



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
 April 21, 2015 – 7:00 p.m.
 District Headquarters
 999 Rush Creek Place
 Novato, California

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Est. Time	Item	Subject
7:00 p.m.	CALL TO ORDER	
	1. PRESENTATION BY SCWA ON UPPER RUSSIAN RIVER WATER SUPPLY	
	2. PUBLIC HEARING : DROUGHT EMERGENCY WATER CONSERVATION REGULATIONS	
	3. APPROVE MINUTES FROM REGULAR MEETING , April 7, 2015	
	4. GENERAL MANAGER'S REPORT	
	5. 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.	
	6. STAFF/DIRECTORS REPORTS	
	7. QUARTERLY FINANCIAL STATEMENT	
	8. 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	<u>Type</u> <u>DU</u> <u>EU</u>
	9. Approve – Consent: Weldon Exhibits – 33 Commercial Blvd.	Comm. 0 0
	10. Approve – Consent: Consulting Services Agreement with Prunuske Chatham, Inc.	
	11. Approve – Consent: Record Retention Program – Destruction of Records	Resolution
8:00 p.m.	ACTION CALENDAR	
	12. Approve: Letter to City of Novato re Junior Accessory Dwelling Units	

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
	13.	Approve: Authorize Staff to Draft Rate Increase Letters for West Marin Water and Oceana Marin Sewer Customers
	14.	Approve: Memorandum of Agreement Among California Department of Transportation (Caltrans), Pacific Gas and Electric (PG&E), and North Marin Water District
		INFORMATION ITEMS
	15.	Initial Review - FY 16 & FY 17 Capital Improvement Project Budget
	16.	Initial Review - Proposed FY 15/16 Equipment Budget
	17.	NBWA Meeting – Friday, May 1, 2015
	18.	MISCELLANEOUS Disbursements Self-Insured Workers' Comp – 3 rd Quarter Status Report FY15 – 3 rd Quarter Labor Cost Report Copy of Rate Increase Letter <u>News Articles:</u> Making Sense of Water California Water Authorities To Use New Tool in Fight Against Water Wasters County seeks relief from state water restrictions Sacramento-area agencies push back against proposed cuts
9:00 p.m.	19.	ADJOURNMENT

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MEMORANDUM

ITEM #2

To: Board of Directors

April 17, 2015

From: Ryan Grisso, Water Conservation Coordinator 

Subject: Drought Emergency Water Conservation Regulations – Hold Public Hearing

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RECOMMENDED ACTION: Hold public hearing to adopt resolution with amended requirements.

FINANCIAL IMPACT: None at this time

The Governor proclaimed a state of emergency on January 17, 2014, and declared drought conditions under the California Emergency Services Act (Act) and on April 25, 2014, the Governor issued a proclamation of continued state of emergency under the Act based on continued drought conditions existing statewide. On April 1, 2014, the NMWD Board declared a water shortage emergency, enacted the Water Shortage Contingency Plan and adopted Emergency Water Conservation Ordinances No. 28 and No. 29, prohibiting waste of water and non-essential uses of water.

On July 15, 2014, the State Water Resources Control Board (State Board) adopted Article 22.5 entitled “Drought Emergency Water Conservation Regulations” (California Code of Regulations Title 23, Sections 863, 864, and 865) which makes drought related findings and imposed state-wide mandatory requirements on urban water suppliers. On August 5, 2014 the NMWD Board adopted a resolution to comply with the State Board requirements augmenting the adopted Novato water use restrictions in Ordinance No. 28, with mandatory urban outdoor water use restrictions and water usage reporting procedures in compliance with the State Board’s requirements.

On March 17, 2015 the State Board re-adopted the previously mentioned Emergency Water Conservation Regulations with amendments as shown in the attached underline/strikeout format (Attachment 1). On Wednesday, April 1, 2015, Governor Brown issued Executive Order (EO) B-29-15 (Attachment 2) which directs the State Board to add further restrictions to save water. The State Board is expected to amend its March 17th order to include the restrictions listed in the EO, however, it is not known whether the State Board requirements will mirror the EO.

An Ad Hoc meeting of the SCWA Technical Advisory Committee was held on March 26th to consider a coordinated response under the Sonoma-Marín Saving Water Partnership (SMSWP). The parties agreed that the SMSWP approach would limit outdoor irrigation to no more than 3 days per week and not on consecutive days. Additionally, the parties understood that some exceptions will be needed to address irrigated areas that cannot survive with such limited irrigation scheduling and that administration of the irrigated day limits are best handled by each individual entity and not across jurisdictional boundaries. The SMSWP members will meet again to discuss the EO and any subsequent State Board order.

Therefore, staff proposes that NMWD comply with the amended requirements and additional restrictions listed in the EO by resolution. A draft updated resolution containing additional water use

prohibitions compliant with the State Board order and Governor's EO, is attached (Attachment 3) for your review and approval. Staff has also created a summary of the proposed 2015 water use prohibitions and regulations for your review (Attachment 4).

This public hearing was noticed in the Novato Advance on April 15, 2015, Pt. Reyes Light on April 16, 2015 and Marin Independent Journal on May 17, 2015 (Attachment 5). Also included from the April 15, 2015 Novato Advance is an article titled "Water Districts Out the Water Limits" (Attachment 6).

RECOMMENDATION

Board hold public hearing to consider adoption of the attached resolution updated to comply with the current State Board Emergency Water Conservation Regulations and Governor's EO.

ADOPTED TEXT OF EMERGENCY REGULATION

Article 22.5. Drought Emergency Water Conservation

Sec. 863 Findings of Drought Emergency

(a) The State Water Resources Control Board finds as follows:

- (1) On January 17, 2014, the Governor issued a proclamation of a state of emergency under the California Emergency Services Act based on drought conditions;
- (2) On April 25, 2014, the Governor issued a proclamation of a continued state of emergency under the California Emergency Services Act based on continued drought conditions;
- (3) The drought conditions that formed the basis of the Governor's emergency proclamations continue to exist;
- (4) The present year is critically dry and has been immediately preceded by two or more consecutive below normal, dry, or critically dry years; and
- (5) The drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to further promote conservation.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105.

Sec. 864 ~~Prohibited Activities~~ End-User Requirements in Promotion of Water Conservation

(a) To promote water conservation, each of the following actions is prohibited, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency:

- (1) The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;
 - (2) The use of a hose that dispenses potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;
 - (3) The application of potable water to driveways and sidewalks; ~~and~~
 - (4) The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system;;
 - (5) The application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall; and
 - (6) The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased.
- (b) To promote water conservation, operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guestroom using clear and easily understood language.

~~(b)~~(c) The taking of any action prohibited in subdivision (a) or the failure to take any action required in subdivision (b) of this section, in addition to any other applicable civil or criminal penalties, is an infraction, punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105.

Sec. 865 Mandatory Actions by Water Suppliers

(a) The term “urban water supplier,” when used in this section, refers to a supplier that meets the definition set forth in Water Code section 10617, except it does not refer to suppliers when they are functioning solely in a wholesale capacity, but does apply to suppliers when they are functioning in a retail capacity.

(b)(1) To promote water conservation, each urban water supplier shall implement all requirements and actions of the stage of its water shortage contingency plan that ~~imposes~~includes mandatory restrictions on the number of days that outdoor irrigation of ornamental landscapes or turf with potable water is allowed, or shall amend its water shortage contingency plan to include mandatory restrictions on the number of days that outdoor irrigation of ornamental landscapes or turf with potable water is allowed and implement these restrictions within forty-five (45) days. Urban water suppliers with approved alternate plans as described in subdivision (b)(2) are exempted from this requirement.

~~(2) As an alternative to subdivision (b)(1) a~~An urban water supplier may submit a request to the Executive Director for approval of an alternate plan that includes allocation-based rate structures that satisfies the requirements of chapter 3.4 (commencing with section 370) of division 1 of the Water Code, and the Executive Director may approve such an alternate plan upon determining that the rate structure, in conjunction with other measures, achieves a level of conservation that would be superior to that achieved by implementing limitations on outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week.

(c) To promote water conservation, each urban water supplier that does not have a water shortage contingency plan that restricts the number of days that outdoor irrigation of ornamental landscapes and turf with potable water is allowed, or has been notified by the Department of Water Resources that its water shortage contingency plan does not meet the requirements of Water Code section 10632 shall, within ~~thirty-fourty-five (3045)~~ days, limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week ~~or shall implement another mandatory conservation measure or measures intended to achieve a comparable reduction in water consumption by the persons it serves relative to the amount consumed in 2013.~~

(d) In furtherance of the promotion of water conservation each urban water supplier shall:

(1) Provide prompt notice to a customer whenever the supplier obtains information that indicates that a leak may exist within the end-users exclusive control.

(2) Prepare and submit to the State Water Resources Control Board by the 15th of each month a monitoring report on forms provided by the Board. The monitoring report

shall include the amount of potable water the urban water supplier produced, including water provided by a wholesaler, in the preceding calendar month and shall compare that amount to the amount produced in the same calendar month in 2013. ~~Beginning October 15, 2014,~~ The monitoring report shall specify the population served by the urban water supplier, the percentage of water produced that is used for the residential sector, descriptive statistics on water conservation compliance and enforcement efforts, and the number of days that outdoor irrigation is allowed. The monitoring report shall also estimate the gallons of water per person per day used by the residential customers it serves. ~~In its initial monitoring report, each urban water supplier shall state the number of persons it serves.~~

(e) To promote water conservation, each distributor of a public water supply, as defined in Water Code section 350, that is not an urban water supplier shall, within ~~thirty~~ forty-five (3045) days, take one or more of the following actions:

(1) Limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week; or

(2) Implement another mandatory conservation measure or measures intended to achieve a ~~comparable~~ 20 percent reduction in water consumption by the persons it serves relative to the amount consumed in 2013.

Authority: Wat. Code, § 1058.5.

References: Wat. Code, §§ 102, 104, 105; 350; 10617; 10632.

Executive Department

State of California

EXECUTIVE ORDER B-29-15

WHEREAS on January 17, 2014, I proclaimed a State of Emergency to exist throughout the State of California due to severe drought conditions; and

WHEREAS on April 25, 2014, I proclaimed a Continued State of Emergency to exist throughout the State of California due to the ongoing drought; and

WHEREAS California's water supplies continue to be severely depleted despite a limited amount of rain and snowfall this winter, with record low snowpack in the Sierra Nevada mountains, decreased water levels in most of California's reservoirs, reduced flows in the state's rivers and shrinking supplies in underground water basins; and

WHEREAS the severe drought conditions continue to present urgent challenges including: drinking water shortages in communities across the state, diminished water for agricultural production, degraded habitat for many fish and wildlife species, increased wildfire risk, and the threat of saltwater contamination to fresh water supplies in the Sacramento-San Joaquin Bay Delta; and

WHEREAS a distinct possibility exists that the current drought will stretch into a fifth straight year in 2016 and beyond; and

WHEREAS new expedited actions are needed to reduce the harmful impacts from water shortages and other impacts of the drought; and

WHEREAS the magnitude of the severe drought conditions continues to present threats beyond the control of the services, personnel, equipment, and facilities of any single local government and require the combined forces of a mutual aid region or regions to combat; and

WHEREAS under the provisions of section 8558(b) of the Government Code, I find that conditions of extreme peril to the safety of persons and property continue to exist in California due to water shortage and drought conditions with which local authority is unable to cope; and

WHEREAS under the provisions of section 8571 of the California Government Code, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay the mitigation of the effects of the drought.

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, in particular Government Code sections 8567 and 8571 of the California Government Code, do hereby issue this Executive Order, effective immediately.

The seal of the State of California, featuring the word 'EUREKA' at the top, '1846' at the bottom, and a central shield with a grizzly bear and a miner.

IT IS HEREBY ORDERED THAT:

1. The orders and provisions contained in my January 17, 2014 Proclamation, my April 25, 2014 Proclamation, and Executive Orders B-26-14 and B-28-14 remain in full force and effect except as modified herein.

SAVE WATER

2. The State Water Resources Control Board (Water Board) shall impose restrictions to achieve a statewide 25% reduction in potable urban water usage through February 28, 2016. These restrictions will require water suppliers to California's cities and towns to reduce usage as compared to the amount used in 2013. These restrictions should consider the relative per capita water usage of each water suppliers' service area, and require that those areas with high per capita use achieve proportionally greater reductions than those with low use. The California Public Utilities Commission is requested to take similar action with respect to investor-owned utilities providing water services.
3. The Department of Water Resources (the Department) shall lead a statewide initiative, in partnership with local agencies, to collectively replace 50 million square feet of lawns and ornamental turf with drought tolerant landscapes. The Department shall provide funding to allow for lawn replacement programs in underserved communities, which will complement local programs already underway across the state.
4. The California Energy Commission, jointly with the Department and the Water Board, shall implement a time-limited statewide appliance rebate program to provide monetary incentives for the replacement of inefficient household devices.
5. The Water Board shall impose restrictions to require that commercial, industrial, and institutional properties, such as campuses, golf courses, and cemeteries, immediately implement water efficiency measures to reduce potable water usage in an amount consistent with the reduction targets mandated by Directive 2 of this Executive Order.
6. The Water Board shall prohibit irrigation with potable water of ornamental turf on public street medians.
7. The Water Board shall prohibit irrigation with potable water outside of newly constructed homes and buildings that is not delivered by drip or microspray systems.

8. The Water Board shall direct urban water suppliers to develop rate structures and other pricing mechanisms, including but not limited to surcharges, fees, and penalties, to maximize water conservation consistent with statewide water restrictions. The Water Board is directed to adopt emergency regulations, as it deems necessary, pursuant to Water Code section 1058.5 to implement this directive. 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. The California Public Utilities Commission is requested to take similar action with respect to investor-owned utilities providing water services.

INCREASE ENFORCEMENT AGAINST WATER WASTE

9. The Water Board shall require urban water suppliers to provide monthly information on water usage, conservation, and enforcement on a permanent basis.
10. The Water Board shall require frequent reporting of water diversion and use by water right holders, conduct inspections to determine whether illegal diversions or wasteful and unreasonable use of water are occurring, and bring enforcement actions against illegal diverters and those engaging in the wasteful and unreasonable use of water. Pursuant to Government Code sections 8570 and 8627, the Water Board is granted authority to inspect property or diversion facilities to ascertain compliance with water rights laws and regulations where there is cause to believe such laws and regulations have been violated. When access is not granted by a property owner, the Water Board may obtain an inspection warrant pursuant to the procedures set forth in Title 13 (commencing with section 1822.50) of Part 3 of the Code of Civil Procedure for the purposes of conducting an inspection pursuant to this directive.
11. The Department shall update the State Model Water Efficient Landscape Ordinance through expedited regulation. This updated Ordinance shall increase water efficiency standards for new and existing landscapes through more efficient irrigation systems, greywater usage, onsite storm water capture, and by limiting the portion of landscapes that can be covered in turf. It will also require reporting on the implementation and enforcement of local ordinances, with required reports due by December 31, 2015. The Department shall provide information on local compliance to the Water Board, which shall consider adopting regulations or taking appropriate enforcement actions to promote compliance. The Department shall provide technical assistance and give priority in grant funding to public agencies for actions necessary to comply with local ordinances.
12. Agricultural water suppliers that supply water to more than 25,000 acres shall include in their required 2015 Agricultural Water Management Plans a detailed drought management plan that describes the actions and measures the supplier will take to manage water demand during drought. The Department shall require those plans to include quantification of water supplies and demands for 2013, 2014, and 2015 to the extent data is available. The Department will provide technical assistance to water suppliers in preparing the plans.

13. Agricultural water suppliers that supply water to 10,000 to 25,000 acres of irrigated lands shall develop Agricultural Water Management Plans and submit the plans to the Department by July 1, 2016. These plans shall include a detailed drought management plan and quantification of water supplies and demands in 2013, 2014, and 2015, to the extent that data is available. The Department shall give priority in grant funding to agricultural water suppliers that supply water to 10,000 to 25,000 acres of land for development and implementation of Agricultural Water Management Plans.
14. The Department shall report to Water Board on the status of the Agricultural Water Management Plan submittals within one month of receipt of those reports.
15. Local water agencies in high and medium priority groundwater basins shall immediately implement all requirements of the California Statewide Groundwater Elevation Monitoring Program pursuant to Water Code section 10933. The Department shall refer noncompliant local water agencies within high and medium priority groundwater basins to the Water Board by December 31, 2015, which shall consider adopting regulations or taking appropriate enforcement to promote compliance.
16. The California Energy Commission shall adopt emergency regulations establishing standards that improve the efficiency of water appliances, including toilets, urinals, and faucets available for sale and installation in new and existing buildings.

INVEST IN NEW TECHNOLOGIES

17. The California Energy Commission, jointly with the Department and the Water Board, shall implement a Water Energy Technology (WET) program to deploy innovative water management technologies for businesses, residents, industries, and agriculture. This program will achieve water and energy savings and greenhouse gas reductions by accelerating use of cutting-edge technologies such as renewable energy-powered desalination, integrated on-site reuse systems, water-use monitoring software, irrigation system timing and precision technology, and on-farm precision technology.

STREAMLINE GOVERNMENT RESPONSE

18. The Office of Emergency Services and the Department of Housing and Community Development shall work jointly with counties to provide temporary assistance for persons moving from housing units due to a lack of potable water who are served by a private well or water utility with less than 15 connections, and where all reasonable attempts to find a potable water source have been exhausted.
19. State permitting agencies shall prioritize review and approval of water infrastructure projects and programs that increase local water supplies, including water recycling facilities, reservoir improvement projects, surface water treatment plants, desalination plants, stormwater capture, and greywater systems. Agencies shall report to the Governor's Office on applications that have been pending for longer than 90 days.

20. The Department shall take actions required to plan and, if necessary, implement Emergency Drought Salinity Barriers in coordination and consultation with the Water Board and the Department of Fish and Wildlife at locations within the Sacramento - San Joaquin delta estuary. These barriers will be designed to conserve water for use later in the year to meet state and federal Endangered Species Act requirements, preserve to the extent possible water quality in the Delta, and retain water supply for essential human health and safety uses in 2015 and in the future.
21. The Water Board and the Department of Fish and Wildlife shall immediately consider any necessary regulatory approvals for the purpose of installation of the Emergency Drought Salinity Barriers.
22. The Department shall immediately consider voluntary crop idling water transfer and water exchange proposals of one year or less in duration that are initiated by local public agencies and approved in 2015 by the Department subject to the criteria set forth in Water Code section 1810.
23. The Water Board will 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. As the Department of Public Health's drinking water program was transferred to the Water Board, any reference to the Department of Public Health in any prior Proclamation or Executive Order listed in Paragraph 1 is deemed to refer to the Water Board.
24. The California Department of Forestry and Fire Protection shall launch a public information campaign to educate the public on actions they can take to help to prevent wildfires including the proper treatment of dead and dying trees. Pursuant to Government Code section 8645, \$1.2 million from the State Responsibility Area Fire Prevention Fund (Fund 3063) shall be allocated to the California Department of Forestry and Fire Protection to carry out this directive.
25. The Energy Commission shall expedite the processing of all applications or petitions for amendments to power plant certifications issued by the Energy Commission for the purpose of securing alternate water supply necessary for continued power plant operation. Title 20, section 1769 of the California Code of Regulations is hereby waived for any such petition, and the Energy Commission is authorized to create and implement an alternative process to consider such petitions. This process may delegate amendment approval authority, as appropriate, to the Energy Commission Executive Director. The Energy Commission shall give timely notice to all relevant local, regional, and state agencies of any petition subject to this directive, and shall post on its website any such petition.

