



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
 April 18, 2017 – 7:00 p.m.
 District Headquarters
 999 Rush Creek Place
 Novato, California

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Est. Time	Item	Subject
7:00 p.m.	CALL TO ORDER	
	1. APPROVE MINUTES FROM REGULAR MEETING , April 4, 2017	
	2. GENERAL MANAGER'S REPORT	
	3. OPEN TIME: (Please observe a three-minute time limit)	
	This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.	
	4. STAFF/DIRECTORS REPORTS	
	5. QUARTERLY FINANCIAL STATEMENT	
	6. MONTHLY PROGRESS REPORT w/Customer Service Questionnaire	
	CONSENT CALENDAR 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. Consent - Approve Water Agreement	
	7. Approve – Consent: Binford Storage Water Service Agreement	
	8. Approve – Consent: Regulation 52- Meter Reading	Resolution
	9. Approve – Consent: Consolidations of Elections (Sonoma County)	Resolution
	10. Approve – Consent: Record Retention Program – Destruction of Records	Resolution
	ACTION CALENDAR 11. Approve: Bill Adjustment Policy 12. Approve: Resolution of Appreciation for General Manager – Chris DeGabriele Resolution 13. Approve: West Marin Water System Financial Plan Update	

All times are approximate and for reference only.

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

(Continued)

Est. Time	Item	Subject
	14.	Approve: Oceana Marin Sewer System Financial Plan Update
	15.	Approve: Marin Country Club Recycled Water Service Agreement Amendment No. 1 Resolution
		INFORMATION ITEMS
	16.	Initial Review - FY18 & FY19 Capital Improvement Project Budget
	17.	Initial Review - Proposed FY 17/18 Equipment Budget
	18.	California Drought State of Emergency Terminated
	19.	MISCELLANEOUS Disbursements Copy of Rate Increase Letter Robert B Maddow: Anne's New Paradigm for Sound Water and Natural Resources Policy— Creative Thinking Needed <u>News Articles:</u> Fate of flows in Russian and Eel rivers rests in big fight over small hydroelectric project Gov. Jerry Brown declares California drought over, but urges conservation 109-year-old Potter Valley Project the controversial link between Russian and Eel rivers Sonoma County Water rates will likely raise despite drought-busting rainfall Water Transmission Budget includes funds for pipeline replacement and tank maintenance
8:30 p.m.	20.	ADJOURNMENT

1

DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
April 4, 2017

CALL TO ORDER

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

District employee Tony Arendell (Construction/Maintenance Superintendent) was in the audience.

MINUTES

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

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

NOES: None

GENERAL MANAGER'S REPORT

Marin Civil Grand Jury

Mr. DeGabriele advised the Board that the Marin County Civil Grand Jury canceled and did not tour Stafford Treatment Plant on March 24th, as he had advised at the last meeting and a tour has not yet been rescheduled.

SCWA Meeting

Mr. DeGabriele stated that he, Director Baker, Mr. McIntyre, and Mr. Grisso met with SCWA last Wednesday, March 29th, to survey Sonoma Marin Saving Water Partnership effectiveness as the Memorandum of Understanding is coming up for renewal in 18 months and SCWA is taking stock of member opinions on continuing the partnership.

Office Upgrade

Mr. DeGabriele advised that staff met with Architect Noll & Tam last Friday, March 31st, to review some general concepts for the Headquarters Upgrade Master Plan. He stated that five scenarios were reviewed and narrowed down to two for further development by the Architect. He

1 noted that the Board will receive a presentation at the May 2nd meeting and hopefully decide on a
2 path forward from those two options.

3 EPA phone interview

4 Mr. DeGabriele informed the Board that he, Mr. McIntyre and Mr. Grisso participated in a
5 conference call w/ EPA, who desires to use the cooperative Recycled Water arrangement between
6 the District, Las Gallinas Valley Sanitary District and Novato Sanitary District as a case study for
7 drought response. He advised the Board that the EPA will be on site the week of April 24th to
8 conduct interviews and film facilities and staff from the agencies.

9 Baker's Dozen

10 Mr. DeGabriele stated that tomorrow he, Director Fraites, and Mr. McIntyre will meet with the
11 Bakers Dozen group (two supervisors from Marin and Sonoma County Boards, Chair of WAC,
12 MMWD Staff and Board member and SCWA Staff). He noted that Cynthia Murray is convening the
13 group.

14 OPEN TIME

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

17 STAFF/DIRECTORS REPORTS

18 President Petterle asked if staff or Directors wished to bring up an item not on the agenda
19 and there was no response.

20 CONSENT CALENDAR

21 On the motion of Director Fraites, seconded by Director Baker the Board approved the
22 following items on the consent calendar by the following vote:

23 AYES: Director Baker, Fraites, Joly, Petterle, and Schoonover

24 NOES: None

25 OPEN HOUSE/RETIREMENT RECOGNITION BUDGET

26 The Board approved the \$4,300 budget for the Open House/Retirement Recognition on
27 Friday, April 21st (12:00pm-2:30pm) at the District.

28 CUSTOMER SERVICE QUESTIONNAIRE INCENTIVE

29 The Board authorized staff to offer a \$2 incentive (maximum \$500 total expenditure) to
30 customers who return the Customer Service Questionnaire and to report back when the \$500 is
31 expended on the effectiveness of the incentive in increasing the response rate.

1 **ACTION CALENDAR**

2 **NEW ON-CALL TELEPHONE ANSWERING SERVICE**

3 Tony Arendell advised the Board that the Novato Police Department is no longer offering on-
4 call telephone answering service to the District. He stated that he solicited bids for this service and
5 two entities responded. He informed the Board that the better choice was Direct Line Tele Response
6 in Berkeley to provide after-hours answering service to the District. Mr. Arendell informed the Board
7 that Direct Line will text message on-call personnel with the information which will provide better
8 communication. He stated that the Field Service Representative and the Construction On-Call
9 person will be assigned new iPhones for this service.

10 Director Baker requested feedback in the future on the new service.

11 Director Joly asked if this service would enhance response time. Mr. Arendell responded
12 that it will and will eliminate back and forth conversations regarding the call since the information will
13 be received by the on-call personnel via text.

14 On motion of Director Baker, seconded by Director Fraites, the Board authorized the
15 Auditor-Controller to enter into an agreement with Direct Line Tele Response to provide after-hours
16 answering service to the District by the following vote:

17 AYES: Director Baker, Fraites, Joly, Petterle, and Schoonover

18 NOES: None

19 **CINQUINI & PASSARINO CONSULTING SERVICES AGREEMENT – LAND SURVEYING**

20 Mr. Vogler advised the Board that staff is requesting a new consulting services agreement
21 with Cinquini & Passarino (C&P) for periodic surveying services to assist staff with District workload
22 demands. He reminded the Board that C&P has a proven track record with the District going back to
23 2010 with the Stafford Lake Sediment Survey Project. Mr. Vogler stated that the agreement for the
24 survey support services would be for an amount with a not to exceed limit of \$30,000. He noted that
25 the consulting services agreement will be executed based on individual task orders on a job-by-job
26 basis. Mr. Vogler advised the Board that one of the first task orders to be funded through this
27 Agreement will be to provide detailed topographical survey information including existing utilities and
28 roadway limits for the Ridge Road Pipeline Replacement project costing \$7,300.

29 On motion of Director Baker, seconded by Director Schoonover, the Board authorized the
30 General Manager to execute a Consulting Services Agreement between NMWD and Cinquini &
31 Passarino with a not to exceed limit of \$30,000 by the following vote:

32 AYES: Director Baker, Fraites, Joly, Petterle, and Schoonover

1 NOES: None

2 **RW CENTRAL – NORMAN TANK REHAB – AWARD CONSTRUCTION CONTRACT (PIAZZA**
3 **CONSTRUCTION)**

4 Mr. Vogler advised the Board that the Norman Tank project includes construction of surface
5 preparation and complete recoating of interior and exterior surfaces. He noted that associated
6 rehabilitation work includes but is not limited to installation of a spiral stair and stairway security
7 enclosure, inside ladder and platform, shell manway, roof hatch, sample tap, inlet/outlet pipe
8 modifications, screen replacement, cathodic protection system, tank foundation and rock anchors
9 installation and other project components and appurtenances.

10 Mr. Vogler reminded the Board that this project was originally approved for bid
11 advertisement at the September 20, 2016 Board meeting, and included a bid opening date of
12 November 15, 2016. He noted that although the October 18, 2016 mandatory pre-bid meeting was
13 well attended, only one bid (Piazza Construction) was received for the project. He reminded the
14 Board that in an effort to improve competition and attract more bidders, the Board rejected the lone
15 bid and approved advertisement for new bids on December 20, 2016. Mr. Vogler advised that the re-
16 advertisement date for this project was January 20, 2017 with a bid opening on March 14, 2017. He
17 stated that the District advertised the project in the Marin Independent Journal. He advised that
18 thirteen (13) contractors, including ten (10) prime contractors, attended the mandatory pre-bid
19 meeting on February 9, 2017 and that the bid period was approximately seven (7) weeks and
20 included two addenda. He informed the Board that two bids were received.

21 Mr. Volger stated that Piazza Construction submitted the lowest responsive bid of \$873K. He
22 advised the Board that a bid evaluation was performed by The Covello Group, the District's
23 construction manager for the Central Service Area recycled water projects and stated that the
24 analysis shows that Piazza complied with the bidding requirements.

25 On motion of Director Schoonover, seconded by Director Fraites, the Board approved award
26 of the contract to Piazza Construction and authorize the General Manager to execute an agreement
27 with Piazza Construction by the following vote:

28 AYES: Director Baker, Fraites, Joly, Petterle, and Schoonover

29 NOES: None

30 **STEELHEAD HABITAT SURVEY IN UPPER NOVATO CREEK**

31 Mr. DeGabriele reminded the Board that at the September 6, 2016 Board of Directors
32 Meeting, staff was authorized to enter into an agreement with ICF International to perform a
33 Steelhead Habitat Survey in Upper Novato Creek. He informed the Board that the habitat survey

1 authorized in September 2016 was conducted at a reconnaissance level on November 4, 2016 to
2 add to the observations from the initial stream assessment conducted in December 2015. He stated
3 that the recommendation is that two of the continuous reaches that contain habitat and conditions
4 representative of the upper stream reach and lower stream reach above Stafford Dam should be
5 surveyed for habitat mapping. He noted that the consultant also recommended deployment of
6 habitat monitoring equipment (level gauges) to determine when water is present in these particular
7 stream reaches. Mr. DeGabriele stated that the proposed contract amendment would add up to
8 \$16K to the agreement.

9 Mr. DeGabriele advised the Board that for long term it's likely the District will want a more
10 permanent gauge above the lake to correlate with the stream gage information already available
11 from the Novato Creek. He noted that it will give the District and NMFS a better understanding of
12 whether steelhead could make the trip and survive above Stafford Dam. He informed the Board that
13 all of this information will likely be needed for the water right permit extension for Novato Creek and
14 staff hopes that when the time comes to revise the Steelhead Recovery Plan staff will have some
15 science to substantiate the District's position that passage above the dam is not warranted.

16 Director Fraites stated that all the activity is above the dam and the salmon migrate to the
17 ocean and come back but the dam not have a fish ladder to access any fish habitat on that end of
18 the dam and upstream.

19 Mr. DeGabriele stated that the Steelhead Recovery Plan identified an action item to provide
20 passage around or above Stafford Dam.

21 Director Baker stated that he is not supportive of the amendment and cannot support habitat
22 beyond the lake but respects what District staff continues to do.

23 On motion of Director Fraites, seconded by Director Joly, the Board authorized the General
24 Manager to enter into a consulting services contract amendment with ICF for an additional \$16,000
25 to perform steelhead habitat survey in Upper Novato Creek and assist with stream gauging by the
26 following vote:

27 AYES: Director Fraites, Joly, Petterle, and Schoonover

28 NOES: None

29 ABSTAIN: Director Baker

30 **SUPPORT LETTERS AB 1654 & AB 968**

31 Mr. DeGabriele reminded the Board of the Executive Order entitled: Making Water
32 Conservation a California Way of Life: Implementing Executive Order. He stated that this report

1 provides some details of the proposed legislative mechanism(s) to implement the Governor's
2 directives. He advised the Board that to date, no legislation has been introduced by the
3 Administration, although there are some spot bills from various authors. Mr. DeGabriele reminded
4 the Board that in response to the draft report, 114 water supply agencies throughout the state
5 (including NMWD) submitted a joint comment letter on December 19, 2016 which laid out a number
6 of points of agreement and disagreement with the State's draft proposal.

7 Mr. DeGabriele advised the Board that based on this letter, draft legislative language was
8 prepared and reviewed by a subcommittee of the State Legislative Committee of the Association of
9 California Water Agencies (ACWA.) He noted that as of March 24, ACWA's full State Legislative
10 Committee approved support for this language to become two water supplier-sponsored bills; one
11 relating to water shortage contingency plans and the other to updated standards for water use
12 efficiency. He stated that these bills have now been introduced by Assemblywoman Blanca Rubio
13 from the San Gabriel Valley, who is a member of the Assembly Water Parks and Wildlife
14 Committee. He informed the Board that the bills are AB 1654, which relates to water use efficiency
15 standards and AB 968, which relates to water shortage contingency planning.

16 Mr. DeGabriele is requesting that the Board authorize the General Manager to execute a
17 support letter of the AB1654 and AB968 bills.

18 On motion of Director Baker, seconded by Director Fraites, the Board authorized the
19 General Manager to execute support letter re: AB1654 and AB968 by the following vote:

20 AYES: Director Baker, Fraites, Joly, Petterle, and Schoonover

21 NOES: None

22 **INFORMATION ITEMS**

23 **WAC/TAC MEETING – APRIL 3, 2017**

24 Mr. DeGabriele summarized the April 3, 2017 WAC/TAC meeting including WAC approval
25 of SCWA's proposed FY17/18 budget which results in a wholesale water rate increase of 6.8% for
26 the District.

27 **NBWA MEETING – APRIL 7, 2017**

28 Director Fraites stated that he would be attending the North Bay Water Association meeting
29 on April 7th.

30 **MISCELLANEOUS**

31 The Board received the following miscellaneous items: Disbursements, Postage Rates, and
32 Request from Special Districts to Move to Even-Numbered Year Elections.

1 The Board also received the following news articles: Novato water district rolls out 'smart'
2 meter pilot project, Sonoma County on path to regulating groundwater supplies, Smart water meters
3 are different, Russian River's future draws diverse crowd to conference, Rains filled our local
4 reservoirs, Five Reasons Water Efficiency and Recycling Are a Perfect Match, My Word: State water
5 regulations could flush recycled water projects, and Marin Voice: Why it's raining rate hikes at Marin
6 Municipal Water District.

7 **CLOSED SESSION**

8 President Petterle adjourned the Board into closed session at 7:35 p.m. in accordance with
9 Government Code Section 54957 for Public Employee Performance Evaluation (One), Title: General
10 Manager.

11 **OPEN SESSION**

12 Upon returning to regular session at 7:49 p.m., President Petterle stated that during the
13 closed session the Board had discussed the issue and no reportable action had been taken.

14 **ADJOURNMENT**

15 President Schoonover adjourned the meeting at 7:50 p.m.

16 Submitted by
17
18

19
20 Katie Young
21 District Secretary
22

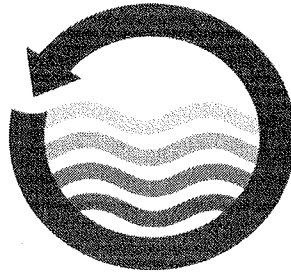
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NORTH MARIN WATER DISTRICT



FINANCIAL STATEMENT FISCAL YEAR 2016-17

March 31, 2017

**NORTH MARIN WATER DISTRICT
FINANCIAL STATEMENTS
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MEMORANDUM

To: Board of Directors
 From: David L. Bentley, Auditor-Controller
 Subj: Information – FY16/17 March Financial Statement
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April 14, 2017

FISCAL YEAR PERFORMANCE COMPARED TO THE ANNUAL BUDGET

CONSOLIDATED SUMMARY

Actual vs. Budget	Mar-17	FYTD 16/17	FY16/17 Budget	FYTD / Budget %
Operating Revenue	\$1,090,066	\$13,402,850	\$19,648,000	68%
Operating Expense	1,491,407	13,668,929	18,611,000	73%
Non-Operating Revenue / (Expense)	<u>(45,763)</u>	<u>(267,247)</u>	<u>(458,000)</u>	<u>58%</u>
Net Income / (Loss)	<u>(447,103)</u>	<u>(533,326)</u>	<u>\$579,000</u>	<u>(92%)</u>
Other Sources / (Uses)*	<u>(482,076)</u>	<u>(856,656)</u>	<u>(1,060,000)</u>	<u>81%</u>
Cash Increase / (Decrease)	<u><u>(\$929,179)</u></u>	<u><u>(\$1,389,982)</u></u>	<u><u>(\$481,000)</u></u>	<u><u>289%</u></u>

* See Page 8.

For the first nine months of the fiscal year the District generated a net loss of \$533,326 and saw a net cash decrease of \$1,389,982. On a seasonally adjusted basis, Operating Revenue came in 6% under budget and Operating Expense came in 1% under budget. Twenty-seven percent of the Capital Improvement Projects Budget has been expended this fiscal year-to-date. At March 31, Caltrans owed the District \$593,458 for the AEEP, and \$3,990,645 in loan and grant funds was owed the District for the Recycled Water Distribution System expansion to Central Novato.

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

NOVATO WATER

Year over Year Comparison	Mar-17	FYTD 16/17	FYTD 15/16	FY17 vs 16 Up/(Down)
Operating Revenue	\$1,017,283	\$12,220,960	\$11,072,052	10%
Operating Expense	1,355,138	12,405,037	10,984,469	13%
Other Income / (Expense)	<u>(23,347)</u>	<u>(165,378)</u>	<u>(140,344)</u>	<u>18%</u>
Net Income / (Loss)	<u><u>(\$361,202)</u></u>	<u><u>(\$349,455)</u></u>	<u><u>(\$52,762)</u></u>	<u>562%</u>
Active Accounts	20,541	20,541	20,526	0%
Consumption (MG)	126	1,663	1,534	8%
Average Commodity Rate / 1,000 gal (net)	\$5.14	\$5.35	\$5.04	6%
Income / (Loss) / Active Account	<u>(\$17.58)</u>	<u>(\$17.01)</u>	<u>(\$2.57)</u>	<u>562%</u>
Income / (Loss) / 1,000 Gal	<u>(\$2.87)</u>	<u>(\$0.21)</u>	<u>(\$0.03)</u>	<u>511%</u>
Connection Fee Revenue	\$0	\$201,185	\$216,400	(7%)
Caltrans Capital Contribution	\$0	\$16,756	\$2,546,260	(99%)
MMWD AEEP Capital Contribution	\$0	\$245,000	\$245,000	0%
Developer 'In-Kind' Contributions	\$151,561	\$490,001	\$309,646	58%

Consumption for the fiscal year-to-date was 8% more than the prior year same period. Total operating revenue, which includes wheeling and other miscellaneous service charges, increased 10% (\$1,148,908) from the prior year same period due to the consumption increase and the June 1, 2016 5% rate increase. Total operating expense was 13% (\$1,420,567) more than last year same period.

The Stafford Treatment Plant produced 454 MG this fiscal year-to-date at a cost of \$3,427/MG¹ versus \$2,547/MG³ from SCWA. The budget for Stafford is 750 MG at a cost of \$2,820/MG.

Staff time (hours) charged to Novato operations was 4% more than last year same period. Salary and benefit cost was \$4,877,410, which was 75% of the \$6,475,000 budget for Novato operations.

The fiscal year-to-date net loss (which includes non-operating items such as interest revenue and expense) of \$349,455 compares to a budgeted net income for the year of \$755,000 and to a net loss of \$52,762 for the prior year same period. \$979,392 (12%) of the Novato Water Capital Improvement Project Budget was spent versus \$4,014,303 (44%) for the prior year same period. \$201,185 in connection fees have been collected (\$779,000 is budgeted). Connection Fee reserves totaling \$664,286 have been transferred this fiscal year-to-date to the Recycled Water Fund to cover the debt service for expansion of the RW distribution system. The Novato Connection Fee Reserve has a deficit of \$5,547,856 arising from transfers to the RW Fund in advance of Connection Fee receipts. That deficit will be reimbursed by future Connection Fee revenue. The Novato cash balance decreased \$893,656 in March, and stood at \$9,328,006 at month end, compared to a budgeted projection of \$10,100,000 at June 30, 2017. The cash decrease is due primarily to the \$683,454 March loan to the Recycled Water System for the Central Expansion, and payments for the AMI pilot project (\$227,138). Novato potable has temporarily loaned \$2,158,595 to the Recycled Water System to cashflow the Central Expansion pending receipt of loan and grant funds.

NOVATO RECYCLED

Year over Year Comparison

	<u>Mar-17</u>	<u>FYTD 16/17</u>	<u>FYTD 15/16</u>	<u>FY17 vs 16 Up/(Down)</u>
Operating Revenue	\$13,045	\$481,604	\$459,839	5%
Operating Expense	59,772	593,658	565,705	5%
Other Income / (Expense)	(21,929)	(158,633)	(174,702)	(9%)
Net Income / (Loss)	<u>(\$68,655)</u>	<u>(\$270,687)</u>	<u>(\$280,568)</u>	(4%)
Active Accounts	45	45	44	2%
Consumption (MG)	1.9	86.6	88.9	(3%)
Average Commodity Rate / 1,000 gal (net)	\$5.26	\$5.26	\$4.93	7%
Deer Island Production (MG)	0.0	6.2	6.2	0%
Novato Sanitary Production (MG)	0.0	51.4	51.0	1%
Las Gallinas Production (MG)	0.5	29.8	26.6	12%
Potable Water Input (MG)	0.8	1.4	7.4	(81%)

86.6 MG was delivered to RW customers this fiscal year-to-date, 3% less than the prior year same period. Operating revenue was 5% more than last year same period due to the consumption increase and the June 1, 2016 7% commodity rate increase. Total operating expense was \$27,953 (5%) more than the prior year same period, and includes \$22,000 of paving on Olive Avenue in December. The recycled water was produced at a cost of \$2,801/MG² versus \$2,547/MG³ from SCWA. The budgeted production cost of recycled water is \$3,035/MG.

The fiscal year-to-date net loss of \$270,687 compares to a budgeted net loss for the year of \$300,000 and a net loss of \$280,568 for the prior year same period. \$3,470,409 (45%) of the Capital Improvement Project Budget has been expended this fiscal year-to-date. The Novato Recycled cash balance stood at \$614,299 at month end, which amount resides in a restricted reserve required by State loan covenant for

¹ Stafford production cost = TP op expense (\$930,936) + SRF loan interest (\$206,031) + plant depreciation (\$419,061) / 454 MG produced

² Recycled Water production cost = purchase water cost (\$93,741) + treatment expense (\$5,270) + Deer Island RW Facility SRF loan interest (\$47,177) + Deer Island plant depreciation (\$102,508) / 88.8 MG produced

³ SCWA production cost per MG = O&M charge (\$2,123) + debt service charge (\$157) + Russian River conservation charge (\$228) + Russian River projects charge (\$40)

payment of debt service on the North & South RW Expansion Projects, compared to a budgeted projection of \$1,505,000 at June 30, 2017. At March 31 the Recycled Water fund owed the Novato potable water fund \$2,158,595 pending receipt of \$3,990,645 in SWRCB loan and grant funds for the Recycled Water Distribution System expansion to Central Novato.

WEST MARIN WATER

Year over Year Comparison

	<u>Mar-17</u>	<u>FYTD 16/17</u>	<u>FYTD 15/16</u>	<u>FY17 vs 16 Up/(Down)</u>
Operating Revenue	\$41,720	\$537,750	\$541,013	(1%)
Operating Expense	52,661	496,310	461,916	7%
Other Income / (Expense)	(1,123)	20,630	6,873	200%
Net Income / (Loss)	<u>(\$12,064)</u>	<u>\$62,071</u>	<u>\$85,970</u>	(28%)
Active Accounts	781	781	778	0%
Consumption (MG)	3.6	44.1	44.8	(2%)
Average Commodity Rate / 1,000 gal (net)	\$7.68	\$9.22	\$9.15	1%
Income/ (Loss) / Active Account	(\$15.45)	\$79.48	\$110.50	(28%)
Income / (Loss) / 1,000 Gal	(\$3.35)	\$1.41	\$1.92	(27%)
Connection Fee Revenue	\$0	\$8,000	\$0	-
Developer 'In-Kind' Contributions	\$0	\$0	\$16,071	-

Consumption through March was 44.1 MG, 2% less than the prior year same period. Operating revenue of \$537,750 was \$3,263 (1%) less than last year primarily due to the 5% rate increase effective July 1, 2016, offset by a large (127%) increase in bill adjustments.

Operating expenditures were \$496,310, 7% more than the previous year same period. The fiscal year-to-date net income of \$62,071 compares to a budgeted annual net income of \$73,000 and to a net income of \$85,970 for the prior year same period. \$15,424 (2%) of the Capital Improvement Project Budget has been expended this fiscal year-to-date, and \$8,000 in connection fees have been collected (\$23,000 is budgeted). The West Marin Water cash balance decreased \$15,775 in March, and stood at \$1,331,052 at month end, compared to a budgeted projection of \$732,000 at June 30, 2017.

OCEANA MARIN SEWER

Year over Year Comparison

	<u>Mar-17</u>	<u>FYTD 16/17</u>	<u>FYTD 15/16</u>	<u>FY17 vs 16 Up/(Down)</u>
Operating Revenue	\$18,018	\$162,536	\$146,932	11%
Operating Expense	23,835	173,924	167,369	4%
Other Income / (Expense)	636	36,133	41,357	(13%)
Net Income / (Loss)	<u>(\$5,181)</u>	<u>\$24,745</u>	<u>\$20,920</u>	18%
Active Accounts	231	231	230	0%
Monthly Sewer Service Charge	\$78	\$78	\$71	10%
Income / (Loss) / Active Account	(\$22.43)	\$107.12	\$90.95	-
Connection Fee Revenue	\$0	\$30,400	\$23,690	28%

Operating revenue of \$162,536 was 11% more than the previous year same period due to the 10% rate increase effective July 1, 2016. Operating expenditures were 4% (\$6,555) more than the previous year same period. The fiscal year-to-date net income of \$24,745 compares to a budgeted annual income of \$51,000 and to a net income of \$20,920 for the prior year same period. 66% of the Capital Improvement Project Budget has been expended this fiscal year-to-date.

\$30,400 in connection fees have been collected (\$30,000 is budgeted). The Oceana Marin cash balance decreased \$19,949 in March, and stood at \$368,764 at month end, compared to a budgeted projection of \$327,000 at June 30, 2017.

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

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
ASSETS					
Cash & Investments					
Unrestricted/Undesignated Cash	\$494,674	\$0	\$0	\$193,664	\$301,010
Restricted Cash (Note 1)					
Connection Fee Fund	\$91,571	\$0	\$0	\$91,571	\$0
Wohler Pipeline Financing Fund	406,604	406,604	0	0	0
Collector #6 Financing Fund	1,598,661	1,598,661	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	697,424	37,324	0	660,100	0
Deer Island RWF Replacement Fund	0	0	0	0	0
Capital Replacement & Expansion Fund	0	0	0	0	0
Tax Receipts Held in Marin Co Treasury	395	0	0	392	3
STP SRF Loan Fund-Marín Co Treasury	790,232	790,232	0	0	0
RWS North/South SRF Payment Fund	614,299	0	614,299	0	0
Designated Cash (Note 2)					
Liability Contingency Fund	922,285	823,400	0	98,885	0
Self-Insured Workers' Compensation Fund	687,819	657,348	0	22,720	7,751
Retiree Medical Benefits Fund	3,779,546	3,779,546	0	0	0
Maintenance Accrual Fund	1,250,884	1,250,884	0	0	0
Conservation Incentive Rate Fund	54,054	0	0	54,054	0
Operating Reserve Fund	239,667	0	0	179,667	60,000
Total Cash	\$11,658,114	\$9,343,999	\$614,299	\$1,331,052	\$368,764
Gain/(Loss) on MV of Investments	(15,994)	(15,994)	0	0	0
Market Value of Cash & Investments	\$11,642,120	\$9,328,006	\$614,299	\$1,331,052	\$368,764
Current Assets					
Net Receivables - Consumers	\$598,587	\$551,745	\$857	\$1,830	\$44,156
Accrued Water Sales	1,210,073	1,132,488	15,558	62,026	0
Accounts Receivable-Other	763,871	639,494	70,947	0	53,430
RWS Central Expansion SRF Loan Rec	2,111,555	0	2,111,555	0	0
RWS Central Expansion Grant Rec	1,754,418	0	1,754,418	0	0
Prepaid Expense	150,908	149,720	0	0	1,188
Reimbursable Small Jobs	13,241	10,358	0	0	2,883
Interest Receivable	35,127	31,948	3,180	0	0
Inventories	499,728	499,728	0	0	0
Deposits Receivable	24,685	24,685	0	0	0
Total Current Assets	\$7,162,193	\$3,040,165	\$3,956,515	\$63,856	\$101,656

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

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Loans Receivable					
Employee Loans (Note 3)	\$934,200	\$934,200	\$0	\$0	\$0
Due From Other Funds (Note 9)	2,158,595	2,158,595	0	0	0
Other Long Term Receivables (Note 4)	1,518,888	0	1,518,888	0	0
Loans Receivable	\$4,611,683	\$3,092,795	\$1,518,888	\$0	\$0
Property and Plant					
Land & Land Rights	\$1,473,091	\$1,368,872	\$0	\$103,411	\$808
Dam, Lake, & Source Facilities	5,574,033	5,081,621	0	492,412	0
Treatment Facilities	21,082,445	17,561,535	2,666,198	319,913	534,799
Storage Facilities	20,883,812	18,278,550	519,014	2,086,249	0
Transmission Facilities (16"+)	24,108,078	23,985,755	0	122,324	0
Distribution and Pumping Facilities	83,471,786	60,400,614	17,266,234	5,804,939	0
Sewer Mains, Pumps, & Laterals	1,186,758	0	0	0	1,186,758
Sub-Total	\$157,780,004	\$126,676,946	\$20,451,445	\$8,929,248	\$1,722,365
Less Accumulated Depreciation (Note 5)	(49,466,236)	(42,315,330)	(2,690,405)	(3,499,937)	(960,566)
Net Property and Plant	\$108,313,767	\$84,361,616	\$17,761,040	\$5,429,311	\$761,800
Buildings and Equipment (Note 6)					
Buildings	\$1,902,893	\$1,902,893	\$0	\$0	\$0
Office Equipment	697,537	697,537	0	0	0
Laboratory Equipment	252,351	252,351	0	0	0
Trucks & Automobiles	1,235,855	1,235,855	0	0	0
Construction Equipment	767,737	767,737	0	0	0
Tools, Shop Equipment	224,977	224,977	0	0	0
Sub-Total	\$5,081,349	\$5,081,349	\$0	\$0	\$0
Less Accumulated Depreciation (Note 5)	(3,929,965)	(3,929,965)	0	0	0
Net Buildings and Equipment	\$1,151,384	\$1,151,384	\$0	\$0	\$0
Construction In Progress					
Developer	\$506,759	\$490,261	\$0	\$12,096	\$4,402
District	6,829,286	1,836,936	4,600,599	244,930	146,821
Total Construction in Progress	\$7,336,045	\$2,327,197	\$4,600,599	\$257,026	\$151,223
Net Utility Plant	\$116,801,197	\$87,840,198	\$22,361,639	\$5,686,338	\$913,023
Deferred Outflow of Resources	\$1,354,255	\$1,354,255	\$0	\$0	\$0
TOTAL ASSETS	\$141,571,448	\$104,655,418	\$28,451,341	\$7,081,246	\$1,383,443

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

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
LIABILITIES AND NET ASSETS					
Current Liabilities					
Trade Accounts Payable	\$2,221,891	\$2,082,644	\$137,833	\$0	\$1,414
Reimbursement Prog. Unclaimed Funds	420	420	0	0	0
Bond Debt Principal Payable-Current	22,000	0	0	22,000	0
Loan Debt Principal Payable-Current	1,432,276	798,423	631,890	1,964	0
Bank of Marin Principal Payable-Current	341,967	298,195	0	43,772	0
Bond/Loan Debt Interest Payable-Current	1,426	654	0	772	0
Accrued Interest Payable-SRF Loan	202,360	67,264	135,095	0	0
Deposits/Performance Bonds	204,977	182,176	0	19,801	3,000
Unemployment Insurance Reserve (Note 8)	22,553	22,553	0	0	0
Workers' Comp Future Claims Payable	73,745	68,582	1,917	2,434	811
Payroll Benefits (Note 9)	961,771	889,877	25,497	34,798	11,599
Due To Other Funds (Note 10)	2,158,595	0	2,158,595	0	0
Deferred Revenue	56,954	2,900	0	0	54,054
Total Current Liabilities	\$7,700,934	\$4,413,688	\$3,090,828	\$125,539	\$70,878
Restricted Liabilities					
Construction Advances	\$257,326	\$246,462	\$10,000	\$0	\$865
Total Restricted Liabilities	\$257,326	\$246,462	\$10,000	\$0	\$865
Long Term Liabilities (Note 7)					
Bonds Outstanding - PR6 (FmHA)	\$46,000	\$0	\$0	\$46,000	\$0
Bonds Outstanding - PRE1 (FmHA)	26,000	0	0	26,000	0
STP Rehab SRF Loan	10,448,030	10,448,030	0	0	0
RWF SRF Loan	2,404,935	0	2,404,935	0	0
RWS North/South Expansion SRF Loan	7,696,032	0	7,696,032	0	0
RWS Central Expansion SRF Loan	2,111,555	0	2,111,555	0	0
Bank of Marin Loan	5,999,202	5,231,305	0	767,898	0
Net Pension Liability @ 6/30/16 (Note 16)	8,619,837	8,619,837	0	0	0
Retiree Health Benefits Payable (Note 2)	1,062,694	1,062,694	0	0	0
Total Long Term Liabilities	\$38,414,285	\$25,361,866	\$12,212,521	\$839,898	\$0
Deferred Inflow of Resources	806,744	806,744	0	0	0
TOTAL LIABILITIES	\$47,179,289	\$30,828,760	\$15,313,349	\$965,437	\$71,743

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

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Net Assets					
Invested in Capital Assets					
Contributions in Aid of Construction	\$76,928,471	\$70,006,242	\$4,104,370	\$2,138,348	\$679,511
Grants in Aid of Construction	9,089,443	341,046	5,921,211	2,827,187	0
Connection Fees	32,727,936	25,093,592	5,814,126	1,272,791	547,427
Total Investment	\$118,745,850	\$95,440,880	\$15,839,707	\$6,238,326	\$1,226,938
Restricted Reserves					
Connection Fee Fund	(\$5,490,744)	(\$5,547,856)	\$0	\$91,571	(\$34,458)
Wohler Pipeline Financing Fund	406,604	406,604	0	0	0
Collector #6 Financing Fund	1,598,661	1,598,661	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	697,424	37,324	0	660,100	0
Deer Island RWF Replacement Fund	1,193,193	0	1,193,193	0	0
Capital Replacement & Expansion Fund	1,198,480	0	1,198,480	0	0
RWS North/South SRF Payment Fund	614,299	0	614,299	0	0
Designated Reserves					
Liability Contingency Fund	922,285	823,400	0	98,885	0
Maintenance Accrual Fund	4,290,681	4,290,681	0	0	0
Self-Insured Workers' Compensation Fund	627,064	588,767	11,071	20,286	6,940
Retiree Medical Benefits Fund	2,716,843	2,716,843	0	0	0
Conservation Incentive Rate Fund	40,365	0	0	40,365	0
Operating Reserve Fund	239,667	0	0	179,667	60,000
Earned Surplus - Prior Yrs	(33,167,164)	(26,598,907)	(5,319,452)	(1,276,476)	27,672
Net Income/(Loss)	(533,326)	(349,455)	(270,687)	62,071	24,745
Prior Period Adjustment	(286,749)	(247,077)	(39,672)	0	0
Transfer (To)/From Reserves (see below)	548,726	666,795	(88,948)	(28,985)	(136)
Total Restricted & Designated	(\$24,353,692)	(\$21,614,221)	(\$2,701,716)	(\$122,518)	\$84,762
TOTAL NET POSITION	\$94,392,158	\$73,826,659	\$13,137,991	\$6,115,809	\$1,311,700
Transfer (To)/From Reserves					
Connection Fee	784,507	785,577	0	(1,001)	(69)
Maintenance Reserve	(75,000)	(75,000)	0	0	0
RWF Replacement Fund	(88,793)	0	(88,793)	0	0
Capital Replacement & Expansion Fund	(96)	0	(96)	0	0
Retiree Medical Insurance Fund	(39,396)	(39,396)	0	0	0
(Gain)/Loss Self-Insured WC Fund	(6,011)	(5,690)	(59)	(195)	(67)
Bank of Marin Project Fund	(5,637)	1,304	0	(6,941)	0
Conservation Incentive Rate Fund	(4,513)	0	0	(4,513)	0
Operating Reserve Fund	(16,335)	0	0	(16,335)	0
Total Transfer	\$548,726	\$666,795	(\$88,948)	(\$28,985)	(\$136)

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

	YTD Actual	Annual Budget	YTD/ Budget %	Prior YTD Actual
OPERATING REVENUE				
Water Sales	\$9,763,090	\$14,751,000	66%	\$8,575,083
Bimonthly Service Charge	3,251,194	4,336,000	75%	3,249,136
Sewer Service Charge	161,936	214,000	76%	146,472
Wheeling & Misc Service Charges	226,630	347,000	65%	249,144
TOTAL OPERATING REVENUE	\$13,402,850	\$19,648,000	68%	\$12,219,836
OPERATING EXPENDITURES				
Source of Supply	\$4,109,947	\$4,869,000	84%	\$3,099,935
Pumping	245,636	366,000	67%	203,370
Operations	641,485	843,000	76%	584,214
Water Treatment	1,603,426	2,223,000	72%	1,332,267
Sewer Service	120,690	141,000	86%	111,871
Transmission & Distribution	2,209,916	3,272,000	68%	2,130,929
Consumer Accounting	467,989	653,000	72%	469,486
Water Conservation	238,751	480,000	50%	300,568
General & Administrative	1,467,091	2,247,000	65%	1,479,344
Depreciation	2,563,998	3,517,000	73%	2,467,477
TOTAL OPERATING EXPENDITURES	\$13,668,929	\$18,611,000	73%	\$12,179,460
NET OPERATING INCOME (LOSS)	(\$266,079)	\$1,037,000	(26%)	\$40,376
NON-OPERATING REVENUE/(EXPENSE)				
Tax Proceeds	\$61,720	\$100,000	62%	\$58,609
Interest Revenue	119,264	105,000	114%	89,779
Miscellaneous Revenue	126,152	136,000	93%	215,053
Bond & Loan Interest Expense	(571,770)	(779,000)	73%	(607,186)
Miscellaneous Expense	(2,613)	(20,000)	13%	(23,071)
TOTAL NON-OP REVENUE/(EXPENSE)	(\$267,247)	(\$458,000)	58%	(\$266,816)
NET INCOME/(LOSS)	(\$533,326)	\$579,000	-92%	(\$226,440)
OTHER SOURCES/(USES) OF FUNDS				
Add Depreciation Expense	\$2,563,998	\$3,517,000	73%	\$2,467,477
Connection Fees	239,585	832,000	29%	240,090
Loan Proceeds	0	11,487,000	0%	0
Grant Proceeds	1,548,107	1,500,000	103%	27,678
Caltrans AEEP Capital Contribution	16,756	0	-	2,546,260
StoneTree RWF Loan Principal	140,206	212,000	66%	136,887
MMWD AEEP Capital Contribution	245,000	245,000	100%	245,000
Capital Equipment Expenditures	(28,979)	(245,000)	12%	(22,026)
Capital Improvement Projects	(4,604,065)	(16,856,000)	27%	(4,845,132)
Bond & Loan Principal Payments	(1,022,438)	(1,752,000)	58%	(994,199)
Change in Working Capital	45,173	0	-	(753,656)
TOTAL OTHER SOURCES/(USES)	(\$856,656)	(\$1,060,000)	81%	(\$951,621)
CASH INCREASE/(DECREASE)	(\$1,389,982)	(\$481,000)	289%	(\$1,178,061)

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

<u>SUMMARY INCOME STATEMENT</u>		NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
	TOTAL				
Operating Revenue	\$13,402,850	\$12,220,960	\$481,604	\$537,750	\$162,536
Operating Expense	13,668,929	12,405,037	593,658	496,310	173,924
OPERATING INCOME/(LOSS)	(\$266,079)	(\$184,077)	(\$112,054)	\$41,440	(\$11,389)
Non-Operating Revenue/(Expense)	(267,247)	(165,378)	(158,633)	20,630	36,133
NET INCOME/(LOSS)	(\$533,326)	(\$349,455)	(\$270,687)	\$62,071	\$24,745
CAPITAL CONTRIBUTIONS					
SCWA Prop 84 Water Conserv Grant	\$16,156	\$16,156	\$0	\$0	\$0
RW Central Area Expansion Grant	1,531,951	0	1,531,951	\$0	\$0
Developer In-Kind Contributions	490,001	490,001	0	0	0
Caltrans AEEP Capital Contributions	16,756	16,756	0	0	0
MMWD Capital Contribution	245,000	245,000	0	0	0
Connection Fees	239,585	201,185	0	8,000	30,400
FRC Transfer	0	(664,286)	664,286	0	0
CAPITAL CONTRIBUTIONS	\$2,539,450	\$304,812	\$2,196,237	\$8,000	\$30,400
CHANGE IN NET POSITION	\$1,719,375	(\$291,720)	\$1,885,879	\$70,071	\$55,145
Net Position June 30, 2016	92,672,784	74,118,378	11,252,112	6,045,738	1,256,555
Net Position March 31, 2017	<u>\$94,392,158</u>	<u>\$73,826,659</u>	<u>\$13,137,991</u>	<u>\$6,115,809</u>	<u>\$1,311,700</u>
CASH FLOW STATEMENT					
Net Income/(Loss)	(\$533,326)	(\$349,455)	(\$270,687)	\$62,071	\$24,745
Add Depreciation	2,563,998	2,033,608	354,012	144,237	32,141
Cash Generated From Operations	\$2,030,672	\$1,684,153	\$83,326	\$206,307	\$56,886
Other Sources (Uses) of Funds					
Connection Fee Revenue	\$239,585	\$201,185	\$0	\$8,000	\$30,400
Loan Proceeds	0	0	0	0	0
Grant Proceeds	1,548,107	16,156	1,531,951	0	0
Capital Assets Acquisition	(4,633,044)	(1,008,371)	(3,470,409)	(15,424)	(138,840)
Caltrans AEEP Capital Contribution	16,756	16,756	0	0	0
StoneTree RWF Loan Principal Pmts	140,206	0	140,206	0	0
MMWD AEEP Capital Contribution	245,000	245,000	0	0	0
Principal Paid on Debt	(1,022,438)	(616,802)	(349,357)	(56,279)	0
Consumer Receivables Decr (Incr)	1,467,770	1,221,994	234,514	52,602	(41,340)
Construction Advances (Decr) Incr	75,247	75,247	0	0	0
Other Assets/Liabilities Decr (Incr)	(1,656,139)	(345,656)	(1,307,613)	(865)	(2,004)
Trade Accounts Payable (Decr) Incr	158,295	52,509	105,786	0	0
Connection Fee Transfer	0	(664,286)	664,286	0	0
Interdistrict Loan Due To (From)	0	(2,158,595)	2,158,595	0	0
Total Other Sources (Uses)	(\$3,420,654)	(\$2,964,864)	(\$292,040)	(\$11,966)	(\$151,784)
Net Cash Provided (Used)	(\$1,389,982)	(\$1,280,710)	(\$208,715)	\$194,341	(\$94,899)
MV Cash & Investments June 30, 2016	13,032,102	10,608,716	823,013	1,136,711	463,662
MV Cash & Investments Mar 31, 2017	<u>\$11,642,120</u>	<u>\$9,328,006</u>	<u>\$614,299</u>	<u>\$1,331,052</u>	<u>\$368,764</u>

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

	MARCH 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$653,263	\$9,004,687	67%	\$7,777,354
Bill Adjustments	(5,121)	(107,931)	154%	(50,152)
Bimonthly Service Charges	344,743	3,102,689	75%	3,100,829
Account Turn-on Charges	7,370	48,182	64%	63,747
New Account Charges	495	5,330	67%	6,475
Returned Check Charges	135	1,242	124%	1,004
Hydrant Meter Up/Down Charges	100	1,300	-	200
Backflow Service Charges	11,854	100,503	76%	98,418
Lab Service-Outside Clients	1,610	18,379	68%	24,732
Wheeling Charges - MMWD	2,833	46,579	53%	49,446
Regulation 15 Forfeiture	0	0	0%	0
TOTAL OPERATING REVENUE	\$1,017,283	\$12,220,960	68%	\$11,072,052
TOTAL EXPENDITURES				
SOURCE OF SUPPLY				
Supervision & Engineering	\$771	\$7,470	42%	\$6,736
Operating Expense - Source	1,240	7,715	77%	9,386
Maint/Monitoring of Dam	479	22,681	36%	12,829
Maint of Lake & Intakes	0	5,186	37%	3,716
Maint of Structures	0	500	3%	0
Maint of Watershed	0	30,566	118%	12,590
Water Quality Surveillance	108	661	3%	2,441
Fishery Maint	0	0	0%	1,192
Erosion Control	0	550	27%	0
Purchased Water	372,388	3,929,614	88%	2,930,285
SOURCE OF SUPPLY	\$374,985	\$4,004,944	86%	\$2,979,174
PUMPING				
Operating Expense - Pumping	\$0	\$0	0%	\$0
Maint of Structures & Grounds	2,463	23,759	70%	22,825
Maint of Pumping Equipment	725	11,106	17%	11,722
Electric Power	11,561	178,825	81%	145,910
PUMPING	\$14,749	\$213,690	66%	\$180,457
OPERATIONS				
Supervision & Engineering	\$20,150	\$172,978	105%	\$188,711
Operating Expense - Operations	28,238	248,722	62%	228,196
Maintenance Expense	7,902	35,228	45%	19,335
Telemetry Equipment/Controls Maint	7,207	87,430	105%	50,173
Leased Lines	1,155	13,413	79%	13,831
OPERATIONS	\$64,653	\$557,771	75%	\$500,247

