arose. Despite no changes in the district's operations, employees tracked an increase

in the amount of disinfection byproducts (DBP's) in the water system, at times surpassing Environmental Protection Agency (EPA) limits. DBP's result from the interaction of a disinfecting agent required by law—in IPUD's case, chlorine—and dissolved material that passes through the current filtration system.

Experts emphasize that people should welcome disinfectants in their tap water. Michael Plewa, professor emeritus of genetics at the University of Illinois at Urbana-Champaign, who has done

extensive research on DBP's, called water disinfection "the most important public health achievement of the 20th century." It prevents potentially deadly diseases like cholera. But in the 1970s, he said, improved tracking equipment revealed an unintended consequence.

Mr. McMorrow explained "So you've got chlorine, you've got organic matter, and there sometimes, not all the time

Please turn to page 1

IPUD was almost at the end of its rope. Then consultant and former employee Jonathan Van Bourg—who worked at IPUD in the early 1980s, eventually moved to a water district in Maine for about two decades and retired in West Marin in recent years—found an elegant solution: just use a finer filter.

Mr. Van Bourg explained to the *Light* that the nanofiltration system IPUD is testing—the same one that was created to make soy sauce lighter—removes the color causing the DBP's.

In fact, the nanofilter has made a considerable difference. In the first half of 2012, TTHM levels hovered around 60 ppb and HAA5's around 55 ppb. At the Third Valley treatment plant, where a rented filter has been installed since October for testing, levels for both types of DBPs fell to 10 ppb, according to Mr. McMorrow.

During a tour of IPUD's facilities, Ken Fox, who spends much of his day driving to various sites around IPUD to test the water and monitor equipment, offered the *Light* a close-up look at what the new filtration system had accomplished. He held up for display a vial of Memcor-filtered water. Though clear to the naked eye, the colorimeter—an instrument that looks roughly like a calculator, with a slot at the top where vials of water are tested—betrayed the presence of color.

Mr. Fox, clearly happy to exhibit this

lem in different ways. Some have replaced chlorine with chloramine—a combination of chlorine and ammonia—because the latter results in fewer DBP's that the EPA regulates, namely total trihalomethanes (TTHM's) and HAA5's. But Dr. Plewa said that chloramine can actually produce other, more toxic DBPs not currently regulated by the EPA and added that more "enlightened" districts seek instead to reduce the presence of organic material in the first place, which has been IPUD's path. Jim Fox, chief of operations for the district, said he believes more and more DBP's will eventually be regulated by the EPA, saying it's just a question of when.

The most current DBP regulations, finalized by the EPA in 1998, reduced the allowable maximum presence of specific DBP's: TTHM's from 100 parts per billion (ppb) to 80 and HAA5's from 80 to 60.

Between 2008 and the middle of 2010, IPUD exceeded EPA limits for TTHM's, which during that period reached a high of about 125 ppb. After that peak, levels fell and were within compliance, but the California Department of Health requires districts to deal with those highs.

The district tested different tactics to remove the dissolved material, or "color." Aeration, or simply spraying the water to remove compounds, helped but did not go far enough. Employees tried a granular activated carbon system—basically a water district's version of a Britta filter—but it was cost prohibitive and didn't work as well over time as hoped. Mr. McMorrow said he is adamantly opposed to using chloramine.

## Inverness water

continued from page 1

but sometimes they'll combine and create a thing called a disinfectant byproduct."

While establishing why DBP's began to rise in Inverness water is neither possible nor necessary, IPUD employees have a theory. They believe sudden oak death, a disease found on the central and northern California coast as well as a few locations in Oregon, could be the culprit. Though IPUD cannot test that belief, the disease, which first hit West Marin in 2004, could have led to an increase in organic material in the creeks, Mr. McMorrow said. University of California, Berkeley professor and scientific advisor to the California Oak Mortality Task Force Matteo Garbelotto told the *Light* in a phone interview that in West Marin, sudden oak death hit Inverness particularly hard.

Dr. Plewa, who called water-borne diseases a "scourge," emphasized that the risks posed by untreated water vastly outweigh the risks associated with DBP's. But Dr. Plewa, who is also the associate director for interdisciplinary research at his university's Global Safe Water Institute, said that studies have connected long-term DBP exposure to bladder cancer and, to a lesser extent, to colorectal cancer. One type of DBP, haloacetic acids (HAA5's), had been linked to birth defects in mice, he said.

Water districts address the DBP prob-

Pt Reyes  
Light  
4/5/13

# PRBO to become Point Blue

By Trevor Hunnicutt

What's in a name? If you're a Point Reyes wildlife conservation group, names matter a lot. While the scientists and advocates at the Petaluma-based PRBO Conservation Science are usually more focused on Latinate scientific taxonomy of birds and seals, they say they now see one of their core challenges as their own self-identification.

That's why PRBO Conservation Science, whose initials are derived from the Point Reyes Bird Observatory, is now changing its name for the second time—to Point Blue Conservation Science—to “improve how we convey what we do so we can expand our base of support and have a greater impact,” the organization said in a statement.

The name, which was announced last month along with a new tagline, logo, magazine and website, was developed by the board and staff over a year and a half, according to PRBO President and CEO Ellie Cohen.

When the announcement was posted on Facebook, the over 100 comments posted were largely negative (39 people also liked the announcement).

“Frankly, I don't think many people hear ‘Point Blue’ and somehow intuit that it refers to an organization that is pointing the way forward to a healthy, blue planet.’ To me and many others, it is meaningless, corporate, and could be a savings account, bathroom cleaner, or something else,” a user identified as Jason Crotty wrote on Facebook. “My concern is that the Board is not up to the task. Rather than making real changes to improve its profile in this space, it is proposing another re-branding. The serial re-branding distances PRBO from its history, accomplishments, and existing name recognition, seemingly contrary to the stated goals.”