26. For purposes of carrying out directives 2–9, 11, 16–17, 20–23, and 25, Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division are hereby suspended. This suspension applies 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. This suspension, and those specified in paragraph 9 of the January 17, 2014 Proclamation, paragraph 19 of the April 25, 2014 proclamation, and paragraph 4 of Executive Order B-26-14, shall remain in effect until May 31, 2016. Drought relief actions taken pursuant to these paragraphs that are started prior to May 31, 2016, but not completed, shall not be subject to Division 13 (commencing with section 21000) of the Public Resources Code for the time required to complete them.
27. For purposes of carrying out directives 20 and 21, section 13247 and Chapter 3 of Part 3 (commencing with section 85225) of the Water Code are suspended.
28. For actions called for in this proclamation in directive 20, the Department shall exercise any authority vested in the Central Valley Flood Protection Board, as codified in Water Code section 8521, et seq., that is necessary to enable these urgent actions to be taken more quickly than otherwise possible. The Director of the Department of Water Resources is specifically authorized, on behalf of the State of California, to request that the Secretary of the Army, on the recommendation of the Chief of Engineers of the Army Corps of Engineers, grant any permission required pursuant to section 14 of the Rivers and Harbors Act of 1899 and codified in section 48 of title 33 of the United States Code.
29. The Department is directed to enter into agreements with landowners for the purposes of planning and installation of the Emergency Drought Barriers in 2015 to the extent necessary to accommodate access to barrier locations, land-side and water-side construction, and materials staging in proximity to barrier locations. Where the Department is unable to reach an agreement with landowners, the Department may exercise the full authority of Government Code section 8572.
30. For purposes of this Executive Order, chapter 3.5 (commencing with section 11340) of part 1 of division 3 of the Government Code and chapter 5 (commencing with section 25400) of division 15 of the Public Resources Code are suspended for the development and adoption of regulations or guidelines needed to carry out the provisions in this Order. Any entity issuing regulations or guidelines pursuant to this directive shall conduct a public meeting on the regulations and guidelines prior to adopting them.

31. In order to ensure that equipment and services necessary for drought response can be procured quickly, 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, are hereby suspended for directives 17, 20, and 24. Approval by the Department of Finance is required prior to the execution of any contract entered into pursuant to these directives.

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 to 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 1st day of April 2015.

EDMUND G. BROWN JR.
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

DRAFT

RESOLUTION 14-18 REVISED

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH MARIN WATER DISTRICT
IMPLEMENTING THE STATE WATER RESOURCES CONTROL BOARD'S MANDATE ON
URBAN WATER SUPPLIERS TO ACTIVATE THOSE PORTIONS OF THEIR WATER
SHORTAGE CONTINGENCY PLANS RELATED TO MANDATORY RESTRICTIONS ON
OUTDOOR WATER USE.**

WHEREAS, pursuant to California Water Code Section 102, all water in the state is the property of the people of the state; and

WHEREAS, the State Resources Control Board (State Board) is the agency tasked with issuing and monitoring permits to urban water suppliers and others to appropriate water statewide and determining the amount, purpose, place and beneficial use of that water. The North Marin Water District (District) is the beneficiary of multiple State Board permits which authorize the appropriation of waters of the state; and

WHEREAS, Water Code Section 10617 defines "urban water supplier" as a supplier for municipal purposes that serves 3,000 customers or more than 3,000 acre feet annually. Pursuant to Section 10617, the District is an urban water supplier; and

WHEREAS, on July 15, 2014, the State Board adopted Article 22.5 entitled "Drought Emergency Water Conservation Regulations" (California Code of Regulations, Title 23, sections 863, 864, and 865) which makes drought related findings and imposes mandatory requirements on urban water suppliers state-wide; and

WHEREAS, on March 17, 2015 the State Board amended and re-adopted the Drought Emergency Water Conservation Regulations.

WHEREAS, Section 863 of Article 22.5 made the following factual findings related to the current state of drought in California and the Governor's proclamations of emergency related thereto:

1. On January 17, 2014, the Governor proclaimed a state of emergency under the California Emergency Services Act (Act) based on drought conditions;
2. On April 25, 2014, the Governor issued a proclamation of continued state of emergency under the Act based on continued drought conditions existing statewide;
3. The drought conditions forming the base of the Governor's proclamations still exist;
4. The present year is critically dry and has been immediately preceded by two or more consecutive below normal, dry, or critically dry years; and
5. The drought conditions will likely continue for the foreseeable future and additional action by both the State Water Resources Control Board and local water suppliers will likely be necessary to further promote conservation.

WHEREAS, Section 864 of Article 22.5 promotes conservation by prohibiting the following outdoor activities, except where necessary to address an immediate health and safety need or to comply with a term or condition in a permit issued by a state or federal agency;

1. The application of potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures;
2. The use of a hose that dispensed potable water to wash a motor vehicle, except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use;
3. The application of potable water to driveways and sidewalks;
4. The use of potable water in a fountain or other decorative water feature, except where the water is part of a recirculation system;
5. The application of potable water to outdoor landscapes during and within 48 hours after measurable rainfall; and
6. The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased;
- 4.7. To promote water conservation, operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guestroom using clear and easily understood language.

WHEREAS, Section 865 of Article 22.5 requires urban water suppliers state-wide to:

1. Implement all requirements and actions of the stage of its water shortage contingency plan that ~~includes~~imposes mandatory restrictions on the number of days that outdoor irrigation of ornamental landscapes or turf with potable water is allowed, or shall amend its water shortage contingency plan to include mandatory restrictions on the number of days that outdoor irrigation of ornamental landscapes or turf with potable water is allowed and implement these restrictions within forty-five (45) days;
- 1.2. Provide prompt notice to a customer whenever the supplier obtains information that indicates that a leak may exist within the end-users exclusive control;
- 2.3. Prepare and submit to the State Board by the 15th of each month a monitoring report that includes the amount of potable water produced, including potable water provided by a wholesaler, in the preceding calendar month compared to the amount produced in the same calendar month in 2013 and estimate the gallons of water per person per day used by the residential customers it serves. The monitoring report

shall specify the population served by the urban water supplier, the percentage of water produced that is used for the residential sector, descriptive statistics on water conservation compliance and enforcement efforts, and the number of days that outdoor irrigation is allowed.

NOW, THEREFORE, THE BOARD OF DIRECTORS RESOLVES AS FOLLOWS:

1. The District's Water Shortage Contingency Plan is revised to require that Residential and Commercial irrigation shall be prohibited except on specific days and times as set forth by resolution of the Board of Directors.
- 4-2. The District's existing Regulation 15, section b. (Water Conservation - Novato Service Area), Regulation 17, Section b (Water Conservation - West Marin Service Area) and Emergency Water Conservation Ordinance No. 28, enacted on April 1, 2014, contain prohibitions on those uses contained in Section 864 of Article 22.5, and remains in effect.
- 2-3. The following use (s) is declared to be non-essential and is prohibited:
 - a. Watering of any lawn, garden landscaped area, tree, shrub or other plant except from a handheld hose equipped with an automatic shut-off nozzle, container or drip irrigation system. Overhead sprinkler irrigation can be used no more than three (3) days per week (Odd numbered street addresses are authorized to irrigate on Monday, Wednesday and Friday and even numbered street addresses are authorized to irrigate on Tuesday, Thursday and Saturday) if customer maintains an overall 2025% reduction in water use compared to the corresponding billing period in 2013 (Customers using less than 300 gallons per day are permitted to water their landscapes without the required 2025% reduction), and properly operates the irrigation system in a non-wasteful manner between the hours of 7:00 p.m. and 9:00 a.m. the next day. If overhead sprinkler water is used in a wasteful manner, the General Manager may prohibit sprinkling by that customer. Exemptions may be granted for irrigation of commercial or government owned recreational landscape areas provided a 25% reduction in water use compared to the corresponding billing period in 2013 is maintained.
 - b. Watering any turf on public street medians with potable water.
 - a-c. Watering any landscape in homes and buildings constructed after April 1, 2015 with potable water except where drip or micro spray irrigation is used.
- 3-4. In response to the mandate in Section 865 in Article 22.5, the Board directs staff to implement those water conservation measures governing restrictions on outdoor water use described above. In addition, the Board leaves in full force and effect Regulation 15, Section b., Regulation 17, Section b. and Emergency Water Conservation Ordinance No. 28. These will ensure continued water conservation on compliance with the mandate contained in Article 22.5. Enforcement will be in

accordance with existing provisions of Regulation 15, Section b., and Emergency Water Conservation Ordinance No. 28.

4-5. The Board directs staff to comply with the reporting requirements noted in Section 865 or Article 22.5.

5-6. The provisions of this Resolution shall remain in effect as long as Article 22.5 remains in effect.

* * * * *

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 ~~fifth~~ twenty first of ~~August 2014~~ April 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

Katie Young, District Secretary
North Marin Water District

(SEAL)

DRAFT Summary
North Marin Water District
Water Use Prohibitions for 2015
(Novato and West Marin Service Areas)

All current prohibitions and requirements are summarized below.

Water Waste Prohibitions

- Gutter flooding (unreasonable irrigation overspray or irrigation run-off onto pavement, down a gutter, ditch or other drain).
- Failure to repair a controllable leak of water within a reasonable time.
- Using water for non-recycling decorative fountains or single-pass cooling systems.
- Washing down exterior paved areas.
- Refilling a swimming pool drained after July 1, 2014.
- Washing privately-owned motor vehicles, trailers and boats except from a bucket and hose equipped with an automatic shut-off nozzle for a quick rinse.

Landscape Irrigation Requirements

- Watering of any lawn, garden, landscape area is permitted only with drip irrigation or by hand with a container or hose with automatic shut off nozzle. Overhead sprinkler irrigation can be used no more than 3 days per week, if the customer maintains an overall 25% reduction in water use when compared to the same billing period in 2013. Customers using 300 gallons per day or less are permitted to use overhead sprinkler irrigation without the 25% reduction.
- Overhead sprinkler irrigation permitted only between the hours of 7:00 PM and 9:00 AM of the next day.
- Overhead sprinkler irrigation is authorized only on Monday, Wednesday and Friday for odd number street addresses and Tuesday, Thursday, Saturday for even number street addresses.

Violation Procedure

- 1) Customers in violation will receive a written or verbal warning and order that the violation be corrected immediately or within a specified time determined to be reasonable. Water service may be disconnected due to non-compliance with the order.
- 2) If water service is disconnected, a reconnection fee of \$50 shall be paid. A reconnection fee of \$200 shall be paid for a customer disconnected for filling of a pool.
- 3) If that violation reoccurs water service may be disconnected again with a reconnection fee of \$75. Any water service that is disconnected twice shall be reconnected with a flow-restricting device and additional reconnection fee of \$100.

Variance Procedure

Applications for variance for any of the above may be made to the General Manager. The General Manager may grant a variance if reasonably necessary.

Questions or Comments

All customer questions and comments regarding the water use prohibitions for 2015 should be referred to the Water Conservation Hotline (415) 761-8944 or email at waterconserve@nmwd.com.

NOTICE OF A PUBLIC HEARING
NORTH MARIN WATER DISTRICT
Declaration of a Water Shortage Emergency
Novato Service Area

Tuesday, April 21st – 7:00 p.m.
District Offices
999 Rush Creek Place
Novato, California
(415) 897-4133

The North Marin Water District Board of Directors will accept public comments and consider adoption of a Resolution to enact the State Water Resources Control Board Emergency Water Conservation Regulations and Governor Brown's Executive Order B-29-15 for the Novato Service and West Marin Areas.

Copies of the Draft Resolution are available for public inspection at the offices of North Marin Water District (address noted above) and on the NMWD website at www.nmwd.com.

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Water districts outline water limits

By Chris Rooney Marinscope contributor | Posted: Wednesday, April 15, 2015 2:43 pm

On the heels of new statewide restrictions on water use, Marin County's water agencies are working toward adopting local regulations and guidelines for residents.

Both the Marin Municipal Water District and North Marin Water District board of directors are in the midst of adopting the new conservation demands recently put forth by the State Water Resources Control Board.

"We just need to continue to use water efficiently," said Ryan Grisso, NMWD Water Conservation Coordinator. "Most people understand."

In March, state officials announced new regulations on water use, such as prohibiting washing down sidewalks and driveways, excessive landscape watering and washing vehicles with hoses not fitted with shut-off nozzles.

The regulations also called for restaurants to only serve water to patrons requesting it and for hotels and motels to provide guests with the option of not having towels and linens laundered daily.

The MMWD board met April 7 in order to comply with the new rules and adopted some new policies. They prohibited irrigating an ornamental landscape area or turf grass with potable water more than three days in any calendar week and irrigating within 48 hours following a measurable rainfall.

"Overwatering is one of the most common causes of outdoor water waste," MMWD Water Conservation Manager Dan Carney said. "Even the thirstiest plants in the hottest part of the summer shouldn't need to be watered more than three days a week. Most of the year, most plants will be happy with a lot less."

The MMWD already had prohibitions in place regarding using hoses without shut-off nozzles, allowing irrigation water to runoff or overspray the area, hosing down driveways and using non-recirculating decorative fountains.

MMWD has had a similar regulation in place since 2011 regarding restaurants and hotels, so no further board action was needed.

The NMWD board meets next week and is expected to follow suit.

For both water districts, conservation has been the rule of thumb for years. MMWD spokesperson Libby Pischel said that voluntary conservation programs have shown a savings of about 15 percent since March of last year.

ATTACHMENT 6

Considering the fact that Marin's water reserves are strong — both districts report about 97 percent — there was a thought that perhaps the state's mandates shouldn't be as harsh locally as in other counties where the four-year drought has been more crippling.

Grisso said the NMWD penned a letter to state officials asking for more lenient restrictions but it fell on deaf ears — nobody responded, Grisso said. The letter asked the state board to let NMWD stick to the 2014 regulations, but "they didn't allow for flexibility," Grisso said. "The restrictions apply to everybody."

Pischel said there, however, are some variances between water districts.

"What the state is doing to accommodate the different situations around California is to adjust the amount of water savings for different water districts based on consumption in September 2014," Pischel said. "To achieve the statewide goal of a 25 percent reduction, the state is asking communities who already cut back a lot to reduce by 10 percent, the next level by 20 percent, then 25 percent, and finally 35 percent. Under the proposed regulations, MMWD would fall in the 20 percent reduction category. We think we can achieve that level of savings through the current efforts of customers and also by implementing the new prohibitions that were adopted on April 7."

How will the local water agencies enforce the new rules? "We will focus on education and outreach, making sure everyone knows what is being asked of them," Pischel said. "We also have a water waste report form on our website, so people can report incidents of water waste and we will follow up."

Pischel noted that the state regulations resulting from the governor's executive order are not final yet. "The draft regulations were released this week, but the final decision is scheduled for May 5. So anything we would consider changing for MMWD will wait until then," she said.

In the meantime, MMWD is trying to reach out to the community. Through the Conservation Assistance Program (CAP) program, customers receive a free, customized water-use consultation for your home or business with one of MMWD's water-conservation specialists. The visit includes a check for leaks, evaluation of indoor and outdoor water use and recommendations to help save water and money. Call (415) 945-1523 to schedule an appointment.

The MMWD also hosts the Marin-Friendly Garden Walk, where people receive a free residential garden evaluation from a UC Marin Master Gardener. Sustainable gardening practices and get water-wise tips are discussed.

For information, call (415) 473-4204.

Contact Chris Rooney at scope@marinscope.com.

3

DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
April 7, 2015

CALL TO ORDER

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

Thirteen members of the public along with District employees Ryan Grisso (Water Conservation Coordinator), Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

MINUTES

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

GENERAL MANAGER'S REPORT

Employer Assisted Housing Loan

Mr. DeGabriele advised the Board that former employee Miguel Venegas repaid his Employer Assisted Housing fund of \$138K.

Marin Local Agency Formation Commission

Mr. DeGabriele advised the Board that this Thursday he will be attending the Marin LAFCO meeting to hear the discussion of the Municipal Service Review for all water agencies in Marin County prepared by LAFCO staff. He informed the Board that at the May 14th LAFCO public hearing, the report will be considered and that Director Rodoni will be commended for his 14 years of service as a LAFCO commissioner.

OPEN TIME

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

STAFF / DIRECTORS' REPORTS

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

1
2 **CONSENT CALENDAR**

3 On the motion of Director Fraites, seconded by Director Petterle and unanimously carried,
4 the following items were approved on the consent calendar:

5 **GRANULAR ACTIVATED CARBON REPLACEMENT**

6 The Board approved the purchase of the replacement GAC from the Calgon Carbon
7 Corporation.

8 **REQUEST FOR PROPOSAL: ON-CALL CONSTRUCTION SERVICES**

9 The Board approved staff to issue a Request for Proposal for on-call construction services.
10 The primary objective of the proposed alternate contracting approach is to improve emergency
11 response to broken water mains resulting from disasters. An additional benefit of this approach is
12 improved flexibility to accommodate more efficient completion of small District projects in a timely
13 and cost-effective manner.

14 **CSW/STUBER-STROEH ENGINEERING SERVICES FY15-16 CONTRACT – MISCELLANEOUS**
15 **ENGINEERING SERVICES**

16 Staff requested a FY15-16 Miscellaneous General Services Agreement contract with
17 CSW/Stuber-Stroeh to assist staff with both District and developer workload demands with a not to
18 exceed limit of \$60,000. The Board authorized the General Manager to execute an Agreement for
19 FY15-16 Consulting Services between NMWD and CSW/Stuber-Stroeh.

20 **ACTION CALENDAR**

21 **DROUGHT EMERGENCY WATER CONSERVATION REGULATIONS – SET PUBLIC HEARING**

22 Ryan Grisso, Water Conservation Coordinator, provided the Board with a brief summary of
23 the Drought Emergency Water Conservation Regulations that were enacted last year along with
24 Ordinance 28. He advised the Board that on March 17, 2015, the State Board re-adopted the
25 Emergency Water Conservation Regulations with amendments. Mr. Grisso stated that on March 26,
26 2015 an Ad Hoc meeting of the Sonoma County Water Agency Technical Advisory Committee was
27 held to consider a coordinated response under the Sonoma-Marín Saving Water Partnership. He
28 advised the Board that the parties agreed that the SMSWP approach would limit outdoor irrigation to
29 no more than 3 days per week and not on consecutive days.

30 Mr. Grisso asked that the Board set a public hearing for April 21, 2015 at 7 p.m. to adopt the
31 resolution to comply with the current SWRCB Emergency Water Conservation Regulations.

1 Mr. DeGabriele advised the Board that the proposed amended resolution includes what the
2 State Board has already authorized and what the Governor ordered in his Executive Order on April
3 1, 2015. He stated that the Executive Order directs the State Board to add further restrictions to
4 save water but is unsure at this time if additional restrictions will be added by the State Board. Mr.
5 DeGabriele informed the Board that the State Board's public hearing and enactment will be on May
6 5th or 6th and staff will monitor the decisions.

7 Mr. DeGabriele informed the Board that various water contractors are going forward
8 immediately with restrictions and amending the regulations tonight at their Board meetings, others
9 are waiting until the State Board enacts the regulations. He stated that the Governor's Executive
10 Order indicates water suppliers are to reduce water production compared to 2013.

11 Director Rodoni questioned how staff will regulate the three days a week of water and asked
12 if West Marin will have a moratorium on new connections.

13 Mr. Grisso advised the Board that the resolution will be for both Novato and West Marin
14 customers and that West Marin would not have a connection moratorium.

15 Director Rodoni stated that customers need to be informed and educated on the regulations.
16 Mr. Grisso stated that it will be enforced and that staff will be aware of the water wasters and use
17 public outreach to get the message across.

18 Director Fraites asked if the District has the authority to levy fines. Mr. DeGabriele stated
19 that the District does have the authority to fine water wasters up to \$500.