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

	MARCH 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER TREATMENT				
Supervision & Engineering	\$8,982	\$93,657	102%	\$88,735
Operating Expense - Water Treatment	25,498	241,971	82%	192,156
Purification Chemicals	65,064	202,870	48%	124,815
Sludge Disposal	4,595	77,812	93%	65,765
Maint of Structures & Grounds	4,264	67,584	77%	44,847
Maint of Purification Equipment	16,407	163,423	103%	114,207
Electric Power	6,561	83,618	62%	76,855
Water Quality Programs	10,709	96,690	93%	87,575
Laboratory Direct Labor	35,695	305,383	79%	263,325
Lab Service-Outside Clients	3,563	27,436	36%	24,021
Water Quality Supervision	6,864	68,115	86%	56,608
Laboratory Supplies & Expense	5,387	50,872	64%	63,383
Customer Water Quality	5,153	37,746	54%	37,503
Lab Cost Distributed	(1,973)	(21,574)	90%	(20,887)
WATER TREATMENT	\$196,768	\$1,495,603	73%	\$1,218,907
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$57,226	\$425,306	57%	\$413,605
Maps & Records	9,750	119,891	85%	78,561
Operation of T&D System	9,337	116,006	55%	88,195
Facilities Location	16,232	112,638	116%	75,597
Safety: Construction & Engineering	16,327	47,018	72%	37,308
Customer Service Expense	10,481	112,540	60%	129,284
Flushing	37,687	40,193	63%	43,255
Storage Facilities Expense	4,619	94,743	72%	90,615
Cathodic Protection	952	10,747	40%	13,295
Maint of Valves/Regulators	22,132	117,471	53%	114,854
Maint of Mains	16,115	103,178	86%	151,139
Leak Detection - Mains	1,210	7,172	42%	9,851
Backflow Prevention Program	2,936	121,296	70%	112,832
Maint of Copper Services	14,662	111,282	63%	98,937
Maint of PB Service Lines	47,830	366,766	80%	425,701
Single Service Installations	103	10,311	-	11,889
Maint of Meters	8,574	47,413	45%	72,976
Detector Check Assembly Maint	16,363	70,016	96%	49,261
Maint of Hydrants	1,576	38,818	48%	27,639
TRANSMISSION & DISTRIBUTION	\$294,111	\$2,072,805	67%	\$2,044,791
CONSUMER ACCOUNTING				
Meter Reading	\$13,249	\$122,311	67%	\$115,796
Collection Expense - Labor	3,088	14,886	40%	22,973
Collection Expense - Agency	241	1,552	52%	1,160
Billing & Consumer Accounting	24,586	215,802	81%	205,523
Contract Billing	1,362	12,563	70%	12,814
Stationery, Supplies & Postage	4,256	42,900	68%	44,824
Credit Card Fees	2,188	23,003	92%	19,308
Lock Box Service	912	8,208	75%	8,208
Uncollectable Accounts	3,489	10,989	65%	12,833
Office Equipment Expense	39	6,570	30%	20,970
Distributed to West Marin (4.1%)	(1,380)	(12,786)	80%	(12,828)
CONSUMER ACCOUNTING	\$52,029	\$445,996	71%	\$451,580

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

	MARCH 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER CONSERVATION				
Residential	\$14,417	\$190,137	50%	\$255,050
Commercial	210	976	5%	3,511
Public Outreach/Information	2,153	14,443	36%	19,200
Large Landscape	5,455	28,635	143%	16,871
TOTAL WATER CONSERVATION	\$22,235	\$234,191	51%	\$294,631
GENERAL AND ADMINISTRATIVE				
Directors Fees	\$3,285	\$22,773	69%	\$25,742
Legal Fees	1,701	15,086	116%	9,903
Human Resources	2,606	23,976	89%	17,698
Auditing Fees	0	16,220	95%	18,770
Consulting Services/Studies	10,536	23,449	5%	150,360
General Office Salaries	157,058	1,087,274	85%	943,777
Safety: General District Wide	6,599	28,869	46%	15,290
Office Supplies	11,529	27,104	58%	16,748
Employee Events	137	5,607	47%	9,415
Other Administrative Expense	1,227	10,714	82%	7,489
Election Cost	0	0	-	250
Dues & Subscriptions	450	58,298	97%	53,139
Vehicle Expense	1,014	6,929	87%	6,084
Meetings, Conferences & Training	9,869	126,799	62%	110,595
Recruitment Expense	42	1,140	38%	616
Gas & Electricity	2,216	29,679	96%	24,137
Telephone	720	6,320	79%	5,463
Water	190	1,142	57%	1,400
Buildings & Grounds Maint	6,992	44,499	82%	51,853
Office Equipment Expense	7,503	77,532	82%	72,107
Insurance Premiums & Claims	6,811	63,999	54%	118,060
Retiree Medical Benefits	12,414	127,728	74%	129,210
(Gain)/Loss on Overhead Charges	(93,504)	(132,737)	109%	(36,635)
G&A Applied to Other Operations (5.9%)	(15,112)	(109,636)	71%	(97,781)
G&A Applied to Construction	(24,173)	(216,336)	57%	(273,723)
GENERAL & ADMINISTRATIVE	\$110,109	\$1,346,430	66%	\$1,379,967
Depreciation (Note 5)	225,498	2,033,608	73%	1,934,715
TOTAL OPERATING EXPENSE	\$1,355,138	\$12,405,037	74%	\$10,984,469
OPERATING INCOME/(LOSS)	(\$337,855)	(\$184,077)	(17%)	\$87,582

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

	MARCH 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest:				
General Funds	\$0	\$0	0%	\$0
Wohler Pipeline Financing Fund	484	4,276	214%	2,669
Collector #6 Financing Fund	1,903	16,811	210%	10,494
Retiree Medical Insurance Fund	4,492	39,396	219%	23,245
Self-Insured Workers' Comp Fund	794	6,380	159%	3,723
Aqueduct Energy Efficiency Proj Fund	44	398	-	2,084
Funds Held in County Treasury	0	2,825	71%	497
Recycled Water Advance (Note 10)	3,467	6,735	-	0
Total Interest Revenue	\$11,185	\$76,820	148%	\$42,713
Rents & Leases	4,806	65,495	80%	52,330
Other Non-Operating Revenue	204	64,203	128%	132,291
Gain/(Loss) on MV of Investments	(851)	(18,950)	-	(11,097)
NON-OPERATING REVENUE	\$15,344	\$187,568	102%	\$216,237
NON-OPERATING EXPENSE				
Bank of Marin AEEP Loan Interest Exp	\$15,826	\$144,905	72%	\$152,177
STP SRF Loan Interest Expense	22,793	206,031	74%	220,435
Drought Loan Interest Expense	73	654	65%	1,281
Other Non-Operating Expense	0	1,356	7%	(17,312)
NON-OPERATING EXPENSE	\$38,691	\$352,945	70%	\$356,581
NET INCOME/(LOSS)	(\$361,202)	(\$349,455)	(46%)	(\$52,762)
BEGINNING FUND EQUITY				
NET INCOME/(LOSS)	(361,202)	\$74,118,378 (349,455)		\$73,700,508 (52,762)
CONTRIBUTED CAPITAL				
SCWA 84 Water Conservation Grant	0	16,156	-	27,678
Developer 'In-Kind' Contributions	151,561	490,001	-	309,646
Caltrans AEEP Capital Contribution	0	16,756	1%	2,546,260
MMWD AEEP Capital Contribution	0	245,000	100%	245,000
Connection Fees	0	201,185	38%	216,400
FRC Transfer to Recycled Water	8,950	(664,286)	93%	(591,045)
Prior Period Adjustment (Note 12)	0	(247,077)	-	0
ENDING FUND EQUITY		\$73,826,659		\$76,401,686

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

	MARCH 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Recycled Water Sales	\$10,362	\$455,668	62%	\$438,092
Bimonthly Service Charges	2,623	21,924	76%	21,727
Water Loads	60	4,000	-	0
Account Turn-on Charges	0	12	-	20
TOTAL OPERATING REVENUE	\$13,045	\$481,604	63%	\$459,839
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Purchased Water - NSD	\$1,173	\$69,194	55%	\$60,308
Purchased Water - LGVSD	759	24,547	39%	44,677
SOURCE OF SUPPLY	\$1,932	\$93,741	50%	\$104,985
PUMPING				
Maint of Structures & Grounds	\$0	\$0	0%	\$0
Maint of Pumping Equipment	747	891	45%	812
Electric Power	11	1,979	66%	1,668
PUMPING	\$758	\$2,871	48%	\$2,480
OPERATIONS				
Supervision & Engineering	\$1,641	\$7,605	69%	\$4,228
Operating Expense - Operations	0	8,113	43%	6,376
Potable Water Consumed	227	2,716	27%	28,193
Maintenance Expense	5,352	11,610	166%	4,212
Telemetry Equipment/Controls Maint	11	10,722	107%	9,891
OPERATIONS	\$7,231	\$40,766	72%	\$52,899
WATER TREATMENT				
Purification Chemicals	\$0	\$809	20%	\$1,819
Maint of Purification Equipment	700	2,354	24%	838
Electric Power	0	2,106	105%	0
Laboratory Direct Labor	0	1,622	27%	1,668
Customer Water Quality	0	128	-	59
Water Quality Supervision	3,534	3,534	-	0
Lab Expense Distributed from Novato	(3)	955	32%	1,079
WATER TREATMENT	\$4,231	\$11,509	46%	\$5,463
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$270	\$4,952	28%	\$5,997
Maps & Records	0	72	-	0
Operation of T&D System	0	631	63%	0
Cathodic Protection	0	0	0%	0
Customer Service Expense	0	2,965	-	0
Storage Facilities Expense	451	10,336	103%	1,413
Maint of Valves/Regulators	0	22	2%	0
Maint of Meters	0	0	0%	1,695
Maint of Mains	0	24,486	-	540
TRANSMISSION & DISTRIBUTION	\$721	\$43,463	136%	\$9,645

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

	MARCH 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
CONSUMER ACCOUNTING				
Distributed from Novato (3.6%)	\$66	\$613	61%	\$620
CONSUMER ACCOUNTING	\$66	\$613	61%	\$620
GENERAL AND ADMINISTRATIVE				
Consulting Services/Studies	\$0	\$6,786	-	\$0
Distributed from Novato (1.6%)	5,499	39,897	70%	35,583
GENERAL & ADMINISTRATIVE	\$5,499	\$46,682	82%	\$35,583
Depreciation (Note 5)	39,335	354,012	74%	354,030
TOTAL OPERATING EXPENSE	\$59,772	\$593,658	70%	\$565,705
OPERATING INCOME/(LOSS)	<u>(\$46,726)</u>	<u>(\$112,054)</u>	138%	<u>(\$105,866)</u>
NON-OPERATING REVENUE				
Interest:				
General Funds	\$0	\$0	0%	\$0
RWF Replacement Fund	0	2,543	-	2,212
Capital Repl & Exp Fund	0	96	-	1,797
Self-Insured Workers' Comp Fund	0	79	-	69
StoneTree RWF Loan	3,180	30,022	77%	33,760
Total Interest Revenue	\$3,180	\$32,739	73%	\$37,838
Other Non-Operating Revenue	0	10,557	-	28,445
NON-OPERATING REVENUE	\$3,180	\$43,296	96%	\$66,283
NON-OPERATING EXPENSE				
RWF SRF Loan Interest Expense	\$5,337	\$47,177	75%	\$51,068
Expansion SRF Loan Interest Expense	16,084	147,686	73%	154,959
Other Non-Operating Expense	220	331	-	34,958
Interest-Advance from Novato (Note 10)	3,467	6,735	-	0
NON-OPERATING EXPENSE	\$25,108	\$201,929	76%	\$240,985
NET INCOME/(LOSS)	<u>(\$68,655)</u>	<u>(\$270,687)</u>	90%	<u>(\$280,568)</u>
BEGINNING FUND EQUITY		\$11,252,112		\$11,264,553
NET INCOME/(LOSS)	(68,655)	(270,687)		(280,568)
FRC Transfer from Novato	(8,950)	664,286	93%	591,045
RW Central Area Expansion Grant	289,602	1,531,951	-	0
Prior Period Adjustment (Note 12)	0	(39,672)		0
ENDING FUND EQUITY		<u>\$13,137,991</u>		<u>\$11,575,030</u>

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

	MARCH 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$27,655	\$423,487	70%	\$417,186
Bill Adjustments	0	(16,821)	-	(7,396)
Bimonthly Service Charges	14,065	126,581	76%	126,581
Account Turn-on Charges	0	582	58%	795
New Account Charges	0	125	13%	150
Returned Check Charges	0	63	-	18
Backflow Service Charges	0	3,733	75%	3,679
TOTAL OPERATING REVENUE	\$41,720	\$537,750	69%	\$541,013
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Supervision & Engineering	\$0	\$44	-	\$325
Operating Expense	284	3,033	51%	4,825
Maint of Structures	0	7,925	66%	7,619
Water Quality Surveillance	0	261	7%	3,007
SOURCE OF SUPPLY	\$284	\$11,262	51%	\$15,776
PUMPING				
Maint of Structures and Grounds	\$0	\$6,710	56%	\$3,179
Maint of Pumping Equip	92	2,634	26%	4,825
Electric Power	2,139	19,731	132%	12,428
PUMPING	\$2,232	\$29,075	79%	\$20,433
OPERATIONS				
Supervision & Engineering	\$623	\$7,238	90%	\$8,572
Operating Expense	938	12,525	114%	11,407
Maint of Telemetry Lines	0	0	-	0
Maint of Telemetry Equipment	0	19,488	115%	6,101
Leased Lines	421	3,698	62%	4,989
OPERATIONS	\$1,982	\$42,949	102%	\$31,069
WATER TREATMENT				
Supervision & Engineering	\$420	\$3,294	55%	\$3,575
Operating Expense	1,124	11,629	58%	20,788
Purification Chemicals	0	6,073	121%	2,003
Maint of Structures & Grounds	0	267	27%	343
Maint of Purification Equipment	1,606	6,694	30%	7,377
Electric Power	1,694	13,907	52%	15,815
Laboratory Direct Labor	2,983	30,888	94%	27,578
Laboratory Services	0	1,438	36%	3,340
Water Quality Supervision	0	1,019	17%	6,394
Customer Water Quality	0	2,914	73%	2,848
Lab Expense Distributed from Novato	1,701	18,191	96%	17,836
WATER TREATMENT	\$9,527	\$96,314	66%	\$107,896

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

	MARCH 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$663	\$11,027	65%	\$5,645
Maps & Records	0	218	3%	280
Facilities Location - USA	646	6,380	128%	4,104
Customer Service Expense	0	4,869	81%	5,983
Flushing	2,616	2,616	44%	0
Storage Facilities Expense	199	14,798	34%	12,614
Cathodic Protection	0	1,345	27%	1,226
Maint of Valves	0	768	13%	1,427
Valve Operation Program	0	0	0%	0
Maint of Mains	4,162	8,611	172%	19,831
Maint of Backflow Devices	0	510	7%	853
Backflow Dev Inspection/Survey	0	2,408	-	3,492
Maint of Copper Services	413	7,028	141%	15,819
Maint of PB Service Lines	3,892	23,196	211%	3,463
Maint of Meters	1,652	8,552	428%	1,756
Detector Check Assembly Maint	0	304	15%	0
Maint of Hydrants	0	0	0%	0
Hydrant Operation	0	0	0%	0
Single Service Installation	0	1,018	-	0
TRANSMISSION & DISTRIBUTION	\$14,243	\$93,648	67%	\$76,492
CONSUMER ACCOUNTING				
Meter Reading	\$0	\$8,245	103%	\$4,198
Collection Expense - Labor	0	210	11%	266
Uncollectable Accounts	0	409	-	273
Distributed from Novato (3.6%)	1,169	10,847	83%	10,944
CONSUMER ACCOUNTING	\$1,169	\$19,710	86%	\$15,680
WATER CONSERVATION				
Water Conservation Program	\$105	\$4,560	23%	\$5,937
TOTAL WATER CONSERVATION	\$105	\$4,560	23%	\$5,937
GENERAL AND ADMINISTRATIVE				
Consulting Services/Studies	\$0	\$2,700	8%	\$0
Distributed from Novato (3.2%)	7,148	51,855	71%	46,248
GENERAL & ADMINISTRATIVE	\$7,148	\$54,555	51%	\$46,248
Depreciation (Note 5)	15,971	144,237	76%	142,386
TOTAL OPERATING EXPENSE	\$52,661	\$496,310	68%	\$461,916
OPERATING INCOME/(LOSS)	(\$10,941)	\$41,440	85%	\$79,097

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

	MARCH 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest - General Funds	\$515	\$3,491	-	\$1,118
Interest - FRC	111	1,001	33%	1,063
Interest - Self-Insured WC Fund	27	220	-	128
Interest - Bank of Marin Project Fund	786	6,941	231%	4,332
Interest - CIR Fund	48	438	-	279
Rents & Leases	0	4,344	109%	3,927
Tax Proceeds - OL-2 G.O. Bond	0	1	-	147
Tax Proceeds - PR-2 Tax Allocation	163	29,878	62%	28,150
Other Non-Operating Revenue	0	3	-	102
NON-OPERATING REVENUE	\$1,650	\$46,318	80%	\$39,246
NON-OPERATING EXPENSE				
Bank of Marin Loan Interest Expense	\$2,323	\$21,270	77%	\$22,338
PRE-1 Revenue Bond Interest Exp	208	1,875	62%	2,288
PR-6 Revenue Bond Interest Exp	233	2,100	70%	2,475
Drought Loan Interest Expense	8	72	33%	166
Other Non-Operating Expense	0	370	-	5,107
NON-OPERATING EXPENSE	\$2,773	\$25,687	76%	\$32,373
NET INCOME/(LOSS)	(\$12,064)	\$62,071	85%	\$85,970
BEGINNING FUND EQUITY		\$6,045,738		\$6,043,464
NET INCOME/(LOSS)	(12,064)	62,071		85,970
CONTRIBUTED CAPITAL				
Developer 'In-Kind' Contributions	0	0	-	16,071
Connection Fees	0	8,000	35%	0
ENDING FUND EQUITY		\$6,115,809		\$6,145,505

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

	MARCH 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Sewer Service Charges	\$18,018	\$161,936	76%	\$146,472
Inspection Fees	0	600	-	460
TOTAL OPERATING REVENUE	\$18,018	\$162,536	76%	\$146,932
OPERATING EXPENSE				
SEWAGE COLLECTION				
Supervision & Engineering	\$1,114	\$9,391	78%	\$8,657
Inspection	0	558	14%	0
Operating Expense	163	4,982	83%	5,608
Facilities Location	0	1,472	147%	1,631
Maint of Telemetry Equipment	0	4,281	214%	2,634
Sewer Service Installation	0	0	-	284
Maint of Lift Stations	6,906	9,971	125%	10,025
Maint of Manholes	0	987	49%	0
Maint of Sewer Mains	2,062	2,062	34%	8,619
Electric Power	800	9,166	102%	7,940
SEWAGE COLLECTION	\$11,044	\$42,869	86%	\$45,398
SEWAGE TREATMENT				
Operating Expense	\$1,509	\$31,837	106%	\$26,033
Treatment Supplies & Expense	0	0	0%	0
Maint of Structures	0	0	0%	71
Maint of Equipment	492	1,815	23%	4,347
Laboratory Direct Labor	481	4,123	69%	3,049
Lab Expense Distributed from Novato	276	2,428	121%	1,972
Electric Power	492	4,822	69%	4,072
SEWAGE TREATMENT	\$3,250	\$45,025	78%	\$39,544
SEWAGE DISPOSAL				
Operating Expense	\$1,693	\$12,800	107%	\$9,740
Maint of Pump Stations	97	1,522	19%	6,064
Maint of Storage Ponds	1,664	13,329	333%	2,206
Maint of Irrigation Field	52	5,146	57%	8,919
SEWAGE DISPOSAL	\$3,506	\$32,796	99%	\$26,929
CONSUMER ACCOUNTING				
Collection Expense - County of Marin	\$0	\$344	-	\$342
Distributed from Novato (0.5%)	\$144	\$1,326	66%	\$1,265
CONSUMER ACCOUNTING	\$144	\$1,670	83%	\$1,607
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (1.0%)	\$2,465	\$17,885	72%	\$15,951
Liability Insurance	159	1,539	77%	1,595
GENERAL AND ADMINISTRATIVE	\$2,624	\$19,424	72%	\$17,546
Depreciation (Note 5)	3,267	32,141	68%	36,346
TOTAL OPERATING EXPENSE	\$23,835	\$173,924	80%	\$167,369
OPERATING INCOME/(LOSS)	(\$5,817)	(\$11,389)	380%	(\$20,437)

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

	MARCH 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<u>NON-OPERATING REVENUE</u>				
Rents & Leases	\$0	\$500	-	\$500
Interest - Connection Fee Reserve	0	70	-	13
Interest - General Funds	454	4,204	210%	2,252
Interest - Self Insured WC Fund	9	75	-	44
Tax Proceeds - OM-1/OM-3 Tax Alloc	173	31,841	61%	30,312
Annexation Fees	0	0	-	8,508
Other Non-Operating Revenue	0	0	-	46
NON-OPERATING REVENUE	\$636	\$36,689	68%	\$41,675
<u>NON-OPERATING EXPENSE</u>				
Other Non-Operating Expense	\$0	\$556	-	\$318
NON-OPERATING EXPENSE	\$0	\$556	-	\$318
NET INCOME/(LOSS)	(\$5,181)	\$24,745	49%	\$20,920
BEGINNING FUND EQUITY		\$1,256,555		\$1,260,299
NET INCOME/(LOSS)	(5,181)	24,745		20,920
CONTRIBUTED CAPITAL				
Contribution in Aid of Construction	0	0	-	3,952
Connection Fees	0	30,400	203%	23,690
ENDING FUND EQUITY		\$1,311,700		\$1,308,860

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

		NOVATO WATER	WEST MARIN WATER	OCEANA MARIN SEWER	RECYCLED WATER
<u>WORKERS' COMPENSATION FUND</u>	<u>TOTAL</u>				
WC Cash Balance 6/30/16	\$716,297	\$671,654	\$23,234	\$7,921	\$13,488
Less: Projected Prior FY Claims Liability	95,244	88,577	3,143	1,048	2,476
WC Reserve Balance 6/30/16	\$621,053	\$583,077	\$20,091	\$6,873	\$11,012
Add: WC Expense Charged to Operations FYTD	143,250	133,223	4,727	1,576	3,725
Interest Earned	6,754	6,380	220	75	79
Subtotal	\$771,057	\$722,679	\$25,038	\$8,524	\$14,815
Less: Claims Expense Paid	92,345	85,881	3,047	1,016	2,401
Excess Insurance Premium	42,648	39,663	1,407	469	1,109
Administration Fees	9,000	8,370	297	99	234
WC Reserve Balance 3/31/17	\$627,063	\$588,765	\$20,286	\$6,940	\$11,071
Add: Projected Claims Liability	73,745	68,582	2,434	811	1,917
Funds borrowed to subsidize operations	(12,989)	0	0	0	(12,989)
WC CASH BALANCE 3/31/17	\$687,820	\$657,348	\$22,720	\$7,751	\$0
<u>CONSERVATION INCENTIVE RATE FUND</u>					
CIR Cash Balance 6/30/16	\$35,852	\$0	\$35,852		
Add funds borrowed to subsidize operations	0	0	0		
CIR Reserve Balance 6/30/16	\$35,852	\$0	\$35,852		
Add: CIR Charges Billed FYTD	110,909	97,801	13,108		
Regulation 15 Forfeitures	0	0	0		
Interest Earned	438	0	438		
Subtotal	\$147,198	\$97,801	\$49,398		
Less: CIR Funds Expended FYTD ¹	77,717	73,157	4,560		
Bill Adjustments granted in CIR Tier	29,117	24,644	4,473		
CIR Reserve Balance 3/31/17	\$40,365	\$0	\$40,365		
Less funds borrowed to subsidize operations	0	0	0		
CIR CASH BALANCE 3/31/17	\$40,365	\$0	\$40,365		
<u>CONNECTION FEE FUND</u>					
Connection Fee Cash Balance 6/30/16	\$114,868	\$0	\$109,263	\$5,605	
Add: funds borrowed to subsidize operations	(\$5,170,616)	(\$5,170,616)	\$0	\$0	
Connection Fee Reserve Balance 6/30/16	(\$5,055,748)	(\$5,170,616)	\$109,263	\$5,605	
Add: Connection Fees Collected FYTD	\$239,585	\$201,185	\$8,000	\$30,400	
Repayment Prior Year Loan from RWF	\$0	\$0	\$0	\$0	
Interest Earned	\$1,070	\$0	\$1,001	\$69	
Prior Period Adjustment ²	\$788,509	\$788,509	\$0	\$0	
Subtotal	(\$4,026,583)	(\$4,180,922)	\$118,264	\$36,074	
Less: Fees Expended FYTD	\$799,873	\$702,648	\$26,694	\$70,532	
Fees transferred to RWS FYTD (Note 14)	\$664,286	\$664,286	\$0	\$0	
Connection Fee Reserve Balance 3/31/17	(\$5,490,743)	(\$5,547,856)	\$91,571	(\$34,458)	
Less: Funds borrowed to subsidize operations	(\$5,582,314)	(\$5,547,856)	\$0	(\$34,458)	
CONNECTION FEE CASH BALANCE 3/31/17	\$91,572	\$0	\$91,571	\$0	

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

² Prior period adjustment of \$788,509 pertains to Recycled Water Facility SRF Loan Interest Expense relieved from Novato FRC FY08-FY16. Black Point Golf Links pays for 91.67% of the Debt Service through 2/28/24 and only the amount not paid by BPGL should be relieved from the FRC Fund.

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

The Connection Fee (FRC) Fund is comprised of cash available from collection of Facility Reserve Charge Fees. The FRC fee is charged to developers based upon the estimate of cost necessary to construct capacity to serve the new development. These funds are restricted by law for expansion of the facilities within the service area where the new development occurs. Funds are disbursed from the Connection Fee Reserve as expenditures to increase system capacity to serve new development are incurred.

FY17 CONNECTION FEE EXPENDITURES	TOTAL EXPENDITURE	% FUNDED BY CONNECTION FEES	TOTAL FROM CONNECTION FEES¹
Novato Water			
Zone A Pressure Improvements	\$60,691	50%	\$30,346
Ridge Rd 6" ACP	23,123	50%	11,562
Center Rd 6" CIP	15,005	50%	7,503
Bank of Marin AEEP Debt Service	361,531	25%	90,383
STP Rehab SRF Loan Debt Service	589,502	25%	147,375
Advanced Meter Info Retrofit	654,991	25%	172,812
SMART Crossing Upgrade	46,704	25%	11,676
Meter Relocation-Plum St (14 Svcs)	61,844	50%	30,922
Water Conservation Expenditures	161,034	100%	161,034
San Mateo 24" Inlet/Outlet	19,416	50%	9,708
Facilities Security Enhancements	34,067	25%	8,517
Crest Pump Station/Relocate School Rd PS	39,253	25%	9,813
Dam Monitoring Well Repairs	22,248	25%	5,562
San Mateo Tank Recoat	21,746	25%	5,437
	<u>\$2,111,156</u>		<u>\$702,648</u>
Recycled Water			
NBWRA Grant Program Administration	\$5,618	100%	\$5,618
RW Expansion North Area Debt Service	285,972	100%	285,972
RW Expansion South Area Debt Service	232,174	100%	232,174
RW Expansion Central Area Local Share	104,967	100%	104,967
Deer Island Wet Well Drain	8,825	100%	8,825
P G & E Power to Reservoir Hill	26,730	100%	26,730
	<u>\$664,286</u>		<u>\$664,286</u>
West Marin Water			
Bank of Marin Debt Service	\$53,069	25%	\$13,267
Replace PRE Tank #4A	53,705	25%	13,426
	<u>\$106,774</u>		<u>\$26,694</u>
Oceana Marin Sewer			
Infiltration Repair	\$34,475	50%	\$17,238
Dosing Siphon Repairs	59,331	50%	29,666
Tahiti Way Lift Pumps Rebuild	33,114	50%	16,557
Desifgn/Install 8th Disposal Trench	14,144	50%	7,072
	<u>\$141,064</u>		<u>\$70,532</u>

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

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

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	MARCH 2017	FYTD TOTAL	FY 16/17 BUDGET	(OVER) UNDER	Notes
1 CONSTRUCTION					
a. Leak Detector		\$7,135	\$8,000	\$865	1
b. Fittings & Hose for Emergency Hose Trailer		0	6,000	6,000	
	\$0	\$7,135	\$14,000	\$6,865	
2 OPERATIONS/MAINTENANCE					
a. STP Manganese Analyzer		\$0	\$13,000	\$13,000	1
b. Lab Info Management Sys Software Upgrade		0	70,000	70,000	1
	\$0	\$0	\$83,000	\$83,000	
3 VEHICLE & ROLLING EQUIPMENT EXPENDITURES					
a. Compact Track Loader w/Attachments		\$0	\$90,000	\$90,000	1
b. 1/2 Ton 4x4 Pickup w/Tool Box & Radio		0	30,000	30,000	1
c. 1/2 Ton Pickup w/Tool Box & Radio	21,844	21,844	28,000	6,156	1
	\$21,844	\$21,844	\$148,000	\$126,156	
TOTAL EQUIPMENT EXPENDITURES	\$21,844	\$28,979	\$245,000	\$216,021	

Notes:

(1) Replacement item.

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

	YEAR TO DATE ACTUAL	ANNUAL BUDGET	YTD/ BUDGET%	PRIOR YTD ACTUAL
<u>Material Handling</u>				
Material Overhead Recovered (15%)	\$31,891	\$125,000	26%	\$38,072
Labor	\$48,849	\$105,000	47%	\$50,098
Materials, Supplies & Expense	2,883	9,000	32%	6,747
Correction to Inventory Counts	(2,703)	0	-	1,723
Write-down of Obsolete Inventory	0	0	-	0
Depreciation	7,527	11,000	68%	8,051
	<u>\$56,556</u>	<u>\$125,000</u>	45%	<u>\$66,619</u>
Net Material Handling Gain / (Loss)	<u>(\$24,665)</u>	<u>\$0</u>	-	<u>(\$28,547)</u>
<u>Construction Supplies</u>				
Const Supplies Overhead Recovered (10%)	\$190,926	\$312,000	61%	\$200,138
Labor	\$49,608	\$95,000	52%	\$56,299
Materials, Supplies & Expense	53,122	94,000	57%	59,894
Small Tools	7,275	24,000	30%	16,088
Depreciation	2,105	4,000	53%	2,649
	<u>\$112,110</u>	<u>\$217,000</u>	52%	<u>\$134,930</u>
Net Constr Supplies Gain / (Loss)	<u>\$78,816</u>	<u>\$95,000</u>	83%	<u>\$65,208</u>
<u>Vehicle & Equipment</u>				
Vehicle & Equipment Recovered ¹	\$220,822	\$380,000	58%	\$292,983
Labor	\$50,774	\$95,000	53%	\$46,790
Materials, Supplies & Expense	68,026	80,000	85%	71,176
Fuel	48,030	87,000	55%	53,685
Depreciation	94,531	136,000	70%	94,341
	<u>\$261,360</u>	<u>\$398,000</u>	66%	<u>\$265,992</u>
Net Vehicle & Equip Gain / (Loss)	<u>(\$40,538)</u>	<u>(\$18,000)</u>	225%	<u>\$26,991</u>
<u>Payroll</u>				
Overheaded Payroll Recovered	\$5,770,348	\$8,088,000	71%	\$5,316,099
Salary Including Leave Time	\$3,754,303	\$5,379,000	70%	\$3,629,772
Employer FICA & Medicare Tax	287,634	396,000	73%	273,118
Insurance ²	670,779	1,025,000	65%	650,730
Worker's Compensation	90,816	101,000	90%	96,203
Retiree Medical Accrual	60,125	84,000	72%	58,188
CalPERS Retirement	709,756	1,004,000	71%	688,536
Unreconciled Difference	77,850	0	-	(54,433)
	<u>\$5,651,263</u>	<u>\$7,989,000</u>	71%	<u>\$5,342,114</u>
Net Payroll Gain / (Loss)	<u>\$119,125</u>	<u>\$99,000</u> ³		<u>(\$26,015)</u>
Total Overhead Gain / (Loss)	<u>\$132,737</u>	<u>\$176,000</u>	75%	<u>\$37,637</u>

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

² Insurance Includes Medical, Dental, Vision, Cafeteria, Life

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

**NORTH MARIN WATER DISTRICT
EXPENDITURES BY CATEGORY
FOR PERIOD ENDING MARCH 31, 2017**

	OPERATING EXPENSE			West	Oceana	YTD	Annual	YTD	Prior	% Change
		Novato	Recycled	Marin	Marin	Total	Budget	Budget %	YTD Actual	
1	Salaries & Benefits	\$4,877,410	\$44,200	\$162,936	\$63,347	\$5,147,893	\$6,848,000	75%	\$4,524,426	13 %
2	Water Purchases	3,929,614	93,741	0	0	4,023,355	4,669,000	86%	3,035,269	32 %
3	Depreciation	2,033,608	354,012	144,237	32,141	2,563,998	3,517,000	73%	2,467,477	3 %
4	Materials, Services & Supplies	960,074	44,445	46,114	34,255	1,084,887	1,684,000	64%	1,136,910	-4 %
5	Consulting Services/Studies	23,449	6,786	2,700	0	32,934	490,000	7%	150,360	-78 %
6	Chemicals	202,870	809	6,073	0	209,753	436,000	48%	128,637	63 %
7	Electric Power	262,443	4,085	33,638	13,988	314,155	414,000	76%	264,689	18 %
8	Vehicles and Equipment (Distrib)	148,096	1,478	10,519	4,886	164,979	282,000	59%	209,304	-21 %
9	Tools & Supplies (Distrib)	158,555	2,637	7,951	4,557	173,700	186,000	93%	173,181	0 %
10	Retiree Medical Expenses	127,728	0	0	0	127,728	173,000	74%	129,210	-1 %
11	Water Conservation Rebates	40,256	0	1,250	0	41,506	160,000	26%	71,794	-42 %
12	Insurance & Claims	63,999	0	0	1,539	65,538	145,000	45%	119,655	-45 %
13	Office Supplies & Postage	70,004	0	0	0	70,004	110,000	64%	80,880	-13 %
14	Overhead Charges (Gain)/Loss	(132,737)	0	0	0	(132,737)	(122,000)	109%	(36,635)	262 %
15	Distributed Costs (Lab,G&A,ConsAcctg)	(360,333)	41,465	80,893	19,211	(218,764)	(381,000)	57%	(275,695)	-20 %
16	Total Operating Expense	\$12,405,037	\$593,658	\$496,310	\$173,924	\$13,668,929	\$18,611,000	73%	\$12,179,460	12 %
17	Interest Expense & Other	352,945	201,929	25,687	556	581,117	799,000	73%	629,641	-7 %
18	Total Expense	\$12,757,982	\$795,586	\$521,997	\$174,480	\$14,250,046	\$19,410,000	73%	\$12,809,101	11 %
<u>Warehouse, Shop & Yard</u>										
19	Salaries & Benefits	\$149,231	\$0	\$0	\$0	\$149,231	\$292,000	51%	\$153,187	-2 %
20	Materials, Services & Supplies	176,633	0	0	0	176,633	156,000	113%	\$209,312	-15 %
21	Depreciation	104,163	0	0	0	104,163	151,000	69%	\$105,041	-0 %
22	Distributed Costs	(430,026)	0	0	0	(430,026)	(599,000)	72%	(467,540)	-8 %
23	Total W/H, Shop & Yard	\$0	\$0	\$0	\$0	\$0	\$0	-	\$0	-
<u>District Capital Outlay</u>										
24	Salaries & Benefits	\$180,336	\$197,053	\$10,375	\$33,010	\$420,773	\$808,000	52%	\$560,764	-24 %
25	Equipment Expenditures	28,979	0	0	0	28,979	245,000	12%	22,026	31 %
26	Debt Principal Payments	616,802	349,357	56,279	0	1,022,438	1,752,000	58%	994,199	2 %
27	Materials, Services & Supplies	865,563	3,273,356	5,049	105,831	4,249,799	16,048,000	26%	4,284,368	-0 %
28	Total District Capital Outlay	\$1,691,681	\$3,819,765	\$71,703	\$138,840	\$5,721,990	\$18,853,000	30%	\$5,861,356	-2 %
<u>Developer Funded Projects</u>										
29	Salaries & Benefits	\$144,430	\$0	\$1,211	\$1,380	\$147,021	\$217,000	68%	\$156,371	-5 %
30	Materials, Services & Supplies	184,423	0	2,300	1,504	188,227	124,000	152%	184,133	2 %
31	Total Developer Projects	\$328,854	\$0	\$3,511	\$2,883	\$335,248	\$341,000	98%	\$340,504	-1 %
32	Total	\$14,778,517	\$4,615,351	\$597,212	\$316,204	\$20,307,284	\$38,604,000	53%	\$19,010,961	6 %

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

Fiscal Year to Date

Vehicle Cost per Mile

Year	Description	Veh#	Assigned	Mileage		Recovery ²	Gain/(Loss)	Mileage	Life to Date	FY17	FY16	FY15
1	1999 Dodge Ram 1500	32	STP	957	\$373	\$824	\$451	83,645	\$0.44	\$0.39	\$1.21	\$0.39
2	2002 Chev K1500 4x4	47	LeBrun	8,300	\$3,041	\$3,657	\$616	127,549	\$0.36	\$0.37	\$0.42	\$0.53
3	2003 Dodge Dakota 4x4	49	Stompe	3,816	\$1,562	\$1,809	\$247	97,220	\$0.41	\$0.41	\$0.33	\$0.38
4	2004 Chev C1500	53	STP	2,558	\$1,146	\$1,143	(\$3)	122,511	\$0.46	\$0.45	\$0.67	\$0.40
5	2004 Chev C1500 Xtra Cab	54	Pool	3,140	\$2,661	\$2,061	(\$600)	96,608	\$0.46	\$0.85	\$3.67	\$0.39
6	2005 Honda Civic Hybrid	56	Engineering	1,417	\$3,630	\$1,041	(\$2,589)	77,308	\$0.29	\$2.56	\$0.44	\$0.29
7	2005 Honda Civic Hybrid	57	Clark	5,337	\$766	\$1,917	\$1,151	73,834	\$0.23	\$0.14	\$0.20	\$0.58
8	2005 Ford Ranger	58	Pool	1,690	\$1,256	\$870	(\$386)	127,625	\$0.45	\$0.74	\$0.33	\$0.42
9	2005 Ford Ranger	59	Bynum	8,434	\$5,268	\$6,566	\$1,297	127,018	\$0.47	\$0.62	\$0.39	\$0.65
10	2006 Chev Colorado	501	Pool	1,333	\$347	\$434	\$87	136,935	\$0.37	\$0.26	\$0.40	\$0.42
11	2007 Chev K2500 4x4	502	Corda, Joe	6,287	\$5,831	\$6,140	\$310	94,658	\$0.57	\$0.93	\$0.67	\$0.50
12	2007 Chev Colorado	504	FSR	8,689	\$3,282	\$7,507	\$4,224	56,837	\$0.43	\$0.38	\$0.35	\$0.71
13	2008 Ford F250 4x4	505	Cilia	2,549	\$5,329	\$4,660	(\$669)	89,235	\$0.73	\$2.09	\$0.56	\$0.62
14	2008 Ford F250 4x4	506	STP	6,097	\$4,339	\$3,574	(\$765)	63,698	\$0.78	\$0.71	\$0.57	\$0.96
15	2008 Chev Colorado 4x4	509	Engineering	2,775	\$883	\$2,078	\$1,195	95,641	\$0.34	\$0.32	\$0.41	\$0.33
16	2009 Toyota Prius Hybrid	510	Engineering	5,840	\$1,037	\$2,458	\$1,421	100,575	\$0.20	\$0.18	\$0.40	\$0.35
17	2010 Ford F150 4x4	511	STP	7,537	\$6,385	\$3,977	(\$2,408)	69,120	\$0.52	\$0.85	\$0.54	\$0.41
18	2010 Ford F150	512	Kurfirst	6,402	\$3,239	\$8,689	\$5,450	92,346	\$0.49	\$0.51	\$0.74	\$0.36
19	2010 Ford F150	513	On-Call	10,210	\$4,330	\$4,180	(\$151)	63,503	\$0.44	\$0.42	\$0.69	\$0.41
20	2012 Ford F250	515	Reed	3,531	\$2,861	\$3,876	\$1,015	39,970	\$0.63	\$0.81	\$0.47	\$0.66
21	2012 Ford F250	516	Castellucci	8,863	\$4,463	\$7,176	\$2,712	45,093	\$0.53	\$0.50	\$2.44	\$0.48
22	2014 Ford F150	517	Grisso	1,836	\$437	\$1,978	\$1,541	8,010	\$0.40	\$0.24	\$0.66	\$0.33
23	2015 Ford F250 4x4	518	Kehoe, Chris	11,861	\$3,237	\$9,847	\$6,610	47,865	\$0.35	\$0.27	\$0.38	\$0.37
24	2015 Ford Escape 4X4	520	Arendell	11,753	\$2,086	\$6,237	\$4,151	26,993	\$0.25	\$0.18	\$0.31	\$0.16
25	2015 Ford F150 4X4	521	Lemos	7,524	\$1,410	\$2,930	\$1,520	19,952	\$0.30	\$0.19	\$0.36	\$1.95
26	2016 Nissan Frontier	522	Roberto	8,578	\$3,246	\$6,772	\$3,527	12,013	\$0.39	\$0.38	-	-
27	2017 Ford Escape 4X4	523	Lab	5,357	\$1,866	\$3,088	\$1,222	5,742	\$0.33	\$0.35	-	-
28	2016 Nissan Frontier	524	FSR	0	\$2,085	(\$30)	(\$2,115)	0	-	-	-	-
Total 3/4 Ton & Under				152,671	76,397	105,457	29,059	2,001,504	\$0.44	\$0.50	\$0.48	\$0.46
1	1999 Ford F350 W/Svc Body	19	Pool	1,565	\$2,956	\$1,623	(\$1,334)	133,317	\$0.79	\$1.89	\$2.42	\$1.05
2	2002 Int'l 5 Yd Dump	44	Construction	2,087	\$13,302	\$7,104	(\$6,198)	95,677	\$1.71	\$6.37	\$1.51	\$1.49
3	1999 Ford F550 3-Yd Dump ³	52	Construction	2,684	\$2,539	\$7,094	\$4,555	87,960	\$0.96	\$0.95	\$1.15	\$1.22
4	2006 Int'l 4300 Crew	503	Breit	2,123	\$9,882	\$11,717	\$1,835	36,993	\$2.68	\$4.65	\$2.19	\$2.69
5	2008 Ford F350 4x4	507	Latanyszyn	8,731	\$6,372	\$11,865	\$5,493	109,982	\$0.79	\$0.73	\$0.73	\$0.63
6	2009 Peterbilt 335 Crew	508	Lemos/Reed	2,825	\$12,494	\$12,447	(\$47)	28,442	\$2.17	\$4.42	\$1.35	\$1.98
7	2012 Int'l 5 Yd Dump	514	Rupp	3,862	\$5,314	\$9,855	\$4,541	27,883	\$1.46	\$1.38	\$1.15	\$1.24
8	2015 Int'l 5 Yd Dump	519	Sjoblom	4,247	\$4,323	\$9,806	\$5,483	19,921	\$0.96	\$1.02	\$0.78	\$1.14
Total 1 Ton & Over				28,124	\$57,183	\$71,509	\$14,327	540,175	\$1.22	\$2.03	\$1.14	\$1.24

¹ Expense amount shown excludes depreciation (approximately \$100,000 for FY17).

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

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

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

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Description		COST THRU JUNE 2016	MARCH 2017	FYTD TOTAL	FY 16/17 BUDGET	(OVER) UNDER	TOTAL COST	
NOVATO								
a. Residential								
1-7700-01	1-7700-26	1 Cash for Grass	\$378,476	\$2,053	\$30,134	\$75,000	\$44,867	\$408,610
1-7700-02	1-7700-27	2 Landscape Efficiency Rebates	22,667	0	726	7,000	6,275	23,392
1-7700-03		3 Fixtures Purchases	44,652	0	0	5,000	5,000	44,652
1-7700-06	1-7700-28	4 Washing Machine Rebates	343,746	348	3,906	20,000	16,094	347,652
1-7700-07		5 Demonstration Garden Improvements	54,416	0	0	1,000	1,000	54,416
1-7700-11	1-7700-29	6 Toilet Rebate SF	964,946	2,632	18,594	34,000	15,406	983,540
1-7700-12	1-7700-30	7 Toilet Rebate MF	18,173	0	0	4,000	4,000	18,173
1-7700-13		8 Residential Audits	328,236	525	44,827	50,000	5,173	373,063
1-7700-15		9 High Efficiency Toilet Distribution	242,177	0	0	0	0	242,177
1-7700-16		10 Water Waste Ordinance Monitoring	85,576	265	9,243	10,000	757	94,820
1-7700-17	1-7700-31	11 Swimming Pool Cover Rebate	2,997	0	172	2,000	1,828	3,169
1-7700-19	1-7700-32	12 ET Controller Rebate	30,385	0	2,152	8,000	5,848	32,537
1-7700-08		13 Administration	1,312,551	7,345	68,872	140,000	71,128	1,381,424
1-7700-20		14 New Development Wtr Cons Program	73,519	1,250	10,999	8,000	(2,999)	84,518
1-7700-21	1-7700-33	15 Demand Offset Rebate Program	2,797	0	0	2,000	2,000	2,797
1-7700-23		16 Grant Administration	2,314	0	417	1,000	583	2,731
1-7700-24	1-7700-34	17 Hot Water Recirculation Rebate	1,927	0	94	4,000	3,906	2,021
1-7700-25		18 Residential Fill Station	66,064	0	0	10,000	10,000	66,064
b. Commercial								
1-7701-02	1-7701-05	1 Toilet Rebate Program	66,961	0	0	10,000	10,000	66,961
1-7701-03	1-7701-04	2 Commercial Audits	15,890	210	976	9,000	8,024	16,866
c. Public Outreach/Information								
1-8672-16		1 Fall Newsletter	56,769	0	8,869	8,000	(869)	65,638
1-8672-17		2 Spring Newsletter	74,879	0	0	9,000	9,000	74,879
1-8672-18		3 Summer Newsletter	20,290	0	0	0	0	20,290
1-7700-04		4 Public Outreach / H ₂ O Fair	110,892	775	977	7,000	6,023	111,869
1-7700-05		5 Marketing	149,846	1,378	4,597	16,000	11,403	154,443
1-7700-22		6 Public Outreach/Leadership Novato	11,098	0	0	0	0	11,098
d. Large Landscape								
1-8653-02		1 Large Landscape Audits	89,427	0	654	5,000	4,346	90,081
1-7702-01		2 Large Landscape Budgets	36,181	204	2,189	1,000	(1,189)	38,370
1-7702-02	1-7702-04	3 Large Landscape Irrig Efficiency Rebates	14,460	0	222	4,000	3,778	14,682
1-8653-01		4 CIMIS Station Maintenance	18,653	0	0	2,000	2,000	18,653
1-7702-03		5 Administration-Large Landscape	40,984	5,252	25,571	8,000	(17,571)	66,554
TOTAL NOVATO WATER CONSERVATION			\$4,681,949	\$22,235	\$234,191	\$460,000	\$225,809	\$4,916,139
WEST MARIN WATER								
2-5166-00		a. Water Conservation Program	\$81,581	\$105	\$4,560	\$22,000	\$17,440	\$86,141
TOTAL WATER CONSERVATION EXPENDITURES ¹			\$81,581	\$105	\$4,560	\$22,000	\$17,440	\$86,141

¹FY17 total excludes \$209,713 (5,001.5 AF x \$41.93) paid to SCWA for water conservation services provided to NMWD.