This is the second rebranding for the group, which was founded in 1965 as the Point Reyes Bird Observatory and is dedicated to ecological restoration, advocacy and scientific research. In 1991, the group changed its name to PRBO. “My guess is

that it took a year or two for people to feel comfortable,” Ms. Cohen said.

But the name change, which takes effect in June, is intended to reflect the fact that the group's work with birds has gradually evolved to focus on the unhealthy climatic and ecological conditions that affect all living creatures. They also need to increasingly reach out to policy makers, including local, state and federal land managers, according to Ms. Cohen. “We understand that change can be challenging for people,” Ms. Cohen said. “People have heartfelt connection to whatever part of our history connected them.”

Howard Adam Levy, a New York-based consultant to nonprofit organizations on naming strategies, said organizations can never satisfy everyone with their branding choices, but what is important is for them to satisfy enough donors “to make a significant positive difference in the impact of the organization going forward to make the name change worthwhile.”

“In considering a name change, nonprofits need to weigh the equity (recognition) of their current name against the problems in their name to determine whether it is worth changing,” Mr. Levy, principal of Red Rooster Group, wrote by email. “There is a trend now to emphasize the impact that the organization has, rather than merely describing what it does. Typically those names are more inspiring to donors and constituents and avoid the limitations of descriptive names.”

The active response to the group's Facebook post prompted Ms. Cohen to respond to concerns by various donors and supporters to the group who were confused by the purpose of the name change as well as the new meaning. “We sincerely appreciate the feedback, even if some of it was a little difficult to read. Constructive criticism is the hallmark of science and we're all better for it.”

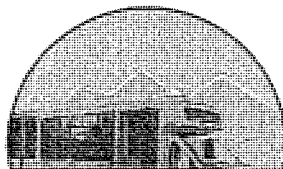
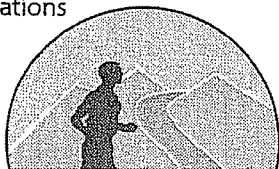
But the name stays.

“Managing this feedback is Point Blue's next challenge,” Mr. Levy said. “They can use this as an opportunity to educate them about their mission and engage their audience, or be defensive about the name change.”

PT  
Reyes  
Light  
04/05/13

## Marin on the Stagecoach.

Destinations



## Lack of rain raising red flags among Marin water agencies

Posted:

marinij.com

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The lack of rain this year has forced a small West Marin water district to call for conservation measures.

Meanwhile, other water districts in Marin are keeping an eye on rainfall and reservoirs as they examine short- and long-term water supplies.

The Stinson Beach County Water District — which serves about 1,500 people connected to 726 water meters — has a conservation alert in place.

"There was a time when there was no rain in the county and we felt it," said Ed Schmidt, manager of the district, which draws its water from about a half-dozen wells.

When the county set a 93-year-old record for a virtually dry January and February, creeks fed by rainfall from Mount Tamalpais — Stinson Gulch, Fitzhenry, Black Rock and Webb — all had flows that were well below average. Those are the creeks that feed the aquifers Stinson Beach relies on for its water.

The lack of rain, along with warmer weather and more tourists drawn to area beaches and inns over the past few months, are together sapping groundwater supplies and have forced the conservation measures, which were put into place last month, Schmidt said.

The district's customers have been told to cut landscape watering by 50 percent to help keep supplies for domestic use as well as firefighting. A next step would be to ban all outside watering, but Schmidt said that likely will not come into play this year.

The district has been monitoring landscape irrigation for compliance and is asking customers to look for leaks in irrigation equipment.

"It is more educational at this point," Schmidt said. "It's all voluntary, there are no fines. But if we see an issue we'll ask people to watch their use."

One person in the community was contacted about excessive water use and that person complied and cut back, he said.

While it also relies on Mt. Tam for its water, the Marin Municipal Water District is in much better shape and it is not considering conservation measures. That's because it has seven reservoirs to store water. Still, rainfall is short of average and the district is looking at long-term rainfall and water supply.

"We have enough for this year, but if it is dry again next year we may have an issue," said Jack Gibson, water board member. "All it takes is two dry years and we can get into trouble."

Since July 1, the Marin Municipal Water District has recorded 38.49 inches of rain at the Lake Lagunitas reservoir in the Mount Tam watershed. The average for this date is 47.68 inches.



Yet the water district's reservoirs now hold more than 74,158 acre-feet and are at 93 percent of capacity. The average for this time of year is 72,983 acre-feet and 92 percent of capacity. There are 325,851 gallons in an acre-foot. The district serves 190,000 customers from Sausalito to San Rafael.

The North Marin Water District — which has 60,000 customers in Novato and West Marin — has not made any decisions on water conservation for this year.

The district gets about 75 percent of its water from the Sonoma County Water Agency. That agency is concerned about the lack of rain. Records indicate 3.4 inches of rainfall in the area since Jan. 1, just 21 percent of the average for the period based on records going back to 1952.

The agency is taking steps to possibly reduce the water it supplies in the summer months, which may have an impact on the North Marin district.

Contact Mark Prado via email at [mprado@marinij.com](mailto:mprado@marinij.com)

Movers & Shakers: San Rafael engineer to receive state water award - Marin Independent...

Marin IJ  
4/12/13

**Movers & Shakers: San Rafael engineer to receive state water award**

*Marin Independent Journal*

Posted:

marinij.com

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W. Edward Nute, owner and principal engineer of Nute Engineering in San Rafael, will be honored April 17 in Palm Springs by the California Water Environment Association for more than 25 years of work in the water environment field.

Nute has more than 40 years of experience in the field of civil and sanitary engineering, mostly with Marin County wastewater and sanitation agencies.

19