20 On motion of Director Schoonover, seconded by Director Petterle and approved by the
21 following vote, the Board set a public hearing for April 21, 2015 to consider adoption of the updated
22 resolution to comply with the current SWRCB Emergency Water Conservation Regulations:

23 AYES: Directors Baker, Fraites, Petterle, Rodoni and Schoonover.

24 NOES: None

25 **12-INCH CAST IRON PIPE BURSTING PROJECT: SOUTH NOVATO BLVD – ROWLAND BLVD**
26 **TO SUNSET PARKWAY CONTRACT AWARD – TEAM GHILOTTI INC.**

27 Mr. McIntyre advised the Board that staff had a bid opening on February 20, 2015 for the 12-
28 inch cast iron pipe bursting project on South Novato Blvd. and that there were four prime contractors
29 that attended. He noted that three bids were received ranging from \$122,700 to \$163,940 and that
30 the engineer's estimate for the work was \$130,000. Mr. McIntyre stated that Team Ghilotti Inc.
31 submitted the lowest responsive bid of \$122,700 and a bid evaluation was performed. He reminded
32 the Board that Team Ghilotti Inc was the contractor for the Gallagher Well Pipeline project which

1 was successfully completed in December 2014 and that they have done pipe bursting in the past.
2 Mr. McIntyre informed the Board that the project will commence in the summer to prevent
3 interference with school traffic.

4 President Baker asked if Team Ghilotti would be doing the pipe bursting work or bringing a
5 subcontractor in to complete the bursting. Mr. McIntyre stated that a subcontractor will do the
6 bursting of the pipe but the project will be coordinated through Team Ghilotti and District crews.

7 On motion of Director Schoonover, seconded by Director Petterle and approved by the
8 following vote, the Board approved award of the contract to Team Ghilotti, Inc. and authorized the
9 General Manager to execute an agreement with Team Ghilotti, Inc. for \$122,700 and a contingency
10 of \$12,300:

11 AYES: Directors Baker, Fraites, Petterle, Rodoni and Schoonover.

12 NOES: None:

13 **FY15 NOVATO RECYCLED WATER CAPITAL IMPROVEMENT PROJECT (CIP) BUDGET**
14 **AUGMENTATION**

15 Mr. McIntyre advised the Board that with the accelerated design work on the Recycled
16 Water Central Service Area Expansion Project in effort to qualify for low interest rate SRF loans from
17 the State of California as well as any potential available grant funds, staff is requesting a budget
18 augmentation for this fiscal year of \$150,000 to the Novato Recycled Water Capital Improvement
19 Project.

20 On motion of Director Fraites, seconded by Director Rodoni and approved by the following
21 vote, the Board approved augmentation of the Novato Recycled Water budget for an additional
22 \$150,000:

23 AYES: Directors Baker, Fraites, Petterle, Rodoni and Schoonover.

24 NOES: None:

25 **LAND SURVEY CONTRACT TO BKF ENGINEERS – RECYCLED WATER EXPANSION –**
26 **CENTRAL SERVICE AREA**

27 Mr. McIntyre advised the Board that as part of the accelerated work on the Central Service
28 Area Recycled Water Expansion Project staff identified the need for a topographic and utility survey
29 design of the 5.8 mile pipeline and on February 12, 2015, solicited proposals for the survey. He
30 stated that the Request for Proposal was sent to eight firms and four firms submitted proposals. Mr.
31 McIntyre informed the Board that BKF Engineers submitted the lowest cost proposal of \$49,210 and
32 based on the review of the submitted proposals, staff recommends awarding the contract to BKF
33 Engineers.

1 Director Fraites asked if the pipeline was along the freeway, south of HWY. 37. Mr. McIntyre
2 stated yes and that there is a gap in the area that was already surveyed with the CalTrans
3 encroachment permit so there will be no need to survey that area again.

4 On motion of Director Petterle, seconded by Director Fraites and approved by the following
5 vote, the Board authorized the General Manager to execute a survey contrac with BKF Engineers in
6 the amount of \$49,210 with a contingency not to exceed \$10,000:

7 AYES: Directors Baker, Fraites, Petterle, Rodoni and Schoonover.

8 NOES: None:

9 **JUNIOR ACCESSORY DWELLNG UNITS**

10 Mr. DeGabriele reminded the Board of the letter received from Mayor Jeanne McLeamy of
11 the City of Novato advising that the Novato City Council amended the zoning code to create a new
12 junior accessory dwelling unit classification and also requested that the District consider waiving
13 connection fees for junior accessory dwelling units. He advised the Board that staff met to review the
14 request form the City and determined that a connection fee should be charged. He stated that
15 District Regulation 1 currently identifies a Facilities Reserve Charge of \$6,100 for a dwelling unit
16 without kitchen facilities and landscape, and this classification was established to accommodate
17 group housing quarters. Mr. DeGabriele provided several options for the Board to consider: 1)
18 \$6,100 plus a bi-monthly service charge for a meter as is currently charged for regular accessory
19 dwelling units; 2) \$6,100 only; 3) a compromised amount based on a calculation of incremental
20 water demand and equal to \$2,645; or 4) \$0 as requested by the City of Novato.

21 Mr. DeGabriele informed the Board that staff received a letter from Marin Builders
22 Association to waive the connection fee as well as a letter from Marin Environmental Housing
23 Collaborative. Mr. DeGabriele stated that in the past decade, the District has totaled over \$70M in
24 major project expenditures and continues to work on the Aqueduct Energy Efficiency Project and
25 Recycled Water Expansion. He noted that Marin Builders Association members have either been
26 awarded that major project work or been subcontractors on those projects. He stated that nearly
27 \$30M of that total is for Recycled Water to improve the reliability of Novato's water supply.

28 Mr. DeGabriele advised the Board that the City has not limited the number of people that
29 may reside in a junior accessory dwelling unit, only limited the size. He stated that people in Novato
30 that have constructed or converted additional dwelling units in the past have paid connection fees
31 and pay a bimonthly meter charge. He noted that the District has cooperated with the City in the
32 past in reducing connection fees for additional dwelling units and for public parks where the entire

1 community benefits. He believes that waiving the connection fee for this affordable housing effort
2 may open the door for other affordable housing projects to request similar treatment.

3 Director Fraites advised the Board that he had a conversation with District legal counsel who
4 instructed him to recuse himself and leave the room while this item was being discussed as he is a
5 Board member and on the Executive Committee of the Marin Environmental Housing Collaborative.

6 Director Rodoni asked if the Novato Sanitary District had been requested to reduce or
7 eliminate connection fees for junior accessory dwelling units. Mr. DeGabriele stated that NSD had
8 received a similar request but has not made a determination yet.

9 Director Petterle asked if the junior accessory dwelling units are separately metered. Mr.
10 DeGabriele responded that they are not.

11 President Baker asked if members of the audience would like to speak on this item and the
12 speakers who supported a waiver of the connection fees for Junior Accessory Dwelling Units
13 included: John Reynolds, 1st United Methodist Church; Paula Marks, Visiting Angels/Mairn Home
14 Care Collective; Rachel Ginnis, Lily Pad Homes; Katie Crecilius, Novato Resident; Bob Pendoley,
15 Marin Environmental Housing Collaborative; Carmen Surocco, Marin Housing Authority; Kiki LaPorte
16 Coalition for Livable Marin; Casey Mazoni Marin Builders Association; and Brenda Gates.

17 Director Petterle thanked the public for coming to the meeting and for being so well
18 organized and concise with their comments. He stated that he supports the public and believes that
19 staff and the Board need to explore more options to accommodate the public.

20 Director Schoonover stated he wants to support the public but would like to see more
21 controls on the units.

22 Director Rodoni advised the Board that the junior accessory dwelling unit doesn't expand the
23 housing footprint and there should not be a connection fee. He stated that he believes there is a
24 solution to the issue and that staff needs to figure out the impact on the water usage of the junior
25 dwelling unit. He stated that the City should have called it a junior family unit since it is not an
26 additional dwelling.

27 President Baker said that he was sympathetic towards the public and believes that the
28 District should find out more information and digest the information given at the meeting before
29 making a decision.

30 Director Petterle suggested that staff research the options more and meet within a couple of
31 months to decide the connection fees.

1 President Baker informed the Board and public that this item will be tabled to a meeting at a
2 future date and the Board will discuss with staff options for the connection fees of the junior
3 accessory dwelling units.

4 The public left the meeting.

5 Director Fraites rejoined the meeting.

6 **MARIN/SONOMA MOSQUITO & VECTOR CONTROL DISTRICT ASSESSMENT**

7 Mr. Clark advised the Board that the Marin/Sonoma Mosquito & Vector Control District is in
8 the process of evaluating the need to increase the assessment property owners pay for their
9 services and the current average annual fee is \$12.88 which is included as a line item on annual
10 property tax assessments. He advised the Board that the District's 76 parcels throughout the service
11 areas of Novato, West Marin and Oceana Marin are tax exempt and the District does not currently
12 pay any fees. He noted that the District has 14 parcels that received some treatment from
13 Marin/Sonoma Mosquito and Vector Control District.

14 Mr. Clark informed the Board that if the proposed assessment is passed, the District may be
15 required to pay as much as \$495.58 in annual fees.

16 Director Rodoni asked what the District's obligation was to paying the assessments and that
17 he was opposed to the additional assessments. Mr. Clark stated that the cost is a benefit
18 assessment and would be levied to the District.

19 President Baker asked if the District was tax exempt. Mr. DeGabriele stated that yes the
20 District is tax exempt but if District parcels receive benefits it is not exempt from the provisions of the
21 benefit assessment law.

22 Director Petterle stated that he has never seen a public agency have to vote on fees and
23 does not support paying the assessments. Mr. Clark responded that the District has six ballots to
24 cast.

25 On motion of Director Fraites, seconded by President Baker and approved by the following
26 vote, the Board authorized the General Manager to vote and approve the proposed additional
27 annual assessments for improved Mosquito, Vector and Disease Control Services:

28 Ayes: Directors Baker, Fraites, and Schoonover

29 Noes: Directors Petterle and Rodoni

30 Abstain: None

31 Absent: None

1 **INFORMATION ITEMS**

2 **UPDATE OF TITLE 22 ENGINEER'S REPORT (RMC ENVIRONMENTAL)**

3 Mr. McIntyre advised the Board that the District's original Title 22 Engineers Report for the
4 Distribution and Use of Recycled Water was prepared by RMC Environment in 2011. He noted that
5 sufficient funds remain in the existing contract and staff will be making additions and modifications to
6 the report. He informed the Board that the report will be modified to allow a District designated
7 recycled water fill station for residential customers and update and expand the description of dual
8 plumbing to allow not only recycled water for indoor toilet plumbing and outdoor use but for those
9 with residential dual plumbing where the front yard common area is proposed to be irrigated with
10 recycled water and the backyard is irrigated with potable water.

11 Director Rodoni asked if staff has considered a restriction on new turf in a new development
12 except when served by Recycled Water. Mr. McIntyre stated that a regulation like that could come
13 through water conservation rules and regulations.

14 Director Petterle stated that he was proud of what the District has done with Recycled Water
15 and questioned whether Marin Municipal has done any expansion of their Recycled Water.

16 Mr. McIntyre informed the Board that MMWD has discussed recycled water expansion for
17 years and is looking to expand Recycled Water to Peacock Gap Golf Course.

18 Mr. DeGabriele stated that MMWD does have an item on their agenda advising their Board
19 that the original route through China Camp State Park might be a hurdle to route recycled water
20 pipelines.

21 **ADVANCED METERING INFRASTRUCTURE**

22 Mr. Bentley informed the Board that \$5M is proposed for an Advanced Metering
23 Infrastructure (AMI) project in the Capital Improvement Projects budget which will be reviewed at the
24 next Board meeting. He stated that the District has been following the evolution of the meter reading
25 technology for the past two decades and believes that the technology has improved to the point
26 where a \$500,000 pilot study at the District is appropriate. He advised the Board the AMI technology
27 collects water use data hourly and transmits a digital signal on demand using a very low-power
28 signal, thus requiring line-of-site proximity for data collection.

29 Mr. Bentley provided several advantages to using AMI: 1) reduced water loss, the District
30 would be able to see within 24 hours if a large amount of water is being used; 2) customers can
31 track their water use on the internet by the hour; 3) monthly billing; 4) reduced labor requirement; 5)
32 increased customer satisfaction; and 6) enhanced staff safety.

1 Mr. Bentley stated that City of San Francisco has over 180,000 homes using AMI and Marin
2 Municipal Water District has received a \$1M grant for a pilot project to install Advanced Meters on
3 their large irrigation accounts. He noted that Santa Rosa is moving forward with full implementation
4 of AMI throughout the city. He advised the Board the proposed FY16 budget includes \$500,000 for a
5 pilot program to work through the process of installing approximately 1,000 Advanced Meters on
6 large user accounts throughout town. He noted that assuming the pilot project proves Novato-wide
7 installation feasible; money could be borrowed to complete installation through an SRF Loan or
8 through Bank of Marin.

9 Mr. Bentley stated that the Board would have more opportunities to discuss this program
10 through the CIP review process but he wanted to inform in advance due to the magnitude of the
11 project cost.

12 Director Fraites asked if the meter was equivalent to a smart meter. Mr. Bentley stated that it
13 is similar technology.

14 President Baker expressed his concern about the device being in a hostile environment
15 underground and intolerable for water. Mr. Bentley stated that 10% of California is using AMI.

16 Director Petterle stated that he supported the program but believes there are advantages to
17 meter reading, such as seeing irrigation valves, problems with the meter and that meters need
18 periodic eyes-on checking.

19 Mr. DeGabriele advised the Board that staff is conducting a small pilot program on the
20 advance metering at two new developments of Walnut Meadows and Mt. Burdell place which are
21 funded by the developer.

22 Mr. Bentley informed the Board that he will continue researching the devices and speak with
23 the City of San Francisco and the City of Santa Rosa.

24 **WAC/TAC MEETING – APRIL 6, 2015**

25 Mr. DeGabriele provided a summary of the April 6, 2015 Water and Technical Advisory
26 Committee meeting to the Board. He stated that Lake Mendocino is just under 63,000AF at 57%
27 capacity and Lake Sonoma is at 215,000AF. He advised the Board that it is likely that Sonoma
28 County Water Agency will file for a Temporary Urgency Change Petition to keep more water in Lake
29 Mendocino, reducing releases into the upper Russian River.

30 Mr. DeGabriele provided a table with the regional average per gallons per capita per day. He
31 stated that in comparison, the water contractors are doing well compared to 2013.

1 Mr. DeGabriele stated that the Water Advisory Committee approved the SCWA budget for
2 next year and that the District's rates will rise 5%. He noted that the Sonoma County Board of
3 Supervisors will consider the budget at their April 21st meeting.

4 Mr. DeGabriele informed the Board that the meeting was adjourned into a press conference
5 where the Sonoma County Water Agency celebrated their achievement for Carbon Free Water by
6 2015.

7 **NBWA MEETING – APRIL 3, 2015**

8 President Baker advised the Board that he attended the North Bay Watershed Association
9 Meeting on April 3rd and that there were two speakers: Mike Parnuss, Napa City Manager, who
10 recapped the Napa Earthquake and how the city handled it, along with the FEMA and state
11 procedures taken to get reimbursed and the second speaker, Rick Thomas, from the Napa
12 Watershed and Flood Control District who reviewed the Napa Flood Control project with a
13 powerpoint presentation.

14 **MISCELLANEOUS**

15 The Board received the following miscellaneous information: Disbursements, Presentation
16 of GFOA Certificate of Achievement for Excellence in Financial reporting, Update – Polybutylene
17 Pipe Population, February 2015 Furniture/Equipment Auction Income, Direct Deposit of
18 Disbursements, CA-NV AWWA Governing Board, and Salinity (3/17).

19 The Board received the following news articles: The West Marin Newspaper War comes to
20 an amicable end, Point Reyes Light and West Marin Citizen negotiations, Huffman tries again to
21 force Coast Guard sale, Despite flush reservoirs, Sonoma County water officials stress need for
22 conservation.

23 The Board also received the following news articles at the meeting: WAC/TAC Meeting –
24 April 6, 2015 Update, Letter from Marin Environmental Housing Collaborative, Gov. Brown defends
25 excluding farms from drought restrictions, and Marin water board look to limit outside watering to
26 three days a week.

27 **ADJOURNMENT**

28 President Baker adjourned the meeting at 8:55 p.m.

29 Submitted by
30
31

32 Katie Young
33 District Secretary
34

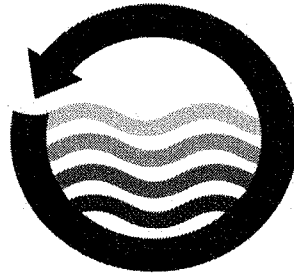
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NORTH MARIN WATER DISTRICT



FINANCIAL STATEMENT FISCAL YEAR 2014-15

March 2015

**NORTH MARIN WATER DISTRICT
FINANCIAL STATEMENTS
TABLE OF CONTENTS**

Memo

Financial Statement Memo.....	1
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Basic Financial Statements

Statement of Net Position - All Districts.....	4
Sources and Uses of Funds Statement.....	8
Income Statement & Cash Flow - By Service Area.....	9

Supplementary Information

Detail Income Statement - Novato Water.....	10
Detail Income Statement - Recycled Water.....	14
Detail Income Statement - West Marin Water.....	16
Detail Income Statement - Oceana Marin Sewer.....	19
Connection Fee, Workers' Comp & Conservation Incentive Rate Analysis.....	21
Equipment Expenditures.....	22
Overhead Analysis.....	23
Expenditures by Category.....	24
Vehicle Fleet Analysis.....	25
Water Conservation Expenditures.....	26
Capital Improvement Project Expenditures	27
Notes to Financial Statements	31

MEMORANDUM

To: Board of Directors
 From: David L. Bentley, Auditor-Controller
 Subj: Information – FY14/15 March Financial Statement
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April 17, 2015

FISCAL YEAR PERFORMANCE COMPARED TO THE ANNUAL BUDGET

CONSOLIDATED SUMMARY

Actual vs. Budget	Mar-15	FY14/15 YTD Actual	FY14/15 Budget	FYTD / Budget %
Operating Revenue	\$1,332,736	\$13,218,730	\$19,298,000	68%
Operating Expense	\$1,217,450	\$12,358,685	\$16,918,000	73%
Non-Operating Revenue / (Expense)	(\$29,708)	(\$373,614)	(\$598,000)	62%
Net Income / (Loss)	\$85,578	\$486,431	\$1,782,000	27%
Other Sources / (Uses)*	\$2,305,460	(\$786,528)	(\$6,135,000)	13%
Cash Increase / (Decrease)	\$2,391,038	(\$300,097)	(\$4,353,000)	7%

* See Page 8.

For the first nine months of the fiscal year (75%) the District generated a net income of \$481,889 and saw a net cash decrease of \$300,097. On a seasonally adjusted basis, Operating Revenue came in 5% under budget and Operating Expense came in 1% under budget. Sixty-four percent of the Capital Improvement Projects Budget was expended this fiscal year-to-date. The District's cash balance increased \$2,391,037 during the month. The cash increase is due primarily to Caltrans reimbursements for the AEEP project (\$2,239,382), receipt of Gallagher Well Prop 50 Grant funds (\$522,102), and payoff of an employee housing loan (\$144,352), offset by payments for Atherton Tank (\$264,945), and a new employee housing loan (\$250,000).

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

NOVATO WATER

Year over Year Comparison	Mar-15	FYTD 14/15	FYTD 13/14	FY15 vs 14 Up/(Down)
Operating Revenue	\$1,229,728	\$12,060,593	\$14,265,879	(15%)
Operating Expense	\$1,077,886	\$11,163,678	\$11,755,236	(5%)
Other Income / (Expense)	(\$7,970)	(\$230,823)	(\$264,009)	(13%)
Net Income / (Loss)	\$143,982	\$666,092	\$2,246,634	(70%)
Active Accounts	20,494	20,494	20,486	0%
Consumption (MG)	179	1,783	2,234	(20%)
Average Commodity Rate / 1,000 gal (net)	\$4.79	\$4.88	\$4.64	5%
Income / (Loss) / Active Account	\$7.03	\$32.50	\$109.67	(70%)
Income / (Loss) / 1,000 Gal	\$0.80	\$0.37	\$1.01	(63%)
Connection Fee Revenue	\$0	\$753,600	\$0	-
Caltrans Capital Contribution	(\$203,145)	\$6,219,378	\$0	-
MMWD AEEP Capital Contribution	\$0	\$245,000	\$0	-
Developer 'In-Kind' Contributions	\$40,177	\$230,612	\$354,462	(35%)

Fiscal year-to-date consumption was 20% less than the prior year same period. Total operating revenue, which includes wheeling and other miscellaneous service charges, decreased 15% (\$2,205,285) due to the consumption decrease offset by the 5% rate increase effective June 1, 2014.