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

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Description		COST THRU JUNE 2016	MARCH 2017	FYTD TOTAL	FY 16/17 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
1 PIPELINE REPLACEMENTS/ADDITIONS							
a. Main/Pipeline Replacements							
1-7161-00	1 Ridge Road 6" ACP (8" @ 1,400')	\$0	\$845	\$24,759	\$315,000	\$290,241	\$24,759
1-7168-00	2 Center Rd 6" CIP (8"@1,300')	0	1,710	17,284	0	(17,284)	17,284
b. Main/Pipeline Additions							
1-7150-00	1 San Mateo 24" Inlet/Outlet Pipe (2,200')	15,291	1,159	7,580	150,000	142,421	22,870
c. PB Service Line Replacements							
1-7139-20	1 Replace PB in Sync w/City Paving (30 Svcs)	0	348	12,336	70,000	57,664	12,336
1-7123-xx	2 Other PB Replacements (85 Services)	0	0	0	200,000	200,000	0
1-7169-00	3 Country Lane 2" Plastic	0	638	2,457	0	(2,457)	2,457
d. Relocations to Sync w/City & County CIP							
1-8737-xx	1 Other Relocations	0	0	0	80,000	80,000	0
TOTAL PIPELINE REPLACEMENTS/ADDITIONS		\$15,291	\$4,700	\$64,416	\$815,000	\$750,584	\$79,707
e. Aqueduct Replacements & Enhancements							
1-7118-02	1 MSN B2-Utility Agreement Costs*	\$61,355	\$0	\$12,433	\$0	(\$12,433)	\$73,789
2 SYSTEM IMPROVEMENTS							
1-7008-13	a. RTU Upgrades	\$0	\$1,405	\$14,508	\$15,000	\$492	\$14,508
1-7007-10	b. Detector Check Assembly Repair/Repl (~14/yr)	0	1,770	14,159	190,000	175,841	14,159
1-7090-03	c. Anode Installations (150/yr)	0	0	13,318	30,000	16,682	13,318
1-7132-03	d. Radio Telemetry	0	1,303	6,370	25,000	18,630	6,370
1-7146-00	e. Tank Access Hatch/Level Alarms (15 sites)	99,025	0	0	40,000	40,000	99,025
1-7157-00	f. Automate Zone Valve-Slowdown Ct	1,112	0	28	100,000	99,972	1,140
1-7158-00	g. Radio Read Meter Retrofit (Pilot Study/Install) ¹	88,565	143,559	654,991	3,000,000	2,345,009	743,556
1-7136-00	h. Facilities Security Enhancements	34,067	0	3,307	25,000	21,694	37,374
1-6504-20	i. 25 Giacomini Exterior Paint	0	0	0	8,000	8,000	0
1-7145-00	j. Zone A Pressure Improvements-BMK Intertie	319,547	291	62,648	0	(62,648)	382,195
TOTAL SYSTEM IMPROVEMENTS		\$542,318	\$148,328	\$769,328	\$3,433,000	\$2,663,672	\$1,311,646
3 BUILDINGS, YARD, & S.T.P. IMPROVEMENTS							
a. Administration Building							
1-6501-43	1 Electronic Document Management System	\$0	\$0	\$0	\$150,000	\$150,000	\$0
1-6501-44	2 Office/Yard Building Refurbish ²	0	9,100	16,698	3,000,000	2,983,302	16,698
1-6501-46	3 Office Emergency Generator	0	0	0	150,000	150,000	0
b. Corp Yard/Warehouse/Construction Office							
1-8738-01	1 SMART Crossing Upgrade (Golden Gate Pl)	0	0	46,704	58,000	11,296	46,704
c. Stafford Treatment Plant							
1-6600-69	1 Stafford Dam Concrete Spillway Repair	132,897	0	4,489	70,000	65,511	137,386
1-6600-82	2 STP Emergency Power Generator	0	459	459	150,000	149,541	459
1-6600-83	3 Lake Backfeed De-Chlorination System	0	0	0	50,000	50,000	0
1-6600-84	4 Dam Monitoring Well Repairs	0	0	22,248	0	(22,248)	22,248
1-6600-85	5 Rebuild Centrisys Centrifuge @ STP	0	953	4,466	0	(4,466)	4,466
TOTAL BUILDING, YARD, & STP IMPROVEMENTS		\$132,897	\$10,512	\$95,064	\$3,628,000	\$3,532,936	\$227,961
4 STORAGE TANKS & PUMP STATIONS							
1-6221-21	a. San Mateo Tank Recoat (5 MG)	\$0	\$3,093	\$21,746	\$120,000	\$98,254	\$21,746
1-6112-24	b. Lynwood Pump Station Motor Control Center	103,902	0	3,050	165,000	161,950	106,951
1-6117-27	c. San Marin Pump Station Can Rehab	0	0	0	30,000	30,000	0
1-6112-25	d. Lynwood Pump Station Can Rehab	0	0	0	30,000	30,000	0
1-6141-00	e. Crest P.S.(Design/Const)/Reloc School Rd P.S.	28,039	712	13,355	120,000	106,645	41,394
TOTAL STORAGE TANKS & PUMP STATIONS		\$131,941	\$3,805	\$38,151	\$465,000	\$426,849	\$170,092

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

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Description	COST THRU JUNE 2016	MARCH 2017	FYTD TOTAL	FY 16/17 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
5 RECYCLED WATER						
5-7127-00 a. NBWRA Grant Program Administration	\$1,074,240	\$0	\$5,618	\$80,000	\$74,382	\$1,079,858
5-6058-10 b. Expansion to Central Area ³	937,185	7,593	177,144	7,500,000	7,322,856	1,114,329
5-6058-15 c. RW Central Right of Way Costs ³	59,768	486	26,744	0	(26,744)	86,512
5-6058-20 d. RW Central Private Onsite Retrofit ³	6,961	2,758	95,961	0	(95,961)	102,922
5-6058-25 e. RW Central Public Onsite Retrofit ³	25,486	0	3,553	0	(3,553)	29,039
5-6058-30 f. RW Exp-Central-East Side Const ³	12	84,449	327,045	0	(327,045)	327,057
5-6058-35 g. RW-Central East-Rowland Way ³	0	39,075	39,495	0	(39,495)	39,495
5-6058-40 h. RW Exp-Central-West Side Const ³	420	585,090	2,747,019	0	(2,747,019)	2,747,438
5-6058-50 i. RW Central-Norman Tank Rehab/Const ³	0	524	11,124	0	(11,124)	11,124
5-6058-60 j. RW Central-Highway101 Crossing	0	1,480	1,480	0	(1,480)	1,480
5-7155-00 k. Deer Island Wet Well Drain	329	608	8,496	0	(8,496)	8,825
5-7162-01 l. PG&E Power to Reservoir Hill Tank	0	6,288	26,730	20,000	(6,730)	26,730
m. Other Recycled Water Expenditures	0	0	0	80,000	80,000	0
TOTAL RECYCLED WATER	\$2,104,400	\$728,352	\$3,470,409	\$7,680,000	\$4,209,591	\$5,574,809
6 WEST MARIN WATER SYSTEM						
2-6263-20 a. Replace PRE Tank #4A (25K Gal w/82K Gal)	\$39,181	\$144	\$15,424	\$450,000	\$434,576	\$54,604
2-7160-00 b. Green Sand Filter Media Replace	0	0	0	75,000	75,000	0
2-6609-20 c. New Gallagher Well #2	0	0	0	100,000	100,000	0
TOTAL WEST MARIN WATER SYSTEM	\$39,181	\$144	\$15,424	\$625,000	\$609,576	\$54,604
7 OCEANA MARIN SEWER SYSTEM						
8-8672-28 a. Infiltration Repair	\$0	\$0	\$34,475	\$40,000	\$5,525	\$34,475
8-7163-00 b. Design/Install 8th Disposal Trench (300')	0	0	14,144	50,000	35,856	14,144
8-7085-02 c. Tahiti Way Lift Pumps Rebuild (2)	0	0	33,114	20,000	(13,114)	33,114
8-7164-00 d. Tahiti Way Power Relocation	0	0	0	20,000	20,000	0
8-7165-00 e. North St Lift Station Communication Upgrade	0	0	12	30,000	29,988	12
8-7166-00 f. ACP Sewer Reline	0	0	625	50,000	49,375	625
8-7167-00 g. Dosing Siphon Repairs	2,877	17	56,472	0	(56,472)	59,349
TOTAL OCEANA MARIN SEWER SYSTEM	\$2,877	\$17	\$138,840	\$210,000	\$71,160	\$141,717
TOTAL PROJECT EXPENDITURES	\$3,030,260	\$895,857	\$4,604,066	\$16,856,000	\$12,251,935	\$7,634,325
8 LESS FUNDED BY GRANTS, LOANS & REIMBURSEMENTS						
(Accrued)/Deferred						
a. RW Expansion - Central Service Area SRF Loan ³	(\$500,814)	(\$353,151.15)	(\$1,699,029.79)	\$0	\$1,699,030	(\$2,199,843)
b. RW Expansion - Central Service Area Grant ³	(462,289)	(325,986)	(1,328,513)	0	1,328,513	(1,790,802)
c. MSN Aqueduct Caltrans Reimb-Segment B2 ⁴	(60,853)	0	(10,302)	0	10,302	(71,155)
d. Radio Read Meter Retrofit (Pilot Study/Install) ¹	0	(143,559)	(654,991)	0	654,991	(654,991)
e. Office/Yard Building Refurbish ²	0	(9,100)	(16,698)	0	16,698	(16,698)
FUNDING BY OTHERS (ACCRUED)/DEFERRED	(\$1,023,956)	(\$831,796)	(\$3,709,533)	\$0	\$3,709,533	(\$4,733,488)
Received						
a. RW Expansion - Central Service Area SRF Loan ³	\$0	\$0	\$0	(\$3,633,240)	(\$3,633,240)	\$0
b. RW Expansion - Central Service Area Grant ³	0	0	(239,822)	(3,353,760)	(3,113,938)	(239,822)
c. MSN Aqueduct Caltrans Reimb-Segment B2 ⁴	(57,843)	0	(2,131)	0	2,131	(59,974)
d. Radio Read Meter Retrofit (Pilot Study/Install) ¹	0	0	0	(3,000,000)	(3,000,000)	0
e. Office/Yard Building Refurbish ²	0	0	0	(3,000,000)	(3,000,000)	0
FUNDING BY OTHERS RECEIVED	(\$57,843)	\$0	(\$241,954)	(\$12,987,000)	(\$12,745,046)	(\$299,797)
NET PROJECT EXPENDITURES	\$1,948,461	\$64,061	\$652,579	\$3,869,000	\$3,216,422	\$2,601,041

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

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Description	COST THRU JUNE 2016	MARCH 2017	FYTD TOTAL	FY 16/17 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
CIP SUMMARY-GROSS EXPENDITURES:						
		Current Month	FYTD Total	FY 16/17 Budget	FYTD/ Budget%	
Novato Water Capital Projects		\$167,344	\$979,392	\$8,341,000	12%	
Novato Recycled Water Capital Projects		728,352	3,470,409	7,680,000	45%	
West Marin Water Capital Projects		144	15,424	625,000	2%	
Oceana Marin Sewer Capital Projects		17	138,840	210,000	66%	
Gross Capital Improvement Project Outlays		\$895,857	\$4,604,065	\$16,856,000	27%	
CIP SUMMARY-NET EXPENDITURES:						
		Current Month	FYTD Total	FY 16/17 Budget	FYTD/ Budget%	
Novato Water Capital Projects		\$23,785	\$311,968	\$2,341,000	13%	
Novato Recycled Water Capital Projects		49,215	203,045	693,000	29%	
West Marin Water Capital Projects		144	15,424	625,000	2%	
Oceana Marin Sewer Capital Projects		17	138,840	210,000	66%	
Net Capital Improvement Project Outlays		\$73,161	\$669,277	\$3,869,000	17%	

Notes to Capital Improvement Projects Schedule:

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

CONSULTING SERVICES/STUDIES

1-4055-00	a. Stafford Lake Sanitary Survey	\$118	\$0	\$11,950	\$40,000	\$28,050	\$12,068
1-4056-00	b. Novato Creek Steelhead Recovery	5,829	10,536	11,356	100,000	88,644	17,185
1-4057-00	c. Local Water Supply Enhancement Study	0	0	0	100,000	100,000	0
1-7039-02	d. Novato Water Master Plan Update	0	0	143	85,000	84,857	143
1-4058-00	e. Cost of Service Study Peer Review	0	0	0	30,000	30,000	0
1-4059-00	f. Stafford Lake Water Rights Update	0	0	0	50,000	50,000	0
1-4060-00	g. STP Efficiency Improvements	0	0	0	150,000	150,000	0
2-4061-00	h. Digitize West Marin Water Facility Maps	0	0	2,700	35,000	32,300	2,700
5-4045-00	i. RW Engineering Report Update	24,804	0	6,786	0	(6,786)	31,589
		\$30,751	\$10,536	\$32,934	\$590,000	\$557,066	\$63,685

North Marin Water District Financial Statement Notes

Note 1 - Restricted Cash

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

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

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

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

Bank of Marin Project Fund: The District received an \$8 million loan from the Bank of Marin in October 2011 to fund the Aqueduct Energy Efficiency Project. The 20-year, 3.54% annual percentage rate loan requires monthly payments of \$46,067 and will be fully amortized on 10/27/2031. In June 2012 the Board authorized reallocating \$1 million of this loan to West Marin Water to repay Novato Water \$223,000 owed for previous loans to fund Long Range Improvement Projects and the remainder to fund the Solids Handling Facility at the Point Reyes Water Treatment Plant. The unexpended fund balance accrues interest monthly.

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

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

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

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

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

Note 2 - Designated Cash

Liability Contingency Fund: Established in 1986 when the District first elected to self-insure its general liability risk. This reserve was funded with \$1 million initially and \$200,000 annually thereafter until it reached a balance of \$2 million. In FY98 the West Marin Water System was included in the fund and built-up a proportional reserve of \$74,000 over several years. Commencing FY93, \$1 million of the reserve was made available to fund loans to eligible employees under the District's Employer Assisted Housing Program. In August 2008, \$500,000 was transferred into this reserve from the Self-Insured Workers' Compensation Fund and made available to fund Employer Assisted Housing Program loans. Currently there are \$1,234,200 in Employer Assisted Housing Loans outstanding (see Note 3). In March 2005, \$652,400 was expended from the fund to purchase a home at 25 Giacomini Road in Point Reyes Station. The home is currently rented. In 2006, \$8,885 was added from the sale of surplus property in West Marin. The fund balance does not accrue interest.

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

Retiree Medical Benefits Fund: NMWD pays the cost of health insurance for retirees between the ages of 55 and 65 and spouse under any group plan offered by CalPERS. The retiree must be at least 55 and have a minimum of 12 years of NMWD service at the date of retirement. NMWD's contribution toward the chosen plan is capped in the same manner as all other NMWD employees in the same class. Coverage terminates for the spouse when the spouse becomes eligible for Medicare, or for both the retiree and spouse when the retiree becomes eligible for Medicare. When the retiree or spouse becomes eligible for Medicare, NMWD pays up to the couple annuitant rate, which is capped at \$3,830 per year (\$319/month). In August 2003, NMWD transferred \$2.55 million (\$2.3 million for current retirees plus \$250,000 for future retirees) from unrestricted cash into a reserve to fund this obligation. In 2010 the Board directed staff to add \$1,500 per employee annually as a payroll overhead to accrue and accelerate amortization of this liability. The accrual is maintained as a Long-Term Liability entitled Retiree Health Benefits Payable. The Retiree Health Benefits Payable plus the Retiree Medical Benefits Reserve Fund currently has a balance of \$3.7M. In 2015 an Actuarial Analysis calculated NMWD's total actuarial liability at \$5.6 million. The Retiree Medical Benefits cash fund earns interest monthly. Accounting Standards require that the \$5.6M reserve be fully funded in 20 years.

Drought Contingency (Rate Stabilization) Fund: In August 2008, the Board directed staff to establish this reserve with \$135,000 from the Self-Insured Workers' Compensation Fund for the Novato district to draw upon during dry years. A threshold of 3.2 billion gallons of potable consumption was established as a benchmark for 'normal' years. During any fiscal year that water sales volume exceeds 3.2BG, the incremental revenue generated is deposited into the Drought Contingency Reserve. In those years when sales volume falls below the benchmark, funds are withdrawn from the reserve to maintain the budgeted revenue forecast. The goal is to build a reserve equal to 20% (currently \$2,500,000) of budgeted annual water commodity sales. In FY09 \$50,335 was added to the reserve. The fund was fully depleted in FY10. The fund balance accrues interest monthly.

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

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

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

Note 3 – Employee Loans

Housing Loans: The District's Employer Assisted Housing Program allows up to \$300,000 to be loaned to an employee for a period of up to 15 years for the purchase of a home within the District service territory that will enable the employee to respond rapidly to emergencies affecting the operation of the District. Repayment is due upon sale, termination of employment, or other event as described in the Program. Interest on the loan is contingent upon and directly proportional to the appreciation in value occurring on the purchased property. There are five employee-housing loans currently outstanding totaling \$934,200: a \$250,000 loan dated August 2004, a \$39,200 loan dated September 2004, a \$150,000 loan dated November 2007, a \$245,000 loan dated June 2010, and a \$250,000 loan dated March 2015.

Note 4 – Other Long Term Receivables

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

Note 5 – Depreciation

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

<u>Facility</u>	<u>Life (Years)</u>
Aqueduct.....	150
Dam.....	100
Buildings & Structures.....	40
Mains.....	50
Pumping Equipment.....	25
Water Treatment Equipment.....	20
Storage & Transmission (16"+) Facilities.....	50
Distribution Facilities (includes Pump Stations).....	50
Office, Laboratory, Construction & Shop Tools & Equipment.....	10
Vehicles 1 ton or greater.....	10
All other vehicles.....	5
Sewer Mains.....	40
Sewer Pumps.....	10

Note 6 - Capitalization Policy

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

Note 7 – Bond & Loan

Servicing Schedule for Fiscal Year 2016-2017

Service Area	Description	Issue Date	Rate	Original Amount	Payment Due	Final Pmt	FY17		6/30/17 Outstanding Balance
							Interest Expense	Principal Paid	
1 Novato	EDA Loan	1977	5.0%	\$351,770	7/1	7/1/17	\$872	\$16,705	\$17,679
2 Novato	SRF Loan - STP	2004	2.39%	\$16,528,850	7/1 & 1/1	7/1/29	\$272,950	\$771,524	\$10,840,721
3 Novato	Bank Loan Marin	2011	3.54%	\$7,000,000	27 th /mo	10/27/31	\$191,830	\$290,212	\$5,412,750
Novato Total							\$465,652	\$1,078,441	\$16,271,150
4 RW TP	SRF Loan	2006	2.4%	\$4,302,560	6/19	6/19/27	\$62,773	\$210,594	\$2,404,935
5 RW North	SRF Loans (4)	2013	2.6%	\$4,375,605	Varies	Varies	\$96,894	\$184,998	\$3,541,694
6 RW South	SRF Loans (3)	2013	2.2%	\$5,359,858	Varies	Varies	\$104,280	\$228,127	\$4,509,772
Recycled Water Total							\$263,947	\$623,719	\$10,456,401
7 Point Reyes	EDA Loan	1977	5.0%	\$46,000	7/1	7/1/17	\$96	\$2,481	\$1,964
8 PRE	PRE-1 Revenue	1980	5.0%	\$240,000	10/1 & 4/1	4/1/20	\$2,500	\$12,000	\$38,000
9 Point Reyes	PR-6 Revenue	1981	5.0%	\$217,800	7/1 & 1/1	7/1/21	\$3,050	\$10,000	\$46,000
10 WM Water	Bank Loan Marin	2012	3.54%	\$1,000,000	27 th /mo	10/27/31	\$28,159	\$42,600	\$800,897
West Marin Water Total							\$33,805	\$67,081	\$886,861
FY16 Total							\$763,404	\$1,769,241	\$27,614,412

1. In 1977 the Federal Economic Development Administration issued a 40-year 5% loan of \$351,770 to assist in the funding emergency Novato Water system projects in response to the drought.
2. In April 2004 the California State Department of Water Resources approved a 2.39% 20-year loan for reconstruction of the Stafford Water Treatment Plant. The project was completed in FY09 with repair of the Outlet Tower Sluice Gate. Interest paid during construction totaled \$1,636,378. The loan covenants require an annual reserve fund contribution of \$104,447 (10% of the annual debt service obligation) be deposited into the Marin County Treasury during each of the first ten years of the repayment period. Debt service is funded 25% by Facility Reserve Charges. The first payment was made in December 2009.
3. In October 2011 Bank of Marin made a 20-year 3.54% (APR) loan of \$8 million to fund the District's share of the Aqueduct Energy Efficiency Project. See Note 15, and note to loan 11 below.
4. In August 2006 the California State Department of Water Resources approved a 2.4% 20-year loan of \$4,264,545 for construction of the Deer Island Recycled Water Facility. With the addition of \$38,015

in Construction Period Interest, the loan principal totaled \$4,302,560. The project was completed in June 2007, and the first payment was made June 19, 2008.

5. In July 2011 the California State Department of Water Resources approved a series of four 2.6% 20-year loans which totaled \$4,375,605 for the Recycled Water North Service Area Expansion Project. The projects were completed on October 31, 2012, and the first payment was made in November of 2012.
6. In March 2012 the California State Department of Water Resources approved a series of three 2.2% 20-year loans totaling \$5,361,952 for the Recycled Water South Service Area Expansion Project. The projects were completed on September 4, 2013, and the first payment was made in December of 2013.
7. In 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 x 52 = \$23,400).

Note 9 – Payroll Benefits

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

Note 10 - Interest Policy on Inter-District Loans

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

No interest shall be paid by an improvement district on funds borrowed from that improvement district's Board Designated Fund reserves. Interest on loans from the Novato Improvement District shall be paid by the recipient district to the Novato district based upon the outstanding loan balance at the close of the previous accounting period. Interest shall be calculated at the higher of: 1. The weighted average interest rate of Novato improvement district debt (2.78% at 6/30/16); 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

Novato water usage adjustment (\$247,077) for FY16 due to inaccurate meter reads by Sonoma County Water Agency. Recycled Water Operating and Electric Power Expense for FY12-16 (\$39,671.65) was billed by Novato Sanitary District in FY17.

Note 13 – Explanation of Financial Statement Components

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

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

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

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

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

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

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

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

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

	Expansion Local Share			SRF RWF Expansion			CIP	Total	Transfer Executed
	North	South	Central	NBWRA	Loan	SRF Loan			
FY07				\$29,725				\$29,725	
FY08				\$50,478	\$22,795			\$73,273	
FY09				\$150,455	\$22,795			\$173,250	
FY10	\$133,659			\$75,198	\$22,795			\$231,652	\$133,659
FY11				\$133,319	\$22,795			\$156,114	
FY12	\$233,478	\$265,500		\$115,883	\$22,795			\$637,656	
FY13				\$315,023	\$22,795	\$464,572		\$802,390	\$1,970,400
FY14	\$236,291	\$723,525	\$4,024	\$63,035	\$22,795	\$500,529		\$1,550,200	\$1,550,200
FY15		\$17,563	(\$4,024)	\$38,283	\$22,795	\$614,299		\$688,916	\$688,916
FY16	\$0	\$0	\$66,729	\$102,842	\$22,795	\$614,299		\$806,664	\$806,664
FY17			\$104,967	\$5,618		\$518,146	\$35,555	\$664,285	\$664,285
	\$603,428	\$1,006,589	\$171,696	\$1,079,859	\$205,154	\$2,711,845	\$35,555	\$5,814,125	\$5,814,125

Note 15 –Debt Service Coverage Ratio

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

	FY13	FY14	FY15	FY16	FY17 Budgeted
Net Income/(Loss)	\$2,036,943	\$3,815,820	\$1,050,523	\$378,468	\$579,000
Depreciation	\$2,784,648	\$3,128,302	\$3,183,725	\$3,286,353	\$3,517,000
Interest Expense	\$778,762	\$830,830	\$847,951	\$807,035	\$779,000
Connection Fees	\$876,350	\$152,800	\$801,600	\$278,690	\$832,000
Total Available For Debt Service	\$6,476,703	\$7,927,751	\$5,883,799	\$4,750,546	\$5,707,000
Annual Debt Service	\$2,118,314	\$2,448,968	\$2,534,473	\$2,528,938	\$2,531,000
Debt Service Coverage Ratio	3.06	3.24	2.32	1.88	2.25

Bank of Marin Debt Service Coverage Calculation ¹	FY13	FY14	FY15	FY16	FY17 Budgeted
Change in Net Assets ²	\$5,035,889	\$1,999,996	\$5,051,394	\$4,517,516	\$4,138,000
Interest Expense	\$778,762	\$830,830	\$847,951	\$807,035	\$779,000
Depreciation & Amortization	\$2,784,670	\$3,128,302	\$3,183,725	\$3,286,353	\$3,517,000
Total Available for Debt Service	\$11,598,266	\$5,959,128	\$10,269,919	\$8,610,903	\$8,434,000
Bank of Marin Annual Debt Service	\$552,800	\$552,800	\$552,800	\$552,800	\$552,800
Bank of Marin Coverage Ratio	20.98	10.78	18.58	15.58	15.26

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

² See page 9

Note 15 – Deferred Inflow and Deferred Outflow of Resources

Deferred Inflow of Resources is the net difference between projected and actual earnings on pension plan investments, which for FY15 was \$806,744 and is recognized in FY16. *Deferred Outflow of Resources* is the fiscal year 2016 pension contribution (\$828,792) adjusted by the change in employer's proportion of differences between the employer's contributions and the employer's proportionate share of contributions from the CalPERS Actuarial Report (\$525,463) for a total of \$1,354,255 at June 30, 2016

	Deferred Outflow	Deferred Inflow
FY16 Pension Contributions	\$828,792	
Differences between actual & expected experience	\$42,882	
Changes in actuarial assumptions		(\$405,704)
Net difference between projected & actual earnings on investments		(\$203,384)
Differences between actual contribution & proportionate share of contribution		(\$197,656)
Adjustment due to differences in proportions of net pension liability	\$482,581	
Total at June 30, 2016	\$1,354,255	(\$806,744)

Note 16 – Net Pension Liability

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

Net Pension Liability 6/30/2015	\$6,701,264
Reclassify FY15 Contributions to FY16	(\$669,066)
Difference between Expected & Actual Experience	\$58,197
Change in Proportion	\$578,040
Changes in Deferred Outflows & Inflows	\$978,843
Change in Actuarial Assumptions	(\$550,598)
Change in Actual Contribution & Proportionate Share of Contribution	(\$268,248)
Difference between Projected & Actual Earnings on Investments	\$1,791,405
Net Pension Liability 6/30/2016	\$8,619,837

Net Pension Liability (NPL) = Total Pension Liability (TPL) – fiduciary net position (market value of assets)

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

Unfunded Accrued Liability (UAL) is the Actuarial Valuation which relates to funding and is a calculation of Entry Age Normal Accrued Liability and Plan's Market Value of Assets. This District's UAL at June 30, 2015 (latest available) is \$9,371,201.

6

NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR *March 2017*
 March 18, 2017

1.

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

Month	FY16/17	FY15/16	FY14/15	FY13/14	FY12/13	17 vs 16 %
July	345	227	319	385	389	52%
August	330	235	301	360	396	40%
September	315	210	276	332	346	50%
October	222	299	221	313	283	-26%
November	156	145	173	229	166	7%
December	169	145	129	182	146	16%
January	139	130	137	168	151	7%
February	136	111	121	119	148	22%
March	167	149	195	154	211	12%
FYTD Total	1,979	1,652	1,872	2,241	2,237	20%

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

Month	FY16/17	FY15/16	FY14/15	FY13/14	FY12/13	17 vs 16 %
July	7.9	6.6	8.6	9.3	9.8	20%
August	7.4	7.0	8.5	9.3	9.7	6%
September	6.4	6.4	7.8	8.5	8.3	-1%
October	5.2	6.5	5.4	8.0	7.4	-21%
November	4.2	4.7	4.6	6.8	5.2	-11%
December	3.7	3.9	4.7	6.4	4.5	-5%
January	3.6	3.7	4.4	5.9	5.0	-5%
February	3.3	3.8	3.9	4.4	4.4	-12%
March	4.4	4.2	5.2	5.0	5.4	4%
FYTD Total	46.1	46.8	53.1	63.5	59.7	-2%

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

Month	FY16/17	FY15/16	FY14/15	FY13/14	FY12/13	17 vs 16 %
July	70	108	83	98	49	-35%
August	90	79	61	83	83	14%
September	97	38	26	56	72	153%
October	94	50	0	82	88	90%
November	64	58	8	5	64	10%
December	0	0	0	2	0	-
January	0	0	0	0	21	-
February	0	0	24	0	57	-
March	39	0	95	0	61	-
FYTD Total	454	333	297	326	493	36%

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

Month	FY16/17	FY15/16	FY14/15	FY13/14	FY12/13	16 vs 15 %
July	27.1	21.3	21.8	27.6	11.2	27%
August	26.0	26.2	26.0	26.2	10.5	-1%
September	23.5	15.7	19.2	18.6	8.5	50%
October	8.3	15.8	9.4	15.8	0.0	-47%
November	1.2	3.2	3.7	6.4	0.0	-62%
December	0.4	0.8	1.6	1.6	0.0	-54%
January	0.3	0.2	0.8	1.2	0.0	77%
February	0.0	0.6	0.8	1.8	0.0	-
March	0.5	0.3	9.5	1.2	1.4	91%
FYTD Total*	87.4	84.1	92.7	100.4	31.5	4%

*Excludes potable water input to the RW system: FYTD17=1.4MG; FYTD16=7.4MG; FYTD15=6.9MG; FYTD14=9.6MG.

2. Stafford Lake Data

	March Average	March 2016	March 2017
Rainfall this month	3.49 Inches	5.74 Inches	3.25 Inches
Rainfall this FY to date	24.41 Inches	21.06 Inches	39.00 Inches
Lake elevation*	193.5 Feet	196.3 Feet	196.3 Feet
Lake storage**	1,213 MG	1,420 MG	1,420 MG

* Spillway elevation is 196.0 feet

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

Temperature (in degrees)

	Minimum	Maximum	Average
March 2016 (Novato)	45	81	57
March 2017 (Novato)	39	85	61

3. Number of Services

March 31	Novato Water			Recycled Water			West Marin Water			Oceana Marin Swr		
	FY17	FY16	Incr %	FY17	FY16	Incr %	FY17	FY16	Incr %	FY17	FY16	Incr %
Total meters installed	20,778	20,763	0.1%	49	48	2.1%	787	785	0.3%	-	-	-
Total meters active	20,541	20,526	0.1%	45	44	2.3%	781	778	0.4%	-	-	-
Active dwelling units	23,996	23,973	0.1%	0	0	-	830	825	0.6%	231	230	0.4%

4. Oceana Marin Monthly Status Report (March)

Description	March 2016	March 2017
Effluent Flow Volume (MG)	0.979	0.499
Irrigation Field Discharge (MG)	0.432	1.426
Treatment Pond Freeboard (ft)	5.5	4.6
Storage Pond Freeboard (ft)	5.9	4.4

5. Developer Projects Status Report (March)

Job No.	Project	% Complete	% This month
1.203.00	Novato Children's Center	25	25
1.2800	Novato Theater	80	80

Employee Hours to Date, FY 16/17 (AVAILABLE NEXT MONTH)

As of Pay Period Ending March 31, 2017

Percent of Fiscal Year Passed = 75%

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction				Construction			
Engineering				Engineering			

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 17 through March	65	\$32,864	2	2	4	\$2,702
FY 16 through March	4	\$2,304	1	1	3	\$49,306

Days without a lost time accident through March 31, 2017 = 239 days

7. Energy Cost

FYE	March			Fiscal Year-to-Date thru March		
	Kwh	¢/Kwh	Cost/Day	Kwh	¢/Kwh	Cost/Day
2017 Stafford TP	58,262	19.2¢	\$361	463,632	19.0¢	\$322
Pumping	55,785	20.7¢	\$399	887,213	20.4¢	\$660
Other*	39,899	21.3¢	\$304	374,694	23.7¢	\$325
	153,946	20.3¢	\$1,042	1,725,539	20.7¢	\$1,306
2016 Stafford TP	46,043	18.7¢	\$277	429,638	18.5¢	\$288
Pumping	53,523	20.1¢	\$371	824,690	17.9¢	\$541
Other*	36,118	20.9¢	\$252	347,068	22.5¢	\$287
	135,684	19.8¢	\$897	1,601,397	19.0¢	\$1,113
2015 Stafford TP	62,954	18.1¢	\$368	482,768	17.9¢	\$315
Pumping	77,739	15.7¢	\$421	966,366	16.4¢	\$580
Other*	36,317	18.1¢	\$227	355,091	20.8¢	\$270
	177,010	17.1¢	\$1,006	1,804,226	17.7¢	\$1,160

*Other includes West Marin Facilities

8. Water Conservation Update

	Month of March 2017	Fiscal Year to Date	Program Total to Date
High Efficiency Toilet (HET) Rebates	23	165	3,702
Retrofit Certificates Filed	36	205	5,758
Cash for Grass Rebates Paid Out	1	49	875
Washing Machine Rebates	2	50	6,752
Water Smart Home Survey	21	312	2,832

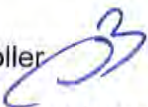
9. Utility Performance Metric

SERVICE DISRUPTIONS (No. of Customers Impacted)	March 2017	March 2016	Fiscal Year to Date 2017	Fiscal Year to Date 2016
PLANNED				
Duration Between 0.5 and 4 hours	77	49	182	164
Duration Between 4 and 12 hours			3	6
Duration Greater than 12 hours				1
UNPLANNED				
Duration Between 0.5 and 4 hours	8	3	65	76
Duration Between 4 and 12 hours		32	16	139
Duration Greater than 12 hours			2	1
SERVICE LINES REPLACED				
Polybutylene	6	10	73	103
Copper (Replaced or Repaired)	1		15	15

MEMORANDUM

To: Board of Directors

April 14, 2017

From: David L. Bentley, Auditor-Controller 

Subj: Auditor-Controller's Monthly Report of Investments for March 2017

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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 \$11,658,114 and a market value of \$11,642,120. During March the cash balance decreased by \$929,180 due primarily to payment of \$838,107 for the RW Central Project. The market value of securities held decreased \$15,994 during the month. The ratio of total cash to budgeted annual operating expense stood at 78%, down 5% from the prior month.

At March 31, 2017, 21% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 32% in Time Certificate of Deposit, 17% in Federal Agency Securities, 17% in US Treasury Notes, 5% in Corporate Medium Term Notes, and 7% in the Marin County Treasury. The weighted average maturity of the portfolio was 296 days, compared to 295 days at the end of February. The LAIF interest rate for the month was 0.82%, compared to 0.78% the previous month. The weighted average Portfolio rate was 0.95%, compared to 0.91% the previous month. Including interest paid by The Bay Club on the StoneTree Golf Recycled Water Facilities Loan, the District earned \$16,315 in interest revenue during March, with 69% earned by Novato Water, 20% earned by Recycled Water (by virtue of the StoneTree Golf Loan) and the balance distributed to the two West Marin districts.

NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
March 31, 2017

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis ¹	3/31/2017 Market Value	Yield ²	% of Portfolio
LAIF	State of CA Treasury	AA-	Various	Open	\$2,435,559	\$2,434,156	0.82% ³	21%
Time Certificate of Deposit								
TCD	First Niagara Bank	n/a	4/30/15	5/1/17	\$249,000	\$249,000	0.75%	2%
TCD	Discover Bank	n/a	5/6/15	5/8/17	248,000	248,000	0.85%	2%
TCD	Capital One Bank	n/a	6/10/15	6/12/17	248,000	248,000	0.90%	2%
TCD	American Express Bank	n/a	7/8/15	7/10/17	248,000	248,000	1.15%	2%
TCD	Capital One National Assoc	n/a	8/5/15	8/7/17	248,000	248,000	1.20%	2%
TCD	American Express Centurion	n/a	10/7/15	10/10/17	248,000	248,000	1.20%	2%
TCD	BMW Bank	n/a	12/14/15	12/11/17	248,000	248,000	1.20%	2%
TCD	Wells Fargo Bank	n/a	3/23/16	3/23/18	248,000	248,000	1.10%	2%
TCD	Mercantil Commerce Bank	n/a	6/17/16	6/15/18	248,000	248,000	1.00%	2%
TCD	Customers Bank	n/a	6/24/16	6/25/18	248,000	248,000	1.20%	2%
TCD	Merrick Bank	n/a	7/19/16	7/19/18	249,000	249,000	1.00%	2%
TCD	BMO Harris Bank	n/a	8/18/16	8/17/18	248,000	248,000	1.05%	2%
TCD	Ally Bank	n/a	10/4/16	9/28/18	248,000	248,000	1.15%	2%
TCD	Everbank	n/a	11/17/16	11/15/18	248,000	248,000	1.20%	2%
TCD	Investors Bank	n/a	12/16/16	12/17/18	248,000	248,000	1.35%	2%
					\$3,722,000	\$3,722,000	1.09%	32%
US Treasury Notes								
Treas	1,000 - 1.375%	n/a	11/17/16	12/31/18	\$1,005,685	\$1,002,148	1.05%	9%
Treas	1,000 - 1.50%	n/a	1/10/17	2/28/19	1,005,079	1,004,219	1.23%	9%
					\$2,010,763	\$2,006,367	1.14%	17%
Federal Agency Securities								
FICO	0.86% MTN	n/a	4/22/16	5/11/18	\$1,007,374	\$1,002,331	0.85%	9%
FNMA	0.875% MTN	n/a	7/19/16	7/19/18	999,146	994,200	0.97%	9%
					\$2,006,520	\$1,996,531	0.91%	17%
Corporate Medium Term Notes								
MTN	General Electric Capital	AA+	3/18/16	5/15/17	\$640,195	\$639,989	0.76%	5%
					\$640,195	\$639,989	0.75%	5%
Other								
Agency	Marin Co Treasury	AAA	Various	Open	\$790,626	\$790,627	0.44%	7%
Other	Various	n/a	Various	Open	52,450	52,450	0.50%	0%
TOTAL IN PORTFOLIO					\$11,658,114	\$11,642,120	0.95%	100%

Weighted Average Maturity = **296 Days**

LAIF: State of California Local Agency Investment Fund.

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

FHLB: Federal Home Loan Bank, FICO: Financing Corporation, FNMA: Federal National Mortgage Association

Agency: STP State Revolving Fund Loan Reserve.

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

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, 2017.

		Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
Interest Bearing Loans						
StoneTree Golf Loan		6/30/06	2/28/24	\$3,612,640	\$1,589,835	2.40%
Employee Housing Loans (5)		Various	Various	934,200	934,200	Contingent
TOTAL INTEREST BEARING LOANS				\$4,546,840	\$2,524,035	

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

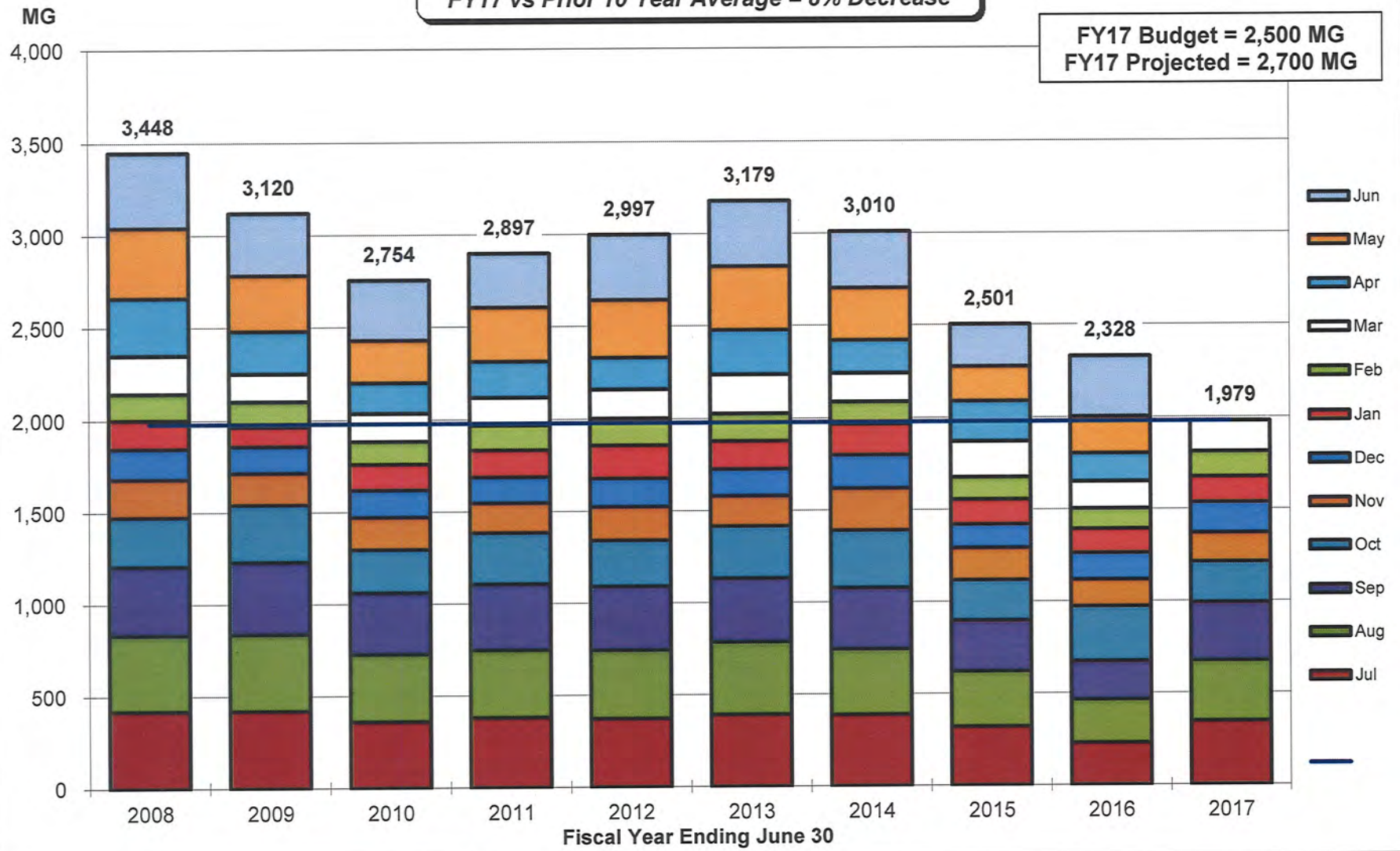
4/6/17

t:\acell\wtr use\productn.xls chart - total prod by mo

Novato Potable Water Production

FY17 vs FY16 = 20% Increase
FY17 vs Prior 10 Year Average = 8% Decrease

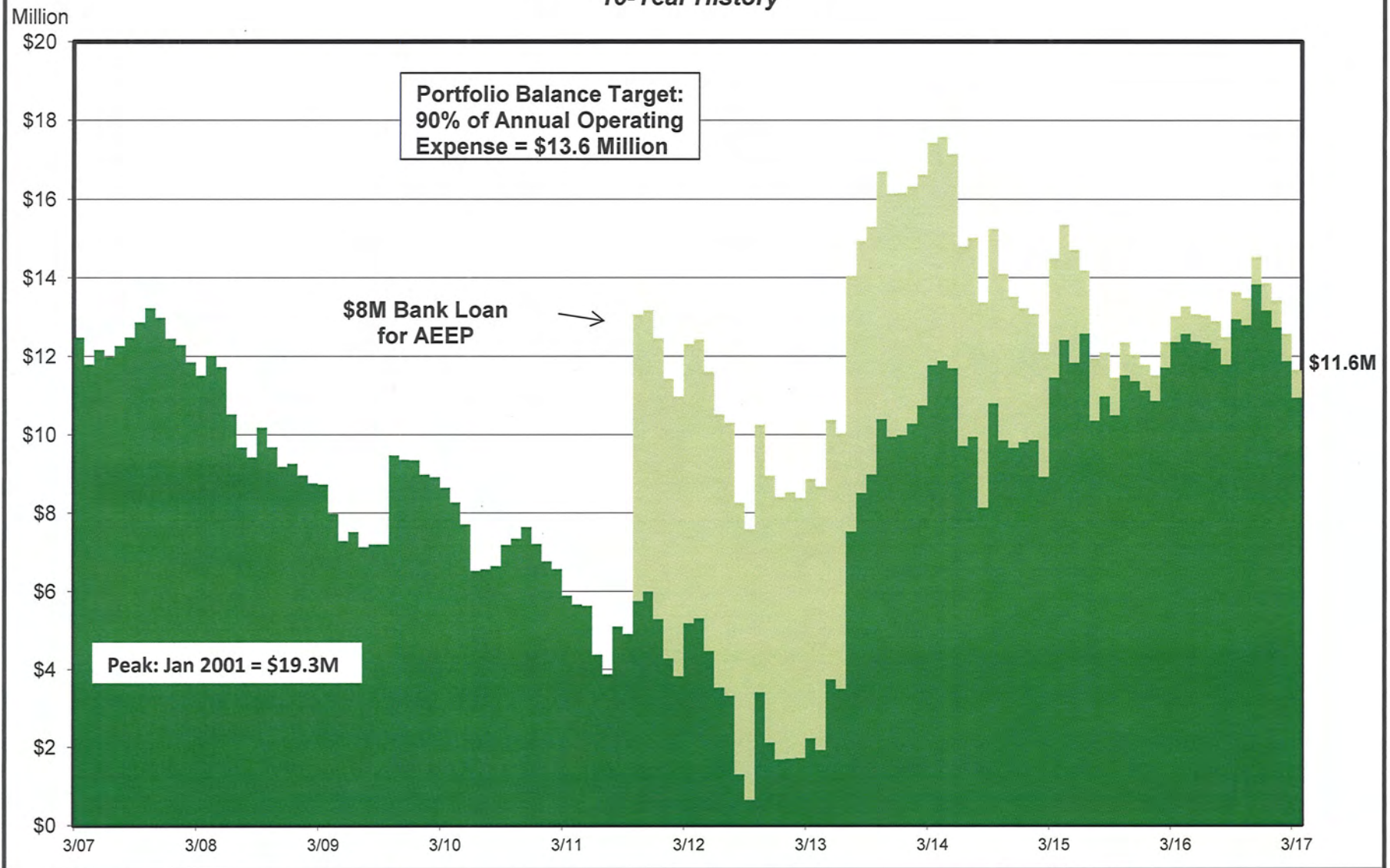
FY17 Budget = 2,500 MG
FY17 Projected = 2,700 MG



4/11/17

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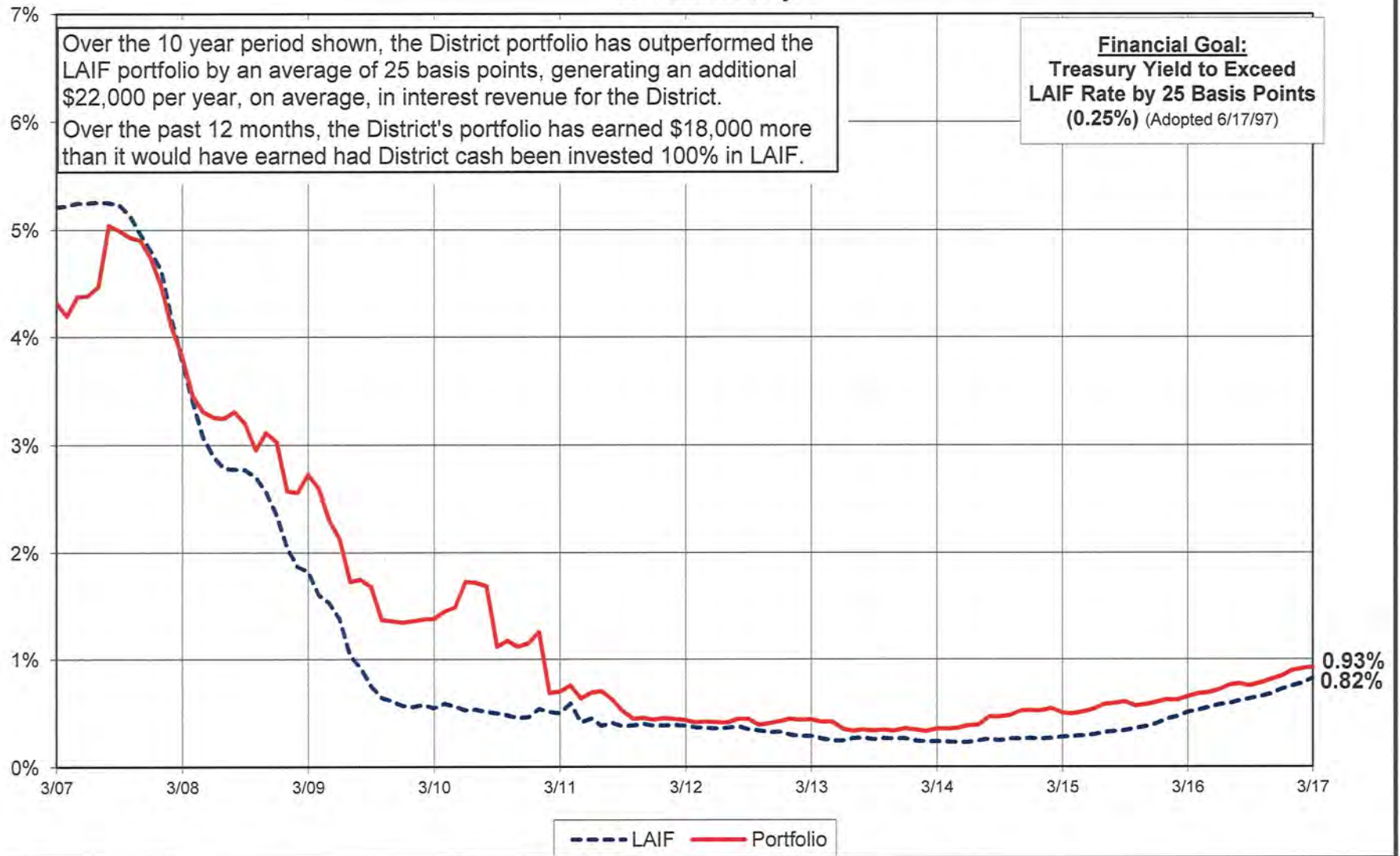
NMWD Portfolio Balance 10-Year History