Total operating expense was 5% (\$591,558) less than last year same period, due primarily to a decrease in the volume of purchased water.

The Stafford Treatment Plant produced 297 MG this fiscal year-to-date at a cost of \$4,303/MG¹ versus \$2,276/MG³ from SCWA. The budget for Stafford is 750 MG at a cost of \$2,780/MG.

Salary and benefit cost charged to Novato operations was 1% more than the same period last year. Staff time (hours) charged to Novato operations was 4% more than last year same period. Salary and benefit cost was \$4,085,596, which was 72% of the \$5,702,000 budget for Novato operations.

The fiscal year-to-date net income (which includes non-operating items such as interest revenue and expense) of \$666,092 compares to a budgeted net income for the year of \$1,919,000 and to a net income of \$2,246,634 for the prior year same period. \$10,907,559 (62%) of the Novato Water Capital Improvement Project Budget was spent versus \$1,858,245 (24%) for the prior year same period. \$753,600 in connection fees were collected (\$1,281,000 is budgeted). The Novato cash balance increased \$1,929,193 in March, and stood at \$12,073,151 at month-end, compared to a budgeted projection of \$10,067,000 at June 30, 2015.

NOVATO RECYCLED

Year over Year Comparison

	Mar-15	FYTD 14/15	FYTD 13/14	FY15 vs 14 Up/(Down)
Operating Revenue	\$31,763	\$470,412	\$467,407	1%
Operating Expense	\$69,571	\$587,637	\$436,041	35%
Other Income / (Expense)	(\$18,830)	(\$175,223)	(\$214,877)	(18%)
Net Income / (Loss)	<u>(\$56,638)</u>	<u>(\$292,448)</u>	<u>(\$183,511)</u>	59%
Active Accounts	44	44	44	0%
Consumption (MG)	6.1	94.8	100.9	(6%)
Average Commodity Rate / 1,000 gal (net)	\$4.73	\$4.73	\$4.43	7%
Deer Island Production (MG)	0.0	1.0	1.6	(39%)
Novato Sanitary Production (MG)	7.3	57.9	59.4	(3%)
Las Gallinas Production (MG)	2.2	33.9	39.3	(14%)
Potable Water Input (MG)	0.0	6.9	9.6	(28%)

94.8 MG was delivered to RW customers this fiscal year-to-date, down 6% from the prior year same period. Operating revenue was up 1% as the consumption decrease was offset by the June 1, 2014 6.5% commodity rate increase. Total operating expense was \$151,596 (35%) more than the prior year same period due primarily to an increase in depreciation expense pertaining to the South Transmission System expansion which was completed and capitalized late last fiscal year, and clearing debris in the line at Fireman's Fund (\$12,330). The recycled water was produced at a cost of \$2,852/MG² versus \$2,276/MG³ from SCWA. The budgeted production cost of recycled water is \$2,984/MG.

The fiscal year-to-date net loss of \$292,448 compares to a budgeted net loss for the year of \$303,000 and a net loss of \$183,511 for the prior year same period. \$137,323 (110%) of the Capital Improvement Project Budget has been expended this fiscal year-to-date. Novato Recycled ended the period with a cash balance of \$1,651,267 compared to a budgeted projection of \$1,242,000 at June 30, 2015.

¹ Stafford production cost = TP op expense (\$625,881) + SRF loan interest (\$232,902) + plant depreciation (\$419,061) / 297MG produced

² Recycled Water production cost = purchase water cost (\$111,360) + treatment expense (\$2,045) + Deer Island RW Facility SRF loan interest (\$54,500) + Deer Island plant depreciation (\$102,511) / 94.8 MG produced

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

WEST MARIN WATER

Year over Year Comparison

	<u>Mar-15</u>	<u>FYTD 14/15</u>	<u>FYTD 13/14</u>	<u>FY15 vs 14 Up/(Down)</u>
Operating Revenue	\$55,674	\$547,436	\$608,327	(10%)
Operating Expense	\$55,510	\$468,817	\$488,396	(4%)
Other Income / (Expense)	<u>(\$3,212)</u>	<u>\$4,005</u>	<u>(\$28,203)</u>	-
Net Income / (Loss)	<u>(\$3,048)</u>	<u>\$82,624</u>	<u>\$91,728</u>	(10%)
Active Accounts	777	777	776	0%
Consumption (MG)	5.6	46.7	58.6	(20%)
Average Commodity Rate / 1,000 gal (net)	\$7.46	\$8.94	\$8.16	10%
Income/ (Loss) / Active Account	(\$3.92)	\$106.34	\$118.21	(10%)
Income / (Loss) / 1,000 Gal	(\$0.54)	\$1.77	\$1.57	13%
Connection Fee Revenue	\$0	\$22,800	\$0	-
Developer 'In-Kind' Contributions	\$1,486	\$16,677	\$5,239	-

Fiscal year-to-date consumption was 46.7 MG, 20% less than the previous year same period. Operating revenue of \$547,436 was \$60,891 (10%) less than last year same period due primarily to the consumption decrease offset by the 5% rate increase and the \$37,000 generated by the Drought Surcharge which was in effect from July 1 through October 31, 2014.

Operating expenditures were \$468,817, 4% less than the previous year same period. The fiscal year-to-date net income of \$82,624 compares to a budgeted annual net income of \$196,000 and to a net income of \$91,728 for the prior year same period. \$1,245,674 (78%) of the Capital Improvement Project Budget has been spent this fiscal year-to-date, and \$22,800 in connection fees were collected (\$23,000 is budgeted). Receipt of \$522,102 in Prop 50 Grant funds during March allowed repayment of the \$37,185 borrowed from Novato Water plus interest of \$245 in accordance with the Inter-District Loan Policy. At month end another \$655,843 in Prop 50 Grant Funds was owed to the District for installation of the Gallagher Well Pipeline, which is anticipated to be received May. West Marin Water ended the month with a cash balance of \$465,531, compared to a budgeted projection of \$791,000 at June 30, 2015.

OCEANA MARIN SEWER

Year over Year Comparison

	<u>Mar-15</u>	<u>FYTD 14/15</u>	<u>FYTD 13/14</u>	<u>FY15 vs 14 Up/(Down)</u>
Operating Revenue	\$15,572	\$140,288	\$133,455	5%
Operating Expense	\$19,025	\$143,094	\$156,825	(9%)
Other Income / (Expense)	<u>\$304</u>	<u>\$28,428</u>	<u>\$26,241</u>	8%
Net Income / (Loss)	<u>(\$3,149)</u>	<u>\$25,622</u>	<u>\$2,872</u>	792%
Active Accounts	229	229	229	0%
Monthly Sewer Service Charge	\$68	\$68	\$65	5%
Income / (Loss) / Active Account	(\$13.75)	\$111.89	\$12.54	-
Connection Fee Revenue	\$0	\$15,200	\$30,400	(50%)

Operating revenue of \$140,288 was 5% higher than the previous year same period due to the 5% rate increase effective July 1, 2014. Operating expenditures were 9% (\$13,705) lower than the previous year same period. The fiscal year-to-date net income of \$25,622 compares to a budgeted annual loss of \$30,000 and to a net income of \$2,872 for the prior year same period. \$23,089 (33%) of the Capital Improvement Project Budget has been expended this fiscal year-to-date.

\$15,200 in connection fees have been collected (\$15,000 is budgeted). The master plan update, budgeted at \$30,000, is now underway. Oceana Marin ended the month with a cash balance of \$305,962, compared to a budgeted projection of \$228,000 at June 30, 2015.

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING MARCH 31, 2015**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
ASSETS					
Cash & Investments					
Unrestricted/Undesignated Cash	\$325,831	\$0	\$86,158	\$0	\$239,673
Restricted Cash (Note 1)					
Connection Fee Fund	\$180,276	\$0	\$0	\$180,276	\$0
Wohler Pipeline Financing Fund	397,368	397,368	0	0	0
Collector #6 Financing Fund	1,562,353	1,562,353	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	2,640,013	2,384,866	0	255,147	0
Deer Island RWF Replacement Fund	673,633	0	673,633	0	0
Capital Replacement & Expansion Fund	267,588	0	267,588	0	0
Tax Receipts Held in Marin Co Treasury	109	0	0	108	1
STP SRF Loan Fund-Marín Co Treasury	577,225	577,225	0	0	0
RWS North/South SRF Payment Fund	614,299	0	614,299	0	0
Designated Cash (Note 2)					
Liability Contingency Fund	205,815	205,815	0	0	0
Self-Insured Workers' Compensation Fund	547,653	531,776	9,589	0	6,288
Retiree Medical Benefits Fund	3,386,206	3,386,206	0	0	0
Maintenance Accrual Fund	3,019,450	3,019,450	0	0	0
Conservation Incentive Rate Fund	0	0	0	0	0
Operating Reserve Fund	60,000	0	0	0	60,000
Total Cash	\$14,487,820	\$12,065,060	\$1,651,267	\$465,531	\$305,962
Gain/(Loss) on MV of Investments	8,092	8,092	0	0	0
Market Value of Cash & Investments	\$14,495,911	\$12,073,151	\$1,651,267	\$465,531	\$305,962
Current Assets					
Net Receivables - Consumers	\$1,649,768	\$1,423,422	\$68,114	\$120,859	\$37,373
Accounts Receivable - Other	931,035	171,288	57,189	655,842	46,716
Prepaid Expense	34,660	33,065	0	0	1,595
Reimbursable Small Jobs	41,188	41,188	0	0	0
Interest Receivable	24,405	20,397	4,008	0	0
Inventories	560,578	560,578	0	0	0
Deposits Receivable	23,600	23,600	0	0	0
Total Current Assets	\$3,265,234	\$2,273,538	\$129,310	\$776,702	\$85,684

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING MARCH 31, 2015**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Loans Receivable					
Employee Loans (Note 3)	\$1,359,866	\$1,359,866	\$0	\$0	\$0
Due From Other Funds (Note 9)	0	0	0	0	0
Other Long Term Receivables	1,936,194	0	1,936,194	0	0
Loans Receivable	\$3,296,060	\$1,359,866	\$1,936,194	\$0	\$0
Property and Plant					
Land & Land Rights	\$1,473,091	\$1,368,872	\$0	\$103,411	\$808
Dam, Lake, & Source Facilities	5,632,131	5,139,718	0	492,412	0
Treatment Facilities	21,060,233	17,561,535	2,666,198	319,913	512,587
Storage Facilities	18,872,517	16,466,506	519,014	1,886,996	0
Transmission Facilities	5,489,830	5,367,506	0	122,324	0
Distribution Facilities	79,124,119	57,664,383	17,248,670	4,211,065	0
Sewer Mains, Pumps, & Laterals	1,154,525	0	0	0	1,154,525
Sub-Total	\$132,806,445	\$103,568,521	\$20,433,881	\$7,136,122	\$1,667,921
Less Accumulated Depreciation (Note 4)	(43,367,819)	(37,624,237)	(1,746,434)	(3,129,021)	(868,126)
Net Property and Plant	\$89,438,627	\$65,944,284	\$18,687,448	\$4,007,100	\$799,795
Buildings and Equipment (Note 5)					
Buildings	\$2,485,107	\$2,485,107	\$0	\$0	\$0
Office Equipment	683,142	683,142	0	0	0
Laboratory Equipment	299,383	299,383	0	0	0
Trucks & Automobiles	1,164,761	1,164,761	0	0	0
Construction Equipment	776,935	776,935	0	0	0
Tools, Shop Equipment	215,148	215,148	0	0	0
Sub-Total	\$5,624,476	\$5,624,476	\$0	\$0	\$0
Less Accumulated Depreciation (Note 4)	(3,592,437)	(3,592,437)	0	0	0
Net Buildings and Equipment	\$2,032,039	\$2,032,039	\$0	\$0	\$0
Construction In Progress					
Developer	\$397,561	\$375,645	\$0	\$21,916	\$0
District	17,093,192	15,165,432	141,347	1,743,668	42,744
Total Construction in Progress	\$17,490,752	\$15,541,077	\$141,347	\$1,765,584	\$42,744
Net Utility Plant	\$108,961,418	\$83,517,400	\$18,828,795	\$5,772,684	\$842,539
TOTAL ASSETS	\$130,018,624	\$99,223,955	\$22,545,566	\$7,014,917	\$1,234,185

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING MARCH 31, 2015**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
LIABILITIES AND NET ASSETS					
Current Liabilities					
Trade Accounts Payable	\$1,517,768	\$1,484,762	\$32,621	\$0	\$386
Reimbursement Prog. Unclaimed Funds	3,140	3,140	0	0	0
Bond Debt Principal Payable-Current	20,000	0	0	20,000	0
Loan Debt Principal Payable-Current	1,365,587	760,433	602,789	2,364	0
Bank of Marin Principal Payable-Current	319,888	278,942	0	40,946	0
Bond/Loan Debt Interest Payable-Current	3,070	1,878	0	1,192	0
Accrued Interest Payable-SRF Loan	224,772	76,340	148,432	0	0
Deposits/Performance Bonds	133,953	114,453	0	17,500	2,000
Unemployment Insurance Reserve (Note 7)	26,130	26,130	0	0	0
Workers' Comp Future Claims Payable	75,599	70,546	1,895	2,297	861
Payroll Benefits (Note 8)	856,770	794,622	22,306	28,978	10,864
Due To Other Funds (Note 9)	0	0	0	0	0
Deferred Revenue	46,716	0	0	0	46,716
Total Current Liabilities	\$4,593,392	\$3,611,247	\$808,042	\$113,276	\$60,827
Restricted Liabilities					
Construction Advances	\$2,198,273	\$2,187,578	\$0	\$10,695	\$0
Total Restricted Liabilities	\$2,198,273	\$2,187,578	\$0	\$10,695	\$0
Long Term Liabilities (Note 6)					
Bonds Outstanding - PR6 (FmHA)	\$66,000	\$0	\$0	\$66,000	\$0
Bonds Outstanding - PRE1 (FmHA)	50,000	0	0	50,000	0
Drought Loan (EDA)	38,816	34,373	0	4,443	0
STP Rehab SRF Loan	11,991,187	11,991,187	0	0	0
RWF SRF Loan	2,821,188	0	2,821,188	0	0
RWS North/South Expansion SRF Loan	8,528,836	0	8,528,836	0	0
Bank of Marin Loan	6,669,596	5,815,821	0	853,776	0
Retiree Health Benefits Payable	751,647	751,647	0	0	0
Total Long Term Liabilities	\$30,917,271	\$18,593,028	\$11,350,024	\$974,219	\$0
TOTAL LIABILITIES	\$37,708,936	\$24,391,853	\$12,158,066	\$1,098,190	\$60,827

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING MARCH 31, 2015**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Net Assets					
Invested in Capital Assets					
Contributions in Aid of Construction	\$69,922,513	\$63,024,584	\$4,104,370	\$2,118,883	\$674,676
Grants in Aid of Construction	6,965,580	211,391	3,926,970	2,827,219	0
Connection Fees (Note 14)	31,058,697	25,103,554	4,305,068	1,173,180	476,895
Total Investment	\$107,946,790	\$88,339,529	\$12,336,409	\$6,119,282	\$1,151,570
Restricted Reserves					
Connection Fee Fund	(\$2,857,203)	(\$3,019,364)	\$0	\$180,276	(\$18,115)
Wohler Pipeline Financing Fund	397,379	397,379	0	0	0
Collector #6 Financing Fund	1,562,395	1,562,395	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	3,030,785	2,384,866	0	645,919	0
Deer Island RWF Replacement Fund	673,633	0	673,633	0	0
Capital Replacement & Expansion Fund	267,588	0	267,588	0	0
RWS North/South SRF Payment Fund	614,299	0	614,299	0	0
Designated Reserves					
Liability Contingency Fund	304,700	205,815	0	98,885	0
Maintenance Accrual Fund	4,090,681	4,090,681	0	0	0
Self-Insured Workers' Compensation Fund	490,222	461,229	7,695	15,871	5,427
Retiree Medical Benefits Fund	2,634,550	2,634,550	0	0	0
Conservation Incentive Rate Fund	42,273	0	0	42,273	0
Operating Reserve Fund	60,000	0	0	0	60,000
Earned Surplus - Prior Yrs	(30,850,639)	(26,630,908)	(2,861,804)	(1,307,521)	(50,407)
Net Income/(Loss)	486,431	670,633	(292,448)	82,624	25,622
Transfer (To)/From Reserves (see below)	3,385,804	3,735,298	(357,872)	9,118	(739)
Total Restricted & Designated	(\$15,637,102)	(\$13,507,426)	(\$1,948,909)	(\$202,555)	\$21,788
TOTAL NET POSITION	\$92,309,688	\$74,832,103	\$10,387,499	\$5,916,727	\$1,173,358
Transfer (To)/From Reserves					
Connection Fee	1,539,513	1,540,017	0	(505)	0
MMWD Wheeling Charge Capital Contribution	0	0	0	0	0
Maintenance Reserve	(75,000)	(75,000)	0	0	0
RWF Replacement Fund	(88,685)	0	(88,685)	0	0
Capital Replacement & Expansion Fund	(267,588)	0	(267,588)	0	0
Retiree Medical Insurance Fund	(17,481)	(17,481)	0	0	0
(Gain)/Loss Self-Insured WC Fund	(64,831)	(60,597)	(1,600)	(1,896)	(739)
Bank of Marin Project Fund	2,044,349	2,045,773	0	(1,424)	0
Conservation Incentive Rate Fund	13,169	0	0	13,169	0
Total Transfer	\$3,385,803.73	\$3,735,297.51	(\$357,872.38)	\$9,117.50	(\$738.90)

**NORTH MARIN WATER DISTRICT
SOURCES AND USES OF FUNDS STATEMENT - ALL SERVICE AREAS COMBINED
FOR PERIOD ENDING MARCH 31, 2015**

	YTD Actual	Annual Budget	YTD/ Budget %	Prior YTD Actual
OPERATING REVENUE				
Water Sales	\$9,566,697	\$14,410,000	66%	\$11,289,192
Bimonthly Service Charge	3,234,544	4,316,000	75%	3,230,479
Sewer Service Charge	140,148	187,000	75%	133,315
Wheeling & Misc Service Charges	277,341	385,000	72%	822,082
TOTAL OPERATING REVENUE	\$13,218,730	\$19,298,000	68%	\$15,475,068
OPERATING EXPENDITURES				
Source of Supply	\$3,751,679	\$4,879,000	77%	\$4,671,894
Pumping	252,710	411,000	61%	277,395
Operations	550,744	620,000	89%	580,822
Water Treatment	1,239,580	2,042,000	61%	1,510,700
Sewer Service	87,824	149,000	59%	100,603
Transmission & Distribution	2,063,945	2,816,000	73%	1,804,751
Consumer Accounting	430,476	589,000	73%	429,750
Water Conservation	289,576	467,000	62%	266,121
General & Administrative	1,284,781	1,799,000	71%	993,932
Depreciation Expense	2,407,372	3,146,000	77%	2,200,530
TOTAL OPERATING EXPENDITURES	\$12,358,685	\$16,918,000	73%	\$12,836,499
NET OPERATING INCOME (LOSS)	\$860,045	\$2,380,000	36%	\$2,638,570
NON-OPERATING REVENUE/(EXPENSE)				
Tax Proceeds	\$53,696	\$85,000	63%	\$50,785
Interest Revenue	93,976	98,000	96%	89,754
Miscellaneous Revenue	129,579	144,000	90%	92,671
Bond & Loan Interest Expense	(639,207)	(867,000)	74%	(678,832)
Miscellaneous Expense	(11,658)	(58,000)	20%	(35,225)
TOTAL NON-OP REVENUE/(EXPENSE)	(\$373,614)	(\$598,000)	62%	(\$480,847)
NET INCOME/(LOSS)	\$486,431	\$1,782,000	27%	\$2,157,723
OTHER SOURCES/(USES) OF FUNDS				
Add Depreciation Expense	\$2,407,372	\$3,146,000	77%	\$2,200,530
Connection Fees	791,600	1,319,000	60%	30,400
Loan Proceeds	0	0	-	3,351,997
Grant Proceeds	1,216,116	1,286,000	95%	1,355,062
Caltrans AEEP Capital Contribution	6,219,378	8,840,000	70%	741,537
StoneTree RWF Loan Principal	133,647	201,000	66%	130,485
MMWD AEEP Capital Contribution	245,000	245,000	100%	0
Capital Acquisition and Disposal (15 Gustafson)	0	0	-	(579,767)
Capital Equipment Expenditures	(111,029)	(198,000)	56%	(18,056)
Capital Improvement Projects	(12,313,646)	(19,304,000)	64%	(2,483,260)
Bond & Loan Principal Payments	(976,209)	(1,670,000)	58%	(923,133)
Change in Working Capital	1,601,242	0	-	1,433,768
TOTAL OTHER SOURCES/(USES)	(\$786,528)	(\$6,135,000)	13%	\$5,239,563
CASH INCREASE/(DECREASE)	(\$300,097)	(\$4,353,000)	7%	\$7,397,286

**NORTH MARIN WATER DISTRICT
INCOME STATEMENT AND CASH FLOW BY SERVICE AREA
FOR PERIOD ENDING MARCH 31, 2015**

SUMMARY INCOME STATEMENT		NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
	TOTAL				
Operating Revenue	\$13,218,730	\$12,060,593	\$470,412	\$547,436	\$140,288
Operating Expense	12,358,685	11,159,137	587,637	468,817	143,094
OPERATING INCOME/(LOSS)	\$860,045	\$901,456	(\$117,225)	\$78,620	(\$2,806)
Non-Operating Revenue/(Expense)	(\$373,614)	(\$230,823)	(\$175,223)	\$4,005	\$28,428
NET INCOME/(LOSS)	\$486,431	\$670,633	(\$292,448)	\$82,624	\$25,622
CAPITAL CONTRIBUTIONS					
SCWA Prop 84 Water Conserv Grant	\$19,542	\$19,542	\$0	\$0	\$0
SCWA UFR Water Conservation Grant	18,630	18,630	0	0	0
Developer In-Kind Contributions	247,289	230,612	0	16,677	0
Caltrans AEEP Capital Contribution	6,219,378	6,219,378	0	0	0
MMWD Capital Contribution	245,000	245,000	0	0	0
Connection Fees	791,600	753,600	0	22,800	15,200
FRC Transfer	0	(650,809)	650,809	0	0
Prop 50 Gallagher Well Pipeline Grant	1,177,944	0	0	1,177,944	0
CAPITAL CONTRIBUTIONS	\$8,719,383	\$6,835,953	\$650,809	\$1,217,421	\$15,200
CHANGE IN NET POSITION	\$9,205,814	\$7,506,586	\$358,360	\$1,300,045	\$40,822
Net Position July 1, 2014	83,103,874	67,325,517	10,029,139	4,616,682	1,132,537
Net Position March 31, 2015	<u>\$92,309,688</u>	<u>\$74,832,103</u>	<u>\$10,387,499</u>	<u>\$5,916,727</u>	<u>\$1,173,358</u>

CASH FLOW STATEMENT

Net Income/(Loss)	\$486,431	\$670,633	(\$292,448)	\$82,624	\$25,622
Add Depreciation	2,407,372	1,898,434	353,755	117,427	37,755
Cash Generated From Operations	\$2,893,803	\$2,569,067	\$61,307	\$200,052	\$63,377
Other Sources (Uses) of Funds					
Connection Fee Revenue	\$791,600	\$753,600	\$0	\$22,800	\$15,200
Loan Proceeds	0	0	0	0	0
Grant Proceeds	1,216,116	38,172	0	1,177,944	0
Capital Assets Acquisition	(12,424,675)	(11,018,589)	(137,323)	(1,245,674)	(23,089)
Caltrans AEEP Capital Contribution	6,219,378	6,219,378	0	0	0
StoneTree RWF Loan Principal Pmts	133,647	0	133,647	0	0
MMWD AEEP Capital Contribution	245,000	245,000	0	0	0
Principal Paid on Debt	(976,209)	(583,154)	(337,190)	(55,865)	0
Consumer Receivables Decr (Incr)	1,586,771	1,376,748	210,707	33,862	(34,546)
Construction Advances (Decr) Incr	889,623	878,928	0	10,695	0
Other Assets/Liabilities Decr (Incr)	(67,017)	479,449	41,857	(590,811)	2,488
Trade Accounts Payable (Decr) Incr	(808,135)	(782,874)	(24,900)	0	(361)
Connection Fee Transfer	0	(650,809)	650,809	0	0
Interdistrict Loan Due To (From)	0	0	0	0	0
Total Other Sources (Uses)	(\$3,193,900)	(\$3,044,150)	\$537,608	(\$647,049)	(\$40,310)
Net Cash Provided (Used)	(\$300,098)	(\$475,083)	\$598,915	(\$446,997)	\$23,067
MV Cash & Investments July 1, 2014	14,796,009	12,548,234	1,052,352	912,528	282,895
MV Cash & Investments Mar 31, 2015	<u>\$14,495,911</u>	<u>\$12,073,151</u>	<u>\$1,651,267</u>	<u>\$465,531</u>	<u>\$305,962</u>

NOVATO WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING MARCH 31, 2015

	MARCH 2015	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$863,639	\$8,766,597	67%	\$10,445,033
Bill Adjustments	(5,341)	(66,240)	59%	(80,954)
Bimonthly Service Charges	343,047	3,087,419	75%	3,084,408
Account Turn-on Charges	9,933	48,054	65%	57,228
New Account Charges	570	6,055	67%	6,840
Returned Check Charges	63	1,049	105%	951
Hydrant Meter Up/Down Charges	200	1,000	20%	3,220
Backflow Service Charges	11,237	96,670	78%	92,065
Lab Service-Outside Clients	569	39,555	90%	37,071
Wheeling Charges - MMWD	5,811	80,435	67%	352,748
Water Sales - MMWD	0	0	0%	267,269
Regulation 15 Forfeiture	0	0	0%	0
TOTAL OPERATING REVENUE	\$1,229,728	\$12,060,593	69%	\$14,265,879
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Supervision & Engineering	\$887	\$7,695	43%	\$6,526
Operating Expense - Source	1,455	7,816	71%	8,161
Maint/Monitoring of Dam	849	3,609	11%	10,468
Maint of Lake & Intakes	0	71	0%	8,692
Maint of Structures	0	0	0%	15
Maint of Watershed	178	6,974	29%	2,480
Water Quality Surveillance	150	7,148	55%	12,181
Fishery Maint	0	213	5%	110
Erosion Control	0	0	0%	13,939
Purchased Water	225,718	3,589,800	80%	4,211,972
Purchased Water-Resale MMWD	0	0	-	253,539
SOURCE OF SUPPLY	\$229,238	\$3,623,326	78%	\$4,528,085
PUMPING				
Operating Expense - Pumping	\$0	\$237	8%	\$0
Maint of Structures & Grounds	10,167	46,902	138%	34,908
Maint of Pumping Equipment	6,431	27,643	39%	23,855
Electric Power	12,181	157,090	61%	193,707
PUMPING	\$28,779	\$231,872	64%	\$252,469
OPERATIONS				
Supervision & Engineering	\$26,971	\$177,792	110%	\$161,379
Operating Expense - Operations	16,012	186,349	86%	195,124
Maintenance Expense	778	11,819	14%	71,456
Telemetry Equipment/Controls Maint	12,819	62,219	97%	44,189
Leased Lines	1,498	12,913	72%	13,179
OPERATIONS	\$58,079	\$451,092	83%	\$485,326

NOVATO WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING MARCH 31, 2015

	MARCH 2015	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER TREATMENT				
Supervision & Engineering	\$9,649	\$93,579	100%	\$86,877
Operating Expense - Water Treatment	35,036	186,946	71%	210,586
Purification Chemicals	33,197	82,435	19%	286,911
Sludge Disposal	5,998	45,810	54%	53,012
Maint of Structures & Grounds	3,321	56,813	69%	51,558
Maint of Purification Equipment	9,590	79,557	61%	117,690
Electric Power	12,424	80,742	61%	84,714
Water Quality Programs	11,587	83,680	91%	80,399
Laboratory Direct Labor	34,337	262,903	77%	256,200
Lab Service-Outside Clients	5,204	41,548	65%	38,046
Water Quality Supervision	8,403	54,636	78%	57,394
Laboratory Supplies & Expense	3,808	46,112	65%	44,648
Customer Water Quality	2,729	31,308	50%	33,964
Lab Cost Distributed	(2,389)	(18,878)	90%	(15,347)
WATER TREATMENT	\$172,893	\$1,127,189	60%	\$1,386,652
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$63,186	\$425,303	73%	\$355,625
Maps & Records	7,684	69,086	55%	52,333
Operation of T&D System	6,043	55,435	32%	112,565
Facilities Location	5,841	72,015	118%	80,247
Safety: Construction & Engineering	11,894	39,994	69%	36,129
Customer Service Expense	13,123	101,792	63%	118,623
Flushing	12,270	45,699	91%	53,098
Storage Facilities Expense	6,441	108,594	92%	76,729
Cathodic Protection	0	4,527	20%	11,937
Maint of Valves/Regulators	26,053	130,242	64%	77,383
Maint of Mains	4,494	107,972	98%	44,216
Leak Detection - Mains	2,612	12,201	-	0
Backflow Prevention Program	12,132	117,683	113%	87,897
Maint of Copper Services	22,490	152,292	80%	114,295
Maint of PB Service Lines	31,907	330,714	76%	328,445
Single Service Installations	0	12,345	-	(22,990)
Maint of Meters	6,150	73,685	57%	72,743
Detector Check Assembly Maint	0	65,213	152%	47,877
Maint of Hydrants	4,660	18,611	18%	17,514
TRANSMISSION & DISTRIBUTION	\$236,979	\$1,943,402	73%	\$1,664,666
CONSUMER ACCOUNTING				
Meter Reading	\$12,198	\$100,944	63%	\$113,778
Collection Expense - Labor	2,836	17,401	54%	21,216
Collection Expense - Agency	227	1,701	57%	2,046
Billing & Consumer Accounting	25,006	195,028	78%	186,054
Contract Billing	1,353	12,768	67%	13,205
Stationery, Supplies & Postage	4,406	44,316	82%	44,488
Credit Card Fees	1,627	18,254	122%	10,572
Lock Box Service	912	7,296	81%	0
Uncollectable Accounts	1,275	11,377	63%	13,431
Office Equipment Expense	2,355	13,219	88%	18,371
Distributed to West Marin (4.1%)	(1,487)	(12,095)	76%	(11,068)
CONSUMER ACCOUNTING	\$50,709	\$410,208	73%	\$412,094

**NOVATO WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING MARCH 31, 2015**

	<u>MARCH 2015</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
WATER CONSERVATION				
Residential	\$23,555	\$239,542	71%	\$210,588
Commercial	386	3,713	15%	1,351
Public Outreach/Information	1,999	21,928	41%	37,385
Large Landscape	1,452	8,136	27%	10,870
TOTAL WATER CONSERVATION	\$27,392	\$273,319	61%	\$260,194
GENERAL AND ADMINISTRATIVE				
Directors Fees	\$2,460	\$21,995	73%	\$16,300
Legal Fees	1,150	7,335	61%	16,016
Human Resources	3,928	20,885	67%	21,716
Auditing Fees	0	18,380	102%	20,490
Consulting Services/Studies	166	31,035	16%	0
General Office Salaries	111,206	869,948	71%	870,701
Safety: General District Wide	4,451	9,637	57%	11,771
Office Supplies	3,574	19,027	37%	23,834
Employee Events	185	6,992	58%	6,799
Other Administrative Expense	1,205	9,802	61%	9,732
Election Cost	0	0	-	250
Dues & Subscriptions	115	49,647	92%	47,827
Vehicle Expense	676	6,084	76%	6,084
Meetings, Conferences & Training	11,636	102,213	59%	95,109
Recruitment Expense	0	126	6%	243
Gas & Electricity	2,158	21,551	77%	22,845
Telephone	498	4,839	97%	1,827
Water	0	1,189	59%	1,280
Buildings & Grounds Maint	3,276	38,831	78%	25,098
Office Equipment Expense	8,403	78,235	77%	66,684
Insurance Premiums & Claims	6,796	64,564	61%	54,223
Retiree Medical Benefits	15,252	130,983	84%	122,925
(Gain)/Loss on Overhead Charges	(70,143)	29,458	-23%	(176,022)
G&A Applied to Other Operations (5.9%)	(10,477)	(82,712)	69%	(57,919)
G&A Applied to Construction	(36,929)	(259,749)	71%	(273,437)
GENERAL & ADMINISTRATIVE	\$59,586	\$1,200,295	72%	\$934,375
Depreciation (Note 4)	210,236	1,898,434	76%	1,831,376
TOTAL OPERATING EXPENSE	\$1,073,892	\$11,159,137	73%	\$11,755,236
OPERATING INCOME/(LOSS)	\$155,836	\$901,456	39%	\$2,510,642

NOVATO WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING MARCH 31, 2015

	MARCH 2015	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest:				
General Funds	\$0	\$0	0%	\$0
Wohler Pipeline Financing Fund	409	2,054	205%	1,652
Collector #6 Financing Fund	1,608	8,076	162%	6,489
MMWD Aqueduct Replacement Fund	0	0	-	2
Retiree Medical Insurance Fund	3,478	17,300	144%	13,456
Self-Insured Workers' Comp Fund	541	2,364	236%	1,053
Aqueduct Energy Efficiency Proj Fund	2,607	18,386	263%	21,838
Funds Held in County Treasury	0	467	23%	0
Recycled Water Advance (Note 10)	0	0	-	24,963
West Marin Water Advance (Note 10)	135	245	-	0
Total Interest Revenue	\$8,778	\$48,891	119%	\$69,453
Rents & Leases	3,916	73,467	76%	65,314
Other Non-Operating Revenue	20,752	52,537	122%	13,064
Gain/(Loss) on MV of Investments	2,155	(1,226)	-	9,737
NON-OPERATING REVENUE	\$35,601	\$173,670	96%	\$157,568
NON-OPERATING EXPENSE				
Bank of Marin AEEP Loan Interest Exp	\$17,433	\$159,205	72%	\$165,997
STP SRF Loan Interest Expense	25,852	232,902	74%	247,947
Drought Loan Interest Expense	209	1,878	63%	2,446
Other Non-Operating Expense	77	10,508	53%	5,187
NON-OPERATING EXPENSE	\$43,570	\$404,493	72%	\$421,577
NET INCOME/(LOSS)	\$147,866	\$670,633	35%	\$2,246,634

BEGINNING FUND EQUITY		\$67,325,517		\$65,344,830
NET INCOME/(LOSS)	147,866	670,633		2,246,634
CONTRIBUTED CAPITAL				
SCWA Prop 84 Water Conservation Grant	0	19,542	-	49,362
SCWA UFR Water Conservation Grant	12,650	18,630		0
Developer 'In-Kind' Contributions	40,177	230,612	-	354,462
Caltrans AEEP Capital Contribution	(203,145)	6,219,378	-	0
MMWD AEEP Capital Contribution	0	245,000	100%	0
Connection Fees	0	753,600	88%	0
FRC Transfer to Recycled Water	(12,385)	(650,809)	121%	(1,371,653)
ENDING FUND EQUITY		\$74,832,103		\$66,623,634

**NOVATO RECYCLED WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING MARCH 31, 2015**

	MARCH 2015	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Recycled Water Sales	\$29,140	\$448,482	65%	\$446,884
Bimonthly Service Charges	2,623	21,921	78%	20,070
Account Turn-on Charges	0	0	-	12
Returned Check Charges	0	9	1%	0
Water Load Permits	0	0	-	105
Backflow Service Charges	0	0	-	336
TOTAL OPERATING REVENUE	\$31,763	\$470,412	66%	\$467,407
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Purchased Water - NSD	\$16,057	\$55,619	44%	\$68,350
Purchased Water - LGVSD	3,093	55,741	72%	55,129
SOURCE OF SUPPLY	\$19,149	\$111,360	55%	\$123,479
PUMPING				
Maint of Structures & Grounds	\$0	\$91	9%	\$0
Maint of Pumping Equipment	1,122	2,017	67%	747
Electric Power	20	1,680	56%	1,488
PUMPING	\$1,142	\$3,788	54%	\$2,235
OPERATIONS				
Supervision & Engineering	\$1,347	\$5,487	50%	\$6,236
Operating Expense - Operations	669	4,730	118%	5,288
Potable Water Consumed	35	34,690	347%	38,551
Maintenance Expense	0	0	0%	55
Telemetry Equipment/Controls Maint	456	5,644	63%	6,154
OPERATIONS	\$2,507	\$50,551	130%	\$56,284
WATER TREATMENT				
Purification Chemicals	\$0	\$0	0%	\$2,660
Maint of Structures & Grounds	0	297	-	0
Maint of Purification Equipment	0	1,748	29%	6,867
Electric Power	0	0	0%	0
Laboratory Direct Labor	0	1,067	21%	106
Lab Expense Distributed from Novato	(5)	638	21%	66
WATER TREATMENT	(\$5)	\$3,750	19%	\$9,698
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$1,590	\$5,219	43%	\$4,149
Maps & Records	328	1,307	-	0
Operation of T&D System	0	64	6%	365
Cathodic Protection	0	0	0%	0
Storage Facilities Expense	534	5,120	171%	5,089
Maint of Valves/Regulators	0	801	40%	2,640
Backflow Prevention Program	0	0	0%	0
Maint of Meters	0	537	54%	1,162
Maint of Mains	1,020	19,789	-	3,952
TRANSMISSION & DISTRIBUTION	\$3,471	\$32,837	109%	\$17,357

**NOVATO RECYCLED WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING MARCH 31, 2015**

	MARCH 2015	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
CONSUMER ACCOUNTING				
Distributed from Novato (3.6%)	\$71	\$579	58%	\$0
CONSUMER ACCOUNTING	\$71	\$579	58%	\$0
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (1.6%)	\$3,929	\$31,017	69%	\$16,270
GENERAL & ADMINISTRATIVE	\$3,929	\$31,017	69%	\$16,270
Depreciation (Note 4)	39,306	353,755	83%	210,718
TOTAL OPERATING EXPENSE	\$69,571	\$587,637	76%	\$436,041
OPERATING INCOME/(LOSS)	<u>(\$37,808)</u>	<u>(\$117,225)</u>	202%	<u>\$31,366</u>
NON-OPERATING REVENUE				
Interest:				
General Funds	\$393	\$415	10%	\$256
RWF Replacement Fund	683	2,435	-	127
Capital Repl & Exp Fund	(60)	188	-	0
Self-Insured Workers' Comp Fund	10	35	-	4
StoneTree RWF Loan	4,008	37,409	76%	40,970
Total Interest Revenue	\$5,034	\$40,480	76%	\$41,357
Other Non-Operating Revenue	0	284	-	0
NON-OPERATING REVENUE	\$5,034	\$40,764	77%	\$41,357
NON-OPERATING EXPENSE				
RWF SRF Loan Interest Expense	\$6,166	\$54,500	75%	\$58,034
Expansion SRF Loan Interest Expense	17,698	161,487	75%	173,238
Other Non-Operating Expense	0	0	0%	0
Interest-Advance from Novato (Note 10)	0	0	-	24,963
NON-OPERATING EXPENSE	\$23,864	\$215,987	73%	\$256,235
NET INCOME/(LOSS)	<u>(\$56,638)</u>	<u>(\$292,448)</u>	97%	<u>(\$183,511)</u>
BEGINNING FUND EQUITY		\$10,029,139		\$9,707,718
NET INCOME/(LOSS)	(56,638)	(292,448)		(183,511)
State Prop 50 Grant	0	0	-	1,971
Water Smart Grant	0	0	-	138,073
FRC Transfer from Novato	12,385	650,809	88%	1,371,653
ENDING FUND EQUITY		<u>\$10,387,499</u>		<u>\$11,035,904</u>