4/11/17

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



NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders March 2017

4/10/2017

Type	Mar-17	Mar-16	Action Taken March 2017
<u>Consumers' System Problem</u>			
Service Line Leaks	21	11	Notified Consumer
Meter Leak Consumer's Side	0	0	~
House Plumbing	0	0	~
Noisy Plumbing	0	0	~
Seepage or Other	0	0	~
House Valve / Meter Off	8	4	Notified Consumer
Nothing Found	6	11	Notified Consumer
Low Pressure	0	0	~
High Pressure	0	0	~
Water Waster Complaints	0	0	~
Total	35	26	
<u>Service Repair Reports</u>			
Register Replacements	0	0	~
Meter Replacement	0	1	~
Meter Box Alignment	0	0	~
Meter Noise	0	0	~
Dual Service Noise	0	0	~
Box and Lids	1	1	Replaced
Water Off/On Due To Repairs	1	11	Notified Consumer
Misc. Field Investigation	0	1	~
Total	2	14	
<u>Leak NMWD Facilities</u>			
Main-Leak	0	0	~
Mains-Nothing Found	0	0	~
Mains-Damage	0	0	~
Service- Leak	3	4	Repaired
Services-Nothing Found	7	11	Notified Consumer
Service-Damaged	0	0	~
Fire Hydrant-Leak	4	0	Repaired
Fire Hydrants-Nothing Found	0	0	~
Fire Hydrants-Damaged	1	0	Repaired
Meter Replacement	0	0	~
Meter Leak	0	0	~
Meters-Nothing Found	0	0	~
Meters Damaged	0	0	~
Washer Leaks	4	3	Repaired
Total	19	18	
<u>High Bill Complaints</u>			
Consumer Leaks	17	10	Notified Consumer
Meter Testing	0	0	~
Meter Misread	3	13	Notified Consumer
Nothing Found	12	13	Notified Consumer
Projected Consumption	0	0	~
Excessive Irrigation	0	0	~
Total	32	36	

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders March 2017

4/10/2017

Type	Mar-17	Mar-16	Action Taken March 2017
<u>Low Bill Reports</u>			
Meter Misread	0	0	~
Stuck Meter	0	0	~
Nothing Found	0	0	~
Projected Consumption	0	0	~
Minimum Charge Only	0	0	~
Total	0	0	
<u>Water Quality Complaints</u>			
Taste and Odor	4	0	<i>Customer reported odor in water. (Feliz Rd)</i> Chlorine levels were normal for NMWD supply. Customer was notified of results. <i>Customer reported bad tasting water. (San Felipe Way)</i> Analysis results normal for NMWD supply. Customer was notified of results. <i>Customer reported bad tasting water. (Edwards Ct)</i> Analysis results normal for NMWD supply. Customer was notified of results. <i>Customer reported cloudy and off-tasting ice cubes. (Trinity Dr)</i> Off-taste is a common occurrence in freezers. Customer was notified of results.
Color	0	0	~
Turbidity	0	0	~
Suspended Solids	0	0	~
Other	2	0	<i>Customer illness after drinking water. (Plum St)</i> Analysis results absent of coliforms. Chlorine levels were normal for NMWD supply. <i>Customer new to Novato and concerned about water quality. (Josefa Ct)</i> All results of analysis were normal for NMWD supply. Customer was notified of results.
Total	6	0	
TOTAL FOR MONTH:	94	94	0%

Fiscal YTD Summary

Consumer's System Problems	277	302
Service Repair Report	88	86
Leak NMWD Facilities	139	196
High Bill Complaints	567	241
Low Bills	3	1
Water Quality Complaints	40	32
Total	1,114	858

Change Primarily Due To

-8%	Decrease In House Valve/Meter Off
2%	Increase In Water Off/On For Repairs
-29%	Decrease In Service Leaks
135%	Increase In Nothing Found
200%	Increase In Nothing Found
25%	Increase In Taste and Odor
30%	

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders March 2017

4/10/2017

Type	Mar-17	Mar-16	Action Taken March 2017
<u>"In House" Generated and Completed Work Orders</u>			
<u>Check Meter:</u> possible consumer/District leak, high bill, flooded, need read, etc.	188	218	
<u>Change Meter:</u> leaks, hard to read	8	8	
<u>Possible Stuck Meter</u>	0	0	
<u>Repair Meter:</u> registers, shut offs	0	0	
<u>Replace Boxes/Lids</u>	0	3	
<u>Hydrant Leaks</u>	0	0	
<u>Trims</u>	11	47	
<u>Dig Outs</u>	40	97	
<u>Letters to Consumer:</u> meter obstruction, trims, bees, gate access, etc. get meter number, kill service, etc.	0	0	
	<u>247</u>	<u>373</u>	

Bill Adjustments Under Board Policy:

March 17 vs. March 16

Mar-17	24	\$5,121
Mar-16	21	\$6,554

Fiscal Year to Date vs. Prior FYTD

16/17 FYTD	380	\$123,429
15/16 FYTD	183	\$65,311

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Customer Service Questionnaire Quarterly Report

Quarter Ending 03/31/17



NMWD

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Response				Response			
Water Quality	Agree	Neutral	Disagree	Pressure	Agree	Neutral	Disagree
Courteous & Helpful	2			Courteous & Helpful			
Accurate Information	2			Accurate Information			
Prompt Service	2			Prompt Service			
Satisfactorily Resolved	2			Satisfactorily Resolved			
Overall Experience	2			Overall Experience			
	10	0	0		0	0	0
Leak	Agree	Neutral	Disagree	Noisy Pipes	Agree	Neutral	Disagree
Courteous & Helpful	18			Courteous & Helpful			
Accurate Information	17	1		Accurate Information			
Prompt Service	18			Prompt Service			
Satisfactorily Resolved	17	1		Satisfactorily Resolved			
Overall Experience	17	1		Overall Experience			
	87	3	0		0	0	0
Billing	Agree	Neutral	Disagree	Other	Agree	Neutral	Disagree
Courteous & Helpful	4	1		Courteous & Helpful	1		
Accurate Information	4	1		Accurate Information	1		
Prompt Service	4	1		Prompt Service	1		
Satisfactorily Resolved	2	3		Satisfactorily Resolved	1		
Overall Experience	4	1		Overall Experience	1		
	18	7	0		5	0	0
Grand Total				Grand Total			
					120	10	0
					92%	8%	0%
				Questionnaires Sent Out	93	100%	
				Questionnaires Returned	26	28%	

Customer Service Questionnaire Quarterly Report

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Quarter Ending 03/31/17

Customer Comments	Staff Response to Negative Comments	Issues NMWD Should Address In The Future
Water Quality		
Great job.		
Leaks		
Rich is a real asset to NMWD.		
The young man was very courteous and helpful.		
Thank you.		
Your guys are the best at customer service.		
I've been into the office many times with different		
issues. Everyone has been very courteous and		
easy to work with. Thank you for being so helpful.		
Rich was very helpful.		
Corey and Pete were great and solved the problem.		
Your representative was outstanding.		
Billing		
Pressure		
Noisy Pipes		
Other		
Very helpful.		

7

MEMORANDUM

To: Board of Directors
From: Rocky Vogler, Chief Engineer *RV*
Subject: Water Service Agreement – Binford Road Self Storage – Phase 1
r:\folders by job no\2700 jobs\2786\2786 bod memo 2017.doc

April 14, 2017

RECOMMENDED ACTION: The Board approve authorization of this agreement.**FINANCIAL IMPACT: None: Developer Funded**

The Binford Road Self Storage project originally consisted of thirteen buildings for self-storage units. However, the project scope has been reduced by the developer to include only four buildings on the southern arm of the project. Total building area of the currently proposed project is 37,000 square feet and the property is approximately 47.2 acres. The project is located at 8190 Binford Road (see vicinity map, attachment A). Water service to this property was established in 1975 by job 4017 with one 5/8-inch meter. The service was extended in 1984 with job 1.2064. The existing 5/8-inch water service will be used for irrigation and a reduced pressure backflow preventer assembly (RPPs) will be installed. No domestic facilities are included in the project.

Proposed water facilities for this project include: approximately 940 feet of 12-inch PVC pipe, 340 feet of 8-inch PVC pipe, 140 feet of 6-inch PVC pipe, one 6-inch above grade fire service, and 4 commercial fire hydrants. The project will connect to the existing system at one location fronting the property on Binford Road.

Approximately 1850 square feet of the site will be landscaped with water conserving plants and will meet Regulation 15 water conservation requirements. The proposed project is estimated to have a demand of one (1) EDU. The Applicant is credited one (1) EDU for the existing service, based on the 1975 agreement for the Rancho Del Pantano project (J-4017). Therefore, this project will have no new water demand.

Sanitary sewer service will not be provided to this project.

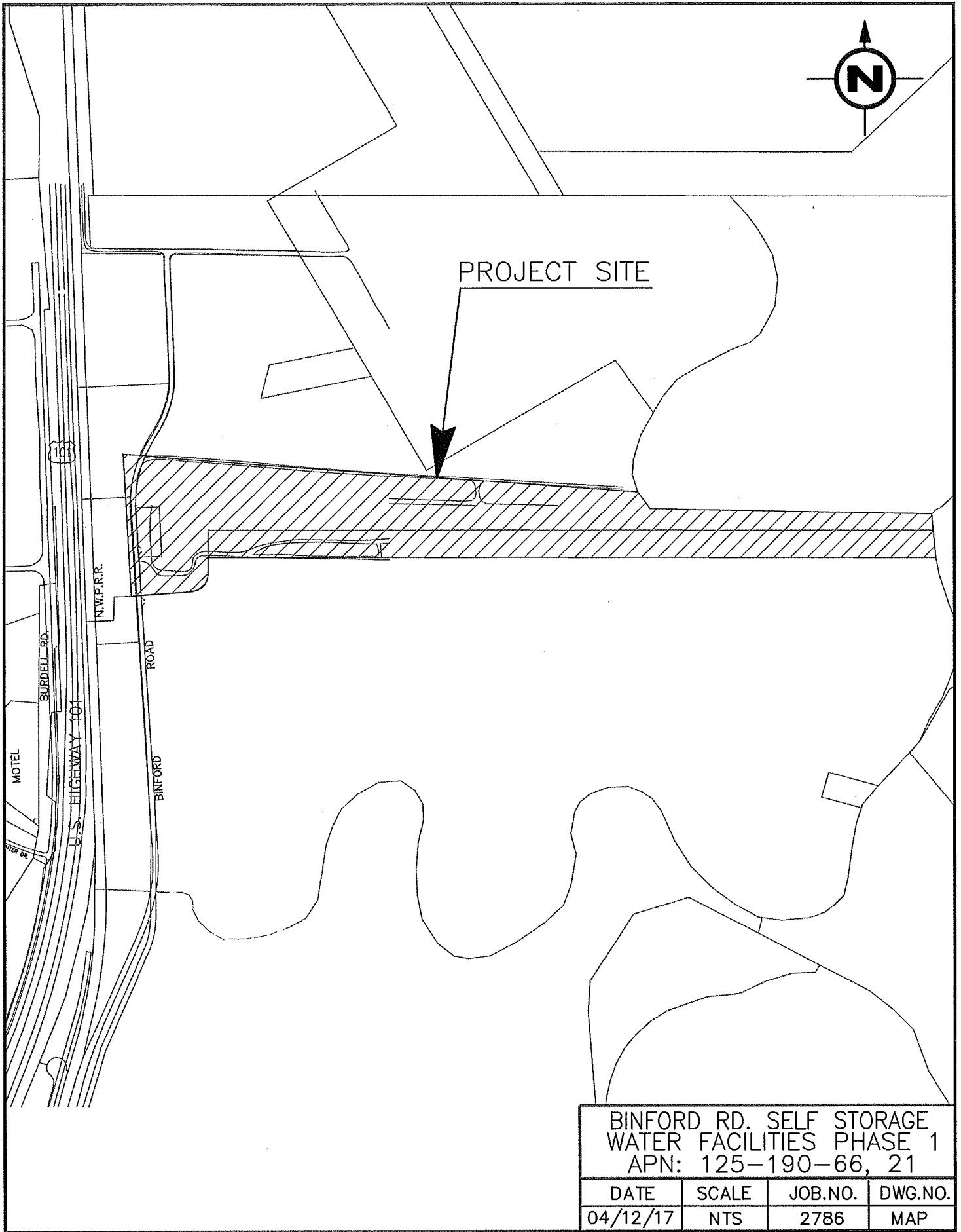
Environmental Document Review

The Master Plan for this project was approved by the Marin County Board of Supervisors on April 3, 2007 and the subsequent Precise Development Plan was approved by the Planning Commission on June 12, 2014.

RECOMMENDATION:

That the Board approve authorization of this agreement.

Approved by GM *CS*Date *4/14/2017*



BINFORD RD. SELF STORAGE
WATER FACILITIES PHASE 1
APN: 125-190-66, 21

DATE	SCALE	JOB.NO.	DWG.NO.
04/12/17	NTS	2786	MAP

PART ONE
HIGH PRESSURE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
FOR
BINFORD ROAD SELF STORAGE – PHASE 1

THIS AGREEMENT, which consists of this Part One and Part Two, Standard Provisions, attached hereto and a part hereof, is made and entered into as of _____, 2017, by and between NORTH MARIN WATER DISTRICT, herein called "District," and BINFORD ROAD LLC, A Limited Liability Company, herein called "Applicant."

WHEREAS, the Applicant, pursuant to District Regulation 1, the State of California Subdivision Map Act and all applicable ordinances of the City of Novato and/or the County of Marin, has pending before the City or County a conditionally approved Tentative Subdivision Map, Precise Development Plan, Tentative Parcel Map or other land use application for the real property in the District commonly known as Marin County Assessor's Parcel Numbers 125-190-21, -65 and -66 and the project known as BINFORD ROAD SELF STORAGE-PHASE 1, consisting of three (3) lots for commercial development; and

WHEREAS, prior to final approval by the City or County of a Subdivision Map, Precise Development Plan, Parcel Map or other land use application and recording of a final map for the project, the Applicant shall enter into an agreement with the District and complete financial arrangements for water service to each lot, unit or parcel of the project;

WHEREAS, the Applicant is the owner of real property in the District commonly known as 8190 Binford Road, Novato (Marin County Assessor's Parcels 125-190-21. -65 and -66; and

WHEREAS, the District entered into a Water Service Facilities Construction Agreement for 8180 Redwood Highway, Novato (current address 8190 Binford Road, Novato) in 1975 with Rancho Del Pantano, Inc.; and

WHEREAS, metered water service to the parcel was by a 5/8" meter, and paid for water use entitlement of one (1) EDU; and

WHEREAS, the total demand for the project is one (1) EDU and no new water demand since the Applicant is credited for one (1) EDU for the existing service; and

NOW THEREFORE, the parties hereto agree as follows:

1. The Applicant hereby applies to the District for water service to said real property and project and shall comply with and be bound by all terms and conditions of this agreement, the District's

regulations, standards and specifications and shall construct or cause to be constructed the water facilities required by the District to provide water service to the real property and project. Upon acceptance of the completed water facilities, the District shall provide water service to said real property and project in accordance with its regulations from time to time in effect.

2. Prior to the District issuing written certification to the City, County or State that financial arrangements have been made for construction of the required water facilities, the Applicant shall complete such arrangements with the District in accordance with Section 6 of this agreement.

3. Prior to release or delivery of any materials by the District or scheduling of either construction inspection or installation of the facilities by the District, the Applicant shall:

a. deliver to the District vellum or mylar prints of any revised utility plans approved by the City or County to enable the District to determine if any revisions to the final water facilities construction drawings are required. The proposed facilities to be installed are shown on Drawing No. 1 2786.001 through -005, entitled, "BINFORD ROAD SELF STORAGE-PHASE 1", a copy of which is attached, marked Exhibit "A", and made a part hereof. (For purposes of recording, Exhibit "A" is not attached but is on file in the office of the District.)

b. grant or cause to be granted to the District without cost and in form satisfactory to the District all easements and rights of way shown on Exhibit "A" or otherwise required by the District for the facilities.

c. deliver to the District a written construction schedule to provide for timely withdrawal of guaranteed funds for ordering of materials to be furnished by the District and scheduling of either construction inspection or construction pursuant to Section 6 hereof.

4. Except for fire service, new water service shall be limited to the number and size of services for which Initial Charges are paid pursuant to this agreement. Initial Charges for new services, estimated District costs and estimated applicant installation costs are as follows:

Initial Charges

Meter Charges (Domestic) (Included in Estimated District Costs) .....	...One 5/8-inch @	\$ 0.00	\$ 0.00
Meter Charges (Fire Service) (Included in Estimated District Costs) ...	...One 5/8-inch @	\$ 0.00	\$ 0.00
Reimbursement Fund Charges (Domestic) .....	...One 5/8-inch @	\$ 420.00	\$ 420.00
Facilities Reserve Charges (Domestic & Irrigation EDUs) ...	.....One @	\$ 28,600.00	\$ 28,600.00
Credit for Existing Services			
(One 5/8" meter with 1 EDU's \$420 + \$28,600).....	.....@	\$ <29,020.>	\$ <29,020.00>
Subtotal - Initial Charges.....			\$ 0.00

Estimated District Costs

Pipe, Fittings & Appurtenances.....	\$ 21,903.00
District Construction Labor.....	\$ 12,524.00
Engineering & Inspection.....	\$ 13,277.00

Bulk Materials.....	\$ 407.00
Subtotal –Estimated District Costs.....	\$ 48,111.00
<u>Estimated Installation Costs</u>	
Installation Labor.....	\$ 37,084.00
Contractor Furnished – Pipe Fittings & Appurtenances.....	\$ 90,089.00
Bulk Materials.....	\$ 32,378.00
Subtotal- Estimated Installation Costs.....	\$ 159,551.00
TOTAL ESTIMATED WATER FACILITIES COSTS.....	\$ 207,662.00

(Bulk materials are such items as crushed rock, imported backfill, concrete, reinforcing steel, paving materials, and the like, which are to be furnished by the contractor performing the work.)

5. In addition to the Initial Charges, Estimated District Costs, and Estimated Installation Costs set forth in Section 4 above, the Applicant shall furnish at no cost to the District all PVC pipe (4-inch diameter and larger), valves and water line fittings shown on Exhibit "A" or otherwise required by the District. The quantities, type and quality of said materials shall be approved by the District prior to purchase by the Applicant and shall conform to District standards as stated and shown on Specifications (15100 Valves, 15056 Pipeline Fittings, 15064 Polyvinyl Chloride (PVC) Pressure Pipe) marked as Exhibit "B" attached hereto and made a part hereof and as otherwise may be required. (For purposes of recording, Exhibit "B" is not attached but is on file in the office of the District.) The cost of said materials is estimated to be **\$90,089**. The District reserves the right to reject and prohibit installation of all nonconforming materials furnished by the Applicant.

6. Financial Arrangements to be made by the Applicant shall consist of the following:

Initial Charges and Estimated District Costs

The Applicant shall either pay to the District or provide a two (2) year irrevocable letter of credit in form satisfactory to the District and payable at sight at a financial institution in the Novato area the sum of Initial Charges and Estimated District Costs as set forth in Section 4 hereof in the amount of **\$48,111**. If the Applicant provides the two (2) year irrevocable letter of credit, the District shall immediately draw down Initial Charges and shall draw upon the remaining funds guaranteed by the letter at any time the District deems appropriate to recover the Estimated District Costs which normally will be at least thirty (30) days prior to the anticipated start of construction for the ordering of materials to be furnished by the District.

Estimated Installation Costs

Alternate No. 1 – Installation By Applicant: If the Applicant elects to install the facilities or hire a private contractor to install the facilities, the Applicant shall provide financial guarantees satisfactory to the District in the form of a performance bond in the amount of **\$ 159,551** conditioned upon installation of the facilities and furnishing of bulk materials and a maintenance bond in the amount of **\$ 39,888** conditioned upon payment of the cost of maintaining, repairing, or replacing the facilities during the period of one (1) year following completion of all the facilities and acceptance by the District. Performance and maintenance bonds shall be executed by a California admitted surety insurer with a minimum A.M. Best rating of A-VII. In lieu of posting bonds, the Applicant may provide an irrevocable letter or letters of credit payable at sight at a financial institution in the Novato area guaranteeing funds in the same amounts. All financial guarantees shall be provided by the Applicant rather than the contractor. The Applicant or contractor, whichever performs the work, shall be properly licensed therefore by the State of California and shall not be objectionable to the District.

Alternate No. 2 – Installation By District: If the Applicant requests the District to install the facilities and the District consents to do so, the Applicant shall either pay to the District the total Estimated Installation Costs set forth in Section 4 hereof in the amount of **\$ 159,551** or shall include such amount in the irrevocable letter of credit provided for the Initial Charges and Estimated District Costs set forth first above. The District shall draw upon installation funds guaranteed by the irrevocable letter of credit at any time the District deems appropriate which normally will be at least thirty (30) days prior to the anticipated start of construction.

Whenever an irrevocable letter of credit is required by this agreement, the Applicant may substitute a certificate of deposit at a financial institution in the Novato area provided the certificate may be cashed at sight by the District at any time.

7. The applicant shall not resell any water furnished pursuant to this agreement. If multiple services from a single connection to the District's system through a master meter are allowed pursuant to District Regulation 4(b) the Applicant shall not submeter the individual services. The District's bills for water measured by a master meter shall be paid by the Applicant or a responsible homeowner's association. If a rental unit served through a master meter is converted into a separately owned unit the District may require the installation of a separate connecting main and meter for water service to the unit at the cost of the owner of the unit.

8. High pressure water service will be rendered to BINFORD ROAD SELF STORAGE-PHASE 1 Water Facilities in accordance with District Regulation 12 entitled "High Pressure Service". The Applicant shall install a private pressure regulating device for each service to said lots as required by local ordinances and plumbing codes prior to occupancy of any structures, shall inform the buyer or

buyers of said lots of the water service conditions herein described, and shall provide each buyer a copy of this agreement prior to any final sales transaction. Said private pressure regulating devices shall be in accordance with District Standard 28 but shall not be a part of the District's water system. The maintenance and operation of said devices shall be the responsibility of the property owners.

9. Water service through the facilities to be installed pursuant to this agreement will not be furnished to any building unless the building is connected to a public sewer system or to a waste water disposal system approved by all governmental agencies having regulatory jurisdiction. This restriction shall not apply to temporary water service during construction.

10. New construction in the District's Novato service area is required to be equipped with high efficiency water conserving equipment and landscaping specified in Regulation 15 sections e. and f. Applicant shall install front loading, horizontal axis washing machines with a modified water factor of 5.5 or less. Dishwashers shall be energy star rated and use no more than 5 gallons per load. Toilets shall be District approved High Efficiency Toilets that meet the EPA water sense specification. Applicant shall install District approved weather-based irrigation controllers, drip irrigation on non-turf areas, and is subject to turf limitations. Refer to the aforementioned water conservation regulation for a complete listing of all requirements.

11. All estimated costs set forth in this agreement shall be subject to periodic review and revision at the District's discretion. In the event the Applicant has not completed financial arrangements with the District in accordance with Section 6 hereof prior to expiration of six (6) months from the date of this agreement, all Initial Charges and estimated costs set forth in Section 4 hereof shall be revised to reflect then current District charges and estimates. In the event the Applicant has not secured final land use approval for the project from the City of Novato or County of Marin, recorded a final map and diligently commenced construction of improvements required by those agencies and the District prior to expiration of one (1) year from the date of this agreement, the District may, at its option, either retract financial certifications issued to City, County and State agencies and terminate this agreement or require amendment of this agreement and review of all Initial Charges and estimated costs contained herein. The Applicant shall pay any balance due upon demand or furnish a guarantee of such payment satisfactory to the District.

12. All extensions of time granted by the City of Novato or the County of Marin for the Applicant to comply with conditions of land use approval or to construct improvements pursuant to a subdivision improvement agreement shall require concurrent extensions of this agreement and shall be cause for review and revision of all Initial Charges and estimated costs set forth in Section 4 hereof. The Applicant shall apply to the District for extension of this agreement prior to approval of the Applicant's requests for such extensions by either the City of Novato or the County of Marin.

13. This agreement shall bind and benefit the successors and assigns of the parties hereto; however, this agreement shall not be assigned by the Applicant without the prior written consent of the District. Assignment shall be made only by a separate document prepared by the District at the Applicant's written request.

NORTH MARIN WATER DISTRICT
"District"

ATTEST:

Stephen Petterle, President

Katie Young, Secretary

(SEAL)

BINFORD ROAD LLC
A Limited Liability Company
"Applicant"

Trevor Ham, Managing Member

Dave Mariani, Managing Member

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

This agreement must be executed by the Applicant and delivered to the District within thirty (30) days after it is authorized by the District's Board of Directors. If this agreement is not signed and returned within thirty days, it shall automatically be withdrawn and void. If thereafter a new agreement is requested, it shall incorporate the Initial Charges (connection fees) and cost estimates then in effect.

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.

RESOLUTION NO. 17-
AUTHORIZATION OF EXECUTION
OF
HIGH PRESSURE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
WITH
BINFORD ROAD SELF STORAGE – PHASE 1

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the President and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute that certain water service facilities construction agreement between this District and Binford Road LLC, a Limited Liability Company, providing for the installation of water distribution facilities to provide domestic water service to that certain real property known as 8190 BINFORD ROAD, Marin County Assessor's Parcel Numbers 125-190-21, -65, and -66, NOVATO, CALIFORNIA.

* * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 18th day of April, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Katie Young, Secretary
North Marin Water District

8

MEMORANDUM

To: Board of Directors

April 14, 2017

From: David Bentley, Auditor-Controller *DOB*Subj: Regulation 52 – Meter Reading
t:\gm\2017 misc\reg52.docx**RECOMMENDED ACTION:** Approve Minor Change to Regulation 52**FINANCIAL IMPACT:** None

As the District moves to gallon meter registers from cubic foot registers with the AMI project, it is appropriate to remove the District Regulation 52 reference to "cubic feet".

Attached is a draft Regulation 52 (Attachment 1) in highlight strike-out for your review along with a Resolution (Attachment 2) for the approval of the regulation change.

RECOMMENDED ACTION:

The Board review and approve the change to Regulation 52- Meter Reading and approve Resolution 17-XX adopting the change.

Approved by GM *LD*Date *4/14/2017*

DRAFT
NORTH MARIN WATER DISTRICT
REGULATION 52
METER READING

a. Measurement of Water Supplied

All water supplied by the District will be measured by means of water meters installed, owned and maintained by the District. ~~The cubic foot will be the unit of measure, and the amounts charged for service shall be based on the current rates established by the District.~~

b. Frequency of Meter Reading

In general, meters shall be read on a monthly or a bimonthly basis. As it is not always possible to read meters at equal intervals, the period between reading dates may vary. In the case of delinquent accounts or accounts which have a history of late payment, special meter readings may be made.

c. Meters That Cannot Be Read

Where a meter cannot be read because of an obstruction, the customer will be notified and requested to correct the condition. The District has the right to discontinue the service if such condition is not corrected.

d. Testing Meters

A customer who questions the accuracy of a meter serving his premises may request a test of its accuracy and witness the test if he so desires. If the average of the test results show the meter is registering more than two percent fast, the District will adjust the billing for the period during which the meter was registering fast, but for not more than the preceding six months.

If a customer requests a test of more than one meter in a twelve-month period, he shall deposit with the District prior to the test, the testing charge set forth below. If the average of the test results show the meter is registering less than two percent fast, the testing charge will be retained by the District.

Charges for meter testing will be in accordance with the following schedule:

<u>Size of Meter</u>	<u>Testing Charge</u>
5/8"	\$10.00
1"	20.00
1 1/2"	30.00
2" or larger	40.00

RESOLUTION 17-XX
REVISION OF NORTH MARIN WATER DISTRICT
REGULATION 52
METER READING

BE IT RESOLVED by the Board of Directors of North Marin Water District that Regulation 52 of the North Marin Water District is adopted as follows, effective forthwith:

a. Measurement of Water Supplied

All water supplied by the District will be measured by means of water meters installed, owned and maintained by the District. The amounts charged for service shall be based on the current rates established by the District.

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the eighteenth of April, 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

Katie Young, District Secretary
North Marin Water District

(SEAL)

9

MEMORANDUM

To: Board of Directors

April 14, 2017

From: Chris DeGabriele, General Manager 

Subj: Consolidation of Elections

t:\gm\bod misc 2017\consolidation of elections memo sonoma county.docx

RECOMMENDED ACTION: Board adopt a Resolution Consolidating the District Board Member Elections with Statewide General Elections Consistent with Senate Bill 415

FINANCIAL IMPACT: None at this time

At the March 7, 2017 District Board meeting, the Board approved Resolution 17-04 entitled: "Resolution Requesting The Board Of Supervisors Of Marin County To Authorize Consolidation Of Future North Marin Water District Board Member Elections With November Statewide General Elections During Even Numbered Years". We have received notification to provide Sonoma County with an identical resolution since we have regular customers and registered voters in the Sonoma County area of our service territory.


If approved the District is responsible for reimbursing the County for the expense of mailing the Notice of Approval of Change and Election Date as required by Election Code Section 10404.

For informational purposes, current Board Members terms of office that would be affected are as follows:

Board Member	Current Term Expires	Transition Term Expires
Jack Baker	November 2019	November 2020
Rick Fraites	November 2017	November 2018
Michael Joly*	November 2017	November 2018**
Stephen Petterle	November 2019	November 2020
John Schoonover	November 2017	November 2018

*Michael Joly was appointed to the District Board of Directors in February 2017 to fill the seat vacated by resignation of former Director Dennis Rodoni and Government Code 1780(d)(2) requires the appointment holds until the next general district election.

**The length of this term following this election will be two years, the unexpired balance of the original four year term vacated by former Director Rodoni.

Approved by GM Date 4/14/2017

RECOMMENDED ACTION:

Board adopt Resolution 17-XX requesting the Board of Supervisors of Sonoma County to Authorize Consolidation of Future North Marin Water District Board Member Elections with the November statewide general elections during even numbered years.

RESOLUTION 17-XX

RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF SONOMA COUNTY TO AUTHORIZE CONSOLIDATION OF FUTURE NORTH MARIN WATER DISTRICT BOARD MEMBER ELECTIONS WITH NOVEMBER STATEWIDE GENERAL ELECTIONS DURING EVEN NUMBERED YEARS

WHEREAS: The current date for election of the Board of Directors of North Marin Water District (District) is every two (2) years on the first Tuesday after the first Monday in November of odd numbered years (November 2017), and;

WHEREAS: Statewide general elections are held in California only in June and November of even numbered years (November 2018) and voter turnout is generally greater for statewide general elections than for local elections including special district elections typically held in November of odd numbered years, and;

WHEREAS: California Senate Bill 415, an act known as the California Voter Participation Rights Act (the Act) was approved by the Governor of California and filed with the Secretary of State on September 1, 2015; commencing January 1, 2018, the Act generally prohibits a political subdivision from holding an election other than on a statewide election date if holding an election on a non-concurrent date has previously resulted in voter turnout for a regularly scheduled election in the political subdivision being at least 25% less than the average voter turnout within the political subdivision for the previous four statewide general elections, and;

WHEREAS: It is the intent of the Board of Directors of the District to provide its constituents with the lowest possible cost while promoting the increasingly efficient and effective use of government resources.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED AS FOLLOWED:

Section 1 – That pursuant to Water Code sections 30068 and Elections Code section 10505 (d), and Elections Code sections 1303 (b) and 10404, the Board of Directors of North Marin Water District does hereby, by this Resolution, change its election date from the first Tuesday after the first Monday in November of each odd numbered year, to the first Tuesday after the first Monday of each even numbered year, and further that the election shall be consolidated with all other elections throughout the County of Sonoma on that day.

Section 2 – That terms of current Board Members officeholders shall be extended

pursuant to Elections Code section 1302.2 (c) as necessary until each respective successor qualifies, expected to be not more than 12 months.

Section 3 – That the Registrar of Voters shall cause at District expense, a notice to be mailed to all registered voters in the Sonoma County Territory of North Marin Water District informing them of the change of the election date specified herein and of the resulting changes in terms of the currently elected Board Members.

Section 4 – This Resolution shall become operative upon approval by the Sonoma County Board of Supervisors pursuant to Elections Code Section 1303(b) and 10404.

Dated at Novato, California
April 18, 2017

Stephen Petterle, President
North Marin Water District

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 18th day of April 2017 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

Katie Young, District Secretary
North Marin Water District

(SEAL)



SONOMA COUNTY
Clerk-Recorder-Assessor
www.sonoma-county.org/cra

**REGISTRAR OF
VOTERS DIVISION**

P.O. Box 11485
435 Fiscal Dr.
Santa Rosa, CA 95406
Tel: (707) 565-6800
Toll Free (CA only):
(800) 750-VOTE
Fax: (707) 565-6843

MEMORANDUM

TO: DISTRICT SECRETARY

FROM: SONOMA COUNTY REGISTRAR OF VOTERS

DATE: MARCH 31, 2017

SUBJ: INFORMATION ON UPCOMING CONSOLIDATED ELECTIONS

RECEIVED

APR 03 2017

North Marin Water District

The regular biennial election of your District Board Directors will take place on November 7, 2017. Nominations for offices in your district open on July 17, and close on August 11, 2017. If any incumbent fails to file during the nomination period, there will be a five day extension through 5 p.m. on August 16, 2017, for anyone other than the incumbent officer. The Registrar of Voters Office would like to assist you in any way possible in meeting all of your filing deadlines. Enclosed is a sample Resolution form to request consolidation, a Notice of Offices to Be Filled and Statement of Responsibility for the Statement of Qualifications and a Notice of District Boundaries. Filing dates for each of these documents are included on the election calendar enclosed.

As a convenience to your candidates, we have enclosed forms for submitting Candidates' Statements of Qualifications as well as guidelines for preparing a statement, new procedure document (lime green) and a list showing the estimated costs of Statements of Qualifications for each jurisdiction. These forms may be provided to any candidate wishing to include a printed Statement of Qualifications in the County Voter Information Guide. When issuing the form, the estimated cost of the statement should be written in the upper box on the form. If your district requires payment in advance for printing statements, candidates must secure a receipt from your office as proof of payment before a statement will be accepted for filing by our office.

Statements of Qualifications must be filed at the same time all other nomination documents are filed in the office of the Registrar of Voters. Statements may be withdrawn but not changed during the nomination period or extended nomination period if applicable.

In addition to filing assuming and leaving Statement of Economic Interests (Form 700), each candidate must file a Statement of Economic Interests (Form 700) not later than the final filing date for the Declaration of Candidacy. Candidates may use the Fair Political Practices Commission (FPPC) website www.fppc.ca.gov to download Form 700 or to fill out the form on-line prior to printing it out for their signature and filing it with our office when they come in to do their nomination papers. Enclosed is a copy of the current form if you would like to provide a hardcopy to them.

If you have any questions regarding this or any other election related matters, you may call our office at (707) 565-6800 or write us at P.O. Box 11485, Santa Rosa, CA 95406. Your continued cooperation and assistance in the conduct of elections is greatly appreciated.

WFR/km

Attachment

RESOLUTION NO. _____

DATED _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE

DISTRICT, COUNTY OF SONOMA
STATE OF CALIFORNIA, ORDERING AN ELECTION TO
BE HELD AND REQUESTING CONSOLIDATION
WITH THE NOVEMBER 7, 2017
GENERAL DISTRICT ELECTION

WHEREAS, an election will be held on November 7, 2017, in the _____
_____ DISTRICT for the purpose of electing District Directors to fill positions that
will expire in 2017;

BE IT RESOLVED THAT, the District Directors of said district hereby request consolidation with any
election that may be held on the same day, in the same territory or in territory that is in part the same.

THE FOREGOING RESOLUTION was introduced by Director _____,
who moved its adoption, seconded by Director _____ and then adopted on
roll call by the following vote:

Director _____ Aye _____ No _____ Abstain _____

Director _____ Aye _____ No _____ Abstain _____

Director _____ Aye _____ No _____ Abstain _____

Director _____ Aye _____ No _____ Abstain _____

Director _____ Aye _____ No _____ Abstain _____

AYES _____ NOES _____ ABSTAIN _____ ABSENT _____

WHEREUPON, the Chairperson declared the foregoing resolution adopted and SO ORDERED

District Secretary

M E M O R A N D U M

TO: WILLIAM F. ROUSSEAU, COUNTY CLERK & REGISTRAR OF VOTERS
FROM: _____ DISTRICT
SUBJECT: NOTICE OF OFFICES TO BE FILLED AND STATEMENT OF
RESPONSIBILITY FOR STATEMENTS OF QUALIFICATIONS

Notice is hereby given that, pursuant to Elections Code Section 10509 (which requires notification prior to the 125th day before the election (July 5, 2017)), the following are the elected office holders of this district whose terms will expire in 2017, and whose successors will be required to be elected at the upcoming election to be held on November 7, 2017.

DIRECTOR	LENGTH OF NEXT TERM (Commencing 12/01/17)
1. _____	_____ YEARS
2. _____	_____ YEARS
3. _____	_____ YEARS
4. _____	_____ YEARS
5. _____	_____ YEARS

(MARK APPROPRIATE OPTIONS BELOW)

1. The length of Statements of Qualifications shall not exceed (select one):

- ☐ 200 words
☐ 400 words *

*Note: Estimated costs for printing 400 word statements are **DOUBLE** that of the 200 word statements and would apply to all Statements of Qualifications regardless of the number of words.

2. The costs incurred in the printing of the optional Statements of Qualifications (English & Spanish, if requested by the candidate) in the Voter Information Pamphlet is the responsibility of the (select one):

- ☐ District
☐ Candidate

a. If the candidate is responsible for costs of the Statement of Qualifications, the district opts to (select one):

- ☐ Require payment in advance to the District Secretary.
☐ Bill the candidate after the date of the election.

Note: It is the responsibility of the District to collect the costs of Statements of Qualifications from the candidates whether payment in advance or payment after the fact is required. **If advance payment is required, candidates must present a receipt from the district at the time the Statement of Qualifications is filed with the Registrar of Voters Office. Multi-county districts please be advised that the estimated cost reflects only the Sonoma County portion of the cost.**

I HEREBY CERTIFY THAT THE ABOVE INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND SUBMIT THIS STATEMENT IN COMPLIANCE WITH ELECTIONS CODE SECTIONS 10509 AND 13307.

SEAL

SIGNED: _____ DATE: _____

MEMORANDUM

TO: WILLIAM F. ROUSSEAU, COUNTY CLERK & REGISTRAR OF VOTERS

FROM: _____ DISTRICT

SUBJECT: NOTICE OF DISTRICT BOUNDARIES/STATEMENT IN LIEU OF MAP

DATE: _____

Pursuant to Elections Code Section 10522 (which requires notification prior to the 125th day before the election (July 5, 2017) regarding district boundaries in the above named district), we are hereby notifying the Registrar of Voters Office that:

- ☐ As of this date, there has been no change in the boundaries of this district since the date of the last election. A map of the district is already on file with your office; therefore this notice is in lieu of providing a duplicate map.
- ☐ A map of the above district, with all annexations and detachments shown thereon, is attached to this notification and incorporated for reference herein.
- ☐ There have been changes in the boundaries of this district since the date of the last election. A verified map of the above district containing all recent annexations and details shown thereon, is already on file with your office.

Submitted by _____
District Secretary

SEAL

PLEASE COMPLETE AND RETURN IN THE PRE-ADDRESSED, STAMPED ENVELOPE

CONSOLIDATED ELECTIONS

NOVEMBER 7, 2017

Dates To Remember

Date(s)	Jurisdiction	
July 5 E-125	Special Districts	<p>Last day for district secretary to deliver a notice to the Registrar of Voters Office, of the offices to be filled at the next election and the district's regulations regarding candidates' Statements of Qualifications. The district secretary shall also deliver a map of the district boundary lines, (or, in lieu thereof, a statement indicating that there have been no changes to the district boundary lines since the last election).</p> <p style="text-align: right;">E.C. 10509, 10522</p>
July 7 E-123	School Districts	<p>Last day for school district governing boards to submit the Specifications of Election Orders for governing board member elections to the Superintendent of Schools. Specifications should include regulations from each school district regarding responsibility for payment for costs of printing the Statements of Qualifications, and whether such payment is to be made prior to or following the election.</p> <p style="text-align: right;">Ed. Code 5322, E.C. 13307 (e)</p>
July 10 E-120	School Districts	<p>Last day for Superintendent of Schools to deliver the Election Orders and formal Notices of Election to the Registrar of Voters Office.</p> <p style="text-align: right;">Ed. Code 5324, 5325</p>
July 10 - Aug 11 E-120 - E-90	School and Special Districts	<p>Notices of Elections for School and Special Districts. Notices shall be published once in a newspaper of general circulation in the district and shall contain the date of the election, the offices to be filled, the qualifications required by the principal act of the district, information on where filing forms may be obtained and a statement that appointments will be made pursuant to E.C. 10515.</p> <p>In addition to the legal publication, the elections official shall, by a general press release, publicize the offices to be filled, and telephone number voters of the jurisdiction may call for information regarding filing for elective office.</p> <p style="text-align: right;">Ed. Code 5363, E.C. 12112</p>
July 17 - Aug 11 E-113 - E-88	All	<p>Nomination period for all school and special district offices up for election on November 7, 2017. All candidates must file a Declaration of Candidacy, Ballot Designation Worksheet and a Statement of Economic Interests (Form 700). If a candidate wishes to file an optional Statement of Qualifications, it must be filed at the same time as the nomination documents. If a jurisdiction requires payment in advance, the candidate must pay the jurisdiction and bring proof of payment at the time of filing. Candidates should file with the Registrar of Voters, 435 Fiscal Dr., Santa Rosa (8 a.m. – 5 p.m.).</p> <p style="text-align: right;">G.C. 87302.3, E.C. 10407 (a), 10510, 13307 (a)(1)</p>

*For dates that fall on a Saturday, Sunday or holiday, use the next regular business day for transactions.

CONSOLIDATED ELECTIONS

NOVEMBER 7, 2017

Dates To Remember

Aug 11 E-88	All	<p>Consolidation Deadline - Last day for any jurisdiction to place a measure on the ballot and request consolidation with the November 7, 2017, ballot. The resolution requesting consolidation must include the exact form of the question as it is to appear on the ballot. Measures that exceed 75 words must be abbreviated to 75 words or less to appear on the ballot. The full text of the measure may be printed in the Voter's Pamphlet portion of the County Voter Information Guide, or may be mailed to voters on request.</p> <p style="text-align: right;">Ed. Code 5322, E.C. 10400 et seq.</p>
Aug 11 E-88	All	<p>Bond Elections - Tax Rate Statements due. For any bond measure appearing on the November 7, 2017, ballot, the tax rate statement must be submitted by this date. The tax rate statement shall be printed in the Voter's Pamphlet portion of the County Voter Information Guide.</p> <p style="text-align: right;">E.C. 9401, 9402</p>
Aug 11 E-88	All (except cities when City Clerk opts to publish)	<p>Notice of Election - Notice to Submit Arguments. Registrar of Voters Office will submit notices to newspapers on this date for publication.</p> <p style="text-align: right;">E.C. 9163, 9286, 9316, 9502</p>
*Aug 12 E-87	All	<p>Measure Designations - The Registrar of Voters will determine letter designations for local measures pursuant to the order specified in the Elections Code. If a jurisdiction submits more than one measure to appear on the ballot, the jurisdiction may indicate the order in which the jurisdiction's measures are to appear (the jurisdiction may wish to refer to E.C. 13115 for order of state propositions on the ballot, as a guide).</p> <p style="text-align: right;">E.C. 13109 (n), 13115, 13116</p>
*Aug 12 Aug 16 E-87 - E-83	All	<p>Extended nomination period - If an incumbent officer fails to file his/her nomination documents by the close of nominations on August 11, 2017, anyone other than the incumbent, who is otherwise qualified, may file nomination documents during this extended nomination period.</p> <p style="text-align: right;">E.C. 10516, 10604</p>
Aug 16 E-83	All	<p>Amendment or Withdrawal of Ballot Measures Deadline - Notwithstanding any other provision of law, whenever a legislative body has ordered that a measure or proposal be submitted to the voters of any jurisdiction at a special election, the order of election shall not be amended or withdrawn after the 83rd day prior to the election.</p> <p>The order of election shall be amended or withdrawn upon the filing of a resolution by the legislative body stating the specifics concerning the amendment or withdrawal. The resolution shall be filed with the elections official not later than the 83rd day prior to the election</p> <p style="text-align: right;">E.C. 9605</p>

*For dates that fall on a Saturday, Sunday or holiday, use the next regular business day for transactions.

CONSOLIDATED ELECTIONS
NOVEMBER 7, 2017
Dates To Remember

Aug 17 E-82	All	Randomized Alphabet Drawings - The Secretary of State shall conduct a drawing of the alphabet to determine the order of names of candidates to appear on the November 7, 2017, ballot. E.C. 13112
Aug 21 E-78	All (except cities in which City Clerk has selected a different date)	<p>Last day to submit arguments in favor of or against any measure to appear on the ballot for the November 7, 2017, election. Arguments, other than those concerning city measures, are to be filed with the Registrar of Voters Office and may not exceed 300 words in length. If an argument in favor and an argument against a measure are submitted, the Registrar of Voters Office shall send copies of the opposing arguments to the authors of the primary arguments in order that they may prepare and submit rebuttal arguments, if desired.</p> <p>Suggested deadline for submitting arguments for or against city measures. Arguments concerning city measures are filed with the City Clerk's Office. Cities have the option, at the time the measure is placed on the ballot, of not permitting rebuttal arguments. E.C. 9163, 9282, 9316, 9502</p>
Aug 21 E-78	All (except cities in which City Clerk has selected a different date)	<p>Impartial and/or Fiscal Analysis due to be filed in the office of the Registrar of Voters no later than 5 p.m. on this date.</p> <p>Suggested deadline for submitting analyses of city measures. Analyses of city measures are filed with the appropriate City Clerk's Office. E.C. 9160, 9280, 9313, 9500</p>
Aug 31 E-68	All (except cities in which City Clerk has selected a different date for submitting arguments)	<p>Last day to submit rebuttal arguments in favor of or against any measure on the November 7, 2017, ballot, if applicable. Rebuttal arguments, other than those concerning city measures, are to be filed with the Registrar of Voters Office and may not exceed 250 words in length.</p> <p>Suggested deadline for submitting rebuttal arguments for or against city measures (if permitted). Arguments concerning city measures are filed with the appropriate City Clerk's Office. E.C. 9167, 9285, 9317, 9504</p>
Sept 28 E-40	All	<p>First day County Voter Information Guides, including notice of polling place, may be mailed to voters. E.C. 13303-13304</p>
Oct 9 E-29	All	<p>Voting by Mail Opens - First day vote by mail ballots is available either by mail or in person in the office of the Registrar of Voters. E.C. 3001</p>

*For dates that fall on a Saturday, Sunday or holiday, use the next regular business day for transactions.