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING MARCH 31, 2015**

	MARCH 2015	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$43,297	\$436,750	66%	\$493,449
Bill Adjustments	(1,547)	(18,892)	-	(15,220)
Bimonthly Service Charges	13,911	125,203	75%	126,000
Account Turn-on Charges	0	647	72%	697
New Account Charges	0	145	73%	140
Returned Check Charges	0	36	-	27
Backflow Service Charges	13	3,548	72%	3,234
TOTAL OPERATING REVENUE	\$55,674	\$547,436	66%	\$608,327
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Operating Expense	\$330	\$2,650	24%	\$6,012
Operating Supplies & Expense	0	0	-	111
Maint of Structures	0	7,525	84%	14,208
Water Quality Surveillance	167	167	17%	0
Purchased Water - MMWD	0	6,651	18%	0
SOURCE OF SUPPLY	\$497	\$16,993	29%	\$20,331
PUMPING				
Operating Labor	\$0	\$0	0%	\$0
Maint of Structures and Grounds	0	6,618	60%	3,212
Maint of Pumping Equip	18	912	8%	7,191
Electric Power	897	9,520	63%	12,287
PUMPING	\$915	\$17,050	44%	\$22,691
OPERATIONS				
Supervision & Engineering	\$1,020	\$4,465	74%	\$3,568
Operating Expense	3,506	25,766	215%	22,758
Maint of Telemetry Equipment	530	14,978	100%	8,574
Leased Lines	748	3,892	65%	4,313
OPERATIONS	\$5,803	\$49,101	126%	\$39,212
WATER TREATMENT				
Supervision & Engineering	\$497	\$1,467	21%	\$5,381
Operating Expense	702	20,231	126%	17,503
Purification Chemicals	359	1,813	36%	1,342
Maint of Structures & Grounds	0	2,350	235%	2,071
Maint of Purification Equipment	522	5,421	32%	21,843
Electric Power	1,540	17,839	66%	19,048
Laboratory Direct Labor	3,202	27,340	94%	24,542
Laboratory Services	4,517	7,750	194%	2,279
Water Quality Supervision	0	3,610	90%	2,385
Customer Water Quality	192	4,472	89%	2,729
Lab Expense Distributed from Novato	1,941	16,348	102%	15,226
WATER TREATMENT	\$13,471	\$108,641	83%	\$114,350

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING MARCH 31, 2015**

	MARCH 2015	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$976	\$10,073	72%	\$9,018
Maps & Records	0	2,756	92%	3,945
Operating Expense	0	0	-	21
Facilities Location - USA	218	2,023	67%	1,395
Customer Service Expense	1,855	13,200	82%	10,762
Flushing	6,956	6,956	99%	8,274
Storage Facilities Expense	222	10,784	54%	17,692
Cathodic Protection	0	383	8%	1,752
Maint of Valves	2,336	3,165	63%	10,687
Valve Operation Program	0	0	0%	3,083
Maint of Mains	0	1,710	34%	5,808
Water Quality Maintenance	0	0	-	85
Maint of Backflow Devices	0	484	48%	531
Backflow Dev Inspection/Survey	0	66	1%	2,021
Maint of Copper Services	0	4,549	114%	9,091
Maint of PB Service Lines	1,561	24,925	227%	28,091
Maint of Meters	103	338	17%	3,095
Detector Check Assembly Maint	0	2,290	229%	260
Maint of Hydrants	0	0	0%	4,503
Hydrant Operation	0	0	0%	2,616
Single Service Installation	0	4,005	-	0
TRANSMISSION & DISTRIBUTION	\$14,226	\$87,706	79%	\$122,728
CONSUMER ACCOUNTING				
Meter Reading	\$598	\$6,286	52%	\$5,151
Collection Expense - Labor	89	868	43%	851
Uncollectable Accounts	0	676	-	247
Distributed from Novato (3.6%)	1,252	10,215	79%	9,781
CONSUMER ACCOUNTING	\$1,939	\$18,045	67%	\$16,030
WATER CONSERVATION				
Water Conservation Program	\$852	\$16,257	74%	\$5,927
TOTAL WATER CONSERVATION	\$852	\$16,257	74%	\$5,927
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (3.2%)	\$4,762	\$37,596	68%	\$31,450
GENERAL & ADMINISTRATIVE	\$4,762	\$37,596	68%	\$31,450
Depreciation (Note 4)	13,044	117,427	73%	115,677
TOTAL OPERATING EXPENSE	\$55,510	\$468,817	73%	\$488,396
OPERATING INCOME/(LOSS)	\$164	\$78,620	42%	\$119,931

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING MARCH 31, 2015**

	MARCH 2015	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest - General Funds	\$31	\$156	-	\$154
Interest - FRC	0	732	73%	644
Interest - Bank of Marin Project Fund	0	2,317	116%	2,212
Interest - CIR Fund	0	248	-	0
Rents & Leases	0	3,941	99%	4,035
Tax Proceeds - OL-2 G.O. Bond	0	661	-	1,691
Tax Proceeds - PR-2 Tax Allocation	92	25,674	63%	23,766
Other Non-Operating Revenue	0	75	-	20
NON-OPERATING REVENUE	\$123	\$33,804	70%	\$32,522
NON-OPERATING EXPENSE				
Bank of Marin Loan Interest Expense	\$2,559	\$23,370	73%	\$24,367
OL-2 G.O. Bond Interest Expense	0	99	-	240
PRE-1 Revenue Bond Interest Exp	300	2,700	75%	3,075
PR-6 Revenue Bond Interest Exp	313	2,813	72%	3,150
Drought Loan Interest Expense	28	254	64%	338
Interest-Advance from Novato (Note 10)	135	245	-	0
Master Plan Update	0	0	-	14,592
Other Non-Operating Expense	0	320	-	14,964
NON-OPERATING EXPENSE	\$3,335	\$29,799	75%	\$60,725
NET INCOME/(LOSS)	(\$3,048)	\$82,624	42%	\$91,728
BEGINNING FUND EQUITY		\$4,616,682		\$4,591,845
NET INCOME/(LOSS)	(3,048)	82,624		91,728
CONTRIBUTED CAPITAL				
Prop 50 Gallagher Well Pipeline Grant	0	1,177,944	-	201,952
Developer 'In-Kind' Contributions	1,486	16,677	-	5,239
Connection Fees	0	22,800	99%	0
ENDING FUND EQUITY		\$5,916,727		\$4,890,764

**OCEANA MARIN SEWER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING MARCH 31, 2015**

	MARCH 2015	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Sewer Service Charges	\$15,572	\$140,148	75%	\$133,315
Inspection Fees	0	140	-	140
TOTAL OPERATING REVENUE	\$15,572	\$140,288	75%	\$133,455
OPERATING EXPENSE				
SEWAGE COLLECTION				
Supervision & Engineering	\$1,264	\$7,686	40%	\$8,502
Inspection	0	244	-	988
Maps & Records	0	14	-	77
Operating Expense	793	4,255	106%	2,161
Facilities Location	347	1,353	135%	1,031
Maint of Telemetry Equipment	1,408	5,410	-	0
Sewer Service Installation	(95)	0	-	0
Maint of Lift Stations	991	1,475	11%	5,450
Maint of Manholes	0	0	0%	0
Maint of Sewer Mains	0	0	0%	0
Electric Power	641	6,761	75%	6,291
SEWAGE COLLECTION	\$5,348	\$27,198	49%	\$24,498
SEWAGE TREATMENT				
Operating Expense	\$2,912	\$31,884	159%	\$15,815
Treatment Supplies & Expense	0	0	0%	0
Maint of Structures	0	9	0%	9
Maint of Equipment	992	2,025	10%	1,568
Laboratory Direct Labor	773	3,164	63%	89
Lab Expense Distributed from Novato	452	1,892	95%	55
Electric Power	793	5,045	72%	7,291
SEWAGE TREATMENT	\$5,922	\$44,019	70%	\$24,827
SEWAGE DISPOSAL				
Operating Expense	\$1,003	\$11,400	380%	\$1,940
Maint of Pump Stations	0	961	12%	1,535
Maint of Storage Ponds	250	494	4%	0
Maint of Irrigation Field	340	3,750	63%	0
SEWAGE DISPOSAL	\$1,593	\$16,606	54%	\$3,475
CONTRACT OPERATIONS				
Contract Operations	\$0	\$0	-	\$47,803
CONTRACT OPERATIONS	\$0	\$0	-	\$47,803
CONSUMER ACCOUNTING				
Collection Expense - County of Marin	\$0	\$342	-	\$341
Distributed from Novato (0.5%)	164	1,301	65%	1,287
CONSUMER ACCOUNTING	\$164	\$1,643	82%	\$1,627
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (1.0%)	\$1,786	\$14,099	70%	\$10,198
Liability Insurance	177	1,774	59%	1,638
GENERAL AND ADMINISTRATIVE	\$1,963	\$15,873	69%	\$11,836
Depreciation (Note 4)	4,035	37,755	65%	42,759
TOTAL OPERATING EXPENSE	\$19,025	\$143,094	62%	\$156,825
OPERATING INCOME/(LOSS)	(\$3,453)	(\$2,806)	6%	(\$23,370)

**OCEANA MARIN SEWER
DETAIL INCOME STATEMENT
FOR PERIOD ENDING MARCH 31, 2015**

	<u>MARCH</u> <u>2015</u>	<u>YEAR TO DATE</u> <u>ACTUAL</u>	<u>YTD/</u> <u>BUDGET%</u>	<u>PRIOR YTD</u> <u>ACTUAL</u>
<u>NON-OPERATING REVENUE</u>				
Rents & Leases	\$0	\$500	-	\$500
Interest - General Funds	323	1,369	137%	883
Interest - Self Insured WC Fund	7	28	-	14
Tax Proceeds - OM-1/OM-3 Tax Alloc	97	27,361	62%	25,328
NON-OPERATING REVENUE	\$428	\$29,258	65%	\$26,724
<u>NON-OPERATING EXPENSE</u>				
Master Plan Update	\$124	\$487	2%	\$0
Other Non-Operating Expense	0	343	-	483
NON-OPERATING EXPENSE	\$124	\$830	3%	\$483
NET INCOME/(LOSS)	(\$3,149)	\$25,622	(85%)	\$2,872
BEGINNING FUND EQUITY		\$1,132,537		\$1,101,988
NET INCOME/(LOSS)	(3,149)	25,622		2,872
CONTRIBUTED CAPITAL				
Connection Fees	0	15,200	101%	30,400
ENDING FUND EQUITY		\$1,173,358		\$1,135,260

**NORTH MARIN WATER DISTRICT
ANALYSIS OF WORKER'S COMP, CONNECTION FEE AND CIR FUNDS
FOR PERIOD ENDING MARCH 31, 2015**

		NOVATO	WEST MARIN	OCEANA	RECYCLED
	TOTAL	WATER	WATER	MARIN SEWER	WATER
<u>WORKERS' COMPENSATION FUND</u>					
WC Cash Balance 7/1/14	\$450,347	\$424,124	\$14,770	\$4,946	\$6,507
Less: Projected Prior FY Claims Liability	24,956	23,492	795	258	411
Add: Funds borrowed to subsidize operations	0	0	0	0	0
WC Reserve Balance 7/1/14	\$425,391	\$400,632	\$13,975	\$4,688	\$6,096
Add: WC Expense Charged to Operations FYTD	152,792	142,580	4,642	1,740	3,829
Interest Earned	2,427	2,364	0	28	35
Subtotal	\$580,609	\$545,576	\$18,617	\$6,456	\$9,960
Less: Claims Expense Paid	50,408	47,040	1,531	574	1,263
Excess Insurance Premium	39,079	36,468	1,187	445	979
Administration Fees	9,000	8,399	273	103	226
Correction to Prior Year Balance	(8,100)	(7,559)	(246)	(92)	(203)
WC Reserve Balance 3/31/15	\$490,221	\$461,229	\$15,871	\$5,427	\$7,694
Add: Projected Claims Liability	75,599	70,547	2,297	861	1,895
Funds borrowed to subsidize operations	(18,168)	0	(18,168)	0	0
WC CASH BALANCE 3/31/15	<u>\$547,653</u>	<u>\$531,776</u>	<u>\$0</u>	<u>\$6,288</u>	<u>\$9,589</u>
<u>CONNECTION FEE FUND</u>					
Connection Fee Cash Balance 7/1/14	\$170,309	\$0	\$170,309	\$0	
Add: funds borrowed to subsidize operations	(2,576,836)	(2,554,488)	0	(22,348)	
Connection Fee Reserve Balance 7/1/14	(\$2,406,527)	(\$2,554,488)	\$170,309	(\$22,348)	
Add: Connection Fees Collected FYTD	791,600	753,600	22,800	15,200	
Interest Earned	732	0	732	0	
Subtotal	(\$1,614,195)	(\$1,800,888)	\$193,841	(\$7,148)	
Less: Fees Expended FYTD	592,200	567,669	13,565	10,967	
Fees transferred to RWS FYTD (Note 15)	650,809	650,809	0	0	
Connection Fee Reserve Balance 3/31/15	(\$2,857,205)	(\$3,019,366)	\$180,276	(\$18,115)	
Less: Funds borrowed to subsidize operations	(3,037,481)	(3,019,366)	0	(18,115)	
CONNECTION FEE CASH BALANCE 3/31/15	<u>\$180,276</u>	<u>\$0</u>	<u>\$180,276</u>	<u>\$0</u>	
<u>CONSERVATION INCENTIVE RATE FUND</u>					
CIR Cash Balance 7/1/14	\$55,442	\$0	\$55,442		
Add funds borrowed to subsidize operations	0	0	0		
CIR Reserve Balance 7/1/14	\$55,442	\$0	\$55,442		
Add: CIR Charges Billed FYTD	56,601	51,971	4,630		
Regulation 15 Forfeitures	0	0	0		
Interest Earned	248	0	248		
Subtotal	\$112,291	\$51,971	\$60,320		
Less: CIR Funds Expended FYTD ¹	43,723	28,318	15,405		
Bill Adjustments	26,295	23,653	2,641		
CIR Reserve Balance 3/31/15	\$42,274	\$0	\$42,273		
Less funds borrowed to subsidize operations	42,273	0	42,273		
CIR CASH BALANCE 3/31/15	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		

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

**NORTH MARIN WATER DISTRICT
EQUIPMENT EXPENDITURES
PERIOD ENDING MARCH 31, 2015**

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	MARCH 2015	FYTD TOTAL	FY 14/15 BUDGET	(OVER) UNDER	Notes
1 CONSTRUCTION					
a. 2" Mole for Services		\$0	\$6,000	\$6,000	1,2
b. Leak Calculator with 12 Data Loggers		17,143	12,000	(5,143)	
c. Hydraulic Power Grit Utility Saw		6,088	5,000	(1,088)	1
	\$0	\$23,231	\$23,000	(\$231)	
2 VEHICLE & ROLLING EQUIPMENT EXPENDITURES					
a. 4 X 4 Loader	\$0	\$84,700	\$89,000	\$4,300	1
b. Forklift		0	30,000	30,000	1
c. Ford F150 Pickup		0	28,000	28,000	1
d. Ford Escape		0	28,000	28,000	1
e. Radios for 3 New Trucks Purchased in FY14		3,098	0	(3,098)	1
	\$0	\$87,798	\$175,000	\$87,202	
TOTAL EQUIPMENT EXPENDITURES	\$0	\$111,029	\$198,000	\$86,971	

Notes:

(1) Replacement item.

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

**NORTH MARIN WATER DISTRICT
OVERHEAD ACCOUNT ANALYSIS
FOR PERIOD ENDING MARCH 31, 2015**

	YEAR TO DATE ACTUAL	ANNUAL BUDGET	YTD/ BUDGET%	PRIOR YTD ACTUAL
<u>Material Handling</u>				
Material Overhead Recovered (15%)	\$39,421	\$112,000	35%	\$37,532
Labor	\$47,960	\$99,000	48%	\$47,072
Materials, Supplies & Expense	8,946	9,000	99%	2,029
Correction to Inventory Counts	(11,902)	0	-	(2,738)
Write-down of Obsolete Inventory	26,622	0		0
Depreciation	2,497	4,000	62%	3,457
	<u>\$74,122</u>	<u>\$112,000</u>	66%	<u>\$49,820</u>
Net Material Handling Gain / (Loss)	<u>(\$34,702)</u>	<u>\$0</u>	-	<u>(\$12,288)</u>
<u>Construction Supplies</u>				
Const Supplies Overhead Recovered (10%)	\$168,874	\$310,000	54%	\$170,744
Labor	\$80,150	\$72,000	111%	\$55,958
Materials, Supplies & Expense	67,216	86,000	78%	55,412
Small Tools	16,363	19,000	86%	11,674
Depreciation	2,854	4,000	71%	3,357
	<u>\$166,583</u>	<u>\$181,000</u>	92%	<u>\$126,401</u>
Net Constr Supplies Gain / (Loss)	<u>\$2,291</u>	<u>\$129,000</u>	2%	<u>\$44,343</u>
<u>Vehicle & Equipment</u>				
Vehicle & Equipment Recovered ¹	\$288,421	\$340,000	85%	\$252,519
Labor	\$49,580	\$100,000	50%	\$58,225
Materials, Supplies & Expense	51,568	57,000	90%	45,270
Fuel	74,125	110,000	67%	83,297
Depreciation	88,064	153,000	58%	74,319
	<u>\$263,338</u>	<u>\$420,000</u>	63%	<u>\$261,111</u>
Net Vehicle & Equip Gain / (Loss)	<u>\$25,082</u>	<u>(\$80,000)</u>	-31%	<u>(\$8,592)</u>
<u>Payroll</u>				
Overheaded Payroll Recovered	\$5,178,588	\$7,177,000	72%	\$5,151,123
Salary Including Leave Time	\$3,428,689	\$4,699,000	73%	\$3,263,065
Employer FICA & Medicare Tax	259,113	350,000	74%	245,335
Insurance ²	773,504	1,107,000	70%	686,295
Retiree Medical	58,000	78,000	74%	56,563
CalPERS Retirement	627,697	840,000	75%	791,169
Unreconciled Difference	53,714			(43,861)
	<u>\$5,200,717</u>	<u>\$7,074,000</u>	74%	<u>\$4,998,566</u>
Net Payroll Gain / (Loss)	<u>(\$22,129)</u>	<u>\$103,000</u>	³	<u>\$152,557</u>
Total Overhead Gain / (Loss)	<u>(\$29,458)</u>	<u>\$152,000</u>	-19%	<u>\$176,020</u>

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

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

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

**NORTH MARIN WATER DISTRICT
EXPENDITURES BY CATEGORY
FOR PERIOD ENDING MARCH 31, 2015**

OPERATING EXPENSE		Novato	Recycled	West Marin	Oceana Marin	YTD Total	Annual Budget	YTD Budget %	Prior YTD Actual	% Change
1	Salaries & Benefits	\$4,085,596	\$36,056	\$163,306	\$43,771	\$4,328,728	\$6,012,000	72%	\$4,383,437	-1 %
2	Water Purchases	3,589,800	111,360	0.00	0.00	3,701,159	4,721,000	78%	4,588,990	-19 %
3	Depreciation	1,898,434	353,755	117,427	37,755	2,407,372	3,146,000	77%	2,200,530	9 %
4	Materials, Services & Supplies	937,200	48,189	72,308	27,222	1,084,919	1,530,000	71%	860,157	26 %
5	Chemicals	82,435	0	1,813	0	84,248	436,000	19%	290,913	-71 %
6	Electric Power	237,831	1,680	27,358	11,806	278,676	449,000	62%	324,826	-14 %
7	Tools & Supplies (Distrib)	137,298	2,120	9,413	2,876	151,708	172,000	94%	148,987	1 %
8	Vehicles and Equipment (Distrib)	183,833	2,243	13,032	2,491	201,599	242,000	83%	179,213	12 %
9	Consulting Services/Studies	31,035	0	0	0	31,035	232,000	13%	0	-
10	Retiree Medical Expenses	130,983	0	0	0	130,983	156,000	84%	122,925	6 %
11	Office Supplies & Postage	63,344	0	0	0	63,344	115,000	55%	78,894	-19 %
12	Insurance & Claims	64,564	0	0	1,774	66,338	109,000	61%	55,861	18 %
13	Water Conservation Rebates	60,760	0.00	0.00	0.00	60,760	94,000	65%	51,280	18 %
14	Overhead Charges (Gain)/Loss	29,458	0	0	0	29,458	(128,000)	-23%	(176,022)	-116 %
15	Distributed Costs (Lab,G&A,ConsAcctg)	(373,434)	32,234	64,160	15,399	(261,641)	(368,000)	71%	(273,492)	-4 %
16	Total Operating Expense	\$11,159,137	\$587,637	\$468,817	\$143,094	\$12,358,685	\$16,918,000	73%	\$12,836,499	-3 %
17	Interest Expense & Other*	404,493	215,987	29,799	343	650,623	925,000	70%	723,858	-10 %
24	Total Expense	\$11,563,630	\$803,625	\$498,616	\$143,437	\$13,009,308	\$17,843,000	73%	\$13,560,357	-4 %
<u>Warehouse, Shop & Yard</u>										
19	Salaries & Benefits	\$170,404	\$0	\$0	\$0	\$170,404	\$267,000	64%	\$159,813	6 %
20	Materials, Services & Supplies	326,017	0	0	0	326,017	292,000	112%	226,157	44 %
21	Distributed Costs	(496,421)	0	0	0	(496,421)	(559,000)	89%	(385,970)	28 %
22	Total W/H, Shop & Yard	\$0	\$0	\$0	\$0	\$0	\$0	-	\$0	-
<u>District Capital Outlay</u>										
23	Salaries & Benefits	\$358,719	\$68,409	\$127,105	\$9,103	\$563,336	\$785,000	72%	\$623,426	-9 %
24	Equipment Expenditures	111,029	0	0	0	111,029	198,000	56%	25,238	339 %
25	Debt Principal Payments	583,154	337,190	55,865	0	976,209	1,670,000	58%	904,437	7 %
26	Materials, Services & Supplies	10,553,131	68,914	1,118,569	13,986	11,754,601	18,519,000	63%	1,844,653	537 %
27	Total District Capital Outlay	\$11,606,033	\$474,512	\$1,301,539	\$23,089	\$13,405,173	\$21,172,000	63%	\$3,397,755	294 %
<u>Developer Funded Projects</u>										
28	Salaries & Benefits	\$111,570	\$0	\$7,747	\$0	\$119,317	\$203,000	59%	\$109,948	8 %
29	Materials, Services & Supplies	134,800	0	8,930	0	143,730	119,000	121%	149,070	-3 %
30	Total Developer Projects	\$246,370	\$0	\$16,677	\$0	\$263,047	\$322,000	82%	\$259,018	1 %
31	Total	\$23,416,033	\$1,278,137	\$1,816,832	\$166,527	\$26,677,529	\$39,337,000	68%	\$17,217,129	54 %

*Includes Interfund Interest

**NORTH MARIN WATER DISTRICT
VEHICLE FLEET ANALYSIS
FOR PERIOD ENDING MARCH 31, 2015**

Fiscal Year to Date								Vehicle Cost per Mile				
Year	Description	Veh#	Assigned	Mileage	Expense ¹	Recovery ²	Gain/(Loss)	Mileage	Life to Date	FYTD	FY14	FY13
1	1999 Dodge Ram 1500	32	Lab	2,203	\$920	\$1,133	\$212	77,105	\$0.45	\$0.42	\$0.66	\$0.54
2	2000 Dodge Dakota	40	Pool	2,732	\$1,521	\$1,381	(\$140)	115,015	\$0.48	\$0.56	\$0.63	\$0.41
3	2001 Dodge Ram 1500	41	LeBrun	3,167	\$2,029	\$1,512	(\$517)	124,847	\$0.54	\$0.64	\$0.76	\$0.49
4	2002 Chev K1500 4x4	47	Engineering	4,360	\$2,538	\$2,407	(\$131)	111,612	\$0.36	\$0.58	\$0.71	\$0.54
5	2003 Dodge Dakota 4x4	49	Stompe	3,775	\$1,545	\$1,563	\$19	86,104	\$0.42	\$0.41	\$0.60	\$3.08
6	2003 Chev C1500	51	FSR	4,423	\$2,709	\$3,883	\$1,174	117,529	\$0.39	\$0.61	\$0.51	\$0.69
7	2004 Chev C1500	53	Kurfirst	7,094	\$2,654	\$7,775	\$5,121	113,543	\$0.45	\$0.37	\$1.52	\$0.69
8	2004 Chev C1500 Xtra Cab	54	Mello	8,601	\$3,571	\$3,158	(\$412)	90,239	\$0.40	\$0.42	\$0.62	\$0.42
9	2005 Honda Civic Hybrid	56	Engineering	5,919	\$1,806	\$3,223	\$1,416	73,035	\$0.24	\$0.31	\$0.42	\$0.16
10	2005 Honda Civic Hybrid	57	Clark	3,098	\$3,205	\$1,453	(\$1,752)	49,852	\$0.25	\$1.03	\$0.16	\$0.13
11	2005 Ford Ranger	58	Roberto	9,176	\$4,112	\$7,098	\$2,985	112,500	\$0.45	\$0.45	\$0.64	\$0.37
12	2005 Ford Ranger	59	Bynum	7,269	\$4,504	\$7,622	\$3,118	106,452	\$0.46	\$0.62	\$0.34	\$0.76
13	2006 Chev Colorado	501	Arendell	9,186	\$3,701	\$7,238	\$3,537	123,970	\$0.37	\$0.40	\$0.41	\$0.40
14	2007 Chev K2500 4x4	502	Corda, Joe	7,549	\$4,221	\$13,044	\$8,823	76,211	\$0.53	\$0.56	\$0.52	\$0.51
15	2007 Chev Colorado	504	Engineering	2,625	\$2,069	\$5,505	\$3,436	34,850	\$0.47	\$0.79	\$0.72	\$0.35
16	2008 Ford F250 4x4	505	Cilia	5,206	\$3,475	\$8,859	\$5,385	75,370	\$0.72	\$0.67	\$0.91	\$0.82
17	2008 Ford F250 4x4	506	STP	5,432	\$4,654	\$3,651	(\$1,002)	47,008	\$0.82	\$0.86	\$0.52	\$0.85
18	2008 Chev Colorado 4x4	509	Lemos	10,276	\$3,440	\$4,653	\$1,213	83,761	\$0.34	\$0.33	\$0.41	\$0.31
19	2009 Toyota Prius Hybrid	510	FSR	10,300	\$2,791	\$3,691	\$900	89,979	\$0.19	\$0.27	\$0.15	\$0.21
20	2010 Ford F150 4x4	511	STP	8,247	\$3,520	\$7,578	\$4,058	50,406	\$0.47	\$0.43	\$0.68	\$0.37
21	2010 Ford F150	512	Ortiz	11,026	\$3,971	\$6,048	\$2,077	73,811	\$0.46	\$0.36	\$0.59	\$0.41
22	2010 Ford F150	513	On-Call	6,751	\$3,119	\$2,802	(\$317)	39,896	\$0.50	\$0.46	\$0.61	\$0.45
23	2012 Ford F250	515	Reed	8,054	\$4,601	\$16,719	\$12,118	23,013	\$0.64	\$0.57	\$0.65	\$0.75
24	2012 Ford F250	516	Castellucci	7,737	\$3,934	\$11,027	\$7,093	21,800	\$0.61	\$0.51	\$0.64	\$0.71
25	2014 Ford F150	517	Grisso	2,631	\$964	\$3,882	\$2,919	2,905	\$0.36	\$0.37	\$0.26	-
26	2015 Ford F250 4x4	518	Kehoe	12,950	\$4,497	\$16,100	\$11,603	13,490	\$0.37	\$0.35	\$0.91	-
Total 3/4 Ton & Under				169,787	\$80,069	\$153,007	\$72,938	1,934,303	\$0.44	\$0.47	\$0.56	\$0.51
1	1999 Ford F350 W/Svc Body	19	Pool	1,328	\$1,347	\$901	(\$445)	130,377	\$0.76	\$1.01	\$2.97	\$1.40
2	2002 Int'l 5 Yd Dump	44	Pool	4,193	\$5,636	\$12,836	\$7,201	88,384	\$1.60	\$1.34	\$2.21	\$2.02
3	1999 Ford F550 3-Yd Dump ³	52	Crew	2,901	\$4,366	\$8,849	\$4,483	80,459	\$0.96	\$1.50	\$1.34	\$5.46
4	2006 Int'l 4300 Crew	503	Briet	3,077	\$9,860	\$13,945	\$4,084	29,736	\$2.66	\$3.20	\$2.20	\$1.82
5	2008 Ford F350 4x4	507	Latanyshyn	9,860	\$6,331	\$11,670	\$5,339	83,456	\$0.81	\$0.64	\$0.73	\$1.15
6	2009 Peterbilt 335 Crew	508	Kane	2,122	\$5,003	\$14,910	\$9,907	21,660	\$2.04	\$2.36	\$2.20	\$2.81
7	2012 Int'l 5 Yd Dump	514	Rupp	3,676	\$5,268	\$11,236	\$5,968	17,438	\$1.63	\$1.43	\$1.45	\$2.50
8	2015 Int'l 5 Yd Dump	519	Sjoblom	5,567	\$6,101	\$11,698	\$5,597	6,696	\$1.02	\$1.10	\$0.64	-
Total 1 Ton & Over				32,724	\$43,912	\$86,045	\$42,133	458,206	\$1.19	\$1.34	\$1.53	\$1.84

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

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

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

**NORTH MARIN WATER DISTRICT
WATER CONSERVATION PROGRAM DETAIL
FOR PERIOD ENDING MARCH 31, 2015**

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Description		COST THRU JUNE 2014	MARCH 2015	FYTD TOTAL	FY 14/15 BUDGET	(OVER) UNDER	TOTAL COST
NOVATO							
a. Residential							
1-7700-01	1 Cash for Grass	\$255,240	\$4,260	\$38,974	\$50,000	\$11,027	\$294,214
1-7700-02	2 Landscape Efficiency Rebates	19,855	34	316	7,500	7,185	20,170
1-7700-03	3 Fixtures Purchases	37,905	0	2,508	5,000	2,492	40,413
1-7700-06	4 Washing Machine Rebates	325,825	473	7,999	20,000	12,001	333,824
1-7700-07	5 Demonstration Garden Improvements	54,377	0	0	500	500	54,377
1-7700-11	6 Toilet Rebate SF	901,752	2,592	22,657	34,000	11,343	924,409
1-7700-12	7 Toilet Rebate MF	18,173	0	0	4,000	4,000	18,173
1-7700-13	8 Residential Audits	256,068	386	27,070	50,000	22,930	283,137
1-7700-15	9 High Efficiency Toilet Distribution	221,913	140	1,139	0	(1,139)	223,052
1-7700-16	10 Water Waste Ordinance Monitoring	35,046	1,472	17,224	10,000	(7,224)	52,269
1-7700-17	11 Swimming Pool Cover Rebate	226	109	596	2,000	1,404	822
1-7700-19	12 ET Controller Rebate	25,150	0	1,468	8,000	6,532	26,618
1-7700-08	13 Administration	1,053,000	12,129	100,573	131,000	30,427	1,153,573
1-7700-20	14 New Development Wtr Cons Program	48,060	723	7,752	8,000	248	55,812
1-7700-21	15 Demand Offset Rebate Program	1,811	0	450	2,000	1,550	2,260
1-7700-23	16 Grant Administration	1,292	0	546	1,000	454	1,838
1-7700-24	17 Hot Water Recirculation Rebate	0	0	479	4,000	3,522	479
1-4047-00	18 Test-Unmetered Flow Reducers	0	1,239	9,793	0	(9,793)	9,793
b. Commercial							
1-7701-02	1 Toilet Rebate Program	65,027	98	898	10,000	9,102	65,925
1-7701-03	2 Commercial Audits	8,761	288	2,815	15,000	12,185	11,576
c. Public Outreach/Information							
1-8672-16	1 Fall Newsletter	39,107	0	3,725	8,000	4,275	42,832
1-8672-17	2 Spring Newsletter	63,693	0	0	12,000	12,000	63,693
1-8672-18	3 Summer Newsletter	12,533	0	7,756	7,000	(756)	20,290
1-7700-04	4 Public Outreach / H ₂ O Fair	100,945	792	2,160	10,000	7,840	103,105
1-7700-05	5 Marketing	128,964	1,207	8,286	16,000	7,714	137,250
1-7700-22	6 Public Outreach/Leadership Novato	11,098	0	0	0	0	11,098
d. Large Landscape							
1-8653-02	1 Large Landscape Audits	78,901	1,248	4,131	10,000	5,869	83,032
1-7702-01	2 Large Landscape Budgets	29,441	204	3,005	3,000	(5)	32,446
1-7702-02	3 Large Landscape Irrig Efficiency Rebates	13,460	0	1,000	8,000	7,000	14,460
1-8653-01	4 CIMIS Station Maintenance	18,653	0	0	2,000	2,000	18,653
1-7702-03	6 Administration-Large Landscape	23,625	0	0	7,000	7,000	23,625
TOTAL NOVATO WATER CONSERVATION		\$3,849,899	\$27,392	\$273,319	\$445,000	\$171,681	\$4,123,217
WEST MARIN WATER							
2-5166-00	a. Water Conservation Program	\$53,039	\$852	\$16,257	\$22,000	\$5,743	\$69,296
TOTAL WATER CONSERVATION EXPENDITURES¹		\$53,039	\$852	\$16,257	\$22,000	\$5,743	\$69,296

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

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING MARCH 31, 2015**

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Description		COST THRU JUNE 2014	MARCH 2015	FYTD TOTAL	FY 14/15 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
1 PIPELINE REPLACEMENTS/ADDITIONS							
a. Main/Pipeline Replacements							
1-7067-20	1 So Novato Blvd-Rowland to Sunset (12"CI @ 1,000')	\$25,136	\$1,323	\$34,498	\$350,000	\$315,502	\$59,634
1-7130-00	2 STP 18" Transmission Line Evaluation (13,200')	34,426	767	200,423	130,000	(70,423)	234,850
1-7142-00	3 Shields Ln 6" Cast Iron (6" @ 1,120')	144,724	834	99,963	105,000	5,037	244,688
1-7144-00	4 Grant/5th 1" Galvanized Steel (6" @ 400')	11,030	22,456	24,601	0	(24,601)	35,631
1-7143-00	5 Ashley Ct 2" Thinwall Plastic (6" @ 200')	2,395	548	548	0	(548)	2,943
b. Main/Pipeline Additions							
1-7145-00	1 Zone A Pressure Improvements - Ignacio	35,915	6,383	35,464	200,000	164,536	71,380
1-7150-00	2 San Mateo 24" Inlet/Outlet	0	134	15,022	30,000	14,978	15,022
c. PB Service Line Replacements							
1-7123-11	1 Pacheco Valle (42 Svcs)	3,449	0	(3,449)	125,000	128,449	0
1-7123-15	2 Atherton Oaks/Summit Lane (20 Svcs)	2,068	30,432	31,139	0	(31,139)	33,207
	3 Replace PB in Sync w/City Paving (30 Svcs)	0	0	0	90,000	90,000	0
1-7139-10	4 Measure A ,Group 7 (33 Svcs)	10,073	2,740	15,291	0	(15,291)	25,364
d. Relocations to Sync w/City & County CIP							
	1 Other Relocations	0	0	0	80,000		
TOTAL PIPELINE REPLACEMENTS/ADDITIONS		\$269,217	\$65,617	\$453,500	\$1,110,000	\$576,501	\$722,718
e. Aqueduct Replacements & Enhancements							
1-7118-01	1 MSN B1-Utility Agreement Costs	\$205,639	\$10,798	\$50,241	\$13,000,000	\$12,949,759	\$255,880
1-7118-02	2 MSN B2-Utility Agreement Costs	33,875	510	1,121	0	(1,121)	34,996
1-7118-03	3 MSN B3-Utility Agreement Costs	994,557	96,368	6,511,866	0	(6,511,866)	7,506,423
1-7118-04	4 AEEP Permitting & Design	1,184,422	148,819	3,054,791	0	(3,054,791)	4,239,213
1-7118-05	5 AEEP Legal Challenge/Litigation	10,679	0	0	0	0	10,679
1-7118-07	6 AEEP- B1 Construction	454,553	22	(33,007)	0	33,007	421,546
1-7118-10	7 MSN Aq Caltrans Reimb - Seg B2 Gunn Dr ⁵	40,958	0	0	0	0	40,958
1-7118-17	8 AEEP B1 Betterment & Depreciation Cost	381,578	0	29,586	0	(29,586)	411,164
1-7118-18	9 AEEP B2 Betterment & Depreciation Cost	765	0	0	0	0	765
1-7118-20	10 AEEP-B3 Advance Tree Removal	296,424	0	(296,424)	0	296,424	0
1-7118-21	11 AEEP-B3 Tree Removal-NMWD Cost ⁷	19,689	(89)	(89)	0	89	19,600
TOTAL AQUEDUCT REPLACEMENTS AND ENHANCEMENTS		\$3,623,137	\$256,428	\$9,318,086	\$13,000,000	\$3,681,914	\$12,941,223