CONSOLIDATED ELECTIONS
NOVEMBER 7, 2017
Dates To Remember

Oct 23 E-15	All	Voter Registration Closes - Last day to register or re-register to vote in the November 7, 2017, election. E.C. 2107
Oct 24 E-10 Business Days	All	First day to begin opening and processing vote by mail ballots. Opening and processing of ballots is open to the public for observation. No results will be accessed or released until after the close of polls on Election Day. E.C. 15101
Oct 31 E-7	All	Last day for Registrar of Voters Office to receive and process Vote by Mail ballot applications by mail for the upcoming election. For situations arising after this date, any voter may apply in person to obtain a Vote by Mail ballot if he or she will be unable to go to the polls on Election Day. Voters unable to request a ballot in person may designate in writing any person as an authorized agent to obtain and return the Vote by Mail ballot on their behalf. E.C. 3001, 3021
Nov 7 E-0	All	Election Day - Polls open from 7 a.m. to 8 p.m. E.C. 14212
Nov 20	All	Last day to certify election results for the November 7, 2017, election. E.C. 15372
Dec 1	Special Districts	Elective officers, elected or appointed pursuant to this part, take office at noon on the first Friday in December next following the general district elections. Prior to taking office, each elective officer shall take the official oath and execute any bond required by the principal act. E.C. 10554

*For dates that fall on a Saturday, Sunday or holiday, use the next regular business day for transactions.

10

MEMORANDUM

To: Board of Directors
Chris DeGabriele, General Manager

April 14, 2017

From: Katie Young, District Secretary and Records Retention Manager

Subject: Records Retention Program – Destruction of Records

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RECOMMENDED ACTION: Approve Destruction of Records

FINANCIAL IMPACT: \$600 for document shredding

The District's Policy for the Retention of Documents and Destruction of Specified Documents was approved by the Board in 2002 and revised in 2003. The Policy states that once a year, on or about April 21, the documents designated as eligible will be destroyed in an appropriate manner. This year, destruction of records is scheduled for April 19, 2017. Board and staff are invited to bring in personal records for shredding at a cost of \$7 per box.

Attached is a proposed resolution for the Board to approve the destruction of certain records for this year. Exhibit A of the proposed resolution is the Request for Destruction of Records forms for documents to be eliminated. The lists of files to be destroyed have been reviewed and approved by: (1) Department Head, (2) Records Retention Manager, (3) Auditor-Controller and (4) General Manager.

RECOMMENDATION

Approve resolution authorizing the Destruction of Certain Records on or about April 21, 2017 in the manner consistent with District Policy.

Approved by GM

CD

Date

4/14/2017

RESOLUTION 17-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF NORTH MARIN WATER DISTRICT TO APPROVE DESTRUCTION OF CERTAIN RECORDS

WHEREAS, California Government Code §60200, et seq., authorizes the legislative body of a district to authorize the destruction of certain documents without retaining copies and authorizes the destruction of documents not expressly required by law to be maintained, if conditions are complied with as specified in Government Code §60203, and

WHEREAS, The Board of Directors of the North Marin Water District adopted Resolution 02-20 on June 4, 2002 establishing a policy for retention of documents and destruction of specified documents, and

WHEREAS, revisions to said policy was approved by the Board of Directors on July 15, 2003, and

WHEREAS, the Request for Destruction of Record forms describing the document or documents to be destroyed, with the written approval of the District's Department Heads, Records Retention Manager, Auditor-Controller and General Manager appearing thereon, is attached as Exhibit A.

NOW, THEREFORE, be it resolved by the Board of Directors of the North Marin Water District, that the records described in Exhibit A attached are hereby approved for destruction on or about April 21, 2017 in an appropriate manner.

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the eighteenth day of April 2017 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

(SEAL)

Katie Young
District Secretary

[illegible]

Note: Confidential records will be destroyed by shredding

NORTH MARIN WATER DISTRICT RECORDS RETENTION



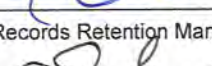

REQUEST FOR DESTRUCTION OF RECORDS

Retention periods for the listed records have expired. Please indicate your approval by signing where indicated. If you disapprove for any reason, mark through the record, initial and state reason for disapproval.

Box No. or Dept.	RECORD NAME	DATE RANGE		NMWD Retention Period
		From	To	
AP	WIP Posting Registers	7/15/10	4/30/12	CY + 4
	Payroll Posting Registers	12/31/11	3/15/12	CY + 4
	Accounts Payable Posting Registers	12/22/11	5/31/12	CY + 4
	Direct Deposit Register	12/31/08	4/30/10	CY + 6
	Daily Transaction Registers	7/12/12	3/18/13	CY + 4
	A/R Cash Receipts Journals	7/12/12	6/30/13	CY + 4
	Payroll Check Registers	5/15/06	11/30/10	CY + 6
	Accounts Payable Check Register	10/29/08	2/24/10	CY + 6
	Payroll Posting Registers	11/15/10	2/13/11	CY + 4
	Accounts Payable Posting Registers	6/1/12	11/2/12	CY + 4
	Payroll Posting Registers	3/31/12	10/31/12	CY + 4
	Vehicle Timesheets	1/15/12	6/30/13	CY + 4
	Disbursements	11/19/08	3/24/10	CY + 6
	Daily OH Allocation	12/2/08	11/17/09	CY + 6
	Daily Transaction Registers	5/17/10	7/7/10	CY + 6
	AC Monthly Report of Investments	FY08	FY09	
	Employee Timesheets	1/10	12/10	CY + 6

Request prepared by: Katie Young	Date: March 22, 2017
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DESTRUCTION APPROVALS SIGNATURES

Department Head 	Date Approved 3/30/17
Auditor-Controller 	Date Approved 3/30/17
Records Retention Manager 	Date Approved 3/31/17
General Manager 	Date Approved 4/4/2017
BOD Meeting Approval Date: _____	
Certificate of Destruction completed: Date: _____ No. _____ By: _____	

SUGGESTED METHOD OF DESTRUCTION

☒ Shredding
 ☐ Other _____
☐ Waste Paper (Recycled)
 Note: Confidential records will be destroyed by shredding

**NORTH MARIN WATER DISTRICT RECORDS RETENTION
REQUEST FOR DESTRUCTION OF RECORDS**

Retention periods for the listed records have expired. Please indicate your approval by signing where indicated. If you disapprove for any reason, mark through the record, initial and state reason for disapproval.

[illegible]





**NORTH MARIN WATER DISTRICT RECORDS RETENTION
REQUEST FOR DESTRUCTION OF RECORDS**

Retention periods for the listed records have expired. Please indicate your approval by signing where indicated. If you disapprove for any reason, mark through the record, initial and state reason for disapproval.

Box No. or Dept.	RECORD NAME	DATE RANGE		NMWD Retention Period
		From	To	
Billing	Meter Edit Cycle 8		2012	CY + 4
	Meter Edit Cycle 5-7		2012	CY + 4
	Meter Cycle 1-4		2012	CY + 4
	Old Close List		2012	CY + 4
	Bank Draft Changes		2012	CY + 4
	Structure Changes		2012	CY + 4
	Bill Adjustments		2012	CY + 4
	Meter Edit Cycle 1-5		2013	CY + 4
	Meter Edit Cycle 6		2013	CY + 4
	Posted Payments Report	May 2013	August 2013	CY + 2
	Posted Payments Report	Sept 2013	Dec 2013	CY + 2
	Deposit Slips		2013	CY + 3
	Bankruptcy Notices		2012	CY + 4
	Corrected Bills		2012	CY + 4
	Bill Adjustments		2012	CY + 4
	Bank Draft Collections		2012	CY + 4
	Return Checks		2014	CY + 2
	Customer Corresp 2014		2014	CY + 2
	Meter Edit Cycle 7&8		2013	CY + 4
	Corrected Bills		2014	CY + 2

Request prepared by: Katie Young	Date: March 22, 2017
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DESTRUCTION APPROVALS SIGNATURES

Department Head 	Date Approved 3/30/17
Auditor-Controller 	Date Approved 3/30/17
Records Retention Manager 	Date Approved 3/31/17
General Manager 	Date Approved 4/4/2017
BOD Meeting Approval Date: _____	
Certificate of Destruction completed: Date: _____ No. _____ By: _____	

SUGGESTED METHOD OF DESTRUCTION

<input checked="" type="checkbox"/> Shredding	<input type="checkbox"/> Other _____
<input type="checkbox"/> Waste Paper (Recycled)	Note: Confidential records will be destroyed by shredding

**NORTH MARIN WATER DISTRICT RECORDS RETENTION
REQUEST FOR DESTRUCTION OF RECORDS**

Retention periods for the listed records have expired. Please indicate your approval by signing where indicated. If you disapprove for any reason, mark through the record, initial and state reason for disapproval.

Box No. or Dept.	RECORD NAME	DATE RANGE		NMWD Retention Period
		From	To	
Billing	New Service Listing		2011	CY + 5
	Return APS		2014	CY + 2
	Cash Receipt Book	12/19/11	12/11/12	CY + 4
	Payment Stubs	9/11/12	10/03/12	CY + 4
	Meter Edits Cycle 1-6		2014	CY + 2
	Payment Stubs	12/28/11	1/18/12	CY + 4
	Payment Stubs	12/04/12	12/27/12	CY + 2
	Bills Over 100		2014	CY + 2
	New Customer List		2014	CY + 2
	Shut Offs		2014	CY + 2
	Water Load Record		FY 2015	CY + 1
	Customer Service Questionnaire		2015	CY + 1
	Payment Stubs	01/19/12	02/07/12	CY + 2
	Payment Stubs	02/08/12	02/24/12	CY + 2
	Payment Stubs	10/04/12	10/22/12	CY + 2
	Payment Stubs	02/27/12	03/15/12	CY + 2
	Payment Stubs	03/16/12	04/04/12	CY + 2
	Payment Stubs	04/05/12	04/25/12	CY + 2
	Payment Stubs	04/26/12	05/15/12	CY + 2
	Payment Stubs	05/16/12	06/05/12	CY + 2

Request prepared by: Katie Young	Date: March 22, 2017
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DESTRUCTION APPROVALS SIGNATURES	
Department Head 	Date Approved 3/30/17
Auditor-Controller 	Date Approved 3/30/17
Records Retention Manager 	Date Approved 3/31/17
General Manager 	Date Approved 4/4/2017
BOD Meeting Approval Date: _____	
Certificate of Destruction completed: Date: _____ No. _____ By: _____	

SUGGESTED METHOD OF DESTRUCTION	
<input checked="" type="checkbox"/> Shredding	<input type="checkbox"/> Other _____
<input type="checkbox"/> Waste Paper (Recycled)	Note: Confidential records will be destroyed by shredding

**NORTH MARIN WATER DISTRICT RECORDS RETENTION
REQUEST FOR DESTRUCTION OF RECORDS**

Retention periods for the listed records have expired. Please indicate your approval by signing where indicated. If you disapprove for any reason, mark through the record, initial and state reason for disapproval.

[illegible]

**NORTH MARIN WATER DISTRICT RECORDS RETENTION
REQUEST FOR DESTRUCTION OF RECORDS**

Retention periods for the listed records have expired. Please indicate your approval by signing where indicated. If you disapprove for any reason, mark through the record, initial and state reason for disapproval.

[illegible]

Request prepared by: Katie Young	Date: March 22, 2017
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DESTRUCTION APPROVALS SIGNATURES	
Department Head 	Date Approved 4/4/17
Auditor-Controller 	Date Approved 4/4/17
Records Retention Manager 	Date Approved 4/4/17
General Manager 	Date Approved 4/4/2017
BOD Meeting Approval Date: _____	
Certificate of Destruction completed: Date: _____ No. _____ By: _____	

SUGGESTED METHOD OF DESTRUCTION	
<input checked="" type="checkbox"/> Shredding	<input type="checkbox"/> Other _____
<input type="checkbox"/> Waste Paper (Recycled)	Note: Confidential records will be destroyed by shredding

11

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Bill Adjustment Policy
t:\ac\word\billing\bill adj policy revision.docx



April 14, 2017

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

A customer recently complained that the Bill Adjustment Policy (Board Policy #2) is difficult to understand. Staff has therefore endeavored to revise and (hopefully) simplify the policy language (attached).

The Bill Adjustment Policy was inaugurated in 1967 and has been modified several times over the years. The Policy allows staff latitude to reduce a customer's bill when there is abnormally high use, which is defined as being at least 150% of normal use. The Bill Adjustment Policy states that in the event of an abnormally high bill, the customer is to pay their normal bill amount plus one-half of the use in excess of normal at the base rate. In essence, the District splits the use in excess of normal with the customer. The formula works well. Approximately 20 bill adjustments per month are granted, with a median adjustment of \$200. Only a handful of customers approach the Board annually for additional consideration.

Recommendation:

Approve Revision to Bill Adjustment Policy as shown.

NORTH MARIN WATER DISTRICT

POLICY: BILL ADJUSTMENT POLICY
POLICY NUMBER: 2

Original Date: February 7, 1967
Last Reviewed: 04/02/13
Last Revised: 04/02/13

In the event water use (measured in 1,000 ~~(thousand)~~ gallon units) for the disputed bill is in excess of one and one-half times the normal seasonal bimonthly use as solely determined by the District, and there is no evidence that the excess water use was due to the willful act or negligence of the consumer or the consumer's agent(s), the District will credit the consumer's account for ~~one-half of the difference between the dollar amount of the disputed bill and the dollar amount of the normal bill (calculated as normal seasonal bimonthly use at current commodity-quantity rates) less one-half of the excess use at the base rate pursuant to NMWD Regulation 54.~~ and the dollar amount of the disputed bill, plus, to the extent the excess use was subject to a tier rate, half the use in excess of normal will be credited to the customer's account at the tier rate.

Credit = Disputed Bill Amount – Normal Bill Amount – (0.5 X Excess Use X Base Rate)

In the event the excess use encompasses two consecutive bimonthly billing periods, such bi-period rate adjustment will be separately applied to each such billing period provided the water use in each bimonthly period exceeds one and one-half times the normal seasonal bimonthly use for said period as determined by the District. Consideration of an adjustment pursuant to this policy shall be allowed only once in any consecutive 24-month period. Consumers requesting a bill adjustment must allow District staff to complete a residential water use survey before any bill adjustment is given. The District General Manager, or designee, may grant exemptions to this requirement should staff be unavailable to perform the survey in a timely manner.

04/13


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12

MEMORANDUM

To: Board of Directors

April 14, 2017

From: Drew McIntyre, Assistant General Manager 

Subj: Resolution of Appreciation for Chris DeGabriele
t:\gm\bod misc 2017\cd memo resolution.docx

RECOMMENDED ACTION: Board Approve the Resolution of Appreciation to Chris DeGabriele

FINANCIAL IMPACT: None

Chris DeGabriele is retiring on Tuesday, May 2nd after almost 26 years of employment with North Marin Water District. His retirement will be recognized at the District's Open House on April 21st. Thus it is appropriate to convey appreciation for Chris' years of service to the District and adopt the attached resolution of appreciation.

RECOMMENDED ACTION:

Board adopt the resolution of appreciation to Chris' retiring after almost 26 years of employment with North Marin Water District.

Resolution 17-XX
North Marin Water District
Resolution of Appreciation
To
Chris DeGabriele

WHEREAS:

- Chris DeGabriele, a native of Michigan, received his Bachelor of Science in Civil Engineering from Michigan Technological University; and
- Chris DeGabriele, upon graduation, went into the civil engineering field, obtained his professional registration, and worked for 15 years in the design and construction industries with the Bechtel Group of Companies; and
- Chris DeGabriele was hired as the Chief Engineer of the North Marin Water District in 1991 and became General Manager of the District on May 1, 1995; and
- For the past twenty-two years, Chris DeGabriele's performance as General Manager of the North Marin Water District has been exemplary, marked by his expertise, commitment, innovation and service to the Novato and West Marin communities; and
- Chris DeGabriele served as a mentor to all whom he worked with, fostering a culture of professionalism, accountability, service, teamwork, and the pursuit of innovative solutions to complex problems; and
- Since 2006, Chris DeGabriele has provided a leadership role as Chairman of the Technical Advisory Committee to Sonoma County Water Agency, the Russian River water wholesaler to NMWD; and
- Chris DeGabriele was instrumental in forming the Sonoma-Marin Saving Water Partnership in 2010 recognizing the importance of establishing common water conservation projects on a regional basis; and
- Chris DeGabriele has ensured the continued growth of the District's highly regarded water conservation program and supported various programs to cost effectively and efficiently conserve water while maintaining a reasonable cost of service; and
- Chris DeGabriele has pioneered many innovative projects including the NMWD-MMWD Hamilton Field Boundary Reorganization in 2002, the Stafford Treatment Plant Rehabilitation Project in 2006, Recycled Water service commencing in 2007 and the Aqueduct Energy Efficiency Project in 2015; and

- Chris DeGabriele is now bidding farewell after a full career of service.

THEREFORE BE IT RESOLVED:

That the Board of Directors and staff of North Marin Water District hereby expresses its deep appreciation to Chris DeGabriele for his many years of dedication, loyal service and valuable contributions to North Marin Water District and the Novato and West Marin communities; and

BE IT FURTHER RESOLVED:

That the Board of Directors and staff of North Marin Water District extend their best wishes to Chris DeGabriele for all his future endeavors and wish him many happy and rewarding years filled with all the good things of life.

Dated at Novato, California
April 18, 2017

Stephen Petterle, President
North Marin Water District

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the eighteenth day of April 2017 by the following vote:


AYES:
NOES:
ABSTAINED:
ABSENT:

Katie Young, District Secretary
North Marin Water District

(SEAL)

13

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller 
Subj: West Marin Water System Financial Plan Update
t:\aclword\cashflow\17\wm wtr update 041417.docx

April 14, 2017

RECOMMENDED ACTION: Approve drafting a letter to West Marin Water customers regarding a water rate increase

FINANCIAL IMPACT: None at this time

Attached is an update of the West Marin Water System financial plan for the next five years. Preliminary work on the \$650,000 project to replace the Paradise Ranch Estates Tank 4A is underway, and is scheduled to be completed next fiscal year (FY18). In FY19 the District will commence construction of a Solids Handling Facility at the Point Reyes Treatment Plant, budgeted at \$1,300,000. Acquisition of expanded easements from the federal government in conjunction with the closure of the Point Reyes Coast Guard housing facility station could reduce the project cost by up to 20%. The District will need to borrow approximately \$600,000 in FY19 to fund completion of the Solids Handling Facility.

Significant assumptions include:

- 1) Rate Increase: Consistent with prior forecasts, water rate increases of 5% annually are projected through fiscal year 2022. For next fiscal year the increase is structured identical to the Novato increase, i.e., as a 5% commodity rate increase and 5% increase in the bimonthly service charge, proposed effective July 1, 2017;
- 2) Water Sales Volume: FY18 sales volume is projected to remain at 62 MG, a 3% increase from FY17 as the statewide drought has now been officially declared over, and will increase to 65MG over the 5 year period. For perspective, note that average sales volume for the first 10 years of this century, minus the now discontinued Giacomini Dairy, averaged 92MG.
- 3) New Connections: One new connection per year is forecast, which is consistent with what we have seen over the past 5 years;
- 4) Future Projects: A \$2.8 million rehabilitation of the treatment plant is budgeted to commence in FY22. A project of this magnitude will likely need to be financed. A 20-year 3.5% loan is assumed.

Recommendation:

If the Board is comfortable with the West Marin Water Financial Plan herein presented, direct Staff to draft a letter to West Marin Water customers for Board review noticing a public hearing in Point Reyes Station on June 27 to consider a 5% increase in the cost of water.

WEST MARIN WATER

5-Year Financial Forecast

#		Actual 2014/15	Actual 2015/16	Est Actual 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22
BASIC DATA									
1	Active Meters	778	780	781	782	783	784	785	786
2	Avg Commodity Rate/1,000 Gal	\$8.74	\$9.62	\$9.57	\$10.20	\$10.72	\$11.28	\$11.85	\$12.46
3	Potable Consumption (MG)	64	57	60	62	64	65	65	65
INCOME									
4	Commodity Charge	\$562,195	\$544,743	\$574,000	\$632,000	\$686,000	\$733,000	\$770,000	\$810,000
5	Bimonthly Service Charge	166,938	168,775	169,000	178,000	187,000	196,000	206,000	216,000
6	Connection Fee	22,800	0	8,000	23,000	23,000	23,000	23,000	23,000
7	PR-2 County Tax Allocation	45,378	49,365	51,000	53,000	55,000	57,000	59,000	61,000
8	Interest	5,027	10,025	16,000	9,000	6,000	6,000	0	2,000
9	Miscellaneous	10,572	11,377	11,000	11,000	11,000	11,000	11,000	11,000
10	TOTAL INCOME	\$813,571	\$784,285	\$829,000	\$906,000	\$968,000	\$1,026,000	\$1,069,000	\$1,123,000
EXPENDITURES									
11	Operating Expenditures	\$469,147	\$462,242	\$483,000	\$498,000	\$494,000	\$509,000	\$524,000	\$540,000
12	Water Purchased from MMWD	6,651	0	0	0	0	0	0	0
13	Miscellaneous	3,363	596	1,000	5,000	5,000	5,000	5,000	5,000
14	Bond & Loan Debt Service	104,576	99,555	101,000	100,000	140,000	139,000	126,000	322,000
15	TOTAL EXPENDITURES	\$583,737	\$562,393	\$585,000	\$603,000	\$639,000	\$653,000	\$655,000	\$867,000
NET INCOME		\$229,834	\$221,892	\$244,000	\$303,000	\$329,000	\$373,000	\$414,000	\$256,000
OTHER SOURCES/(USES)									
16	Capital Improvement Projects	(\$1,279,605)	(\$215,749)	(\$175,000)	(\$675,000)	(\$1,025,000)	(\$1,050,000)	(\$250,000)	(\$2,850,000)
17	Grant/Loan Proceeds	1,177,912	0	0	0	600,000	0	0	2,800,000
18	Net Change in Working Capital	99,793	(9,894)	0	0	0	0	0	0
19	INCREASE (DECREASE) IN CASH	\$227,934	(\$3,751)	\$69,000	(\$372,000)	(\$96,000)	(\$677,000)	\$164,000	\$206,000
CASH BALANCE									
20	Operating Reserve	\$188,241	\$245,289	\$350,000	\$630,000	\$609,000	\$0	\$111,000	\$332,000
21	System Expansion Reserve	823,221	762,422	727,000	75,000	0	0	0	0
22	Liability Contingency Reserve	99,000	99,000	99,000	99,000	99,000	31,000	99,000	99,000
23	Bond Redemption Reserve	30,000	30,000	30,000	30,000	30,000	30,000	15,000	0
24	TOTAL CASH BALANCE	\$1,140,462	\$1,136,711	\$1,206,000	\$834,000	\$738,000	\$61,000	\$225,000	\$431,000
25	Depreciation Expense	\$157,937	\$189,039	\$192,000	\$195,000	\$206,000	\$223,000	\$241,000	\$245,000

WEST MARIN WATER NOTES

KEY

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

- 1 Assumes annual increase of 1 connection per year.
- 2 Commodity rate and Bimonthly Service Charge increases of 5% are proposed effective 7/1/17. Annual 5% Commodity and Bimonthly Service Charge increases shown thereafter. Note that the FY2015/16 Average Commodity Rate included a drought surcharge.
- 3 Consumption projection assumes 60MG in FY17, 62MG in FY18, 64MG in FY19, and 65MG annually thereafter.
- 4 Average Commodity Rate multiplied by Potable Consumption.
- 5 Bimonthly service charge shown to increase 5% annually after FY17. Details of the rate increase structure to be determined at annual budget hearings.
- 6 The connection fee was set at \$22,800 per equivalent dwelling unit effective August 1, 2010.
- 7 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. PR-2 County Tax allocation is projected to increase 3% per year.
- 8 Projected available funds invested at 0.75%
- 9 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.
- 11 3% annual increase in Operating Expenditures assumed after FY17. FY17 & FY18 include \$17K & \$18K respectively to Digitize WM Water Facility Maps.
- 14 Comprised of three 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1975 OL-2 \$70,000 GO bond paid off in 2015; 2) 1980 PRE-1 \$240,000 revenue bond due 2020; 3) 1981 PR-6 \$217,800 revenue bond due 2021; plus an Economic Development Administration \$46,000 5% 40-year loan due 2017. FY19 includes debt service on \$600K loan to finance completion of Solids Handling Facility, and FY22 includes debt service on \$2.8M to finance the TP Rehab.
- 15 Total Expenditures excludes depreciation.
- 16 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 17 FY19 \$600,000 loan to complete the Solids Handling and PRE Storage projects; FY20 \$2.8M for TP Rehab.
- 20 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors.
- 21 System Expansion Reserve is composed of connection fee revenue and unexpended Bank of Marin loan funds.
- 22 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.
- 23 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.

CAPITAL IMPROVEMENT PROJECTS

4/14/17

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		FY17 Budget	FY17 Est Actual	FY18	FY19	FY20	FY21	FY22
7. WEST MARIN WATER SYSTEM								
2.6263.20	a. Replace PRE Tank #4A (25K gal w/82K gal)	\$450,000	\$100,000	\$550,000				
	b. Green Sand Filter Media Replace	\$75,000	\$75,000	\$75,000				
2.6609.20	c. New Gallagher Well #2	\$100,000	\$0		\$100,000	\$200,000		
	d. PB Replace in Sync w/ County Paving			\$50,000		\$50,000		\$50,000
2.6601.32	e. TP Solids Handling (Note 5)				\$600,000	\$700,000		
	f. Abandon Downey Well				\$50,000	\$100,000		
	g. Rehab Coast Guard Well #2				\$275,000			
	h. PRE Tank #1 Replacement						\$250,000	
	i. Treatment Plant Modifications Design/Construct (Note 6)							\$2,800,000
		<u>\$625,000</u>	<u>\$175,000</u>	<u>\$675,000</u>	<u>\$1,025,000</u>	<u>\$1,050,000</u>	<u>\$250,000</u>	<u>\$2,850,000</u>
LESS FUNDED BY LOANS/GRANTS/OTHER								
	e. WM Treatment Plant Solids Handling (Note 5)			(\$655,000)	(\$600,000)			
	g. WM TP Modific Design/Construct (Note 6)							(\$2,800,000)
		<u>\$0</u>	<u>\$0</u>	<u>(\$655,000)</u>	<u>(\$600,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$2,800,000)</u>
	NET PROJECT OUTLAY	<u>\$625,000</u>	<u>\$175,000</u>	<u>\$20,000</u>	<u>\$425,000</u>	<u>\$1,050,000</u>	<u>\$250,000</u>	<u>\$50,000</u>
STUDIES & SPECIAL PROJECTS								
2.4061.00	f. Digitize West Marin Water Facility Maps	\$35,000	\$17,000	\$18,000				
		<u>\$35,000</u>	<u>\$17,000</u>	<u>\$18,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
West Marin Water Debt Service								
	j. EDA Loan	\$3,000	\$2,585	\$2,000	\$0			
	k. PRE-1 Revenue Bond	\$15,000	\$14,113	\$14,000	\$14,000	\$14,000	\$0	
	l. PR-6 Revenue Bond	\$13,000	\$12,300	\$13,000	\$13,000	\$12,000	\$13,000	\$12,000
	m. TP Solids Handling Bank Loan	\$71,000	\$70,764	\$71,000	\$71,000	\$71,000	\$71,000	\$71,000
	n. TP Solids Handling Add'l Bank Loan (Note 5)				\$42,000	\$42,000	\$42,000	\$42,000
	o. TP Modifications Loan (Note 6)							\$197,000
		<u>\$102,000</u>	<u>\$99,762</u>	<u>\$100,000</u>	<u>\$140,000</u>	<u>\$139,000</u>	<u>\$126,000</u>	<u>\$322,000</u>
	NET PROJECT & DEBT SERVICE OUTLAY	<u>\$727,000</u>	<u>\$275,000</u>	<u>\$120,000</u>	<u>\$565,000</u>	<u>\$1,189,000</u>	<u>\$376,000</u>	<u>\$372,000</u>

Note 5 - \$1.25M WM Water Solids Handling Facility partially funded by bank loan (\$660,000 remaining). Additional \$600K to be borrowed in FY19 to complete project.

Note 6 - \$2.8M WM TP Project funded by debt and /or grant funds.

14

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller 
Subj: Oceana Marin Sewer System Financial Plan Update
t:\ac\word\cashflow\17\om swr update 041417.docx

April 14, 2017

RECOMMENDED ACTION: Approve drafting a letter to Oceana Marin Sewer customers regarding a sewer rate increase

FINANCIAL IMPACT: None at this time

Attached is an update of the Oceana Marin Water System 5-Year Financial Forecast. Significant assumptions include:

- 1) Capital Improvement Project Program: The Oceana Marin Wastewater System Master Plan Update received by the Board in January 2016 meeting identified \$3.1 million in recommended projects. The Update performed by Nute Engineering focused more on aging infrastructure and risk mitigation than the previous update by Bracewell Engineering done in 2005. Accordingly, the District has proposed a more vigorous CIP program, and the corresponding need for additional revenue to fund the identified improvements. Within the upcoming 5-year financial plan window three major projects are scheduled: 1) commencing next fiscal year (FY18) \$400,000 to reline the Treatment Pond; 2) commencing FY20 \$500,000 to construct the first of three segments of a Parallel Force Main; 3) commencing FY22 \$300,000 to reline of 3,000' of 6" AC Main.
- 2) Rate Increase: Consistent with the financial plan presented last year, 10% sewer service charge increases are incorporated into each year of the forecast. If the Board approves a 10% increase at its June 27 public hearing, the sewer service charge would increase to \$86/month effective July 1, 2017, which is \$1,032 annually on the property tax bill.
- 3) Connection Fee: Last year the Board phased an increase to the connection fee over a two-year period, increasing the fee to \$22,600 effective October 16, 2016, and to \$30,000 effective July 1, 2017. One new connection per year is forecast, which is the average over the past 5 years.

The financial plan shows that, with the annual 10% rate increases assumed above, the Oceana Marin System will be able to fund its CIP program over the next five years on a pay-go basis and maintain a reserve balance of \$89,000 at the close of FY22, which is a decrease of \$300,000 from its current cash balance, but avoids the need to borrow money or defer projects. Included in the FY18 budget is \$25,000 to conduct a Vulnerability/Hazard Mitigation Study to assist in the effort to obtain outside funding to thereby temper the projected rate increases.

RECOMMENDATION:

If the Board is comfortable with the Oceana Marin Sewer Financial Plan herein presented, Staff will draft a letter to Oceana Marin Sewer customers for Board review noticing a public hearing In Point Reyes Station on June 27 to consider a 10% increase in the sewer service charge.

OCEANA MARIN SEWER

5-Year Financial Forecast

#		Actual 2014/15	Actual 2015/16	Est Actual 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21	Projected 2021/22
1	BASIC DATA								
1	Number of Connections	229	230	231	232	233	234	235	236
2	Monthly Service Charge	\$68.00	\$71.00	\$78.00	\$86.00	\$95.00	\$105.00	\$116.00	\$128.00
3	INCOME								
3	Monthly Service Charge	\$186,864	\$195,461	\$216,000	\$239,000	\$265,000	\$294,000	\$326,000	\$362,000
4	OM-1/OM-3 Tax Allocation	48,360	52,609	54,000	56,000	58,000	60,000	62,000	64,000
5	Connection Fees	15,200	32,198	53,000	30,000	30,000	30,000	30,000	30,000
6	Interest Revenue	2,323	3,638	6,000	3,000	3,000	1,000	1,000	0
7	Miscellaneous Revenue/(Expense)	203	370	1,000	1,000	1,000	1,000	1,000	1,000
8	TOTAL INCOME	\$252,950	\$284,276	\$330,000	\$329,000	\$357,000	\$386,000	\$420,000	\$457,000
9	OPERATING EXPENDITURES	\$132,624	\$159,131	\$189,000	\$195,000	\$201,000	\$207,000	\$213,000	\$219,000
10	OTHER SOURCES (USES)								
10	Capital Improvement Projects/Other	(63,023)	(7,547)	(140,000)	(210,000)	(390,000)	(140,000)	(340,000)	(210,000)
11	Net Change in Working Capital	4,004	1,864						
12	INCREASE (DECREASE) IN CASH	\$61,307	\$119,462	\$1,000	(\$76,000)	(\$234,000)	\$39,000	(\$133,000)	\$28,000
13	TOTAL CASH BALANCE	\$344,202	\$464,000	\$465,000	\$389,000	\$155,000	\$194,000	\$61,000	\$89,000
14	Depreciation Expense	\$49,860	\$48,193	\$43,000	\$50,000	\$61,000	\$81,000	\$88,000	\$105,000

OCEANA MARIN SEWER

NOTES

KEY

- 1 Assumes 1 connection per year, which is the average over the last 5 years. Capacity is estimated at 294 dwelling units.
- 2 Proposed 10% annual increases to build cash to fund the \$350,000 Pond Relining project commencing in FY18 and Phase 1 of the \$500,000 Parallel Force Main project commencing in FY20.
- 4 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. OM-1/IOM-3 County Tax allocation is projected to increase 3% per year.
- 5 Proposed increase in the connection fee to \$30,000. Assumes connections occur in OM-3 Units 1 or 5 which are subject to the connection fee.
- 6 Projected available funds invested at 0.75%
- 9 Operating expenditures projected to increase 3% annually after FY17. Excludes depreciation expense.
- 10 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 13 Cash available for operation, maintenance and improvements

CAPITAL IMPROVEMENT PROJECTS

4/14/17

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		FY17 Budget	FY17 Est Actual	FY18	FY19	FY20	FY21	FY22
8.	OCEANA MARIN SEWER SYSTEM							
8.8672.28	a. Infiltration Repair	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
8.7163.00	b. Design/Install 8th Disposal Trench (300')	\$50,000	\$20,000	\$80,000				
8.7085.02	c. Tahiti Way Lift Pumps Rebuild (2) (every 5 yrs)	\$20,000	\$20,000	\$20,000				\$20,000
8.7164.00	d. Tahiti Way Power Relocation	\$20,000	\$0	\$20,000				
8.7165.00	e. North St Lift Station Communication Upgrade	\$30,000	\$30,000					
8.7166.00	f. ACP Sewer Reline (6"@ 3,000')	\$50,000	\$0					\$50,000
8.7167.00	g. Dosing Siphon Repairs	\$0	\$30,000					
	h. Pond Dredging & Relining			\$50,000	\$350,000			
	i. Parallel Force Main (1st of 3 Segments) (Note 7)					\$100,000	\$300,000	\$100,000
		\$210,000	\$140,000	\$210,000	\$390,000	\$140,000	\$340,000	\$210,000

STUDIES & SPECIAL PROJECTS

8.4062.00	h. Oceana Marin Vulnerability Study			\$25,000				
		\$0	\$0	\$25,000	\$0	\$0	\$0	\$0

15

MEMORANDUM

To: Board of Directors

April 14, 2017

From: Drew McIntyre, Assistant General Manager DM

Subject: Marin Country Club Recycled Water Service Agreement Amendment No. 1

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RECOMMENDED ACTION: Board authorize Amendment No. 1 to the MCC Recycled Water Service Agreement

FINANCIAL IMPACT: None at this time

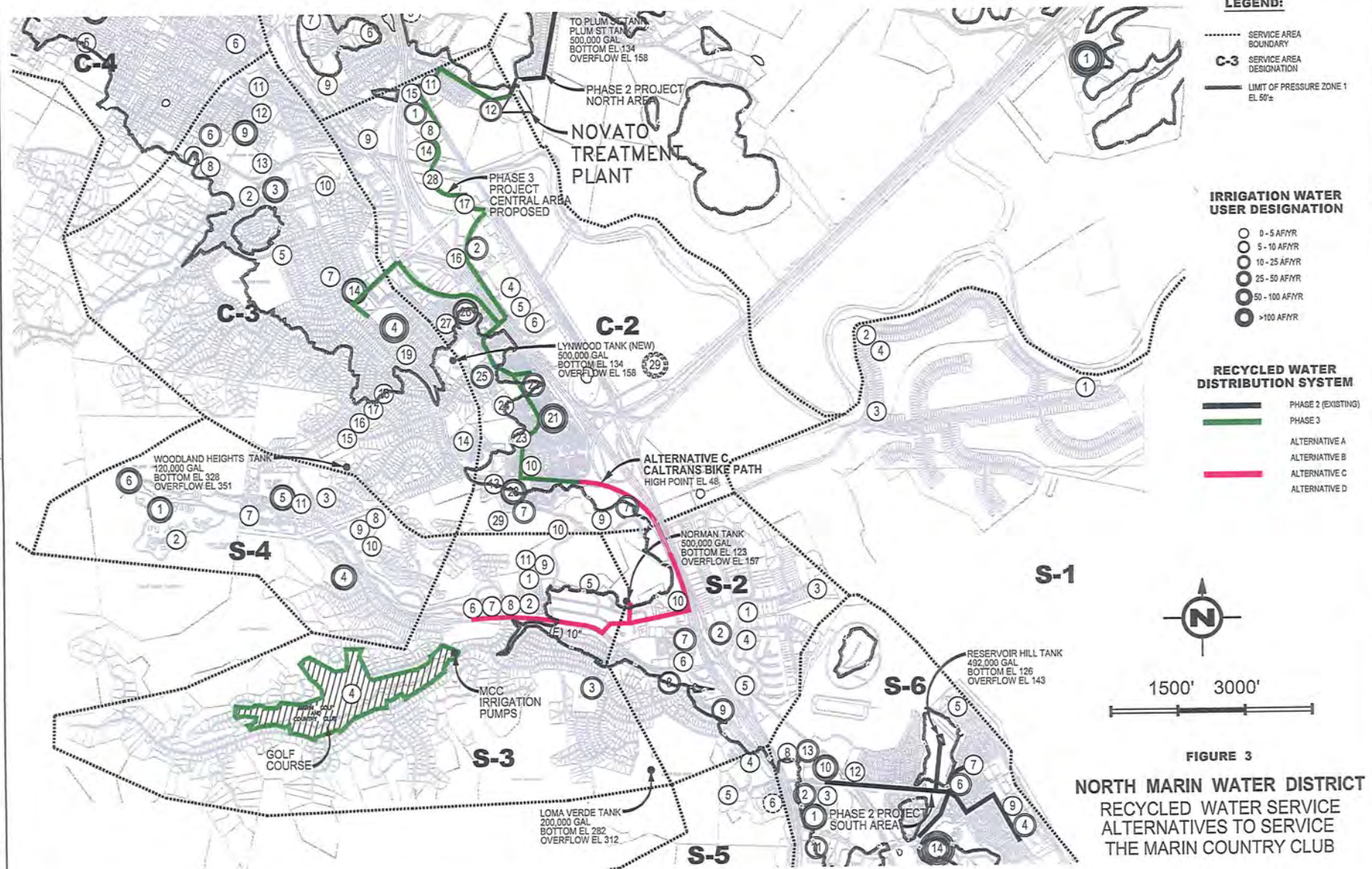
At the June 2, 2015 meeting, the Board approved a Recycled Water Service agreement between NMWD and Marin Country Club (MCC) for joint participation in the Recycled Water Central Service Area expansion project with the intent to construct an Ignacio Service Area Extension. This extension, identified as Alternative C in the 2014 Feasibility Update to provide recycled water to MCC, is shown on Attachment 1. The original agreement was approved based solely on estimated amounts for both construction costs and state/federal grants and loans. Now that bids have been opened and more definitive construction costs are known and agreements with state/federal agencies for grants and loans have been executed. Thus it is appropriate to amend the agreement. Amendment No. 1, provided as Attachment 2, encompasses revised agreement pages 1-4A, 1-5A, 1-6A and 1-7A. A compare/contrast version of those same pages is provided in Attachment 3 for ease of reference. The major changes are summarized as follows:

PAGE	SUMMARY OF CHANGE
1-4A	Updated construction costs, federal grants (Bureau of Reclamation) and state grants/loans (Clean Water State Revolving Fund).
1-5A	Updated MCC participation costs, added language regarding payment terms/conditions and added language regarding NMWD financing of \$430,463 at 2.8% over a ten year term. This new ten year NMWD financing is required since the 1% state loan is capped and cannot be increased;
1-6A	Updated payment terms/conditions, revised language regarding the Deed of Trust.
1-7A	Revised language regarding agreement assignment, recovery of attorney fees in the event of legal costs and agreement precedent.

This agreement amendment is the result of several discussions with MCC representatives and includes input from NMWD legal counsel.

RECOMMENDATION

Board authorize this Amendment No. 1 to the Marin County Country Club Recycled Water Service Agreement.



AMENDMENT NO. 1
TO
LOW PRESSURE
RECYCLED WATER SERVICE AGREEMENT
FOR
MARIN COUNTRY CLUB-SUPPLEMENTAL IRRIGATION WATER

THAT CERTAIN "Low Pressure Water Service Agreement for MARIN COUNTRY CLUB – SUPPLEMENTAL IRRIGATION WATER," dated June 10, 2015, by and between NORTH MARIN WATER DISTRICT, herein called "District," and MARIN COUNTRY CLUB, INC., a California Corporation, herein called "Applicant," is hereby amended as follows:

Section 3 as set forth on Page 1-4 and, Section 4 as set forth on Pages 1-5 and 1-6 shall be revised and shall read as set forth on replacement Pages 1-4A, 1-5A, 1-6A, 1-7A attached hereto and made a part hereof.

IN WITNESS WHEREOF, the parties hereto have executed this amendment to their agreement on the _____ day of _____, 2017.

NORTH MARIN WATER DISTRICT
"District"

NOTARIZE:

Stephen Petterle, President

Katie Young, Secretary

(SEAL)

MARIN COUNTRY CLUB, INC.
a California Corporation
"Applicant"

Carolyn J. Worth President

Thomas M. Phillips, Treasurer

NOTES: *This amendment must be executed by the Applicant and delivered to the District within thirty (30) days after it is authorized by the District's Board of Directors.*

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.

the District's Recycled Water rates and applicable charges then in effect, which meter shall be located approximately 300 lineal feet east of the intersection of Ignacio Blvd and Country Club Drive at an approximate elevation of 75 feet (NAVD 88) resulting in a low pressure service estimated to be approximately 25 psi at the new meter (hereinafter, the "Point of Delivery"). The District shall be responsible for operation, maintenance and replacement of the necessary pipelines, pumps, and any related facilities upstream of the Point of Delivery. The Applicant shall be responsible for providing the carriage and handling of the recycled water delivered hereunder from the Point of Delivery to the golf course, including operation, maintenance and replacement of the necessary pipelines, pumps, and any related facilities.

d. The Applicant shall be responsible for the engineering, permitting, design, construction and funding of all on-site retrofit requirements for use of recycled water within its property.

e. The Applicant shall submit to the District detailed on-site recycled water design drawings and an Operations and Maintenance Plan which shall serve as a basis for NMWD obtaining permit approval for the on-site recycled water retrofit from the RWQCB and the DDW division of the SWRCB.

f. The Applicant shall pay a pro-rata share of engineering, permitting, design and construction costs for the off-site facilities necessary (i.e., pipelines and Norman Tank Rehabilitation) to build the Ignacio Service Area Extension to supply recycled water to Marin Country Club as identified herein. The pro-rata share shall be 60 percent of Total Recycled Water Facilities Cost (Total Cost), which equals the percentage of Applicant's volume of water flowing through the Ignacio Service Area Extension pipeline compared to the total volume including other potential users along this route between Norman Tank and the Applicant.

3. Charges for initiating new recycled water service, and estimated project costs are as follows:

Recycled Water Service Initiation Charges

Meter Charges (included in Construction Costs)	\$	N/A
Reimbursement Fund Charges	\$	N/A
Facilities Reserve Charges	\$	N/A
Facilities Reserve Credits	\$	N/A

Subtotal – Service Initiation Charges..... \$ 0.00

Estimated Project Costs

Construction, Contingency (8%), Planning, Design and CM	\$ 4,926,432.00
Marin Country Club Share (Section 4)	\$ 2,762,623.00
Less BUREC Grant	\$ <429,600.00>
Less CWSRF Grant	\$ <637,265.00>

Subtotal – Estimated Marin Country Club Share .. \$ 1,695,758.00

TOTAL ESTIMATED RECYCLED WATER FACILITIES COSTS ("Total Cost") \$ 4,926,432.00

4. Financial arrangements to be made by the Applicant shall consist of the following:

Initial Charges and Estimated District Costs

Applicant agrees to pay the amount of **\$ 1,695,758**, which is the Applicant's pro rata share of the Estimated Total Cost less grants as set forth in Sections 2.f and 3 herein estimated on February 19, 2017. Said amount will be adjusted to reflect the Project's actual Total Cost. The Applicant shall pay 50% of costs above \$3,710,250 up to a Total Cost of \$4,210,250 (an additional payment up to \$250,000). Should the Total Cost exceed \$4,210,250, the Applicant shall pay 40% of the costs above that amount up to a Total Cost of \$4,926,432 (an additional payment up to \$286,473). Should the Total Cost exceed \$4,926,432, the Applicant and the District hereby agree to meet and determine the cost share above that amount and modify this Agreement to reflect that determined cost share. Should the Total Cost exceed \$4,926,432 and if the Applicant and the District cannot agree on a cost share above that amount, this Agreement shall be terminated and the Ignacio Service Area Extension pipeline to serve the Applicant shall not be constructed. Should the Ignacio Service Area Extension pipeline not be constructed, Applicant shall pay 50% of actual costs expended for engineering, permitting and design up to a maximum of \$50,000 without credit or reduction for the costs of the Nute Engineering Studies referenced above.

5. The Applicant will pay \$1,265,295 of the amount stipulated in Section 4 herein to the District through bi-monthly (every two months) principal and interest payments consistent with the timing and financing terms of, a 1% (one percent) low interest rate loan from the California Clean Water State Revolving Fund (the "CWSRF") with a 30 (thirty) year repayment term. Notwithstanding anything to the contrary, the preceding sentence does not apply to the payment specified in the last sentence of Section 4. The Applicant will pay the remaining amount stipulated in Section 4 herein (\$430,463) to the District through bimonthly principal and interest payments at 2.8% over a ten (10) year term.

Periodic principal and interest payments will be included with the Marin Country Club recycled water service bill, which is typically rendered on the third week of odd-numbered months (January, March, May, July, September and November). The January 2018 recycled water service bill shall include a charge for the first principal and interest payment. The payment amount will be calculated using the loan amounts, interest rates and loan duration terms noted above. Bi-monthly payments for the first ten years are estimated to be \$16,385 and estimated to be \$8,142 for years eleven through thirty (see payment schedule provided in Exhibit B). Applicant acknowledges that the District may adopt monthly billing frequency in the future and will agree to a revised billing schedule to reflect the same.

Recycled water service to the Applicant will be disconnected if bi-monthly payments pursuant to this Section and payment of charges for recycled water pursuant to Section 6 are not received within 30 days of the due date printed on the District's bill, which is typically 25 days following the date the bill is mailed to the Applicant. Interest at the maximum amount permitted by law may be added to payments not received by the District as of the due date, provided that the District's bill was received by Applicant a minimum of 14 days prior to its due date.

Prior to January 2018 when the first payment is due pursuant to the payment schedule attached hereto as Exhibit B, the Applicant will record a subordinated deed of trust, the form of which is attached hereto as Exhibit C, in the amount of \$1,695,758 naming the District as beneficiary (the Deed of trust") to serve as the performance guarantee. If a bill remains unpaid for sixty (60) days after being mailed to the Applicant, all amounts owing under this Agreement, including accrued interest and unpaid principal, shall become immediately due and payable and the District may serve upon the Applicant and the Trustee named in the Deed of Trust, a demand for payment of the full amount of initial charges and estimated District costs less Applicant credits within ten (10) days. If the Applicant fails to pay such amount in full within the 10-day period the District may enforce all rights and remedies at law and under the Deed of Trust, including a sale of the subject property through foreclosure. The District acknowledges and agrees that the Deed of Trust shall be subordinated to all existing deeds of trust that currently encumber the Applicant's real property.

6. If recycled water supplies to the Applicant are interrupted or curtailed for any reason, District shall supply temporary potable water to the golf course. Such supply of Zone 1 potable water will not exceed 336,000 gallons per day at a rate at or below 800 gallons per minute and will be charged at the District's Recycled Water rate pursuant to NMWD Regulation 54 then in effect.

7. If recycled water supplies to Applicant are interrupted or curtailed and temporary potable water is not available for any reason, the Applicant's curtailment shall be equal in proportion to the recycled water system-wide curtailment applied to all District recycled water customers.

8. Recycled water furnished by the District through the expanded facilities pursuant to this Agreement will not be used by the Applicant for any purpose other than golf course and adjacent landscape irrigation.

9. The District covenants to own, operate and maintain the Project until the termination of this Agreement. This Agreement shall bind and benefit the successors and assigns of the parties hereto; however, this Agreement shall not be assigned by the Applicant without the prior written consent of the District. Assignment shall be made only by a separate document prepared by the District at the Applicant's written request. The Applicant's rights to recycled water deliveries hereunder are not transferable or assignable. The Applicant shall not sell, give, transfer, or distribute any of the recycled water purchased by it to any other party for any use, and Applicant shall be the sole party using the recycled water.

10. Any notice or other communication to be given to the District under this Agreement may be given by delivering the same in writing to the North Marin Water District, at 999 Rush Creek Place, Novato, California 94945, Attention: General Manager; and any notice or other communication to be given to the Applicant under this Agreement may be given by delivering the same in writing to Marin Country Club, Inc., 500 Country Club Dr., Novato, CA 94949 Attention: General Manager.

11. This Agreement is made solely for the benefit of the District and the Applicant (including successors or assigns) and no other person shall acquire or have any right hereunder or by virtue hereof. The obligations of the Applicant under this Agreement may not be assigned, in whole or in part, without the prior written consent of the District, which consent may be given or denied in the District's sole and absolute discretion; provided, however, that Applicant may without the prior written consent of the District: (i) directly or indirectly assign this Agreement to an affiliate of Applicant and (ii) assign the Agreement to any person or entity in connection with a reorganization, merger, acquisition, change of control, or sale of all substantially all the assets or business of Applicant; however, any such assignment, without prior written consent shall not release Applicant from any of its obligations hereunder.

12. The validity, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Any action or proceeding to enforce or interpret this Agreement shall be brought, commenced or prosecuted in the County of Marin, California. In the event that either party is required to initiate legal proceedings to enforce or interpret the terms of this Agreement, the prevailing party may recover its attorney's fees incurred in such action, in addition to costs and other amounts recoverable at law.

13. This Agreement shall constitute the entire agreement between the District and the Applicant with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, representations, and understandings of the District and the Applicant.

DRAFT
AMENDMENT NO. 1
TO
~~PART ONE~~
LOW PRESSURE
RECYCLED WATER SERVICE AGREEMENT
FOR
MARIN COUNTRY CLUB-SUPPLEMENTAL IRRIGATION WATER

THAT CERTAIN "~~Part One~~ Low Pressure Water Service ~~Facilities Construction~~ Agreement for MARIN COUNTRY CLUB – SUPPLEMENTAL IRRIGATION WATER," dated June 10, 2015, by and between NORTH MARIN WATER DISTRICT, herein called "District," and ~~NOVATO COMMUNITY PARTNERS, LLC~~ MARIN COUNTRY CLUB, INC., a California ~~Limited Liability~~ Corporation, herein called "Applicant," is hereby amended as follows:

Section 3 as set forth on Page 1-~~4~~ 4 and Section 4 as set forth on Pages 1-5 and 1-6 ~~of Part One~~ shall be revised and shall read as set forth on replacement Pages 1-4A, 1-5A, 1-6A, 1-7A attached hereto and made a part hereof.

IN WITNESS WHEREOF, the parties hereto have executed this amendment to their agreement on the _____ day of _____, 2017.

NORTH MARIN WATER DISTRICT
"District"

NOTARIZE:

Stephen Petterle, President

Katie Young, Secretary

(SEAL)

MARIN COUNTRY CLUB, INC.
a California Corporation
"Applicant"

Carolyn J. Worth President

Thomas M. Phillips, Treasurer

NOTES: *This amendment must be executed by the Applicant and delivered to the District within thirty (30) days after it is authorized by the District's Board of Directors.*

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.

the District's Recycled Water rates and applicable charges then in effect, which meter shall be located approximately 300 lineal feet east of the intersection of Ignacio Blvd and Country Club Drive at an approximate elevation of 75 feet (NAVD 88) resulting in a low pressure service estimated to be approximately 25 psi at the new meter (hereinafter, the "Point of Delivery"). The District shall be responsible for operation, maintenance and replacement of the necessary pipelines, pumps, and any related facilities upstream of the Point of Delivery. The Applicant shall be responsible for providing the carriage and handling of the recycled water delivered hereunder from the Point of Delivery to the golf course, including operation, maintenance and replacement of the necessary pipelines, pumps, and any related facilities.

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e. The Applicant shall submit to the District detailed on-site recycled water design drawings and an Operations and Maintenance Plan which shall serve as a basis for NMWD obtaining permit approval for the on-site recycled water retrofit from the RWQCB and the DDW division of the SWRCB.

f. The Applicant shall pay a pro-rata share of engineering, permitting, design and construction costs for the off-site facilities necessary (i.e., pipelines and Norman Tank Rehabilitation) to build the Ignacio Service Area Extension to supply recycled water to Marin Country Club as identified herein. The pro-rata share shall be 60 percent of Total Recycled Water Facilities Cost (Total Cost), which equals the percentage of Applicant's volume of water flowing through the Ignacio Service Area Extension pipeline compared to the total volume including other potential users along this route between Norman Tank and the Applicant.

3. Charges for initiating new recycled water service, and estimated project costs are as follows:

Recycled Water Service Initiation Charges

<u>Meter Charges (included in Construction Costs)</u>	\$ N/A
<u>Reimbursement Fund Charges</u>	\$ N/A
<u>Facilities Reserve Charges</u>	\$ N/A
<u>Facilities Reserve Charges (Credit)</u>	\$ N/A
<u>Subtotal - Service Initiation Charges</u>	\$ 0.00

Estimated Project Costs

Construction, Contingency (8%), Planning, Design and CM	\$ 4,926,432.00
Marin Country Club Share (Section 4)	\$ 2,762,623.00
Less BUREC Grant	\$ <429,600.00>
Less CWSRF Grant	\$ <637,265.00>

Subtotal – Estimated Marin Country Club Share \$ 1,695,758.00

TOTAL ESTIMATED RECYCLED WATER FACILITIES COSTS ("Total Cost") \$ 4,926,432.00

4. Financial arrangements to be made by the Applicant shall consist of the following:

Initial Charges and Estimated District Costs

~~1-4A~~ Applicant agrees to pay the amount of \$2,226,150 **1,695,758**, which is the Applicant's pro rata share of the Estimated Total Cost **less grants** as set forth in Sections 2.f and 3 herein estimated on February 19, 2017. Said amount will be adjusted to reflect the Project's actual Total Cost. The Applicant shall pay 50% of costs above that amount **\$3,710,250** up to a Total Cost of \$4,210,250 (an additional payment up to \$250,000). Should the Total Cost exceed \$4,210,250, the Applicant shall pay 40% of the costs above that amount up to a Total Cost of \$4,875,000 **4,926,432** (an additional payment up to \$265,000 **286,473**). Should the Total Cost exceed \$4,875,000 **4,926,432**, the Applicant and the District hereby agree to meet and determine the cost share above that amount and modify this Agreement to reflect that determined cost share. Should the Total Cost exceed \$4,875,000 **4,926,432** and if the Applicant and the District cannot agree on a cost share above that amount, this Agreement shall be terminated and the Ignacio Service Area Extension pipeline to serve the Applicant shall not be constructed. Should the Ignacio Service Area Extension pipeline not be constructed, Applicant shall pay 50% of actual costs expended for engineering, permitting and design up to a maximum of \$50,000 without credit or reduction for the costs of the Nute Engineering Studies referenced above.

5. The Applicant will pay **\$1,265,295** of the amount stipulated in Section 4 herein to the District through **bi-monthly (every two months)** principal and interest payments ~~conditioned upon the receipt of, and~~ consistent with the timing and financing terms of, a **1% (one percent)** low interest rate loan from the California Clean Water State Revolving Fund (the "CWSRF") with a **30 (thirty) year repayment term**. Notwithstanding anything to the contrary, the preceding sentence does not apply to the payment specified in the last sentence of Section 4. ~~If the Applicant elects to finance its pro-rata share of the Total Cost pursuant to Sections 4 and 5 herein, a Deed of Trust approved by the Applicant and the District shall be recorded in the amount of the Applicant's pro-rata share of the Total Cost pursuant to Section 4 herein, naming the District as Beneficiary to secure payment thereof.~~ **The Applicant will pay the remaining amount stipulated in Section 4 herein (\$430,463) to the District through bimonthly principal and interest payments at 2.8% over a ten (10) year term.**

Periodic principal and interest payments will be included with the Marin Country Club recycled water service bill, which is typically rendered on the third week of odd-numbered months (January, March, May, July, September and November). The January 2018 recycled water service bill shall include a charge for the first principal and interest payment. The payment amount will be calculated using the loan amounts, interest rates and loan duration terms noted above. Bi-monthly payments for the first ten years are estimated to be \$16,385 and estimated to be \$8,142 for years

1-5A

eleven through thirty (see payment schedule provided in Exhibit B). Applicant acknowledges that the District may adopt monthly billing frequency in the future and will agree to a revised billing schedule to reflect same.

1-5A

Recycled water service to the Applicant will be disconnected if bi-monthly payments pursuant to this Section and payment of charges for recycled water pursuant to Section 6 are not received ~~by~~ within 30 days of the due date printed on the District's bill, which is typically 25 days following the date the bill is mailed to the Applicant. Interest at the maximum amount permitted by law may be added for payments not received by the District as of the due date, provided that the District's bill was received by Applicant a minimum of 14 days prior to its due date.

~~The Applicant has recorded a Deed of Trust approved by the District General Manager and Legal Counsel~~ Prior to January 2018 when the first payment is due pursuant to the payment schedule attached hereto as Exhibit B, the Applicant will record a subordinated deed of trust, the form of which is attached hereto as Exhibit C, in the amount of \$1,695,758 naming the District as beneficiary (the "Deed of Trust") to serve as the performance guarantee. If a bill remains unpaid for sixty (60) days after being mailed to the Applicant, all amounts owing under this Agreement, including accrued interest and unpaid principal, shall become immediately due and payable and the District may serve upon the Applicant and the Trustee named in the Deed of Trust, a demand for payment of the full amount of initial charges and estimated District costs less Applicant credits within ten (10) days. If the Applicant fails to pay such amount in full within the 10-day period the District may enforce all rights and remedies at law and under the Deed of Trust, including a sale of the subject property through foreclosure. The District acknowledges and agrees that the Deed of Trust shall be subordinated to all existing deeds of trust that currently encumber the Applicant's real property.

6. If recycled water supplies to the Applicant are interrupted or curtailed for any reason, District shall supply temporary potable water to the golf course. Such supply of Zone 1 potable water will not exceed 336,000 gallons per day at a rate at or below 800 gallons per minute and will be charged at the District's Recycled Water rate pursuant to NMWD Regulation 54 then in effect.

7. If recycled water supplies to Applicant are interrupted or curtailed and temporary potable water is not available for any reason, the Applicant's curtailment shall be equal in proportion to the recycled water system-wide curtailment applied to all District recycled water customers.

8. Recycled water furnished by the District through the expanded facilities pursuant to this Agreement will not be used by the Applicant for any purpose other than golf course and adjacent landscape irrigation.

9. The District covenants to own, operate and maintain the Project until the termination of this Agreement. This Agreement shall bind and benefit the successors and assigns of the parties hereto; however, this Agreement shall not be assigned by the Applicant without the prior written consent of the District. Assignment shall be made only by a separate document prepared by the

1-6A

District at the Applicant's written request. The Applicant's rights to recycled water deliveries hereunder are not transferable or assignable. The Applicant shall not sell, give, transfer, or distribute any of the recycled water purchased by it to any other party for any use, and Applicant shall be the sole party using the recycled water.

10. Any notice or other communication to be given to the District under this Agreement may be given by delivering the same in writing to the North Marin Water District, at 999 Rush Creek Place, Novato, California 94945, Attention: General Manager; and any notice or other communication

~~1-6A~~ to be given to the Applicant under this Agreement may be given by delivering the same in writing to Marin Country Club, Inc., 500 Country Club Dr., Novato, CA 94949 Attention: General Manager.

11. This Agreement is made solely for the benefit of the District and the Applicant (including successors or assigns) and no other person shall acquire or have any right hereunder or by virtue hereof. The obligations of the Applicant under this Agreement may not be assigned, in whole or in part, without the prior written consent of the District, which consent may be given or denied in the District's sole and absolute discretion. provided, however, that Applicant may, without the prior written consent of the District: (i) directly or indirectly assign this Agreement to an affiliate of Applicant and (ii) assign this Agreement to any person or entity in connection with a reorganization, merger, acquisition, change of control, or sale of all or substantially all of the assets or business of Applicant; however, any such assignment, without prior written consent shall not release Applicant from any of its obligations hereunder.

12. The validity, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Any action or proceeding to enforce or interpret this Agreement shall be brought, commenced or prosecuted in the County of Marin, California. In the event the District that either party is required to initiate legal proceedings to enforce or interpret the terms of this Agreement, the District prevailing party may recover its attorney's fees incurred in such action, in addition to costs and other amounts recoverable at law, should the District be the prevailing party in such proceeding.

13. This Agreement shall constitute the entire agreement between the District and the Applicant with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, representations, and understandings of the District and the Applicant.

1-7A

Document comparison by Workshare Compare on Thursday, April 06, 2017
11:50:35 AM

Input:	
Document 1 ID	netdocuments://4849-9520-3654/1
Description	MCC Recycled Water Amendment No 1 draft
Document 2 ID	netdocuments://4849-9520-3654/3
Description	MCC Recycled Water Amendment No 1 draft
Rendering set	Standard

Legend:	
<u>Insertion</u>	
Deletion	
Moved from	
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Style change	
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Statistics:	
	Count
Insertions	24
Deletions	16
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	40

Marin Country Club Loan Amortization Schedule

3/29/2017

\\nmwserver1\administration\ac\excel\recycled\central proj financing alternatives.xlsx\amort sched

Term (yrs)	30	10
Rate	1.0%	2.8%
Amount	\$1,265,295	\$430,463
Bimonthly Pmt	\$8,142	\$8,242
Total Pmts	180	60

	Pmt#	Principal	Interest	Total	Principal	Interest	Total	Total Pmt
Jan-18	1	\$6,033	\$2,109	\$8,142	\$6,233	\$2,009	\$8,242	\$16,385
Mar-18	2	\$6,044	\$2,099	\$8,142	\$6,262	\$1,980	\$8,242	\$16,385
May-18	3	\$6,054	\$2,089	\$8,142	\$6,292	\$1,951	\$8,242	\$16,385
Jul-18	4	\$6,064	\$2,079	\$8,142	\$6,321	\$1,921	\$8,242	\$16,385
Sep-18	5	\$6,074	\$2,069	\$8,142	\$6,351	\$1,892	\$8,242	\$16,385
Nov-18	6	\$6,084	\$2,058	\$8,142	\$6,380	\$1,862	\$8,242	\$16,385
Jan-19	7	\$6,094	\$2,048	\$8,142	\$6,410	\$1,832	\$8,242	\$16,385
Mar-19	8	\$6,104	\$2,038	\$8,142	\$6,440	\$1,802	\$8,242	\$16,385
May-19	9	\$6,114	\$2,028	\$8,142	\$6,470	\$1,772	\$8,242	\$16,385
Jul-19	10	\$6,125	\$2,018	\$8,142	\$6,500	\$1,742	\$8,242	\$16,385
Sep-19	11	\$6,135	\$2,008	\$8,142	\$6,530	\$1,712	\$8,242	\$16,385
Nov-19	12	\$6,145	\$1,997	\$8,142	\$6,561	\$1,681	\$8,242	\$16,385
Jan-20	13	\$6,155	\$1,987	\$8,142	\$6,592	\$1,651	\$8,242	\$16,385
Mar-20	14	\$6,165	\$1,977	\$8,142	\$6,622	\$1,620	\$8,242	\$16,385
May-20	15	\$6,176	\$1,967	\$8,142	\$6,653	\$1,589	\$8,242	\$16,385
Jul-20	16	\$6,186	\$1,956	\$8,142	\$6,684	\$1,558	\$8,242	\$16,385
Sep-20	17	\$6,196	\$1,946	\$8,142	\$6,715	\$1,527	\$8,242	\$16,385
Nov-20	18	\$6,207	\$1,936	\$8,142	\$6,747	\$1,495	\$8,242	\$16,385
Jan-21	19	\$6,217	\$1,925	\$8,142	\$6,778	\$1,464	\$8,242	\$16,385
Mar-21	20	\$6,227	\$1,915	\$8,142	\$6,810	\$1,432	\$8,242	\$16,385
May-21	21	\$6,238	\$1,904	\$8,142	\$6,842	\$1,401	\$8,242	\$16,385
Jul-21	22	\$6,248	\$1,894	\$8,142	\$6,874	\$1,369	\$8,242	\$16,385
Sep-21	23	\$6,259	\$1,884	\$8,142	\$6,906	\$1,337	\$8,242	\$16,385
Nov-21	24	\$6,269	\$1,873	\$8,142	\$6,938	\$1,304	\$8,242	\$16,385
Jan-22	25	\$6,279	\$1,863	\$8,142	\$6,970	\$1,272	\$8,242	\$16,385
Mar-22	26	\$6,290	\$1,852	\$8,142	\$7,003	\$1,239	\$8,242	\$16,385
May-22	27	\$6,300	\$1,842	\$8,142	\$7,036	\$1,207	\$8,242	\$16,385
Jul-22	28	\$6,311	\$1,831	\$8,142	\$7,068	\$1,174	\$8,242	\$16,385
Sep-22	29	\$6,321	\$1,821	\$8,142	\$7,101	\$1,141	\$8,242	\$16,385
Nov-22	30	\$6,332	\$1,810	\$8,142	\$7,134	\$1,108	\$8,242	\$16,385
Jan-23	31	\$6,343	\$1,800	\$8,142	\$7,168	\$1,074	\$8,242	\$16,385
Mar-23	32	\$6,353	\$1,789	\$8,142	\$7,201	\$1,041	\$8,242	\$16,385
May-23	33	\$6,364	\$1,779	\$8,142	\$7,235	\$1,007	\$8,242	\$16,385
Jul-23	34	\$6,374	\$1,768	\$8,142	\$7,269	\$974	\$8,242	\$16,385
Sep-23	35	\$6,385	\$1,757	\$8,142	\$7,303	\$940	\$8,242	\$16,385
Nov-23	36	\$6,396	\$1,747	\$8,142	\$7,337	\$906	\$8,242	\$16,385
Jan-24	37	\$6,406	\$1,736	\$8,142	\$7,371	\$871	\$8,242	\$16,385
Mar-24	38	\$6,417	\$1,725	\$8,142	\$7,405	\$837	\$8,242	\$16,385

Marin Country Club Loan Amortization Schedule

3/29/2017

\\nmwdserver1\administration\ac\excel\recycled\central proj financing alternatives.xlsx\amort sched

Term (yrs)	30	10
Rate	1.0%	2.8%
Amount	\$1,265,295	\$430,463
Bimonthly Pmt	\$8,142	\$8,242
Total Pmts	180	60

	Pmt#	Principal	Interest	Total	Principal	Interest	Total	Total Pmt
May-24	39	\$6,428	\$1,715	\$8,142	\$7,440	\$802	\$8,242	\$16,385
Jul-24	40	\$6,438	\$1,704	\$8,142	\$7,475	\$768	\$8,242	\$16,385
Sep-24	41	\$6,449	\$1,693	\$8,142	\$7,509	\$733	\$8,242	\$16,385
Nov-24	42	\$6,460	\$1,682	\$8,142	\$7,544	\$698	\$8,242	\$16,385
Jan-25	43	\$6,471	\$1,672	\$8,142	\$7,580	\$663	\$8,242	\$16,385
Mar-25	44	\$6,481	\$1,661	\$8,142	\$7,615	\$627	\$8,242	\$16,385
May-25	45	\$6,492	\$1,650	\$8,142	\$7,651	\$592	\$8,242	\$16,385
Jul-25	46	\$6,503	\$1,639	\$8,142	\$7,686	\$556	\$8,242	\$16,385
Sep-25	47	\$6,514	\$1,628	\$8,142	\$7,722	\$520	\$8,242	\$16,385
Nov-25	48	\$6,525	\$1,618	\$8,142	\$7,758	\$484	\$8,242	\$16,385
Jan-26	49	\$6,536	\$1,607	\$8,142	\$7,794	\$448	\$8,242	\$16,385
Mar-26	50	\$6,546	\$1,596	\$8,142	\$7,831	\$411	\$8,242	\$16,385
May-26	51	\$6,557	\$1,585	\$8,142	\$7,867	\$375	\$8,242	\$16,385
Jul-26	52	\$6,568	\$1,574	\$8,142	\$7,904	\$338	\$8,242	\$16,385
Sep-26	53	\$6,579	\$1,563	\$8,142	\$7,941	\$301	\$8,242	\$16,385
Nov-26	54	\$6,590	\$1,552	\$8,142	\$7,978	\$264	\$8,242	\$16,385
Jan-27	55	\$6,601	\$1,541	\$8,142	\$8,015	\$227	\$8,242	\$16,385
Mar-27	56	\$6,612	\$1,530	\$8,142	\$8,053	\$190	\$8,242	\$16,385
May-27	57	\$6,623	\$1,519	\$8,142	\$8,090	\$152	\$8,242	\$16,385
Jul-27	58	\$6,634	\$1,508	\$8,142	\$8,128	\$114	\$8,242	\$16,385
Sep-27	59	\$6,645	\$1,497	\$8,142	\$8,166	\$76	\$8,242	\$16,385
Nov-27	60	\$6,656	\$1,486	\$8,142	\$8,204	\$38	\$8,242	\$16,385
Jan-28	61	\$6,667	\$1,475	\$8,142				\$8,142
Mar-28	62	\$6,679	\$1,464	\$8,142				\$8,142
May-28	63	\$6,690	\$1,453	\$8,142				\$8,142
Jul-28	64	\$6,701	\$1,441	\$8,142				\$8,142
Sep-28	65	\$6,712	\$1,430	\$8,142				\$8,142
Nov-28	66	\$6,723	\$1,419	\$8,142				\$8,142
Jan-29	67	\$6,734	\$1,408	\$8,142				\$8,142
Mar-29	68	\$6,746	\$1,397	\$8,142				\$8,142
May-29	69	\$6,757	\$1,385	\$8,142				\$8,142
Jul-29	70	\$6,768	\$1,374	\$8,142				\$8,142
Sep-29	71	\$6,779	\$1,363	\$8,142				\$8,142
Nov-29	72	\$6,791	\$1,352	\$8,142				\$8,142
Jan-30	73	\$6,802	\$1,340	\$8,142				\$8,142
Mar-30	74	\$6,813	\$1,329	\$8,142				\$8,142
May-30	75	\$6,825	\$1,318	\$8,142				\$8,142

Marin Country Club Loan Amortization Schedule

3/29/2017

\\nmwserver1\administration\ac\excel\recycled\central proj financing alternatives.xlsx\amort sched

Term (yrs)	30	10
Rate	1.0%	2.8%
Amount	\$1,265,295	\$430,463
Bimonthly Pmt	\$8,142	\$8,242
Total Pmts	180	60

	Pmt#	Principal	Interest	Total	Principal	Interest	Total	Total Pmt
Jul-30	76	\$6,836	\$1,306	\$8,142				\$8,142
Sep-30	77	\$6,847	\$1,295	\$8,142				\$8,142
Nov-30	78	\$6,859	\$1,283	\$8,142				\$8,142
Jan-31	79	\$6,870	\$1,272	\$8,142				\$8,142
Mar-31	80	\$6,882	\$1,261	\$8,142				\$8,142
May-31	81	\$6,893	\$1,249	\$8,142				\$8,142
Jul-31	82	\$6,905	\$1,238	\$8,142				\$8,142
Sep-31	83	\$6,916	\$1,226	\$8,142				\$8,142
Nov-31	84	\$6,928	\$1,215	\$8,142				\$8,142
Jan-32	85	\$6,939	\$1,203	\$8,142				\$8,142
Mar-32	86	\$6,951	\$1,191	\$8,142				\$8,142
May-32	87	\$6,962	\$1,180	\$8,142				\$8,142
Jul-32	88	\$6,974	\$1,168	\$8,142				\$8,142
Sep-32	89	\$6,986	\$1,157	\$8,142				\$8,142
Nov-32	90	\$6,997	\$1,145	\$8,142				\$8,142
Jan-33	91	\$7,009	\$1,133	\$8,142				\$8,142
Mar-33	92	\$7,021	\$1,122	\$8,142				\$8,142
May-33	93	\$7,032	\$1,110	\$8,142				\$8,142
Jul-33	94	\$7,044	\$1,098	\$8,142				\$8,142
Sep-33	95	\$7,056	\$1,086	\$8,142				\$8,142
Nov-33	96	\$7,068	\$1,075	\$8,142				\$8,142
Jan-34	97	\$7,079	\$1,063	\$8,142				\$8,142
Mar-34	98	\$7,091	\$1,051	\$8,142				\$8,142
May-34	99	\$7,103	\$1,039	\$8,142				\$8,142
Jul-34	100	\$7,115	\$1,027	\$8,142				\$8,142
Sep-34	101	\$7,127	\$1,016	\$8,142				\$8,142
Nov-34	102	\$7,139	\$1,004	\$8,142				\$8,142
Jan-35	103	\$7,150	\$992	\$8,142				\$8,142
Mar-35	104	\$7,162	\$980	\$8,142				\$8,142
May-35	105	\$7,174	\$968	\$8,142				\$8,142
Jul-35	106	\$7,186	\$956	\$8,142				\$8,142
Sep-35	107	\$7,198	\$944	\$8,142				\$8,142
Nov-35	108	\$7,210	\$932	\$8,142				\$8,142
Jan-36	109	\$7,222	\$920	\$8,142				\$8,142
Mar-36	110	\$7,234	\$908	\$8,142				\$8,142
May-36	111	\$7,246	\$896	\$8,142				\$8,142
Jul-36	112	\$7,258	\$884	\$8,142				\$8,142

Marin Country Club Loan Amortization Schedule

3/29/2017

\\nmwserver1\administration\ac\excel\recycled\[central proj financing alternatives.xlsx]amort sched

Term (yrs)	30	10
Rate	1.0%	2.8%
Amount	\$1,265,295	\$430,463
Bimonthly Pmt	\$8,142	\$8,242
Total Pmts	180	60

	Pmt#	Principal	Interest	Total	Principal	Interest	Total	Total Pmt
Sep-36	113	\$7,271	\$872	\$8,142				\$8,142
Nov-36	114	\$7,283	\$860	\$8,142				\$8,142
Jan-37	115	\$7,295	\$847	\$8,142				\$8,142
Mar-37	116	\$7,307	\$835	\$8,142				\$8,142
May-37	117	\$7,319	\$823	\$8,142				\$8,142
Jul-37	118	\$7,331	\$811	\$8,142				\$8,142
Sep-37	119	\$7,344	\$799	\$8,142				\$8,142
Nov-37	120	\$7,356	\$786	\$8,142				\$8,142
Jan-38	121	\$7,368	\$774	\$8,142				\$8,142
Mar-38	122	\$7,380	\$762	\$8,142				\$8,142
May-38	123	\$7,393	\$750	\$8,142				\$8,142
Jul-38	124	\$7,405	\$737	\$8,142				\$8,142
Sep-38	125	\$7,417	\$725	\$8,142				\$8,142
Nov-38	126	\$7,430	\$713	\$8,142				\$8,142
Jan-39	127	\$7,442	\$700	\$8,142				\$8,142
Mar-39	128	\$7,454	\$688	\$8,142				\$8,142
May-39	129	\$7,467	\$675	\$8,142				\$8,142
Jul-39	130	\$7,479	\$663	\$8,142				\$8,142
Sep-39	131	\$7,492	\$651	\$8,142				\$8,142
Nov-39	132	\$7,504	\$638	\$8,142				\$8,142
Jan-40	133	\$7,517	\$626	\$8,142				\$8,142
Mar-40	134	\$7,529	\$613	\$8,142				\$8,142
May-40	135	\$7,542	\$600	\$8,142				\$8,142
Jul-40	136	\$7,554	\$588	\$8,142				\$8,142
Sep-40	137	\$7,567	\$575	\$8,142				\$8,142
Nov-40	138	\$7,580	\$563	\$8,142				\$8,142
Jan-41	139	\$7,592	\$550	\$8,142				\$8,142
Mar-41	140	\$7,605	\$537	\$8,142				\$8,142
May-41	141	\$7,618	\$525	\$8,142				\$8,142
Jul-41	142	\$7,630	\$512	\$8,142				\$8,142
Sep-41	143	\$7,643	\$499	\$8,142				\$8,142
Nov-41	144	\$7,656	\$487	\$8,142				\$8,142
Jan-42	145	\$7,668	\$474	\$8,142				\$8,142
Mar-42	146	\$7,681	\$461	\$8,142				\$8,142
May-42	147	\$7,694	\$448	\$8,142				\$8,142
Jul-42	148	\$7,707	\$435	\$8,142				\$8,142
Sep-42	149	\$7,720	\$423	\$8,142				\$8,142

Marin Country Club Loan Amortization Schedule

3/29/2017

\\nmwserver1\administration\ac\excel\recycled\central proj financing alternatives.xlsx\amort sched

Term (yrs)	30	10
Rate	1.0%	2.8%
Amount	\$1,265,295	\$430,463
Bimonthly Pmt	\$8,142	\$8,242
Total Pmts	180	60

	Pmt#	Principal	Interest	Total	Principal	Interest	Total	Total Pmt
Nov-42	150	\$7,733	\$410	\$8,142				\$8,142
Jan-43	151	\$7,746	\$397	\$8,142				\$8,142
Mar-43	152	\$7,758	\$384	\$8,142				\$8,142
May-43	153	\$7,771	\$371	\$8,142				\$8,142
Jul-43	154	\$7,784	\$358	\$8,142				\$8,142
Sep-43	155	\$7,797	\$345	\$8,142				\$8,142
Nov-43	156	\$7,810	\$332	\$8,142				\$8,142
Jan-44	157	\$7,823	\$319	\$8,142				\$8,142
Mar-44	158	\$7,836	\$306	\$8,142				\$8,142
May-44	159	\$7,849	\$293	\$8,142				\$8,142
Jul-44	160	\$7,862	\$280	\$8,142				\$8,142
Sep-44	161	\$7,876	\$267	\$8,142				\$8,142
Nov-44	162	\$7,889	\$254	\$8,142				\$8,142
Jan-45	163	\$7,902	\$240	\$8,142				\$8,142
Mar-45	164	\$7,915	\$227	\$8,142				\$8,142
May-45	165	\$7,928	\$214	\$8,142				\$8,142
Jul-45	166	\$7,941	\$201	\$8,142				\$8,142
Sep-45	167	\$7,955	\$188	\$8,142				\$8,142
Nov-45	168	\$7,968	\$174	\$8,142				\$8,142
Jan-46	169	\$7,981	\$161	\$8,142				\$8,142
Mar-46	170	\$7,994	\$148	\$8,142				\$8,142
May-46	171	\$8,008	\$134	\$8,142				\$8,142
Jul-46	172	\$8,021	\$121	\$8,142				\$8,142
Sep-46	173	\$8,035	\$108	\$8,142				\$8,142
Nov-46	174	\$8,048	\$94	\$8,142				\$8,142
Jan-47	175	\$8,061	\$81	\$8,142				\$8,142
Mar-47	176	\$8,075	\$68	\$8,142				\$8,142
May-47	177	\$8,088	\$54	\$8,142				\$8,142
Jul-47	178	\$8,102	\$41	\$8,142				\$8,142
Sep-47	179	\$8,115	\$27	\$8,142				\$8,142
Nov-47	180	\$8,129	\$14	\$8,142				\$8,142
Total		\$1,265,295	\$200,316	\$1,465,611	\$430,463	\$64,071	\$494,534	\$1,960,145

[DRAFT]

Recording requested by:
North Marin Water District

When recorded mail to:

Bold, Polisner, Maddow, Nelson & Judson
500 Ygnacio Valley Road, Suite 325
Walnut Creek, CA 94596
Attn: Ari Lauer

Space above this line for Recorder's use

SUBORDINATED DEED OF TRUST

THIS SUBORDINATED DEED OF TRUST (the "Deed of Trust"), made and entered into effective this _____ day of _____, 2016, between **MARIN COUNTRY CLUB, INC.**, a California corporation (the "Trustor"), whose address is 500 Country Club Drive, Novato, CA 94949; **NORTH MARIN WATER DISTRICT** (the "Beneficiary"), whose address is 999 Rush Creek Place, Novato, CA 94948; and **BOLD, POLISNER, MADDOW, NELSON & JUDSON**, a California Professional Corporation (the "Trustee"), whose address is 500 Ygnacio Valley Road, Suite 325, Walnut Creek, CA 94596;

TRUSTOR HEREBY irrevocably grants, transfers, and assigns to Trustee, in trust, with power of sale, all of Trustor's right, title and interest in that certain real property in the City of Novato, County of Marin, State of California, commonly known as Assessor's Parcel Numbers 160-422-08, 160-040-24, 160-010-75 and 160-382-13, as more particularly described on Exhibit A attached hereto and incorporated herein (the "Property").

ARTICLE I. THIS CONVEYANCE IS FOR THE PURPOSE OF SECURING:

1. Payment of the indebtedness [evidenced by that certain Promissory Note of even date herewith] in the stated principal amount of One Million Six Hundred Ninety-Five Thousand Seven Hundred Fifty-Eight Dollars (\$1,695,758), which is executed by Trustor and payable to Beneficiary (the "Note"), together with interest thereon and late charges as provided by the Note, which are made a part hereby reference.

2. The payment of additional sums and interest thereon which may hereafter be incurred by or loaned to Trustor, or its successors or permitted assigns, when evidenced by another note or notes, reciting it is so secured by this Deed of Trust, and made by Trustor or any successor in ownership, and all renewals, extensions, modifications or amendments of such note or notes; and

3. The performance of each obligation of Trustor contained in this Deed of Trust.

ARTICLE II. TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. To keep the Property in good condition and repair and to not to commit or permit waste of the Property.

2. To provide, maintain, and deliver to Beneficiary a policy of fire insurance satisfactory to and with loss payable to Beneficiary. If Trustor is not in default hereunder, Trustor shall have the right, within Trustor's sole discretion, to apply the insurance proceeds under any fire insurance policy to restore or rebuild any portion of the Property that has been damaged or destroyed to the same condition, character and value as existed prior to such damage or destruction, so long as the value of the property is

not less than the value of the outstanding balance of the Note. If the value of the property is less than the value of the total outstanding indebtedness secured against the Property, and Trustor does not apply the insurance proceeds as set forth in the preceding sentence, then Trustor shall apply such insurance proceeds to reduce the amount of the indebtedness under the Note by the amount of such insurance proceeds to the extent of the outstanding balance of the Note. In the event that Trustor is in default hereunder, Beneficiary shall have the option, to apply the insurance proceeds to cure the default under the Deed of Trust, and release the remaining proceeds to Trustor to restore or rebuild the Property that has been damaged or destroyed.

3. To appear in and defend, and to pay all costs and expenses of, including costs of evidence of title and attorneys' fees in a reasonable sum, in any action or proceeding purporting to affect the security of this Deed of Trust or purporting to affect the rights and powers of Beneficiary or Trustee.

4. To pay, at least 10 days before delinquency, all taxes and assessments affecting the Property, and all costs, fees, and expenses described in this Deed of Trust. If Trustor fails to make any payment or to do any act as provided in this Deed of Trust, then Beneficiary or Trustee may (but is not obligated to), without any notice to Trustor, make the payment or do the act in the required manner and to the extent deemed necessary by Beneficiary or Trustee to protect the security of this Deed of Trust.

ARTICLE III. THE PARTIES AGREE THAT:

1. This Deed of Trust and the indebtedness secured by this Deed of Trust shall at all times be subject to the terms and conditions of a Subordination and Intercreditor Agreement, dated January 7, 2015, by and among Beneficiary, Trustor and American Memorial Life Insurance Company ("**Senior Lender**") (as amended or otherwise modified from time to time, the "**Subordination Agreement**"). Pursuant to the Subordination Agreement, Beneficiary agreed to subordinate this Deed of Trust to that certain Deed of Trust dated as of January 7, 2015 for the benefit of "Senior Lender," as beneficiary ("**Senior Deed of Trust**") which Senior Deed of Trust encumbers the Property. The rights of the Beneficiary to receive payment and to exercise rights hereunder shall at all times be subject and subordinate to the payment of all senior loan obligations pursuant to the terms of the Subordination Agreement.

2. Upon default by Trustor in the payment of any indebtedness secured by this Deed of Trust or in the performance of any obligation under this Deed of Trust, Beneficiary may declare all sums secured by this Deed of Trust immediately due and payable by delivering to Trustee (a) a written declaration of default and demand for sale, and (b) a written notice of default and election to sell the Property. Trustee shall duly record the notice of default and election to sell. Beneficiary also shall deposit with Trustee this Deed of Trust, and all documents evidencing any additional expenditures secured by this Deed of Trust.

After the required time period has lapsed following the recordation of the notice of default, and after notice of sale has been given as required by law, Trustee, without demand on Trustor, shall sell the Property at the time and place specified in the notice of sale, either as a whole or in separate parcels, and in any order determined by Trustee, at public auction to the highest bidder for cash in lawful money of the United States, payable at the time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale, and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser at the auction its deed conveying the Property sold, but without any covenant or warranty, express or implied. The recital in the deed of any matter or fact shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary, may purchase at the sale.

After deducting all costs, fees, and expenses of Trustee and Beneficiary under this Paragraph 1 of Article III, including costs of procuring evidence of title incurred in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms of this Deed of Trust, not then repaid, with accrued interest at the rate then in effect as of the date hereof (but not in excess of the maximum rate of interest then permitted by law); all other sums then secured by this Deed of Trust; and the remainder, if any, to the person or persons legally entitled thereto.

3. If all or any part of the Property, or any interest therein, is sold, conveyed, transferred, disposed of, or alienated by Trustor, or by the operation of law or otherwise, all sums secured by this Deed of Trust shall, at the option of Beneficiary, become immediately due and payable. Trustor shall not assign this Deed of Trust without the prior written consent of Beneficiary, which consent shall not be unreasonably withheld, provided that (a) Beneficiary shall have no right to approve the sale of the Property, and (b) Beneficiary's right to approve the sale of assets of the Trustor is limited to situations where those assets remaining after such sale are less than the total outstanding indebtedness secured against the Property, as valued by an appraisal obtained at the time of such sale. An assignment of this Deed of Trust by Trustor in violation of this Section 3 shall be deemed a sale of the Property and all sums secured by this Deed of Trust shall, at the option of Beneficiary, become immediately due and payable.

4. Notwithstanding anything to the contrary in this Deed of Trust, Trustor shall have the right, without the consent of Beneficiary, but upon written notice to the Beneficiary, and upon provision of an appraisal (which at the option of Trustor may be obtained at the time of the proposed encumbrance or may preexist such proposed encumbrance), to further encumber the Property by recording additional security instruments in positions senior to this Deed of Trust after the date hereof and this Deed of Trust shall be made subordinate to any additional indebtedness that is secured by the Property after the date of this Deed of Trust, provided, however, that the total outstanding indebtedness secured against the Property does not exceed one hundred percent (100%) of the appraised value of the Property at the time of securing a new loan against the Property. If Trustor elects to further encumber the Property by additional indebtedness, Trustor shall obtain an appraisal to determine the appraised value of the Property at the time of securing a new loan against the Property, which such appraiser shall be selected by Trustor, subject to the consent of Beneficiary, which consent shall not be unreasonably withheld.

5. By accepting payment of any sum secured by this Deed of Trust after its due date, Beneficiary does not waive its right either to require payment when due of all other sums so secured or to declare default for failure to pay any indebtedness secured by this Deed of Trust.

6. That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust [and the Note] to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the Property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

7. Upon written request of Beneficiary and presentation of this Deed of Trust [and the Note] for endorsement, and without notice to Trustor, Trustee may reconvey all or any part of the Property. The exercise by Trustee of any of the foregoing powers shall not affect the personal liability of any person for payment of the indebtedness secured by this Deed of Trust, or the lien of this Deed of Trust as security for the repayment of the full amount secured by this Deed of Trust.

8. Any award of damages in connection with any taking or condemnation, or for injury to the Property by reason of public use, or for damages for injury to the Property, up the outstanding balance of

the Note at such time, shall be paid by Trustor to Beneficiary as further security for all obligations secured by this Deed of Trust. Upon receipt of such proceeds, Trustor shall have the right to apply them to the Property in the same manner and with the same effect as provided herein for the disposition of proceeds of fire insurance. In the event that Trustor is in default hereunder, Beneficiary shall have the option to apply proceeds to cure the default under the Deed of Trust, and release the remaining proceeds to Trustor to restore or rebuild the Property that has been injured or damaged. Nothing herein shall prevent the accrual of interest on any portion of the proceeds to be applied to the principal balance due under the Note until the proceeds are received by Beneficiary.

9. All notices hereunder shall be deemed to have been duly given if personally delivered or mailed by United States registered or certified mail, with return receipt requested, postage prepaid to the parties at the following addresses (or at such other addresses as shall be given in writing upon any party to the others) and shall be deemed complete upon any such mailing:

To Trustor: Marin Country Club, Inc.
500 Country Club Drive
Novato, CA. 94949
Attention: Board of Directors and General Manager
Telephone: (415) 382-6700

To Beneficiary: North Marin Water District

Attention: _____

Telephone: _____

Facsimile: _____

Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to Trustor at the address set forth above.

10. This Deed of Trust applies to, inures to the benefit of, and binds all parties to this Deed of Trust and their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term “Beneficiary” shall mean the NORTH MARIN WATER DISTRICT, and its successors, and assigns. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. This Deed of Trust may only be modified or amended by a formal written instrument executed by the party against whom enforcement of the amendment or modification is sought.

11. Trustee accepts the rights and obligations hereunder when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party to this Deed of Trust of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

12. Beneficiary, or any successor in ownership of any indebtedness secured by this Deed of Trust, may from time to time, by written instrument and notice to Trustor, substitute a successor or successors to any Trustee named in or acting under this Deed of Trust. When executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of the county where the Property is situated, the substitution instrument shall be conclusive proof of proper substitution of the successor Trustee or Trustees, whereupon the successor Trustee or Trustees shall, without any other instrument of conveyance, succeed to all of the title, estate, rights, powers, and duties formerly held by the predecessor

Trustee or Trustees. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed of Trust is recorded and the name and address of the new Trustee.

13. The rights, powers, and remedies conferred in this Deed of Trust are concurrent and cumulative to all other rights, powers, and remedies provided in this Deed of Trust or given by law. These rights, powers, and remedies may be exercised singly, successively, or together, and as often as deemed necessary, and, except to the extent required by law, the exercise of one right, power, or remedy shall not affect any other right, power, or remedy or cure or waive any default or notice of default under this Deed of Trust.

14. The recitals contained in any reconveyance, trustee's deed, or any other instrument executed by the Trustee from time to time under the authority of this Deed of Trust or in the exercise of its powers or the performance of its duties under this Deed of Trust, shall be conclusive evidence thereof, and the recitals shall be binding and conclusive upon the Trustor, its partners, successors, and permitted assigns, and all other persons.

15. Beneficiary or Trustee shall also have the right and power to enter upon the Property for the foregoing purposes, to appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee, to employ counsel; and to pay necessary expenses and costs, including reasonable attorneys' fees.

16. Without affecting the liability or obligations of any person, including Trustor, for the performance of any obligations secured hereby (excepting only any person or property otherwise expressly released in writing by Beneficiary), Beneficiary may from time to time and without notice release any person liable for payment of any of said indebtedness or the performance of said obligations, extend the time of payment or otherwise alter the terms of any of said obligations, accept additional security therefor of any kind, including trust deeds or mortgages, or alter, substitute or release any property securing said obligations.

MARIN COUNTRY CLUB, a California corporation

By: _____
Its : President

[DRAFT]

[Notary Acknowledgment]

[DRAFT]

EXHIBIT A

(Legal Description)

TO BE INSERTED

RESOLUTION NO. 17-
AUTHORIZATION OF EXECUTION
OF
AMENDMENT NO. 1 TO
RECYCLED WATER SERVICE AGREEMENT
WITH
MARIN CONTRY CLUB, INC.

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the President and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute that certain Amendment to Recycled Water Service Agreement between this District and MARIN COUNTRY CLUB, INC., a California Corporation, to provide Recycled water service to that certain real property known as MARIN COUNTRY CLUB INC., Marin County Assessor's Parcel Number 160-040-24, NOVATO, CALIFORNIA.

* * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 18th day of April, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Katie Young, Secretary
North Marin Water District

16

MEMORANDUM

To: Board of Directors

April 14, 2017

From: David L. Bentley, Auditor-Controller

Subj: Initial Review – FY18 & FY19 Capital Improvement Project Budget

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RECOMMENDED ACTION: Initial Review and Provide Direction to Staff**FINANCIAL IMPACT:** None at this time - \$19.2 million FY18 & \$9.2 million FY19
Gross Expenditure Budget Proposed for Consideration

Attached for your initial review is the proposed Fiscal Year 2017-18 (FY18) and FY2018-19 (FY19) 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. In addition, NMWD's share of Sonoma County Water Agency Capital Improvement Projects are included, as well as a debt service schedule detailing the principal and interest payment amounts required to fund prior CIPs. This comprehensive plan is developed to verify that adequate staffing exists to accomplish the 32 budgeted projects planned for FY18. Future presentations will segregate the budget into component parts for each of the individual enterprise funds.

Below is a summary identifying the significant projects (\$500,000 or more) proposed to be undertaken over the next two fiscal years. An explanation of each FY18 project is incorporated into the detail listing attached.

Project	FY18	FY19
San Mateo 24" Inlet/Outlet Pipe (2,200')	\$50,000	\$1,000,000
San Mateo Tank Recoat	1,900,000	0
Radio Read Meter Retrofit (Installation) ¹	4,700,000	0
Office/Yard Building Refurbish ²	1,500,000	3,000,000
SCWA CIP	1,477,000	1,990,000
Recycled Water Expansion to Central Novato ³	6,365,000	0
Replace PRE Tank 4A	550,000	0
West Marin TP Solids Handling	0	600,000
Other Projects	2,680,000	2,620,000
Gross Project Outlay	\$19,222,000	\$9,210,000
Less Loan/Grant/SCWA Rate Funding	(13,665,000)	(5,590,000)
Net Project Outlay (internally funded)	\$5,557,000	\$3,620,000

¹ \$5.5M Radio Read Meter Retrofit to be funded by an SRF or bank loan.

² \$6M Office/Yard Building Refurbish to be funded by a bank loan.

³ The RW Central Expansion is funded by \$1.7M from Marin Country Club with the balance from Federal and State Grants and SRF loans with SRF loan debt service paid from Novato potable water FRC funds.

The proposed two-year combined total project outlay, net of grant/loan/SCWA rate funding, comes in at \$9.2 million, down just slightly from the \$9.3 million combined two-year budget adopted last year. The proposed FY18 CIP budget includes 32 projects, a down from the 37 projects approved for FY17.

	Net Outlay		
<u>District</u>	Proposed FY18 & FY19	Adopted FY17 & FY18	Increase (Decrease)
Novato Water	\$6,800,000	\$6,746,000	\$54,000
Recycled Water	1,332,000	1,105,000	227,000
WM Water	445,000	850,000	(405,000)
OM Sewer	600,000	570,000	30,000
Total	<u>\$9,177,000</u>	<u>\$9,271,000</u>	<u>(\$94,000)</u>

Novato Water's CIP expenditure plan, when viewed over the current fiscal year and the next five years, averages just under \$2.5 million annually in internally funded projects, which is the cap approved by the Board and incorporated into the 5-Year Financial Plan.

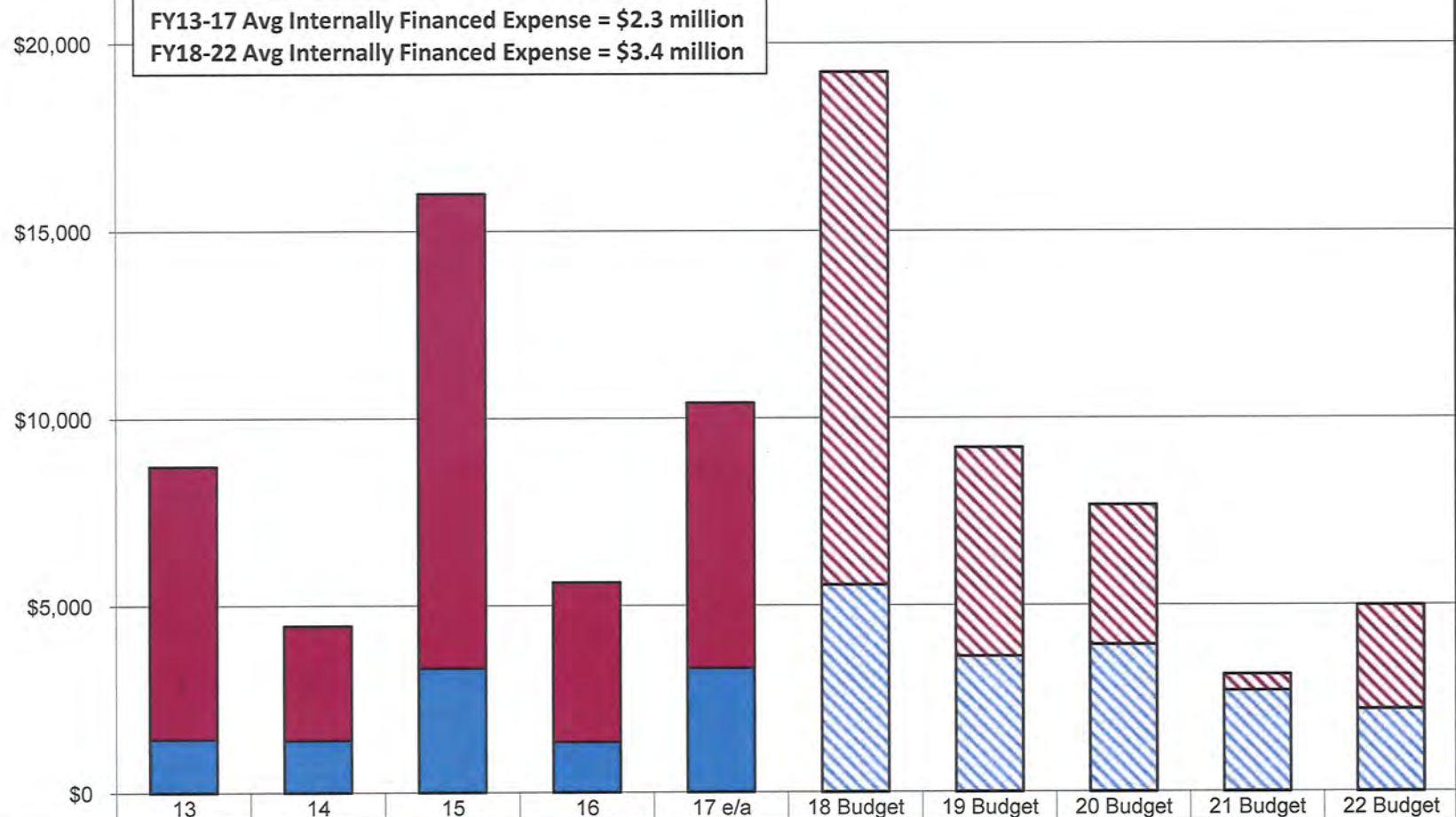
An additional review of the Novato Water & Recycled Water CIP budgets is scheduled for May 16, and a public hearing and approval of the Budgets is scheduled for June 20, 2017. An additional review of the West Marin Water and Oceana Marin Sewer CIP budgets is scheduled for June 6, with a public hearing planned for June 27 in Point Reyes Station. Expression of Board comments and concerns earlier in the process, rather than later, is appreciated.

4/13/17

t:\acexcel\budget\18\5 yr cip fy18.xlsx chart data

NMWD Capital Improvement Project Expenditures **All Districts Combined**

Thousands



■ Debt/Grant Financed	\$7,308	\$3,062	\$12,676	\$4,285	\$7,094	\$13,665	\$5,590	\$3,754	\$433	\$2,800
■ Internally Financed	\$1,429	\$1,393	\$3,321	\$1,341	\$3,316	\$5,557	\$3,620	\$3,940	\$2,700	\$2,190
Total	\$8,736	\$4,456	\$15,997	\$5,625	\$10,410	\$19,222	\$9,210	\$7,694	\$3,133	\$4,990

CAPITAL IMPROVEMENT PROJECTS

4/14/17

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		FY18	FY19	FY18 Project Description
1. PIPELINE REPLACEMENTS/ADDITIONS				
a. Main/Pipeline Replacements				
1.7161.00	1 Ridge Road 6" ACP (8"@1,400')	\$325,000		Install 1,400' of 8" water main from Ridge Rd PS to Forest Rd to replace 6" ACP that shows a high level of degradation.
	2 Center Road 6" CIP (8"@1,200')	\$175,000		Replace 60+ year-old cast iron main that has exhibited excessive corrosion and a history of multiple breaks - Tamalpais to Ormond Ct.
	3 Replace Shady Ln Service Saddles		\$100,000	
	4 Other Main Replacements (60+ years old)		\$150,000	
		\$500,000	\$250,000	
b. Main/Pipeline Additions				
1.7150.00	1 San Mateo 24" Inlet/Outlet Pipe (2,200')	\$50,000	\$1,000,000	Multiyear project to install 2,200' of 24" pipe from San Mateo Tank to the end of Palmo Way to improve northern Zone 2 fire flow.
	2 Other Main/Pipeline Additions		\$175,000	
		\$50,000	\$1,175,000	
c. Polybutylene Service Line Replacements				
1.7139.xx	1 Replace PB in Sync w/City Paving (30 Srvcs)	\$70,000	\$70,000	PB service replacement coordinated with City Overlay Program.
1.7123.xx	2 Other PB Replacements (80 Services)	\$180,000	\$180,000	PB replacement for yet-to-be identified locations.
		\$250,000	\$250,000	
d. Relocations to Sync w/City & County CIP				
1.8737.xx	1 Other Relocations	\$80,000	\$80,000	Relocate facilities for yet to be identified City/County Projects.
		\$80,000	\$80,000	
		\$880,000	\$1,755,000	

CAPITAL IMPROVEMENT PROJECTS

		FY18	FY19	FY18 Project Description
2. SYSTEM IMPROVEMENTS				
1.8677.20	a. Flushing Taps at Dead-Ends (12 biennially)	\$50,000		Ongoing replacement program.
1.7007.10	b. DCA Repair/Replace (~14/yr)	\$190,000	\$190,000	Detector Check Assembly replacements.
1.7090.03	c. Anode Installations (150/yr)	\$30,000	\$30,000	Place anodes on copper laterals for corrosion protection.
1.7132.03	d. Radio Telemetry	\$25,000		Install radio transmitters to replace leased lines.
1.7157.00	e. Automate Zone Valve (Slowdown Ct)	\$100,000		To provide real-time operation of Zone 2 pressure and flow when STP goes on & off.
1.7158.00	f. Advanced Meter Information Retrofit (Note 1)	\$4,700,000		Pilot Program/Install - AMI System.
1.7136.00	g. Facilities Security Enhancements		\$25,000	
		<u>\$5,095,000</u>	<u>\$245,000</u>	
3. BUILDING, YARD, STP IMPROVEMENTS				
	a. Administration Building			
1.6501.43	1 Electronic Document Management System	\$150,000		Manage digital document creation, storage, retrieval & expiration.
1.6501.44	2 Office/Yard Building Refurbish (Note 2)	\$1,500,000	\$3,000,000	50-year-old building requires significant upgrading.
		<u>\$1,650,000</u>	<u>\$3,000,000</u>	
	b. Corp Yard/Warehouse/Construction Office			
	1 Other Yard Improvements	\$30,000	\$30,000	
		<u>\$30,000</u>	<u>\$30,000</u>	
	c. Stafford Treatment Plant			
1.6600.69	1 Dam Concrete Repair	\$50,000		Repair West face of Stafford Dam.
	2 Coat Concrete Clearwells (Both Units)	\$490,000		Existing concrete walls in STP Actifloc clarifier and finished water clear wells are showing signs of exposed aggregate due to low pH treated water. New protective coating will stop the deterioration.
	3 Other Treatment Plant Improvements		\$75,000	
		<u>\$540,000</u>	<u>\$75,000</u>	
		<u>\$2,220,000</u>	<u>\$3,105,000</u>	

CAPITAL IMPROVEMENT PROJECTS

4/14/17

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		FY18	FY19	FY18 Project Description
4.	STORAGE TANKS/PUMP STATIONS			
	a. Tank Construction			
	1 Old Ranch Rd Tank Replace (50,000 gal)		\$100,000	
		\$0	\$100,000	
	b. Tank Rehabilitation			
1.6221.21	1 San Mateo Recoat (5 MG)	\$1,900,000		Tank recoat and chlorine mixing system.
	2 Hydropneumatic Tank Repairs	\$30,000	\$30,000	Inspect/Repair the 7 tanks in compliance with State Code.
	3 Cherry Hill #2 Recoat (0.2 MG)		\$250,000	
		\$1,930,000	\$280,000	
1.6112.24	c. Lynwood P.S. Motor Control Center	\$100,000		Move motor controls above-ground.
1.6117.27&	d. San Marin & Lynwood PS Can Rehab	\$30,000		Inspection and rehab of pump barrels.
1.6141.00	e. Crest PS (Design/Const) /Reloc School Rd PS	\$60,000	\$200,000	Design phase of Crest zone pump station.
		\$2,120,000	\$580,000	

CAPITAL IMPROVEMENT PROJECTS

4/14/17

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	FY18	FY19	FY18 Project Description
5. SONOMA COUNTY WATER AGENCY (NMWD Share of CIP Program) (Note 3)			
a. Collector 6 Liquefaction Mitigation	\$37,000	\$36,000	Funding Source: Common Facilities Fund
b. Collectors 3 & 5 Liquefaction Mitigation	\$50,000	\$653,000	Funding Source: Common Facilities Fund
c. Collector 6 Valves Vault	\$38,000		Funding Source: Common Facilities Fund
d. Emergency Wells (Hazard Reliability Water Supply)		\$41,000	Funding Source: Common Facilities Fund
e. Isolation Valve Seismic Hazard Mitigation	\$19,000		Funding Source: Common Facilities Fund
f. Mark West Creek Crossing Seismic Mitigation	\$72,000		Funding Source: Common Facilities Fund
g. Mirabel Chlorine Building Water Supply	\$13,000		Funding Source: Common Facilities Fund
h. Mirabel Dam Bladder Replacement	\$12,000	\$248,000	Funding Source: Common Facilities Fund
i. Mirabel Maintenance Building	\$52,000		Funding Source: Common Facilities Fund
j. Mirabel Surge Tanks		\$37,000	Funding Source: Common Facilities Fund
k. PDS1 & PDS2 (Wohler Sub) Rollup Doors & Sw	\$20,000		Funding Source: Common Facilities Fund
l. pH Pump Replacement	\$19,000		Funding Source: Common Facilities Fund
m. Replace River Diversion Structure MCC	\$45,000		Funding Source: Common Facilities Fund
n. River Diversion Structure Seismic Mitigation	\$31,000	\$345,000	Funding Source: Common Facilities Fund
o. Russian River Crossing Seismic Mitigation	\$39,000		Funding Source: Common Facilities Fund
p. SCADA Software and Hardware	\$46,000		Funding Source: Common Facilities Fund
q. SCADA Upgrade	\$77,000		Funding Source: Common Facilities Fund
r. System-wide Meter Replacements	\$12,000		Funding Source: Common Facilities Fund
s. Wohler Motor Replacements	\$46,000		Funding Source: Common Facilities Fund
t. Bennett Valley Fault Crossing	\$37,000	\$43,000	Funding Source: Pipeline Fund
u. Calabasas Creek Crossing			Funding Source: Pipeline Fund
v. Ely Booster Station Flood Protection	\$22,000		Funding Source: Pipeline Fund
w. Hwy 101 HOV Lane (Lakeville to Old Redwood Hwy)		\$31,000	Funding Source: Pipeline Fund
x. Petaluma River Crossing (PF)		\$27,000	Funding Source: Pipeline Fund
y. Santa Rosa Creek Crossing	\$25,000	\$496,000	Funding Source: Pipeline Fund
z. Sonoma Booster Pump Station Upgrade	\$765,000	\$21,000	Funding Source: Pipeline Fund
aa. Sonoma Creek Crossing (Lawndale/Madrone)		\$12,000	Funding Source: Pipeline Fund
	<u>\$1,477,000</u>	<u>\$1,990,000</u>	

CAPITAL IMPROVEMENT PROJECTS

4/14/17

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		FY18	FY19	FY18 Project Description
6.	RECYCLED WATER			
5.7127.00	a. NBWRA Grant Program Administration	\$80,000	\$20,000	Continued support of NBWRA to obtain/administer recycled water project Federal/State grants for the Central Project.
5.6058.10	b. Expansion to Central Area (Note 4)	\$6,365,000		Install 5.8 miles of RW pipeline, rehab existing 0.5MG Norman Tank and retrofit ~ 39 sites for RW.
	c. Upgrade Auto-fill Valve at Reservoir Tank	\$50,000		Replace backstop potable water hydraulic valve with more reliable electric motor-operated valve.
5.7162.xx	d. Other Recycled Water Expenditures	\$50,000	\$100,000	Retrofit existing potable irrigation customers to RW.
		<u>\$6,545,000</u>	<u>\$120,000</u>	
7.	WEST MARIN WATER SYSTEM			
2.6263.20	a. Replace PRE Tank #4A (25K gal w/82K gal)	\$550,000		Replace redwood tank destroyed in Vision Fire with concrete tank.
	b. Green Sand Filter Media Replace	\$75,000		Media replacement in both filters.
2.6609.20	c. New Gallagher Well #2		\$100,000	Permit & Construct 2nd well at Gallagher Ranch.
	d. PB Replace in Sync w/ County Paving	\$50,000		For 25 replacements.
2.6601.32	e. TP Solids Handling (Note 5)		\$600,000	
	f. Abandon Downey Well		\$50,000	
	g. Rehab Coast Guard Well #2		\$275,000	
		<u>\$675,000</u>	<u>\$1,025,000</u>	
8.	OCEANA MARIN SEWER SYSTEM			
8.8672.28	a. Infiltration Repair	\$40,000	\$40,000	Ongoing work to identify and repair collection pipelines to prevent rainwater from leaking into the system.
8.7163.00	b. Design/Install 8th Disposal Trench (300')	\$80,000		To expand disposal capacity.
8.7085.02	c. Tahiti Way Lift Pumps Rebuild (2) (every 5 yrs)	\$20,000		Rebuild one pump set per year.
8.7164.00	d. Tahiti Way Power Relocation	\$20,000		Remove wood shack and relocate PG&E meter to generator building.
	e. Pond Dredging & Relining	\$50,000	\$350,000	Dredge large buildup of solids and repair treatment & storage pond embankments and install protective liner per Nute long-range master plan. This will be the first pond dredging since 1970 startup.
		<u>\$210,000</u>	<u>\$390,000</u>	

CAPITAL IMPROVEMENT PROJECTS

4/14/17

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	FY18	FY19	FY18 Project Description
<u>SUMMARY - GROSS PROJECT OUTLAY</u>			
Novato Water	\$11,792,000	\$7,675,000	
Recycled Water	\$6,545,000	\$120,000	
West Marin Water	\$675,000	\$1,025,000	
Oceana Marin Sewer	\$210,000	\$390,000	
GROSS PROJECT OUTLAY	<u>\$19,222,000</u>	<u>\$9,210,000</u>	
LESS FUNDED BY LOANS/GRANTS/OTHER			
a. Advanced Meter Information Retrofit (Note 1)	(\$4,700,000)	\$0	Funded by SRF or Bank Loan
b. Office/Yard Building Refurbish (Note 2)	(\$1,500,000)	(\$3,000,000)	Funded by Bank Loan
c. Sonoma County Water Agency CIP (Note 3)	(\$1,477,000)	(\$1,990,000)	Funded by Wholesale Water Rate or SCWA Bond Issue
d. RW Sys Expansion (Note 4)	(\$5,333,000)	\$0	Funded by 1% SRF Loan, \$2.25M MCC Contrib & \$1.5M Grant
e. WM Treatment Plant Solids Handling (Note 5)	(\$655,000)	(\$600,000)	
	<u>(\$13,665,000)</u>	<u>(\$5,590,000)</u>	
<u>SUMMARY - NET PROJECT OUTLAY</u>			
Novato Water	\$4,115,000	\$2,685,000	
Recycled Water	\$1,212,000	\$120,000	
West Marin Water	\$20,000	\$425,000	
Oceana Marin Sewer	\$210,000	\$390,000	
NET PROJECT OUTLAY	<u>\$5,557,000</u>	<u>\$3,620,000</u>	
Total Number of District Projects	32	23	

CAPITAL IMPROVEMENT PROJECTS

4/14/17

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	FY18	FY19	FY18 Project Description
STUDIES & SPECIAL PROJECTS			
1.4055.00 a. Stafford Lake Sanitary Survey			
1.4057.00 a. Local Water Supply Enhancement Study	\$150,000		
1.7039.02 b. Novato Water Master Plan Update (every 5 yrs)	\$45,000		
1.4058.00 c. Cost of Service Study Peer Review	\$30,000		
1.4059.00 d. Stafford Lake Water Rights Update	\$50,000	\$50,000	
1.4060.00 e. STP Efficiency Improvements	\$75,000		
2.4061.00 f. Digitize West Marin Water Facility Maps	\$18,000		
1.4063.0 g. Novato Asset Management Study	\$75,000		
8.4062.00 h. Oceana Marin Vulnerability Study	\$25,000		
j. Stafford Lake Sediment Survey (every 10 yrs)			
i. Urban Water Management Plan (every 5 yrs)		\$20,000	
i. 2024 West Marin Water System Master Plan			
	<u>\$468,000</u>	<u>\$70,000</u>	

CAPITAL IMPROVEMENT PROJECTS

	FY18	FY19	FY18 Project Description
Novato Potable Water Debt Service			
a. EDA Loan	\$18,000	\$0	
b. STP SRF Loan	\$1,044,000	\$1,044,000	
c. AEEP Bank Loan	\$482,000	\$482,000	
d. Advanced Meter Info Retrofit Loan (Note 1)		\$320,000	
e. Admin Building Renovation Loan (Note 2)		\$422,000	
	\$1,544,000	\$2,268,000	
Novato Recycled Water Debt Service			
f. Deer Island Facility SRF Loan	\$273,000	\$273,000	
g. RW North Expansion SRF Loan	\$282,000	\$282,000	
h. RW South Expansion SRF Loan	\$332,000	\$332,000	
i. RW Central Expansion SRF Loan (Note 4 - Net of I	\$190,000	\$190,000	
	\$1,077,000	\$1,077,000	
West Marin Water Debt Service			
j. EDA Loan	\$2,000	\$0	
k. PRE-1 Revenue Bond	\$14,000	\$14,000	
l. PR-6 Revenue Bond	\$13,000	\$13,000	
m. TP Solids Handling Bank Loan	\$71,000	\$71,000	
n. TP Solids Handling Add'l Bank Loan (Note 5)		\$42,000	
	\$100,000	\$140,000	
TOTAL DEBT SERVICE	\$2,721,000	\$3,485,000	
NET PROJECT & DEBT SERVICE OUTLAY	\$8,278,000	\$7,105,000	

Note 1 - \$5.5M Advanced Meter Info Retrofit to be funded by SRF or Bank Loan

Note 2 - \$6M Office/Yard Refurbish to be funded by 20 year 3.5% Bank Loan

Note 3 - SCWA CIP Projects to be funded by wholesale water rate or SCWA Bond Issue.

Note 4 - \$14.9M RW Central Expansion funded by \$2.5M Federal Grant, \$6.6M SRF Loan (\$1.7M will be paid by Marin Country Club), \$3.3M SRF Grant & \$2.4M local contribution. Debt Service paid from FRC Funds.

Note 5 - \$1.25M WM Water Solids Handling Facility partially funded by bank loan (\$660,000 remaining). Additional \$600K to be borrowed in FY19 to complete project.

Note 6 - \$2.8M WM TP Project funded by debt and /or grant funds.

17

MEMORANDUM

To: Board of Directors

April 14, 2017

From: David L. Bentley, Auditor-Controller 

Subj: Initial Review – Proposed FY17/18 Equipment Budget

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RECOMMENDED ACTION: Initial Review and Provide Direction to Staff**FINANCIAL IMPACT:** None at this time - \$210,000 proposed for June 20 Public Hearing

Presented for your initial review is the proposed FY 2017/18 (FY18) Equipment Budget. The proposed budget totals \$210,000, down \$35,000 from the adopted FY17 Equipment Budget (\$245,000). FY17 estimated actual expenditures are forecast to come in at \$237,000.

Significant purchases include \$105,000 for replacement of Lab's 19-year-old metals analyzer. The analyzer is no longer supported by the manufacturer and repair components are becoming impossible to find. Purchase of rolling stock includes \$63,000 for purchase of a hybrid SUV and a ½-ton pickup.

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

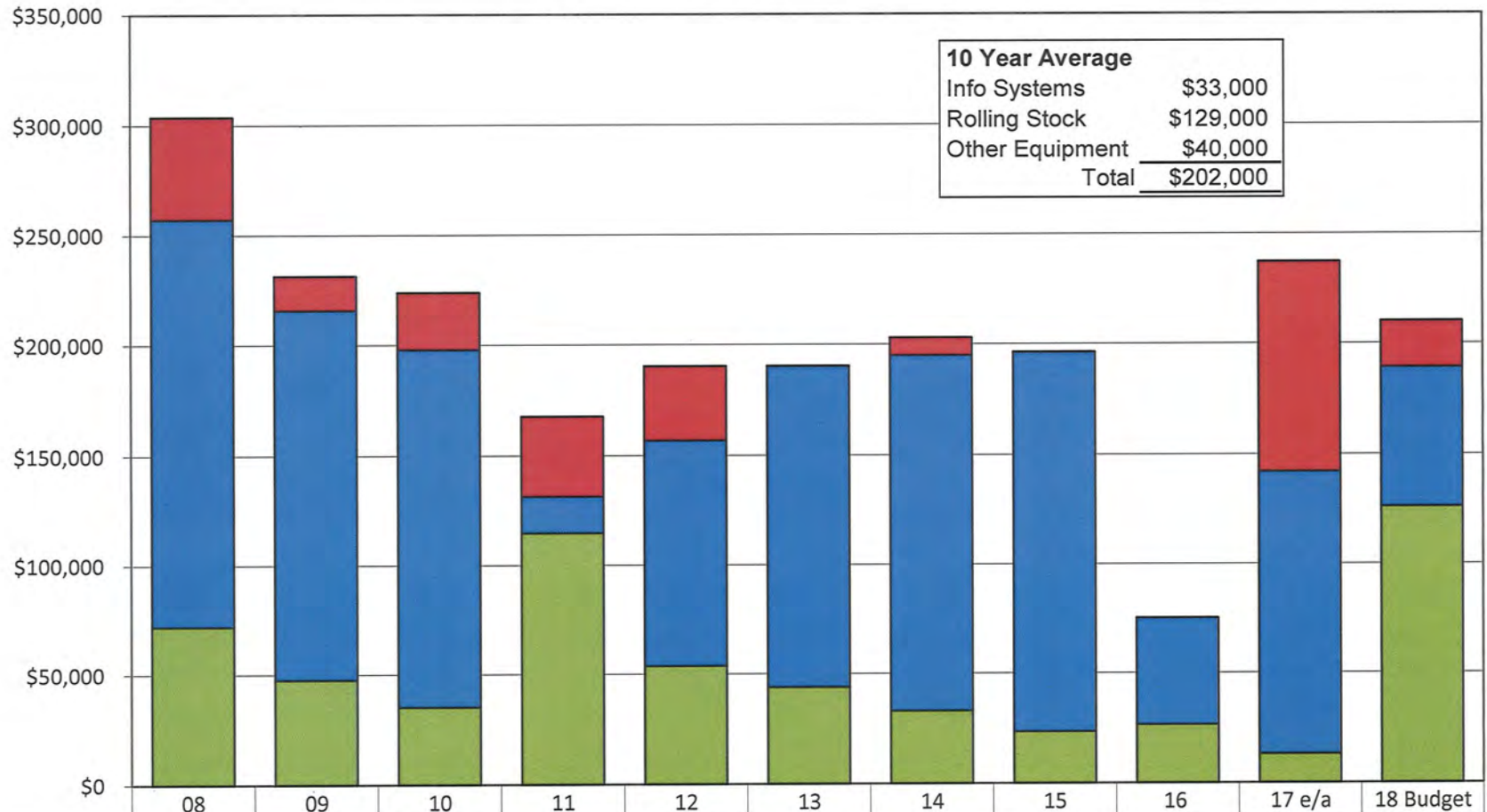
An additional Equipment Budget review is scheduled for May 16, and a public hearing and approval of the Equipment Budget is scheduled for June 20, 2017. Expression of Board comments and concerns earlier in the process, rather than later, is appreciated.

EQUIPMENT EXPENDITURES**Fiscal Year 2017/2018 Budget**

		Proposed	Description
1 ADMINISTRATION			
a.	Virtual Server	\$6,000	4th server to complete upgrade to virtual server environment allowing configuration flexibility, quick disaster recovery, redundant hardware & the ability to add server functions without additional hardware.
		\$6,000	
2 CONSTRUCTION/MAINTENANCE			
a.	Fittings & Hose for Emergency Hose Trailer	\$6,000	Additional fittings & 500' of 1" hose for Hose Trailer
		\$6,000	
3 OPERATIONS/MAINTENANCE			
a.	Replacement Closed Circuit TV System	\$15,000	Upgraded computer & software to run the STP surveillance system. Existing system is obsolete and cannot be serviced.
b.	Replacement Incubator	\$15,000	Existing 20-year-old incubator is near the end of its service life and has problems maintaining temperature when at capacity. The replacement will add capacity and reliability to the lab's core function of microbiology testing.
c.	Metals Analyzer	\$105,000	Replace 18-year-old metals analyzer as it is no longer supported and repair components are nearly impossible to find.
		\$135,000	
4 VEHICLE & ROLLING EQUIPMENT EXPENDITURES			
			<u>Rolling Stock to be Replaced & Auctioned</u>
a.	Hybrid 4x4 SUV	\$35,000	'06 Chev Colorado Crew-Cab w/136,000 miles
b.	1/2 Ton Pickup w/Tool Box & Radio	\$28,000	'04 Chev C1500 w/122,000 miles
		\$63,000	
Total		\$210,000	

	Adopted Budget	Estimated Actual	Proposed Budget
RECAP	2016/17	2016/17	2017/18
Equipment	\$97,000	\$108,000	\$147,000
Rolling Stock	\$148,000	\$129,000	\$63,000
	\$245,000	\$237,000	\$210,000

10 Year History of Equipment Purchases



	08	09	10	11	12	13	14	15	16	17 e/a	18 Budget
Info Systems	\$46,572	\$15,761	\$25,925	\$36,375	\$33,346	\$0	\$8,050	\$0	\$0	\$95,000e	\$21,000
Rolling Stock	\$185,181	\$168,055	\$162,696	\$16,671	\$103,057	\$146,305	\$161,834	\$172,989	\$48,812	\$129,000e	\$63,000
Other Equipment	\$71,888	\$47,520	\$35,082	\$114,612	\$53,724	\$43,764	\$32,884	\$23,231	\$26,374	\$13,000e	\$126,000
Total	\$303,641	\$231,336	\$223,703	\$167,658	\$190,127	\$190,069	\$202,768	\$196,220	\$75,187	\$237,000e	\$210,000

5-Year Vehicle and Equipment Replacement Plan

Updated 4/13/2017

FY17/18	New Item Description	Replacement Item Description	Cost
1	Hybrid 4X4 SUV	#49 to Eng, #501 to Auction	\$35,000
2	1/2 Ton Pickup w/Tool Box and Radio	#53 Chevy C1500 PU	\$28,000
3			
Total			\$63,000

Note: #53, & #501 will be auctioned.

FY18/19	New Item Description	Replacement Item Description	Cost
1	1/2 Ton Pickup w/Tool Box and Radio	#59 Ford Ranger	\$30,000
2	1/2 Ton 4x4 Pickup w/Tool Box and Radio	#47 2002 Chevy 4x4	\$30,000
3	Backhoe 4X4 diesel W Enclosed Cab	#77 2004 John Deere Backhoe	\$125,000
4			
Total			\$185,000

Note: #47, #59 & #77 will be auctioned

FY19/20	New Item Description	Replacement Item Description	Cost
1	1/2 Ton Pickup w/Tool Box and Radio	#54 Ford Ranger	\$30,000
2	Hybrid Car w/ Radio	#510 2009 Toyota Prius	\$30,000
3	5 Yard Diesel Dump truck	#44 2002 International Dump	\$125,000
4			
Total			\$185,000

Note: #44, #54, & #510 will be auctioned

FY20/21	New Item Description	Replacement Item Description	Cost
1	Hybrid Car w/ Radio	#56 2005 Honda Civic	\$30,000
2	Hybrid Car w/ Radio	#57 2005 Honda Civic	\$30,000
3	5 Yard Diesel Dump truck	#52 1999 Ford F450 3 YD Dump	\$125,000
4			
Total			\$185,000

Note: #56 & #57 will be auctioned


FY21/22	New Item Description	Replacement Item Description	Cost
1	1/2 ton V6 2WD w/Tool Box and Radio	#502 2007 Chevy 2500 4x4	\$35,000
2	1/2 Ton 4x4 Pickup w/Tool Box and Radio	#509 2008 Chevy 4x4	\$35,000
3	1/2 ton V6 2WD w/Tool Box and Radio	#505 2008 Ford 3/4 ton 4X4	\$35,000
4	Hybrid 4X4 SUV	#512 2010 Ford 1/2 ton move to pool	\$65,000
5			
Total			\$170,000

Note: #502, #505 and #509 will be auctioned.

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MEMORANDUM

To: Board of Directors
From: Chris DeGabriele, General Manager 
Subj: California Drought State of Emergency Terminated
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April 14, 2017

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

On April 7th, Governor Brown terminated the Drought State of Emergency enacted in January 2014 and rescinded orders in previous proclamations requiring mandatory water use restrictions other than the common water waste provisions as shown on Section 4 of the Governor's attached Executive Order B-40-17 (Attachment 1).

The Governor has ordered that provisions included in the Executive Order B-37-16 "Making Water Conservation A California Way of Life" remain in full force and effect and the State Legislature is currently working on bills to implement same.

At North Marin's April 4th meeting, the Board authorized comments to Assembly Parks and Wildlife committee advocating for Assemblyman Rubio's AB1654 and AB968 to enable more flexibility to comply with the Governor's Executive Order B-37-16. Sonoma Marin Saving Water Partnership Members have also weighed in supporting these bills (Attachment 2).

Executive Department

State of California

EXECUTIVE ORDER B-40-17

WHEREAS California has endured a severe multi-year drought that has threatened the water supplies of communities and residents, devastated agricultural production in many areas, and harmed fish, animals and their environmental habitats; and

WHEREAS Californians responded to the drought by conserving water at unprecedented levels, reducing water use in communities by more than 22% between June 2015 and January 2017; and

WHEREAS the State Water Resources Control Board, the Department of Water Resources, the Department of Fish and Wildlife, the Office of Emergency Services, and many other state agencies worked cooperatively to manage and mitigate the effects of the drought on our communities, businesses, and the environment; and

WHEREAS the State provided 66,344,584 gallons of water to fill water tanks for communities suffering through drought-related water shortages, outages, or contamination, and provided emergency assistance to drill wells and connect communities to more robust water systems; and

WHEREAS the State took a number of important actions to preserve and protect fish and wildlife resources, including stream and species population monitoring, fish rescues and relocations, infrastructure improvements at trout and salmon hatcheries, and infrastructure to provide critical habitat for waterfowl and terrestrial animals; and

WHEREAS the State established a Statewide Water Efficiency and Enhancement Program for agricultural operations that provides financial assistance for the implementation of irrigation systems that save water; and

WHEREAS water content in California's mountain snowpack is 164 percent of the season average; and

WHEREAS Lake Oroville, the State Water Project's principal reservoir, is 101 percent of average, Lake Shasta, the federal Central Valley Project's largest reservoir, is at 110 percent of average, and the great majority of California's other major reservoirs are above normal storage levels; and

WHEREAS despite winter precipitation, the effects of the drought persist in areas of the Central Valley, including groundwater depletion and subsidence; and

WHEREAS our changing climate requires California to continue to adopt and adhere to permanent changes to use water more wisely and to prepare for more frequent and persistent periods of limited water supply; and

WHEREAS increasing long-term water conservation among Californians, improving water use efficiency within the State's communities and agricultural production, and strengthening local and regional drought planning are critical to California's resilience to drought and climate change.

NOW, THEREFORE, I, EDMUND G. BROWN JR., Governor of the State of California, in accordance with the authority vested in me by the Constitution and statutes of the State of California, do hereby **TERMINATE THE JANUARY 17, 2014 DROUGHT STATE OF EMERGENCY** for all counties in California except the Counties of Fresno, Kings, Tulare, and Tuolumne.

I FURTHER ORDER THAT:

1. The orders and provisions contained in my April 25, 2014 Emergency Proclamation, as well as Executive Orders B-26-14, B-28-14, B-29-15, and B-36-15 are rescinded.
2. The orders and provisions contained in Executive Order B-37-16, **Making Water Conservation a California Way of Life**, remain in full force and effect except as modified by this Executive Order.
3. As required by the State Emergency Plan and Government Code section 8607(f), the Office of Emergency Services, in coordination with other state agencies, shall produce an after-action report detailing the State's response to the drought and any lessons learned in carrying out that response.

MAINTAINING CONSERVATION AS A WAY OF LIFE

4. The State Water Resources Control Board (Water Board) shall continue development of permanent prohibitions on wasteful water use and requirements for reporting water use by urban water agencies, and to provide a bridge to those permanent requirements, shall maintain the existing emergency regulations until they expire as provided by the Water Code. Permanent restrictions shall prohibit wasteful practices such as:
 - Hosing off sidewalks, driveways and other hardscapes;
 - Washing automobiles with hoses not equipped with a shut-off nozzle;
 - Using non-recirculated water in a fountain or other decorative water feature;
 - Watering lawns in a manner that causes runoff, or within 48 hours after measurable precipitation; and
 - Irrigating ornamental turf on public street medians.
5. The Water Board shall rescind those portions of its existing emergency regulations that require a water supply stress test or mandatory conservation standard for urban water agencies.



6. The Department of Water Resources (Department) shall continue work with the Water Board to develop standards that urban water suppliers will use to set new urban water use efficiency targets as directed by Executive Order B-37-16. Upon enactment of legislation, the Water Board shall adopt urban water use efficiency standards that include indoor use, outdoor use, and leaks as well as performance measures for commercial, industrial, and institutional water use. The Department shall provide technical assistance and urban landscape area data to urban water suppliers for determining efficient outdoor use.
7. The Water Board and the Department shall continue to direct actions to minimize water system leaks that waste large amounts of water. The Water Board, after funding projects to address health and safety, shall use loans from the Drinking Water State Revolving Fund to prioritize local projects that reduce leaks and other water system losses.
8. The Water Board and the Department shall continue to take actions to direct urban and agricultural water suppliers to accelerate their data collection, improve water system management, and prioritize capital projects to reduce water waste. The California Public Utilities Commission is requested to work with investor-owned water utilities to accelerate work to minimize leaks.
9. The Water Board is further directed to work with state agencies and water suppliers to identify mechanisms that would encourage and facilitate the adoption of rate structures and other pricing mechanisms that promote water conservation.
10. All state agencies shall continue response activities that may be needed to manage the lingering drought impacts to people and wildlife. State agencies shall increase efforts at building drought resiliency for the future, including evaluating lessons learned from this current drought, completing efforts to modernize our infrastructure for drought and water supply reliability, and shall take actions to improve monitoring of native fish and wildlife populations using innovative science and technology.

CONTINUED DROUGHT RESPONSE IN FRESNO, KINGS, TULARE, AND TUOLUMNE COUNTIES

11. The Water Board will continue to prioritize new and amended safe drinking water permits that enhance water supply and reliability for community water systems facing water shortages or that expand service connections to include existing residences facing water shortages.
12. The Department and the Water Board will accelerate funding for local water supply enhancement projects and will continue to explore if any existing unspent funds can be repurposed to enable near-term water conservation projects.
13. The Water Board will continue to work with local agencies to identify communities that may run out of drinking water, and will provide technical and financial assistance to help these communities address drinking water

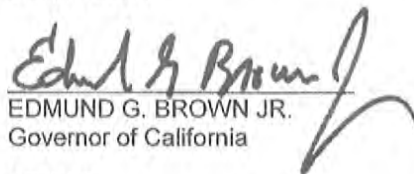
shortages. It will also identify emergency interconnections that exist among the State's public water systems that can help these threatened communities. The Department, the Water Board, the Office of Emergency Services, and the Office of Planning and Research will work with local agencies in implementing solutions to those water shortages.

14. For actions taken in the Counties of Fresno, Kings, Tulare, and Tuolumne pursuant to directives 11–13, the provisions of the Government Code and the Public Contract Code applicable to state contracts, including, but not limited to, advertising and competitive bidding requirements, as well as Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division, are hereby suspended. These suspensions apply to any actions taken by state agencies, and for actions taken by local agencies where the state agency with primary responsibility for implementing the directive concurs that local action is required, as well as for any necessary permits or approvals required to complete these actions.
15. California Disaster Assistance Act Funding is authorized until June 30, 2017 to provide emergency water to individuals and households who are currently enrolled in the emergency water tank program.
16. State departments shall commence all drought remediation projects in Fresno, Kings, Tulare, and Tuolumne Counties within one year of the date of this Executive Order.

This Executive Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 7th day of April 2017.


EDMUND G. BROWN JR.
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State





Fact Sheet

Questions and Answers on the State Water Board's Role to Improve Water Efficiency and Make Conservation a Way of Life

Governor Edmund G. Brown Jr.'s [April 7 action](#) to rescind the [January 17, 2014](#), drought declaration sets into motion a collaborative multi-agency effort to increase efficiency in how the state uses water in urban and agricultural settings to ensure we "[Make Water Conservation a California Way of Life](#)." These actions support the goals of the [California Water Action Plan](#), a document that directs state agencies to work together to plan for and efficiently manage water needs while anticipating the impacts of climate change and the state's population growth in the next several decades.

This document answers questions on how the State Water Resources Control Board will support the Administration's planned action in key initiatives announced April 7.

Governor Rescinds Emergency Drought Declaration

On April 7, the Governor issued [Executive Order \(EO\) B-40-17](#), which lifts the drought emergency in all California counties except Fresno, Kings, Tulare, and Tuolumne. The action ends the statewide emergency drought proclamation put in place by the Governor on January 17, 2014.

What does the Executive Order Direct the State Water Board to do?

[EO B-40-17](#) directs the State Water Board to keep in place requirements such as monthly water reporting, rules, and specific prohibitions against designated wasteful water use practices until they expire later this year. Those prohibitions include outdoor watering during a rain event or 48 hours after; watering down a sidewalk with a hose instead of using a broom or a brush, or overwatering a landscape to where water is running off onto the sidewalk or into the gutter. In addition, Prohibitions against [home owners associations](#) (HOAs) and local governments from penalizing homeowners for certain outdoor conservation practices during a declared drought remain as well.

The executive order directs the State Water Board to rescind the [water supply stress test](#) for urban water suppliers as well any remaining mandatory conservation standards. Abundant precipitation and a vigorous response to the drought emergency mean most water suppliers now have an adequate local supply.

What Does Making Water Conservation a California Way of Life Mean?

Recognizing the severe effects of multi-year drought in California, Governor Brown issued [Executive Order B-37-16](#) on May 9, 2016. The Executive Order directed five State Agencies (the State Water Board, Department of Water Resources, California Department of Food and Agriculture, California Public Utilities Commission, and the California Energy Commission) to



establish a long-term water conservation framework that builds on the momentum created during drought, provides a clear path forward to making conservation a California way of life, and better positions the State to withstand future droughts.

This conservation framework, called the "[Making Water Conservation a California Way of Life Implementing Executive Order B-37-16](#)," was released on April 7. The framework includes recommendations to establish long-term water conservation standards and improved agricultural and urban water management planning to better prepare for more frequent and severe droughts. These actions will help achieve a top priority of the California Water Action Plan - to improve long-term drought preparedness and "Make Conservation a California Way of Life."

What is the State Water Board's Role in this Conservation Framework?

The executive order directs the State Water Board to permanently ban wasteful water use practices and to make permanent the monthly urban water use reporting requirements that began during the drought. The Board staff is currently working on permanent water conservation regulations that will include permanent prohibitions on wasteful water uses as well as mandatory water use and conservation reporting.

The executive order also calls on the Department of Water Resource to work with the State Water Board to establish new water use efficiency targets to be applied to the state's 410 largest urban water suppliers, who supply water to more 90 percent of California residents. These new targets will ensure all urban water is used efficiently, while accounting for the unique climatic, demographic and land-use characteristics of each urban water agency's service area.

The targets will build upon existing state law and be based on strengthened efficiency standards for indoor water use, outdoor water use, and water lost through leaks. This approach represents a fundamental shift to a conservation framework that is more durable and that can be applied equitably and consistently across California's diverse communities.

What Does the Conservation Framework Require of Other Agencies?

The Department of Water Resources (DWR) will strengthen urban water management plans that water suppliers must submit every five years. Under new strengthened standards, suppliers will need to plan for droughts lasting at least five years, as well as more frequent and severe periods of drought. For areas not covered by an Urban Water Management Plan, DWR will work with counties to improve drought planning for small water suppliers and rural communities.

DWR working with the Department of Food Agriculture will also update existing requirements for Agricultural Water Management Plans so that irrigation districts quantify their customers' water use efficiency and better plan for water supply shortages. The updated Agricultural Management Plans will help local decision makers target agricultural efficiency efforts and provide critical data for implementation of the Sustainable Groundwater Management Act. Current law requires agricultural water districts serving 25,000 acres or more to file such

plans. Under the proposed framework, the threshold for irrigation districts who must file water management plans will be reduced to irrigation district serving 10,000 acres or more. DWR will check the plans to ensure they quantify conservation efforts and adequately plan for water shortages.

What Does the Legislation introduced by the Governor to Implement this Conservation Framework, Require of the State Water Board?

The legislative proposal establishes authorities and deadlines for setting new long-term standards for efficient urban water use. Specifically, the proposal:

- Requires the State Water Board, in consultation with the Department of Water Resources to set long-term urban water use efficiency standards by May 20, 2021;
- Allows the State Water Board to set interim standards to ensure that progress begins before the long-term standards are adopted in 2021;
- Includes a robust public participation process to provide the State Water Board and Department with critical input from local agencies, tribal governments, non-governmental organizations, the business sector, academics, and others.

The proposal also authorizes the Board and local agencies to enforce the standards in the same manner that they have been able to enforce the Board's emergency conservation regulations during the drought. It also authorizes the Board to set emergency conservation regulations for one year instead of the current 270 days. This change will allow the Board to make future conservation determinations at the end of the winter when water conditions are known.

Background

To learn about all the actions the state has taken to manage our water system and cope with the impacts of the drought, visit Drought.CA.Gov. Even with the declared drought over, Californians should continue to take steps to conserve water. Find out how at SaveOurWater.com. While saving water, it is important to properly water trees. Find out how at www.saveourwater.com/trees. In addition to many effective local programs, state-funded turf removal and toilet replacement rebates are also available. Information and rebate applications can be found at: www.saveourwaterrebates.com/

(This fact sheet was last updated April 7, 2017)



The Honorable Blanca Rubio
State Capitol, Room 5175
Sacramento, CA 95814
Via email: Chinook.Shin@asm.ca.gov

April 13, 2017

**Re: AB 1654 (Rubio); Urban Water Management Planning
AB 968 (Rubio); Long Term Water Use Efficiency**

Position: SUPPORT

Dear Assemblymember Rubio:

On behalf of the Sonoma-Marín Saving Water Partnership, I am writing to express our support for AB 1654 and AB 968, your measures which would enhance existing urban water management planning requirements, strengthen water suppliers' abilities to plan and prepare for future droughts, and ensure a balanced approach to providing drought resilient water supply including use of recycled water and enhanced long term water use efficiency.

SMSWP members include the Cities of Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma, Town of Windsor, and the Marin Municipal, North Marin and Valley of the Moon Water Districts, Cal-American Water (Larkfield-Wikiup) and Sonoma County Water Agency. The SMSWP members recognize that establishing common water conservation programs on a regional basis and applicable across the political and jurisdictional boundaries of each party is a means of cost effectively conserving more water than would otherwise be conserved on an individual agency-by-agency basis.

AB 1654 would enhance existing reporting and drought response requirements related to water shortage contingency analyses. Under the bill, urban retail water suppliers ("water suppliers" such as SMSWP members) would report annually to the Department of Water Resources on the status of their water supplies

for that year and whether supplies will be adequate to meet projected customer demand. If supplies are not adequate to meet demand, the water supplier would be required to implement the appropriate responses as described in their water shortage contingency analysis.

AB 1654 would also prohibit a water supplier from being required to reduce its use or reliance on any water supply available beyond the steps specified in its water shortage contingency analysis, protecting water suppliers' and their customers' investments in resilient water supply sources.

AB 968 provides for an alternative to the complicated, and likely costly retail-level water efficiency target calculation proposed in the November 2016 framework "Making Water Conservation a California Way of Life," and assures that investments in resilient recycled water supplies can be relied upon during normal and shortage conditions to meet customer needs.

For these reasons, Sonoma-Marin Saving Water Partnership supports AB 1654 and AB968. If you or your staff have any questions, please contact me at 415-897-4133 or cdegabriele@nmwd.com.

Sincerely,



Chris DeGabriele
General Manager,
North Marin Water District

CC:

The Honorable Eduardo Garcia, Chair, Assembly Water, Parks, and Wildlife Committee
Honorable Members of the Assembly Water, Parks, and Wildlife Committee
Marc Levine, 10th Assembly District
Jim Wood, 2nd Assembly District

19

DISBURSEMENTS - DATED APRIL 13, 2017

Date Prepared 4/11/17

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

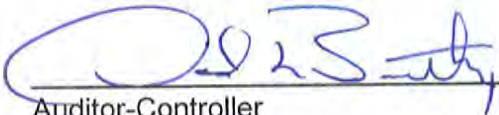
Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 3/31/17 PPE	\$134,534.00
EFT*	US Bank	Federal & FICA Taxes 3/31/17 PPE	61,213.18
EFT*	State of California	State Taxes & SDI 3/31/17 PPE	10,958.64
EFT*	CalPERS	Pension Contribution 3/31/17 PPE	35,584.21
EFT*	CalPERS	Health Insurance Premium (Employees \$44,555, Retirees \$10,521 & Employee Contrib \$11,987)	67,063.59
1	Able Tire & Brake	1 Tire Alignment ('08 Ford F250), Tractor Tire Repair ('15 JD Skip Loader) (\$360), Tires (2) ('73 Tilt Trailer)	480.57
2	Athens Administrators	Replenish Workers' Compensation Checks Written (3/1-3/31/17)	6,879.87
3	AT&T	Internet Service @ PRTP	80.00
4	AT&T	Leased Lines	679.09
5	Automation Direct	PLC Parts-Field Wireable Connector & Pressure Transmitter	167.00
6	Buck's Saw Service	Air Filter, Primer Bulb, & Pre-Mixed 2 Stroke Fuel	177.50
7	Champion Construction	Refund Excess Advance for Construction Over Actual Job Cost-52 San Domingo Way	586.65
8	Confar, Thomas and Christy	Refund Overpayment on Closed Account	88.30
9	Cooley, Carrie	Novato "Toilet Rebate" Program	100.00
10	Cooper, Mia	Novato "Toilet Rebate" Program	200.00
11	Cummings Trucking	Rock (\$2,696) (66 yds) & Sand (\$2,647) (48 yds)	5,343.65
12	Direct Line	1st Month Base Rate & Last Month Deposit for New Telephone Answering Service	300.00

Seq	Payable To	For	Amount
13	Fisher Scientific	Wrap Ster 15x15 & Buffer (Lab)	115.22
14	GFS Chemicals	AMCO Clear Turbidity Standard	347.77
15	Golden Gate Petroleum	Gear Box Grease (for Valves)	186.56
16	Gowan, Wanda	Novato "Toilet Rebate" Program	200.00
17	Grainger	Sump Pump for Trumbull PS	239.49
18	Hach	pH Buffer Solution (20L) (\$300)	299.46
19	Hardy Diagnostics	Phosphate Buffer with Magnesium Chloride Culture (Lab)	131.17
20	International Dioxide	Sodium Chlorite (43,000 lbs)	29,118.20
21	Ben Ielmorini	Exp Reimb: Class A Physical & Permit Test	188.00
22		Vision Reimbursement	119.00
23		Vision Reimbursement	70.00
24		Cafeteria Plan: Uninsured Medical Reimbursement	16.67
25		Cafeteria Plan: Uninsured Medical Reimbursement	177.00
26	Marin County Ford	Seat Track Cover (Left Side & Rear) & Front Valance ('10 Ford F150) (\$108), Tie Rod Ends, Drag Links, & Steering Dampers ('08 Ford F250) (\$398), Oil (5 Qts), Oil Filter & Antifreeze (1 Gallon) ('17 Ford Escape), Transmission Shift Lever ('05 Ford Ranger), Blower Motor Resistor ('10 Ford F150), Oil (9 Qts) & Air Filter ('10 Ford F150)	699.06
27	McMaster-Carr Supply	Vac Trailer Suction Hose	468.41
28	Nave Motors	Replace Right Front Fender ('08 F250)	927.41
29	Neopost USA	Postal Meter Rental	94.30

Seq	Payable To	For	Amount
30	North Marin Auto Parts	Gloves (4) (100/box) (\$78), Diesel Engine Oil (\$121), Rear Shocks (\$98), Front Shocks (\$96), Drive Belts for STP Sand Filter Pumps (\$231), Chain Lube for Front Gate (12.75 Oz Can), Fuse Kit, Car Wash Brush, Bucket (5 Gallon), Battery (\$226), Oil Filter, Oil (8 Qts), Spray Can (Primer & White) (30 Cans) (\$217), Brake Maintenance (\$472), Gear Oil, Copper Gasket, Rags (35 Lbs) (\$103), Fan Belt Tensioner (\$77)	1,753.24
31	North Bay Gas	Compressed Gas & March Cylinder Rental	749.98
32	Novato Builders Supply	Plywood (4x8) (8) (\$464), Concrete with Cart & Cement (3 sacks) (\$140)	603.82
33	Novato Disposal Service	March Trash Removal	442.76
34	NTU Technologies	Cationic Coagulant (47,000 lbs)	27,671.00
35	On-Site Health & Safety	CPR/First Aid Training (50)	1,590.00
36	Pace Supply	Box Lids (8) (\$132), Box Cover, Vaults (2) (\$1,176), Couplings (7) (\$3,016), Spool (\$186) & Water Heater (50 gal capacity)	4,851.84
37	Pini Hardware	Drill Bits, Grinder Discs, Mixer Bracket, Hillman Hardware (STP), Aluminum Flat Stack, 2x4 Ceiling Light Lens, Flat Bar, Sump Pump (Trumbull P.S.), Check Valve & Fittings, Steel Cable Crimps (1/6 in X 6 ft), Hex Key Set, Door Swivel Safety Hasps, Battery, Dish Detergent, Plumbing Supplies, Screwdriver, Drill Bit, Utility Knife, Pliers (16") (\$60), Grinding Wheel, Utility Handle, Plumbing Filters, Spray Paint (12 Oz) (5), Metric Screws (11), Metal/Concrete Epoxy, Door Pulls for Tool Bins, Shovels (8) (\$286), & 3 Volt Battery	907.77
38	Preferred Alliance	Pre-employment Physical (Stickle)	42.00
39	Sequoia Safety Supply	Acetaminophen 500mg (50/2 Packs per Box) (6)	36.52
40	Soiland	Asphalt	33.60
41	Sonoma-Marin Arborists	Cut Down 5 Eucalyptus Trees @ Loma Verde Tank	7,100.00
42	State Water Resources Control	T3 Application Fee (Foster)	90.00

Seq	Payable To	For	Amount
43	Tank Industry Consultants	Prog Pymt#2: Engineering Consultation for Coating Corrosion & Inspection of San Mateo Tank (Balance Remaining on Contract \$20,750)	5,750.00
44	Verizon Wireless	Cellular Charges: Data (\$192) & Airtime (\$74) (19)	266.28
45	Verizon Wireless	March CIMIS Station Data Transfer Fee	17.72
46	Verizon Wireless	AMI Gateway Cellular Charge	1,081.82
TOTAL DISBURSEMENTS			<u>\$410,822.32</u>

The foregoing payroll and accounts payable vouchers totaling \$410,822.32 are hereby approved and authorized for payment.

 4/11/17
Auditor-Controller Date

 4/11/2017
General Manager Date

DISBURSEMENTS - DATED APRIL 6, 2017

Date Prepared 4/4/17

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

Seq	Payable To	For	Amount
1	Alpha Analytical Labs	Lab Testing	\$18.00
2	Asbury Environmental Services	Used Filter Disposal	221.42
3	Athens Administrators	April Workers' Comp Admin Fee	1,000.00
4	AT&T	Leased Line	65.88
5	Backflow Distributors	Lubricant (2 4oz Tubes)	24.91
6	Bay Area Air Quality Mgmt Dist	Annual Permit Fee to Operate Back-up Generator @ O.M.	687.00
7	Bentley, David L.	Exp Reimb: March Lunch with Consumer Services Group	130.00
8	Bishop, Michelle	Novato "Washer Rebate" Program	50.00
9	Bold & Polisner	Board Vacancy (\$273), Conflict of Interest Code (\$42), LAFCO (\$84), Potter Valley Relicensing (\$210), RW Exp Central (\$315), San Mateo Pipeline (\$84), Submetering (\$42) & Misc (\$189)	1,239.00
10	CA Urban Water Conservation	Annual Dues (Grisso) (1/17-12/17) (Budget \$3,320)	3,239.19
11	Colon, Kathia	Novato "Toilet Rebate" Program & Refund Alternative Compliance Reg 15 Dep (\$945)	1,245.00
12	Covello Group	Prog Pymt#7: RW Expansion Project Central Service Area (Balance on Contract \$765,479)	73,316.13
13	DeGabriele, Chris	Exp Reimb: March Mileage	205.98
14	Equarius Waterworks	AMI Cellular Gateways (9)	85,443.75
15		Vision Reimbursement	95.00
16	Ghilotti Construction	Prog Pymt#5: RW Expansion Central Service Area (Balance Remaining on Contract \$3,417,251)	465,948.88


Seq	Payable To	For	Amount
17		Vision Reimbursement	358.00
18	Grainger	Disposable Wipes (756) (\$51), Handheld Flashlights (2) (\$133), Socket Wrench Set, Roll Pin Punch Set, Tie-Down Strap (\$48), Flood Lights for Yard, Multipurpose Air Hoses (2) (\$140), Insulated Gloves, Hole Saw, Carbide Hole Saw (\$52) & Hole Dozer Saw	620.62
19	Hach	Calibration Standard (STP)	192.49
20	Hardy Diagnostics	Media (Lab)	126.88
21	HERC Rentals	Telehandler Rental (1 Day) (STP)	233.28
22	InfoSend	February Processing Fee for Water Bills (\$1,362) & Postage (\$3,785) & Print Bill Stuffer: "AMI" (20,100)	6,420.05
23	Irish & Son Welding	Welding Services	260.00
24		Vision Reimbursement	213.00
25		Cafeteria Plan: Unreimbursed Medical & Vision Reimbursement	213.65
26		Cafeteria Plan: Uninsured Medical Reimbursement	57.41
27	Lincoln Life	Deferred Compensation PPE 3/31/17	14,860.08
28		Child Care Reimbursement	416.66
29	Marin Landscape Materials	Concrete (1/4 yd)	73.78
30	Marinscope	Display Ad: NMWD Board Vacancy on 12/28/16	105.00
31	Mutual of Omaha	April Life Insurance Premium	892.06
32	Nationwide Retirement Solution	Deferred Compensation PPE 3/31/17	1,364.00
33	Neopost USA	March Postal Meter Rental	94.08
34	Novato Sanitary District	November (\$5,732) & December 2016 RW Operating Expense	6,882.29
35	NSI Solutions	QC Samples (Lab)	152.95

Seq	Payable To	For	Amount
36	O'Reilly Auto Parts	Brake Cleaner (36-14oz) (\$78), WD40, Chainsaw Bar Oil (1 gal) (\$43) & Brake Fluid	168.63
37	Pace Supply	Vault (3' x 5' x 3') (\$595), Check Valve Parts (2) (\$345), Concrete Lids (4) (\$93), Branch Outlets (5) (\$297), 4" Valve (2) (\$2,020), Elbows (32) (\$1,265), Box Lid, Valve Box, Box Cover (\$293), Flanges (6) (\$147), Gaskets (10), Nipples (6), Couplings (2), Double Check Detector (\$2,990) & Spools (3) (\$558)	8,862.71
38	Parkinson Accounting Systems	February Professional Services & Upgrade Accounting Software (\$1,218)	1,852.50
39	NMWD Petty Cash	Petty Cash Reimbursement: Parking (\$6), Safety Snacks (\$37), Tools (\$1), Mileage (\$10) & Safety Buck	54.82
40	Sonoma County Water Agency	February Contract Water	339,213.80
41	SPG Solar	February Energy Delivered Under Solar Services Agreement	6,425.19
42	USA BlueBook	February Safekeeping Fee-Treasury Securities	83.25
43	Utiliworks Consulting	Prog Pymt#12: AMI Pilot Project (Balance Remaining on Contract \$43,772)	16,179.05
44	Van Bebber Bros	Shop Steel	25.12
45	VWR International	Endo Broth (\$146), Steam Indicator (Lab), Filters (100) & Probe Thermometer (STP) (\$258)	605.00
46	Watersavers Irrigation	Quick Coupler for Recycled Water Shut Down Testing	38.95
47	Wiley Price & Radulovich	Accommodation Counsel	252.00
TOTAL DISBURSEMENTS			<u>\$1,040,227.44</u>

The foregoing payroll and accounts payable vouchers totaling \$1,040,227.44 are hereby approved and authorized for payment.


Auditor-Controller

4/4/17
Date


General Manager

4/4/2017
Date



March 31, 2017

*****FCPWSS**C 093



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

PHONE

415.897.4133

EMAIL

info@nmwd.com

WEB

www.nmwd.com

Re: Notice of Proposed Water Rate Increase

Dear Customer:

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

Accordingly, the North Marin Water District is proposing an increase in the cost of water which averages \$2.75 per month (5%) for the typical Novato customer, effective June 1 of 2017.

This letter provides details on the need for the increase and information about the public hearing where public comment will be taken prior to a vote by the District Board of Directors on the proposed water rate increase.

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

REASON FOR THE PROPOSED INCREASE

Higher Water Cost: The Sonoma County Water Agency (SCWA), which provides 80% of Novato's water supply, is increasing the rate it charges NMWD for Russian River water by 6.8% effective July 1, 2017.

Water System Infrastructure Maintenance: The Novato water system includes 327 miles of pipeline, 38 million gallons of finished water storage distributed across 33 tanks, 26 pump stations, 13 pressure regulating stations, over 2,600 fire hydrants and a multitude of valves, all of which require ongoing maintenance. The District is now 69 years old, and much of the pipeline installed in the early years is nearing the end of its useful life requiring future replacement.

RATE COMPARISON

NMWD's rates remain reasonable as demonstrated by the "Urban Area Water Cost Comparison" (page 4 of this letter) which compares NMWD's cost of water service to 16 counterpart water providers in the San Francisco Bay Area. This chart also shows that the typical cost of service for a Novato single-family residence is just below the median of these comparison agencies.

DIRECTORS: JACK BAKER • RICK FRATES • MICHAEL JOLY • STEPHEN PETTERLE • JOHN SCHADONOFF
OFFICERS: CHRIS DEGABRIELE, General Manager • DREW MCINTYRE, Assistant General Manager • KATIE YOUNG, Secretary
DAVID L. BENTLEY, Auditor-Controller • ROCKY VOGLER, Chief Engineer

PROPOSED RATE INCREASE

A table showing the existing rates and charges, and the amounts proposed, is included on page 3 of this letter.

Residential Accounts: It is proposed that a 5% increase in the commodity rate and the bimonthly service charge be implemented effective June 1, 2017. For the typical Novato single-family residence, the proposed increase in the total cost of water (commodity charge plus bimonthly service charge) would add \$2.75 per month (\$5.50 per bimonthly bill) to the cost of water beginning June 2017.

Non-Residential Accounts (Commercial, Institutional & Irrigation): It is proposed that a 5% increase in the commodity rate and the bimonthly service charge be implemented effective June 1, 2017. The increase for non-residential customers will vary based upon water use. In Novato the median non-residential account uses more water than the median residential account, but would still see an increase in the total cost of water (commodity charge plus bimonthly service charge) of 5%. You can determine the increase in your annual water cost based on your consumption over the past year from our website. See the boxed area above for instructions.

WATER RATE PUBLIC HEARING

A public hearing will be held at the NMWD office (999 Rush Creek Place, Novato) at 7:00 p.m. on Tuesday, May 16, 2017, to consider enactment of a 5% increase effective June 1, 2017.

HOW TO PARTICIPATE

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

Your written protest must be received prior to the close of the May 16, 2017 public hearing. Written protests must be signed by the property owner or customer of record and must include a description of the parcel (parcel number) or NMWD account number. Send or deliver written protests to:

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

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

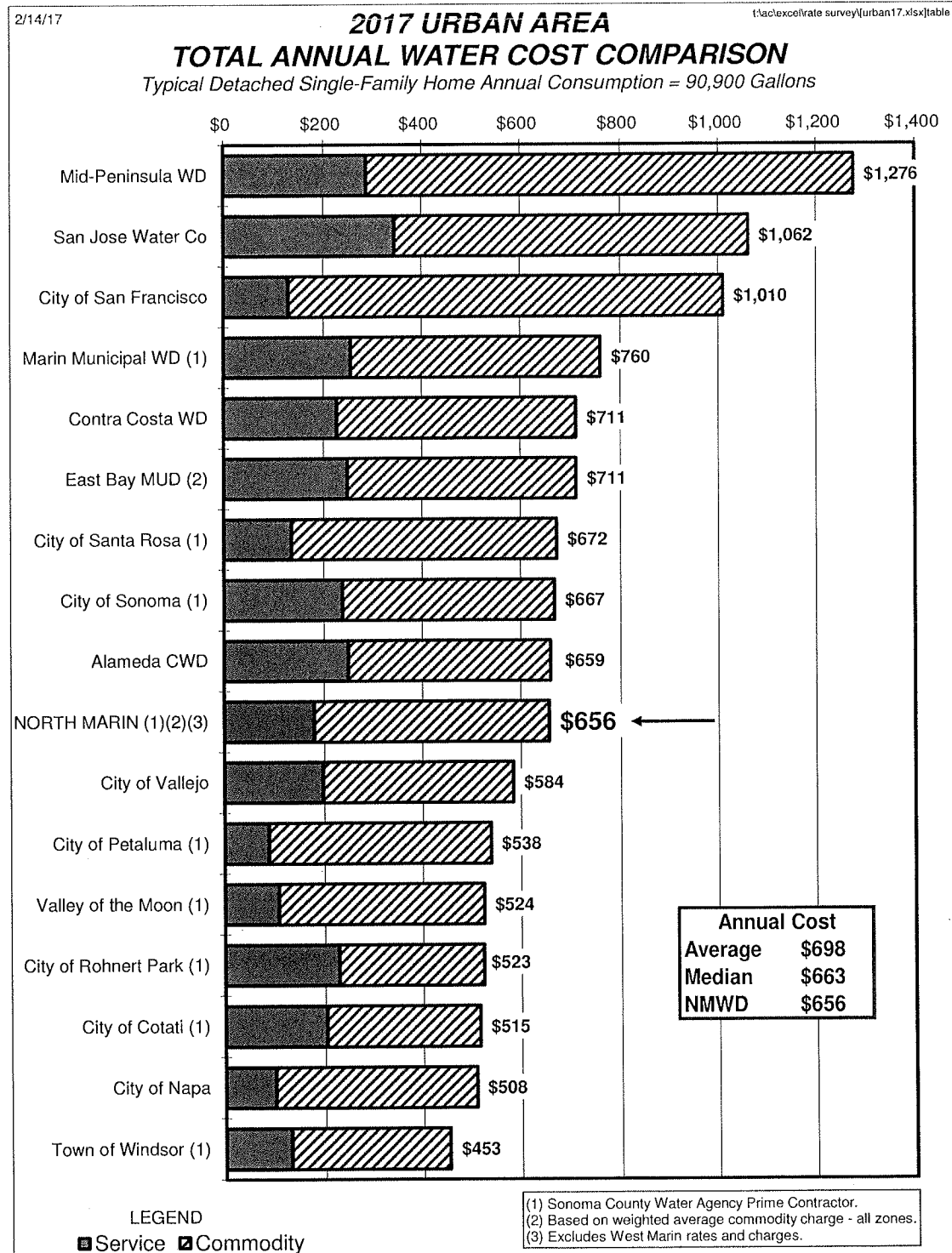
Sincerely,



Chris DeGabriele
General Manager

NOVATO WATER CHARGES

	Existing 6/1/16	Proposed 6/1/17	% Increase
ABI-MONTHLY SERVICE CHARGE OF:			
STANDARD 5/8-INCH METER	\$30.00	\$31.50	5%
1 -inch residential meter for fire sprinklers	\$34.00	\$35.70	5%
1 -inch meter	\$60.00	\$63.00	5%
1.5 -inch meter	\$73.00	\$77.00	5%
2 -inch meter	\$114.00	\$120.00	5%
3 -inch meter	\$227.00	\$238.00	5%
4 -inch meter	\$364.00	\$382.00	5%
6 -inch meter	\$761.00	\$799.00	5%
8 -inch meter	\$1,134.00	\$1,191.00	5%
PLUS A QUANTITY RATE OF:			
<u>Residential rate for each 1,000 gallons</u>	<u>Rate</u>	<u>Rate</u>	
First 615 gallons per day	\$4.77	\$5.01	5%
616 - 1,845 gallons per day	\$7.61	\$7.99	5%
Use in excess of 1,845 gallons per day.....	\$13.25	\$13.91	5%
<u>Rate for each 1,000 gallons for all other potable water accounts</u>			
Commercial, institutional & irrigation accounts - 11/1-5/31...	\$5.26	\$5.52	5%
Commercial, institutional & irrigation accounts - 6/1-10/31....	\$5.65	\$5.93	5%
<u>Rate for each 1,000 gallons for non-potable water</u>			
Recycled Water	\$5.26	\$5.52	5%
Raw (Untreated) Water	\$2.17	\$2.28	5%
PLUS AN ELEVATION ZONE RATE FOR EACH 1,000 GALLONS OF:			
<u>Zone Elevation</u>	<u>Rate</u>	<u>Rate</u>	
A 0 through 60 feet.....	\$0.00	\$0.00	-
B 60 feet - 200 feet.....	\$0.57	\$0.60	5%
C 200 feet +.....	\$1.83	\$1.92	5%
Hydrants or Temporary Service.....	\$7.48	\$7.85	5%





Anne was one of California's foremost water law attorneys. She had been a partner at the firm of Ellison, Schneider, Harris & Donlan since its founding in 1990.

She passed away in 2010, four years after she received the Lifetime Achievement Award from the Water Education Foundation.

The goal of this lecture series is to encourage professional and personal commitment to water law and policy and the conservation of our special landscape – in memory of Anne Schneider's lifelong devotion to these areas.



In honor of Anne J. Schneider



Robert B. Maddow:
***Anne's New
Paradigm
for Sound Water
and Natural
Resources Policy--
Creative Thinking
Needed***

April 12, 2017
Crocker Art Museum
Sacramento, CA

2017 MAJOR CONTRIBUTIONS

Art Baggett
Bold, Polisner, Maddow, Nelson & Judson,
A Professional Law Corporation
Robert and Angela Donlan
Downey Brand LLP
East Bay Municipal Utility District
Ellison, Schneider, Harris & Donlan LLP
Luhdorff and Scalmanini,
In Memory of Joseph Scalmanini
MBK Engineers
McGeorge School of Law
Metropolitan Water District
Anson Moran
Northern California Water Association
Somach Simmons & Dunn
Craig Spencer
Water Education Foundation
Water and Power Law Group

STEERING COMMITTEE

Art Baggett
Robert Donlan
Thomas Elson
David Guy
Jennifer Harder
Jeff Kightlinger
Robert Maddow
Kevin O'Brien
Richard Roos-Collins

AGENDA

4:00 p.m. Welcoming Remarks

Art Baggett, Senior Consultant
AG Baggett and PJ Weber, Inc.

Robert Donlan, Partner
Ellison, Schneider, Harris & Donlan LLP

PRESENTATION

4:10 p.m. Lecture:

**"Anne's New Paradigm for Sound Water and Natural
Resources Policy--Creative Thinking Needed"**

Robert B. Maddow, distinguished water attorney

Mr. Maddow in conversation with Felicia
Marcus, Chair, State Water Resources Control
Board

Audience Q&A

5:30 p.m. Reception - Ballroom

Refreshments and hors d'oeuvres

Fate of flows in Russian and Eel rivers rests in big fight over small hydroelectric project

GUY KOVNER

THE PRESS DEMOCRAT | April 8, 2017, 11:29PM



Even the record rainfall that doused the North Coast this winter, filling reservoirs and streams, will not be enough to head off a looming clash over the water that courses down two of the region's largest rivers, the Russian and the Eel.

Together, they drain a swath of territory, including cities, forests and vineyards, that stretches from central Sonoma County to Fortuna, in Humboldt County — an area larger than Connecticut.

A key link between the two rivers, a small powerhouse more than 100 years old, is now the focal point in a fight over the water that flows down these rivers. It's a standoff with many of the main players in western water wars — farmers, environmentalists, water districts serving urban customers and fishermen. And it raises many of the same questions: Who benefits and who loses from water taken for decades from one river — at over 20 billion gallons a year — and funneled into another river?

In this case, it is the Eel River that has been tapped, its water sent down a milelong tunnel through a mountain in Mendocino County, into a PG&E powerhouse and ultimately into a fork of Russian River, which flows down through Sonoma County.

Water drawn from the Eel River sustains Lake Mendocino, the main source of drinking water for residents along the Russian River from Redwood Valley down to Healdsburg.

Turning off that supply could devastate agriculture and diminish that primary water source for thousands of people, according to interests on one side of the tug-of-war.

The vast majority of the more 600,000 North Bay residents who depend on the Russian River for drinking water are unaware of the plumbing arrangement and the controversy that has long swirled around it and two related dams on the Eel River, where once-prolific

runs of salmon and steelhead trout have dwindled amid various human impacts, water diversion among them.

But for the partisans — the water managers, environmentalists, public officials, ranchers and scientists — the dilemma of parsing out this water between competing interests, between people and fish, between town and country, is revving up again over the relicensing of the PG&E powerhouse, called the Pottery Valley Project.

"It's a critical moment," said Rep. Jared Huffman, the San Rafael Democrat whose North Coast district spans the adjacent watersheds.

While Huffman hopes to carve out a consensus, there's little common ground between environmentalists who want to stop the inter-county transfer of Eel River water, which some consider an out-and-out grab, and those who use that water to support agriculture worth hundreds of millions of dollars along the Russian River in Mendocino and Sonoma counties.

"Water is wealth," said David Keller of Petaluma, a leader of Friends of the Eel, a group that has tried for more than two decades to halt the water diversion for the sake of salmon and steelhead driven toward extinction in the damaged Eel River watershed.

Janet Pauli, a longtime Potter Valley rancher and irrigation district official, adamantly defended the way water has flowed since the early 1900s.

"An economy, a way of life, a quality of life, has evolved with the existence of that water," she said.

"Your classic water war," said Josh Fuller, a biologist with the National Marine Fisheries Service, which will serve, in effect, as a referee in the dispute.

Fish under federal protection are in trouble in both rivers and their fate cannot be ignored, he said.

Federal review begins

The moment Huffman mentioned officially arrived Thursday, when PG&E filed documents with the Federal Energy Regulatory Commission for relicensing the utility-owned and

operated Potter Valley Project.

It will take at least five years and most likely longer for the federal agency to make a decision, and although PG&E's 496-page filing doesn't mention it, decommissioning the project — including removal of the only two dams on the Eel River, ending the water diversion and shuttering the powerhouse — will be on the table.

"There is bound to be controversy," Fuller said, adding that decommissioning will be part of his agency's assessment of the hydropower project's future.

But Fuller was careful not to pass judgment on decommissioning at this stage, saying his agency "must stay scientifically objective, asking and investigating the right questions."

David Moller, a director in PG&E's power generation department, said decommissioning is "a possibility to be looked at" in any relicensing case.

"It may well be some participants have an interest in decommissioning," he said. "Anything about relicensing is hard to predict."

Huffman said he is focused on the relicensing process, not on any specific outcome.

"Nobody's going to get everything they want," he said. "There is risk on all sides. That is a situation that should bring everyone to the table."

But the congressman said that Mendocino and Sonoma counties should "start preparing strategies" for loss of the diverted water, while those hoping to see a free-flowing Eel River should consider that a move to pull out dams would likely trigger a prolonged political and legal fight.

Early 20th-century link

The plumbing connection between the two rivers was made possible by a geographical fluke. Both arise not far apart from headwaters in the Mendocino County highlands.

The Eel's 200-mile main stem courses north into Humboldt County, flowing mostly through forest lands and reaching the ocean near Fortuna. The Russian swings south, flowing 110 miles through Mendocino and Sonoma counties, with cities, ranches, parks and highways along the way to the coast at Jenner.

But at a point just north of Potter Valley, the upper Eel River comes within two miles of the headwaters of the Russian River's East Fork, separated by a narrow ridge and 475 feet below the Eel.

A San Francisco industrialist, W.W. Van Arsdale, capitalized on the topography, drilling a mile-long tunnel and constructing a series of pipes to carry Eel water to a small powerhouse in Potter Valley, which began operating in 1908.

A 63-foot barrier, Cape Horn Dam, initially backed up water for the diversion, and a larger one, 130-foot Scott Dam, was added in 1922, forming the Lake Pillsbury reservoir that provides water for year-round power generation.

The two dams, tunnel and powerhouse form the Potter Valley Project, granted a 50-year federal license in 1922. It expired in 1972, and it took until 1983 to relicense it for another half-century, through 2022. FERC requires relicensing to start five years before the expiration date, hence the start this month.

Potter Valley was a power project, developed by Ukiah to replace the city's coal-fired plant. It generates enough electricity for about 7,000 homes. Water pouring from the plant's tailraces was a side benefit, and valley ranchers formed an irrigation district, building a network of canals to move it around the 7,000-acre valley starting in 1928.

The result transformed an arid part of Mendocino County, limited to dry-farming cattle and hay, into an agricultural powerhouse that produces \$34 million worth of wine grapes, pears, grass-fed cattle and other products a year. The imported water keeps the valley green as the surrounding hills turn gold, an Eden visible from airliners passing 36,000 feet overhead.

"It's the lifeline of Potter Valley," said Mendocino County Supervisor Carre Brown, a valley resident whose grandfather helped build the irrigation works.

Vital for agriculture

But the diversion is more than a bonanza for a little valley with 380 water customers.

The diverted water not used in Potter Valley — ranchers have rights to a little over a quarter of the supply drawn out of the Eel — goes into the East Fork of the Russian River,

flowing into nearby Lake Mendocino, where it becomes part of the regional water system run by the Sonoma County Water Agency.

A report commissioned by Mendocino County groups estimated the economic impact of agriculture from Redwood Valley to the Sonoma County line at \$743 million along with 5,000 jobs.

The Russian River watershed is “the economic engine for the county of Mendocino,” Brown said.

Decommissioning the project would have a “devastating effect” throughout the watershed, she said.

The Sonoma County Farm Bureau, recognizing the long reach of water from Lake Mendocino, supports relicensing the Potter Valley Project, said Tito Sasaki, chairman of the bureau’s water committee.

If that water were cut off, most of the grape growers in the famed Alexander Valley viticultural area would be hard-pressed to irrigate their vineyards, he said. Water rights mean nothing if the river flow falls below the minimum required for salmon and steelhead, he said.

Even well water could be restricted, Sasaki said.

Lake Mendocino is the sole source of water to maintain summertime stream flows in the river above Dry Creek, which brings in water from Lake Sonoma, the region’s largest reservoir. And residents north of Windsor depend on the river for drinking water, said Grant Davis, general manager of the Sonoma County Water Agency.

Davis said he “can’t even fathom” what decommissioning would do to the fish in the upper river — and it would be hard on people, as well.

What many people do not realize, he said, is that Lake Pillsbury, the cornerstone of Potter Valley Project, is the source for most of shallow Lake Mendocino’s water throughout the dry season.

Without inflow from the Potter Valley Project, Lake Mendocino would go dry in 60 percent of the years from 2015 to 2045, a Water Agency study found.

In such years, any private well tied to the river would be in danger of going dry, too, officials said.

Struggling fish species

Diversions from the Eel River currently total 70,000-acre-feet a year, following a cutback from 160,000-acre-feet in 2006. That amount exceeds deliveries by the Water Agency to its Sonoma and Marin customers, averaging about 50,000-acre-feet over the past five years.

Over the years, the supplemental supply from the Eel and the dams in place to support it have had drastic impacts on the river's salmon and steelhead, environmentalists and fishermen say.

Keller, the Eel River advocate, and his allies continue to press for removal of the Eel River dams, allowing salmon and steelhead to migrate into the river's upper reaches, cut off since Scott Dam was installed nearly a century ago.

Decommissioning would also end the water diversion, which claims 75 to 90 percent of the flows released from Lake Pillsbury during the dry season, leaving a marginal flow for fish, he said.

PG&E's Moller said the summertime diversion takes water that was stored behind Scott Dam and wouldn't otherwise be available. Mandated river flows downstream from the Cape Horn Dam are established to "mimic natural conditions" on the river, he said.

The Eel River watershed above Scott Dam covers 288 square miles, or about 7 percent of the river's 3,971-square-mile watershed, the third largest entirely in California. Those headwaters could be a boon to spawning fish, if given access, restoration advocates say.

California Trout, a conservation nonprofit, is collaborating with Humboldt State University on an effort to determine how many spawning fish the upper Eel reaches could sustain, said Darren Mierau, the organization's North Coast program director.

So far, the researchers have found 287 miles of habitat for salmon and steelhead, but CalTrout is still not calling for decommissioning of the Potter Valley Project.

FERC's relicensing program needs to determine if fish passage above Scott Dam is "beneficial and feasible," Mierau said.

Given the rampant damage to the Eel River from overfishing, logging, erosion and massive floods in 1955 and 1964, it's difficult to assess the harm done by the dams, said Peter Moyle, a UC Davis biologist who has studied California freshwater fish for more than 40 years.

The river's historic fish population, more than 1 million fish in good years, has declined by more than 99 percent, according to rough estimates, he said.

Removing Scott Dam "would be important for steelhead recovery but not essential," he said in an email.

The steelhead count at Van Arsdale Reservoir behind the Cape Horn Dam is currently 57 fish, a "very low number," marine fisheries biologist Fuller said. Gravel filled the fish ladder during the spawning run and probably curbed the count, which often reached the thousands in previous decades.

"We're not seeing the population stability we'd like," Fuller said, suggesting a target of 6,000 steelhead.

New threat and compromise

Biologists are also citing the latest threat to Eel fisheries — the proliferation of illegal marijuana gardens. A California Department of Fish and Wildlife study in 2015 estimated a total of nearly 90,000 pot plants growing throughout three Eel River tributary watersheds.

In some years, water demand by the thirsty plants could dry up some streams, stranding and killing fish, the study said.

Huffman and Mierau both suggested a way to maintain water diversions to Potter Valley and Lake Mendocino without dams, a so-called "run of the river" diversion during high water flows.

Pairing that with the long-awaited elevation of Lake Mendocino to increase its holding capacity might offer a “middle ground” to benefit fish and maintain water storage on the Russian River, Huffman said.

Davis, the Water Agency general manager, said the idea was worth considering, but Pauli said it wouldn't work because the Army Corps of Engineers is required to release water from Lake Mendocino during the winter to maintain flood protection capacity.

Climate volatility — including the state's protracted drought followed by the wettest winter on record — makes water supply management more difficult, Davis said.

“You can't be wrong. You can't make a mistake,” he said. “This is not the time to be risking reliable assets and questioning whether they are important to the community.”

But relicensing will most likely bring change, Huffman said.

“The status quo is unlikely to continue,” he said.

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Gov. Jerry Brown declares California drought over, but urges conservation

MARY CALLAHAN

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Gov. Jerry Brown declared an end to California's historic drought Friday, lifting emergency orders that forced residents to make dramatic efforts to reduce water consumption during the state's driest four-year period on record.

But in an era of climate extremes and heightened awareness of water scarcity, bans on wasteful practices and mandatory urban water use reporting will remain permanently in place as California moves forward with plans to conserve water supplies and prepare for inevitable dry periods that test the state's resilience.

"This drought emergency is over, but the next drought could be around the corner," Brown said in a statement Friday. "Conservation must remain a way of life."

Brown's announcement came amid the most recent in a series of storms that brought record rainfall and repeated flooding to Sonoma County and made for a deep, moisture-rich snow pack in the Sierra Nevada, which supplies many of the state's reservoirs.

The rain came so regularly and so early this season that most of the waterlogged North Bay and the North Coast, including Sonoma County, were declared drought-free by December. The rest of Northern California was out of the woods by the following month. But state officials say Californians must continue to embrace the principles that allowed them to meet conservation targets that were imposed for the first time in state history under Brown's 2014 drought emergency declaration. So, while reservoirs around most of the state are brimming, bans against hosing down driveways and sidewalks, irrigating landscaping within 48 hours of rainfall and other water-waste prohibitions will remain in effect.

"No matter what, we're living in a more volatile system than we have in recent years," said Sonoma County Supervisor James Gore, "and that volatility means we can't just ride Mother Nature's record-breaking rains and then record-breaking droughts."

The regulations against wasting water are contained in the conservation component of the state's new Water Action Plan, which was ordered by Brown last year and is intended to build on recent successes. The governor's May 2016 executive order outlined four key plan objectives: wiser water use, elimination of waste, stronger local drought resilience, and improved agricultural water efficiency and drought planning.

"This framework is about converting Californians' response to the drought into an abiding ethic," California Department of Water Resources Acting Director Bill Croyle said Friday. "Technically, the drought is over, but this framework extends and expands our dry-year habits. Careful, sparing use of water from backyards to businesses and farm fields will help us endure the next inevitable drought."

Additionally, 410 urban water agencies around the state will be required to continue monthly reporting of water use and must, under state oversight, develop new indoor and outdoor efficiency standards by the year 2021, based on local climate, demographic and land-use characteristics, state water officials said. Local jurisdictions also will be required to create drought contingency plans that contain specific elements, according to Max Gomberg, climate and conservation manager with the State Water Resources Control Board.

"We are going to hold all these local water agencies accountable for their planning and meeting these standards and targets," Gomberg said, "but to do that is really a collective and collaborative effort."

Gore, who as a county supervisor serves on the Sonoma County Water Agency board, said the focus for the future must include development, building and landscaping standards based on efficient water use, incentives for water catchment systems that allow for storage of rainfall in wet years, innovative solutions for recharging groundwater basins, and broader reuse of wastewater as a matter of course.

"We just have to understand that even when we have a year like this, where there's plentiful water, it doesn't mean that we go back to the old philosophy where we just waste," he said.

Gore also called on residents to drink from the high-quality water supplied from the Russian River, not bottled water, which is "expensive, wasteful and imported from somewhere else."

The drought strained native fish that migrate up rivers, killed millions of trees and forced farmers in the nation's leading agricultural state to rely heavily on groundwater, with some tearing out orchards.

It also dried up wells, forcing hundreds of families in rural areas to drink bottled water and bathe from buckets.

Brown's January 2014 emergency declaration came after nearly two years of exceptionally dry weather and asked residents to reduce water consumption by 20 percent.

A mandatory 25 percent water-saving standard established the following year for urban water users was soon modified to account for pre-drought conservation efforts in different communities, creating tiered water use targets assigned to individuals towns and cities.

Last year, the state water board eliminated conservation benchmarks for water suppliers that could prove they had enough water for their constituents even if there were three more abnormally dry years.

Friday's action eliminates that "stress test" approach even though the emergency declaration remains in place for Central California counties, including Fresno, Kings, Tulare and Tuolumne, where depleted groundwater has forced some residents to turn to emergency drinking water supplies. The National Drought Mitigation Center, which operates the U.S. Drought Monitor, still shows moderate drought in four southern counties, including Imperial, some of which are listed as severe, though the emergency declaration has been lifted in those counties.

This story contains information from the Associated Press.

BOD MISC

109-year-old Potter Valley Project the controversial link between Russian and Eel rivers

GUY KOVNER

THE PRESS DEMOCRAT | April 8, 2017, 11:31PM



About 80 feet behind the PG&E hydropower plant in Potter Valley, gray-green silt-laden water from the Eel River passes through a steel gate and is invisibly transformed.

It has become part of the Russian River, which provides water for more than 600,000 people from Redwood Valley to northern Marin County.

"Once it passes the gate, it's river. We have no more use for it," said Mike Evans, an operator at the Potter Valley Powerhouse, which has been generating electricity since 1908.

The future of the powerhouse, a 5,000-square-foot no-frills industrial building that houses three generators, will be determined by a relicensing process initiated last week under Federal Energy Regulatory Commission protocols.

It will take at least five years to conclude the relicensing, which includes the possibility that the Potter Valley Project — the powerhouse, two dams on the Eel River and a system of tunnels and pipes delivering water through a mountain, purchased by PG&E in 1930 — will be decommissioned.

Critics say the project should be shut down, and the annual diversion of 70,000-acre-feet of Eel River water ended, to improve conditions for the river's imperiled salmon and steelhead. An acre foot is about 326,000 gallons, or enough water to flood a football field 1-foot deep.

Sonoma County water managers and Mendocino County ranchers and officials insist the inter-river water transfer is crucial to the wellbeing of people and threatened fish in the

Russian River watershed.

There are also questions about the powerhouse, tucked into the north end of Potter Valley on a dead-end road.

David Keller of Petaluma, a leader of Friends of the Eel, a group that advocates decommissioning, said the powerhouse, rated at 9.2 megawatts — enough to power about 7,000 homes — often runs below capacity. The plant is inefficient, expensive to operate and could be replaced by wind or solar power facilities.

The plant's real value, he said, is conveying the 70,000-acre-feet of water diverted from the Eel each year and delivered to users in Mendocino, Sonoma and Marin counties who "never paid a dime for it."

The only water payments PG&E receives are from ranchers in Potter Valley who use a portion of the diverted water to irrigate their land.

The plant's 9.2-megawatt capacity amounts to 0.1 percent of PG&E's 7,689-megawatt power production.

"The numbers speak for themselves," said David Moller, a director in PG&E's power generation department, when asked if the Potter Valley Project produced a negligible amount of electricity.

The utility's portfolio includes many clean power projects — solar, wind and biomass — of equivalent size or smaller. "They all add up," he said.

Water drawn from the Eel at Van Arsdale Reservoir, located over a ridge a short drive from the powerhouse, runs through a mile-long tunnel drilled through bedrock, and then a series of pipes for about 1,800 feet — all nearly level.

For the final 1,800 feet, the water falls nearly 500 feet through a pair of penstocks, building up pressure to spin the three generators, which date back to the 1930s.

When it leaves through three concrete tail races, the water soon becomes the Russian River's East Fork.

Sonoma County water rates will likely rise despite drought-busting rainfall

J.D. MORRIS

THE PRESS DEMOCRAT | April 10, 2017, 5:05PM | Updated 2 hours ago.



Reservoirs are brimming and water is in good supply in Sonoma County this spring, but thanks to the drought years, residents will likely see a bump in their water bills in the coming year.

Water consumption fell dramatically over several years of drought, in large part due to extraordinary conservation measures. But the Sonoma County Water Agency says it needs to charge more because the drop in usage translated to a drop in the agency's revenues.

Over the past three fiscal years, the agency delivered 27 percent less water, leading to a 13 percent decline in water sales revenues last year compared with the year before. While the agency's costs are also dipping slightly — its anticipated budget for the next fiscal year is about 4 percent lower — that's not enough to make up for the reduced demand, officials said.

So county supervisors, who also serve as Water Agency directors, will consider signing off today on rate increases of around 5 percent or more for the Santa Rosa, Petaluma and Sonoma water systems during the next fiscal year, which starts July 1. The increases are expected to translate into about 90 cents more per month, or less than \$12 a year, for the average Santa Rosa household.

"That's a really good value for such a precious resource, and we have fixed costs that have to be paid, regardless of how much water we're selling," said Board of Supervisors chairwoman Shirlee Zane. "We have an old system. We have to maintain over 100 miles of water transmission pipelines, and the cost of maintaining and operating that is pretty significant."

The agency serves more than 600,000 residents of Sonoma and northern Marin counties, drawing water from Lake Sonoma and Lake Mendocino and selling it to various local contractors. Revenue from those sales fell during the last fiscal year to \$31.2 million from about \$35.9 million the year before, according to Michael Gossman, the agency's division manager for administration and finance.

Yet much of the agency's operations and maintenance costs, roughly half the budget, remain fixed: Pipes still need to be maintained and infrastructure must still be improved to defend against the threat of earthquakes, regardless of how much water the agency actually sells in a given year, Gossman said.

"We can't let the system suffer," he said. "Unlike power or cable or almost any other utility, water has to be available 24 hours a day, seven days a week with absolutely no outages. Because of that, there's these costs that we can't ignore."

The increases won't be exactly the same for everyone. Santa Rosa and Petaluma customers will see rates rise 4.98 percent, while Sonoma aqueduct customers will see their rates rise 5.58 percent. Sonoma aqueduct customers are paying a higher rate in order to fund infrastructure improvements needed for their system, Gossman said.

This year's increases are also smaller than last year's, when Santa Rosa's and Petaluma's rates rose 5.98 percent and Sonoma customers paid 6.94 percent more. But they're still higher than most of the increases approved in recent years, according to agency data.

Although higher water rates are a cost consumers often need to pay, that should not curb efforts to conserve in the future, said Kerry Fugett, the executive director of Sonoma County Conservation Action.

"When we do the conservation, we still have to pay for those fixed costs. However ... we can't kind of push aside the need for conservation because of that," Fugett said. "We will eventually be back in a drought again, and the supply is not unlimited."

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From: Public Affairs <publicaffairs@scwa.ca.gov>
Sent: Tuesday, April 11, 2017 2:34 PM
Subject: Water Transmission Budget includes funds for pipeline replacement and tank maintenance



PRESS RELEASE

For Immediate Release
April 11, 2017

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Water Transmission Budget includes funds for pipeline replacement and tank maintenance

Water Agency reduces water delivery costs by 4% percent over last year

(Santa Rosa, CA) — On April 11, 2017 the Sonoma County Water Agency Board of Directors unanimously approved a \$39.24 million Water Transmission system budget for 2017-18. The budget includes a 4.98 percent rate increase in wholesale water rates for Santa Rosa and Petaluma aqueduct customers and a 5.58 percent increase for Sonoma Aqueduct customers, which will result in a 1 to 2 percent increase for households and businesses served by the Water Agency.

For example, a typical Santa Rosa household will pay an additional \$.90 per month as a result of the increase in the Water Agency's wholesale rate increase, or about \$11 per year. The Water Agency's wholesale rates are only a portion of its retail customers' (cities and water districts) overall costs, and rates for retail customers of those cities and water districts will vary.

The prolonged drought, which officially ended this month, had a dramatic impact on water demands. Water deliveries have decreased by 27 percent decrease since 2013-14 and caused a sharp decline in water sales. Water Agency officials anticipated the declining deliveries and revenues and took proactive steps to smooth rate increases, including prioritizing projects, using a fund balance accumulated in years leading up to the drought, spreading the cost of large projects over a number of years, and using bonds and grants to supplement project costs.

The \$39.24 million water transmission system budget represents a 4 percent decrease from 2016-17. It will help fund critical infrastructure improvement projects, including two earthquake hazard mitigation projects: the Russian River and Mark West Creek pipeline crossings, and installation of isolation valves in aqueducts. Other non-routine maintenance projects include the recoating of interior and exterior surfaces of water tanks, and replacement of the cathodic protection system to prevent pipeline corrosion.

The water transmission budget includes costs associated with operating, maintaining and funding nearly 100 miles of water supply pipelines, pumps and storage facilities that provide drinking water to more than 600,000 residents in portions of Sonoma and Marin counties. The budget also includes those costs associated with implementing critical habitat restoration and fishery recovery efforts within the Russian River Watershed as required by the Russian River Biological Opinion.

“The Water Agency and its wholesale water contractors developed a budget that takes into account the effects of the historical drought on revenue and water deliveries and developed a reasonable schedule of rate increases, while continuing to fund infrastructure and habitat restoration projects that are critical to our future water supply,” said Water Agency Chairman Shirlee Zane. “Maintaining our infrastructure and preparing for earthquake events is an investment in keeping our water system safe and reliable.”

“This water transmission budget balances the need for fair and equitable water rates with the need to ensure that the pipelines and aqueducts that bring water to our communities are properly maintained and protected against natural disasters,” said Petaluma City Councilmember and Water Advisory Committee Chairman Mike Healy. “The Water Advisory Committee unanimously approved this budget and fully supports the priority it places on our water supply pipelines, public health, and the environment.”

Despite drops in water deliveries and revenues associated with the historic drought, the Water Agency and its wholesale water contractors were successful in keeping project costs to a minimum in order to keep wholesale water rates as low as possible, while supporting critical infrastructure maintenance projects and habitat restoration efforts moving forward. Wholesale water rates will increase based on the aqueduct in which a city receives its water, as noted below:

- 4.98 percent for Santa Rosa and Petaluma aqueduct contractors, which includes the cities of Santa Rosa, Petaluma, Rohnert Park, and Cotati
- 5.58 percent for Sonoma aqueduct contractors, which includes the city of Sonoma and the Valley of the Moon Water District. This rate is slightly higher than the above aqueducts to help pay down costs associated specifically with this aqueduct.
- 7.76 percent for the Marin Municipal Water District
- 6.78 percent for the North Marin Water District

Wholesale water rates are created by using a calculation outlined under a legal binding agreement between the Water Agency and its water contractors. This document, called the Restructured Agreement for Water Supply, requires the Water Agency to set rates based on budgeted operations and maintenance costs and past water sales.

For more information about wholesale water rates, please visit www.sonomacountywater.org.

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The Sonoma County Water Agency provides water supply, flood protection and sanitation services for portions of Sonoma and Marin counties. Visit us on the Web at www.sonomacountywater.org.