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING MARCH 31, 2015**

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Description	COST THRU JUNE 2014	MARCH 2015	FYTD TOTAL	FY 14/15 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
2 SYSTEM IMPROVEMENTS						
1-7008-11 a. RTU Upgrades	\$0	\$0	\$7,861	\$10,000	\$2,139	\$7,861
1-7007-09 b. Detector Check Assembly Repair/Repl (~14/yr)	0	3,648	67,334	150,000	82,666	67,334
1-7090-02 c. Anode Installations (150/yr)	9,002	1,395	7,659	30,000	22,341	16,661
1-7132-01 d. Radio Expansion Telemetry Upgrades	14,675	0	20,006	25,000	4,994	34,681
1-7054-05 e. Inaccurate Meter Replacement	0	4,542	4,542	10,000	5,458	4,542
1-7137-00 f. Backflow Device Upgrade-BMK (15 Svc)	15,732	0	0	30,000	30,000	15,732
1-7146-00 g. Tank Access Hatch/Level Alarms (10 sites)	32,137	1,067	18,783	35,000	16,217	50,921
1-8650-20 h. Sampling Stations (6 biennially)	736	638	2,330	50,000	47,670	3,067
1-7136-00 i. Facilities Security Enhancements	0	4,344	11,109	25,000	13,891	11,109
1-7151-00 j. Emergency Generator Connections	0	2,475	12,297	15,000	2,703	12,297
TOTAL SYSTEM IMPROVEMENTS	\$72,283	\$18,109	\$151,920	\$380,000	\$228,080	\$224,202
3 BUILDINGS, YARD, & S.T.P. IMPROVEMENTS						
a. Administration Building						
1-6501-41 1 Admin Office/Lab/Yard Remodel Plan	\$0	\$0	\$0	\$50,000	\$50,000	\$0
1-6501-45 2 Office HVAC	0	0	0	200,000	200,000	0
1-6501-46 3 Office Emergency Generator	0	0	0	150,000	150,000	0
b. Corp Yard/Warehouse/Construction Office						
1-8738-01 1 SMART Crossing Rework (@ Golden Gate Pl)	379	0	0	0	0	379
1-8738-02 2 SMART Crossing Rework (@ Roblar Rd)	4,657	0	43,347	0	(43,347)	48,004
1-8738-03 3 SMART Crossing Rework (@ Hanna Ranch)	182,599	1,365	31,363	0	(31,363)	213,962
c. Stafford Treatment Plant						
1-6600-54 1 Start-Up Flushing Connection	14,428	576	16,248	50,000	33,752	30,676
1-6600-82 2 STP Emergency Power Generator	0	0	0	150,000	150,000	0
1-6600-83 3 Stafford Dam Concrete Spillway Repair	0	0	2,630	0	(2,630)	2,630
TOTAL BUILDING, YARD, & STP IMPROVEMENTS	\$202,064	\$1,941	\$93,587	\$600,000	\$456,413	\$295,651
4 STORAGE TANKS & PUMP STATIONS						
1-6201-21 a. Atherton Recoat/Mixing System	\$116,960	\$321,210	\$833,953	\$2,200,000	\$1,366,047	\$950,913
1-6112-24 b. Lynwood Pump Station Motor Control Center	58,761	1,567	34,470	90,000	55,530	93,231
1-6222-23 c. Sunset Tank Cl2 Mixing System	0	1,880	12,601	100,000	87,399	12,601
1-6141-00 d. Crest P.S.(Design/Const)/Reloc School Rd P.S.	19,133	134	7,014	30,000	22,986	26,147
1-6117-26 e. San Marin P.S. Pump Barrel Leak Repair	0	2,429	2,429	0	(2,429)	2,429
TOTAL STORAGE TANKS & PUMP STATIONS	\$194,854	\$327,220	\$890,467	\$2,420,000	\$1,529,533	\$1,085,321
5 RECYCLED WATER						
5-7127-00 a. NBWRA Grant Program Administration	\$933,115	\$764	\$36,670	\$100,000	\$63,330	\$969,785
5-6056-11 b. Expansion to South Svc Area-Phase 1A ^{1,2}	1,457,095	0	17,563	0	(17,563)	1,474,659
5-6056-15 c. Expansion to South Svc Area-Phase 1B-Claims	33,063	0	0	0	0	33,063
5-6056-16 d. RW Expansion S Svc Area-PH1A Post Mitigation Monitoring	18,696	0	0	0	0	18,696
5-6058-10 e. RW Exp-Central Area-Pre Design	4,024	11,278	78,430	0	(78,430)	82,454
5-7155-00 f. Deer Island Wet Well Drain	0	110	110	19,000	18,890	110
5-7156-00 g. Deer Island SCADA/Reporting Move to STP	0	825	4,550	6,000	1,450	4,550
TOTAL RECYCLED WATER	\$2,445,994	\$12,977	\$137,323	\$125,000	(\$12,323)	\$2,583,317

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING MARCH 31, 2015**

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Description	COST THRU JUNE 2014	MARCH 2015	FYTD TOTAL	FY 14/15 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
6 WEST MARIN WATER SYSTEM						
System Improvements:						
2-6130-21 a. Olema PS Flood Protection & RTU Upgrade	\$19,057	\$971	\$20,019	\$100,000	\$79,981	\$39,076
2-7147-00 b. Emergency Generator Connections	14,405	0	6,553	15,000	8,447	20,958
2-7087-03 c. Gallagher Pipeline ⁶	56,959	1,423	1,190,720	1,286,000	95,280	1,247,679
2-7152-00 d. THM Spray Systems (3 Tanks)	0	0	0	10,000	10,000	0
2-7153-00 e. Upsize 4" Pipe from Bear Valley Tanks	0	737	22,191	120,000	97,809	22,191
2-6602-23 f. Replace Pump in Well #2	0	0	0	18,000	18,000	0
2-6605-23 g. Abandon Downey Well	0	0	0	50,000	50,000	0
2-6601-32 h. TP Solids Handling & Land Acquisition ⁵	190,026	0	892	0	(892)	190,918
2-7087-00 i. Gallagher Well Pipeline CEQA ⁶	29,845	0	0	0	0	29,845
2-7087-01 j. Gallagher Well Pipeline Design ⁶	107,687	0	0	0	0	107,687
2-7087-02 k. Gallagher Auxiliary Stream Gauge ⁶	71,570	0	5,298	0	(5,298)	76,868
TOTAL WEST MARIN WATER SYSTEM	\$489,549	\$3,131	\$1,245,674	\$1,599,000	\$353,326	\$1,735,223
7 OCEANA MARIN SEWER SYSTEM						
8-8672-28 a. Infiltration Repair-FY15	\$0	\$0	\$0	\$15,000	\$15,000	\$0
8-7154-00 b. Pond Power Relocation	0	447	10,186	15,000	4,814	10,186
8-6606-23 c. Disposal Field Fencing Upgrade	0	0	326	40,000	39,674	326
8-7148-00 d. SCADA RTU Upgrade and Install	9,356	0	12,578	0	(12,578)	21,934
TOTAL OCEANA MARIN SEWER SYSTEM	\$9,356	\$447	\$23,089	\$70,000	\$46,911	\$32,446
TOTAL PROJECT EXPENDITURES	\$7,306,454	\$685,869	\$12,313,646	\$19,304,000	\$6,860,356	\$19,620,100
8 LESS FUNDED BY GRANTS, LOANS & REIMBURSEMENTS						
(Accrued)/Deferred						
a. RW Expansion - South Service Area Grant ¹	(\$12,187)	\$0	\$12,187	\$0	(\$12,187)	\$0
b. MSN Aqueduct Caltrans Reimb-Segment B1-B3 ²	(640,152)	2,131,684	888,179	0	(888,179)	248,027
c. AEEP Segment B1-B3 ²	5,402,869	(148,730)	(3,084,289)	(4,160,000)	(1,075,711)	2,318,580
d. AEEP- B1 Construction ²	(30,641)	(22)	33,007	0	(33,007)	2,366
e. MSN Aqueduct Caltrans Reimb-Segment B2 Gunn Dr ²	(334)	0	334	0	(334)	0
f. AEEP-B3 Tree Removal-CT Reimb ³	(296,424)	0	296,424	0	(296,424)	0
g. TP Solids Handling & Land Acquisition ⁵	639,044	0	(669)	0	669	638,375
h. Gallagher Well Pipeline & Stream Gauge ⁶	(65,160)	520,679	(592,107)	0	592,107	(657,267)
FUNDING BY OTHERS (ACCRUED)/DEFERRED	\$4,997,016	\$2,503,611	(\$2,446,933)	(\$4,160,000)	(\$1,713,067)	\$2,550,082
Received						
a. RW Expansion - South Service Area Grant ¹	(\$2,117,562)	\$0	(\$12,187)	\$0	\$12,187	(\$2,129,749)
b. MSN Aqueduct Caltrans Reimb-Segment B1-B3 ²	(359,723)	(2,239,382)	(7,121,976)	(8,840,000)	(1,718,024)	(7,481,699)
c. AEEP Segment B1-B3 ²	(7,123,441)	0	0	0	0	(7,123,441)
d. AEEP- B1 Construction ²	(420,458)	0	0	0	0	(420,458)
e. MSN Aqueduct Caltrans Reimb-Segment B2 Gunn Dr ²	(40,624)	0	(334)	0	334	(40,958)
f. AEEP-B3 Tree Removal-CT Reimb ³	0	0	0	0	0	0
g. TP Solids Handling & Land Acquisition ⁵	(781,564)	0	0	0	0	(781,564)
h. Gallagher Well Pipeline & Stream Gauge ⁶	(200,901)	(522,102)	(587,261)	(1,286,000)	(698,739)	(788,162)
FUNDING BY OTHERS RECEIVED	(\$11,044,273)	(\$2,761,483)	(\$7,721,758)	(\$10,126,000)	(\$2,404,242)	(\$18,766,031)
NET PROJECT EXPENDITURES	\$1,259,197	\$427,997	\$2,144,954	\$5,018,000	\$2,743,047	\$3,404,151

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING MARCH 31, 2015**

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Description	COST THRU JUNE 2014	MARCH 2015	FYTD TOTAL	FY 14/15 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
CIP SUMMARY-GROSS EXPENDITURES:						
		Current Month	FYTD Total	FY 14/15 Budget	FYTD/ Budget%	
Novato Water Capital Projects		\$669,314	\$10,907,559	\$17,510,000	62%	
Novato Recycled Water Capital Projects		12,977	137,323	125,000	110%	
West Marin Water Capital Projects		3,131	1,245,674	1,599,000	78%	
Oceana Marin Sewer Capital Projects		447	23,089	70,000	33%	
Gross Capital Improvement Project Outlays		\$685,870	\$12,313,646	\$19,304,000	64%	
CIP SUMMARY-NET EXPENDITURES:						
		Current Month	FYTD Total	FY 14/15 Budget	FYTD/ Budget%	
Novato Water Capital Projects		\$412,865	\$1,918,905	\$4,510,000	43%	
Novato Recycled Water Capital Projects		12,977	137,323	125,000	110%	
West Marin Water Capital Projects		1,708	65,638	313,000	21%	
Oceana Marin Sewer Capital Projects		447	23,089	70,000	33%	
Net Capital Improvement Project Outlays		\$427,997	\$2,144,954	\$5,018,000	43%	

Notes to Capital Improvement Projects Schedule:

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

CONSULTING SERVICES/STUDIES		COST THRU JUNE 2014	MARCH 2015	FYTD TOTAL	FY 14/15 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
1-7140-00	a. Stafford Dam Emergency Action Plan	\$0	(\$3,632)		\$100,000	\$100,000	\$0
1-6600-81	b. STP Taste & Odor Consultant	0	166	4,231	30,000	25,769	4,231
1-4048-00	c. Hydropneumatic Tank Inspections	0	0	0	50,000	50,000	0
1-4049-00	d. Cyber Liability Audit	0	0	12,375	14,000	1,625	12,375
1-4050-00	e. 2015 Urban Water Management Plan	0	0	10,797	30,000	19,203	10,797
5-4045-00	f. Recycled Water Engr Report Update	0	0	0	8,000	8,000	0
8-4046-00	g. OM Long Range Master Plan Update	0	124	487	30,000	29,513	487
		\$0	(\$3,342)	\$27,890	\$262,000	\$234,110	\$27,890

North Marin Water District Financial Statement Notes

Note 1 - Restricted Cash

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

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

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

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

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

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

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

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

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

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

Note 2 - Designated Cash

Liability Contingency Fund: Established in 1986 when the District first elected to self-insure its general liability risk. This reserve was funded with \$1 million initially and \$200,000 annually thereafter until it reached a balance of \$2 million. In FY98 the West Marin Water System was included in the fund and built-up a proportional reserve of \$74,000 over several years. Commencing FY93, \$1 million of the reserve was made available to fund loans to eligible employees under the District's Employer Assisted Housing Program. In August 2008, \$500,000 was transferred into this reserve from the Self-Insured Workers' Compensation Fund and made available to fund Employer Assisted Housing Program loans. Currently there are \$1,359,200 in Employer Assisted Housing Loans outstanding (see Note 3). In March 2005, \$652,400 was expended from the fund to purchase a home at 25 Giacomini Road in Point Reyes Station. The home is rented to an employee who provides after-hours presence in the community to respond to emergencies. In 2006, \$8,885 was added from the sale of surplus property in West Marin. In October 2013, the District acquired ownership of the home at 15 Gustafson Court in Novato to protect its interest in a \$192,585 Employer Assisted Housing loan. The fund balance does not accrue interest.

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

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

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

Maintenance Accrual Fund: Established in FY91 to provide a source of maintenance money for replacement of treatment, storage, transmission and distribution facilities as they wear out. The annual

contribution from operating reserves was initially \$200,000. Net polybutylene claim settlement proceeds of \$671,060 were closed into the fund in FY93. In FY94 the annual contribution was reduced to \$100,000. The District's goal is to build a reserve equal to 10% of the net book value of Novato's existing plant, currently \$7.0M. Funds are borrowed from the Maintenance Accrual Fund to offset the shortfall in unrestricted Cash & Investments. The fund balance does not accrue interest.

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

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

Note 3 – Employee Loans

Housing Loans: The District's Employer Assisted Housing Program allows up to \$300,000 to be loaned to an employee for a period of up to 15 years for the purchase of a home within the District service territory that will enable the employee to respond rapidly to emergencies affecting the operation of the District. Repayment is due upon sale, termination of employment, or other event as described in the Program. Interest on the loan is contingent upon and directly proportional to the appreciation in value occurring on the purchased property. There are seven employee-housing loans currently outstanding totaling \$1,109,200: a \$250,000 loan dated August 2004, a \$39,200 loan dated September 2004, a \$300,000 loan dated October 2006, a \$150,000 loan dated November 2007, a \$125,000 loan dated July 2008, a \$245,000 loan dated June 2010, and a \$250,000 loan dated March 2015.

Personal Computer Loans: Up to \$3,500 may be loaned to an employee for a period of up to 36 months under the District's Personal Computer Loan Program. Loans are repaid with interest at the rate earned on the District's investment portfolio at the time of the loan plus one percent. Currently there is one employee loan outstanding totaling \$671.

Note 4 – Depreciation

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

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

Note 5 - Capitalization Policy

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

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

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

1. In 1977 the Federal Economic Development Administration issued a 40-year 5% loan of \$351,770 to assist in the funding emergency Novato Water system projects in response to the drought.
2. In April 2004 the California State Department of Water Resources approved a 2.39% 20-year loan for reconstruction of the Stafford Water Treatment Plant. The project was completed in FY09 with repair of the Outlet Tower Sluice Gate. Interest paid during construction totaled \$1,636,378. The loan covenants require an annual reserve fund contribution of \$104,447 (10% of the annual debt service obligation) be deposited into the Marin County Treasury during each of the first ten years of the repayment period. Debt service is funded 25% by Facility Reserve Charges. The first payment was made in December 2009.
3. In October 2011 Bank of Marin made a 20-year 3.54% (APR) loan of \$8 million to fund the District's share of the Aqueduct Energy Efficiency Project. See Note 16, and note to loan 10 below.
4. In August 2006 the California State Department of Water Resources approved a 2.4% 20-year loan of \$4,264,545 for construction of the Deer Island Recycled Water Facility. With the addition of \$38,015 in Construction Period Interest, the loan principal totaled \$4,302,560. The project was completed in June 2007, and the first payment was made June 19, 2008.
5. In July 2011 the California State Department of Water Resources approved a series of four 2.6% 20-year loans which totaled \$4,375,605 for the Recycled Water North Service Area Expansion Project. The projects were completed on October 31, 2012, and the first payment was made in November of 2012.
6. In March 2012 the California State Department of Water Resources approved a series of three 2.2% 20-year loans totaling \$5,361,952 for the Recycled Water South Service Area Expansion Project. The projects were completed on September 4, 2013, and the first payment was made in December of 2013.

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

Note 7 – Unemployment Insurance Reserve

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

Note 8 – Payroll Benefits

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

Note 9 - Interest Policy on Inter-District Loans

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

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

Note 10 – Budget Augmentations

Note 11 – Prior Period Adjustment

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

Note 12 – Provision for Pension Related Debt and Side Fund

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

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

Note 13 – Explanation of Financial Statement Components

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

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

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

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

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

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

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

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

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

	Expansion Local Share			SRF RWF	Expansion	Transfer
	North	South	Central			
				Loan	SRF Loan	Executed
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
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
FY14	\$236,291	\$723,525	\$4,024	\$63,035	\$22,795	\$500,529
FY15		\$17,563	\$78,430	\$36,327		\$518,146
	\$603,428	\$1,006,589	\$82,455	\$969,444	\$159,564	\$1,483,247
						\$4,304,727

Note 15 –Debt Service Coverage Ratio

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

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

	FYTD15 Actual	FY15 Budgeted
Bank of Marin Debt Service Coverage Calculation¹		
Change in Net Assets ²	\$9,205,814	\$13,472,000
Interest Expense	\$639,207	\$867,000
Depreciation & Amortization	\$2,407,372	\$3,146,000
Total Available for Debt Service	\$13,439,241	\$17,485,000
Bank of Marin Annual Debt Service	\$552,800	\$552,800
Bank of Marin Coverage Ratio	24.31	31.63

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

² See page 9

8

NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR March 2015

April 21, 2015

1.

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

Month	FY14/15	FY13/14	FY12/13	FY11/12	FY10/11	15 vs 14 %
July	319	385	389	371	379	-17%
August	301	360	396	373	368	-16%
September	276	332	346	347	358	-17%
October	221	313	283	249	278	-29%
November	173	229	166	183	164	-24%
December	129	182	146	156	141	-29%
January	137	168	151	178	146	-18%
February	121	119	148	147	134	1%
March	195	154	211	156	151	27%
FYTD Total	1,872	2,241	2,237	2,160	2,119	-16%

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

Month	FY14/15	FY13/14	FY12/13	FY11/12	FY10/11	15 vs 14 %
July	8.6	9.3	9.8	9.2	9.9	-7%
August	8.5	9.3	9.7	9.4	9.9	-8%
September	7.8	8.5	8.3	8.7	9.2	-9%
October	5.4	8.0	7.4	6.5	7.8	-33%
November	4.6	6.8	5.2	5.1	4.9	-33%
December	4.7	6.4	4.5	4.9	4.8	-26%
January	4.4	5.9	5.0	4.8	4.3	-24%
February	3.9	4.4	4.4	4.5	3.9	-11%
March	5.2	5.0	5.4	4.4	5.6	4%
FYTD Total	53.1	63.5	59.7	57.6	60.4	-16%

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

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

Month	FY14/15	FY13/14	FY12/13	FY11/12	FY10/11	15 vs 14 %
July	83	98	49	115	109	-15%
August	61	83	83	126	108	-26%
September	26	56	72	77	112	-53%
October	0	82	88	113	111	-
November	8	5	64	106	95	64%
December	0	2	0	49	0	-
January	0	0	21	0	0	-
February	24	0	57	0	0	-
March	95	0	61	0	52	-
FYTD Total	297	326	493	586	588	-9%

Recycled Water Production - in Million Gallons - FY to Date

Month	FY14/15	FY13/14	FY12/13	FY11/12	FY10/11	15 vs 14 %
July	21.8	27.6	11.2	11.0	11.9	-21%
August	26.0	26.2	10.5	12.2	11.2	-1%
September	19.2	18.6	8.5	9.6	9.5	3%
October	9.4	15.8	0.0	0.0	2.6	-41%
November	3.7	6.4	0.0	0.0	0.0	-42%
December	1.6	1.6	0.0	0.0	0.0	0%
January	0.8	1.2	0.0	0.0	0.0	-35%
February	0.8	1.8	0.0	0.0	0.0	-53%
March	9.5	1.2	1.4	0.0	0.0	674%
FYTD Total*	92.7	100.4	31.5	32.8	35.2	-8%

*Excludes potable water input into the RW system: FY15=6.9MG; FY14=9.6MG

2. Stafford Lake Data

	March Average	March 2014	March 2015
Rainfall this month	3.52 Inches	2.76 Inches	0.15 Inches
Rainfall this FY to date	24.44 Inches	12.08 Inches	24.64 Inches
Lake elevation*	193.4 Feet	187.8 Feet	194.9 Feet
Lake storage**	1,206 MG	847 MG	1,315 MG

* Spillway elevation is 196.0 feet

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

Temperature (in degrees)

	Minimum	Maximum	Average
March 2014 (Novato)	41	96	65
March 2015 (Novato)	36	94	65

3. Number of Services

March 31	Novato Water			Recycled Water			West Marin Water			Oceana Marin Swr		
	FY15	FY14	Incr %	FY15	FY14	Incr %	FY15	FY14	Incr %	FY15	FY14	Incr %
Total meters	20,747	20,730	0.1%	48	47	2%	822	820	0.2%	-	-	-
Total meters active	20,494	20,486	0.0%	44	44	0%	777	776	0.1%	-	-	-
Active dwelling units	23,943	23,940	0.0%	0	0	-	820	813	0.9%	229	229	0.0%

4. Oceana Marin Monthly Status Report (March)

Description	March 2014	March 2015
Effluent Flow Volume (MG)	0.650	0.449
Irrigation Field Discharge (MG)	0.582	0.725
Treatment Pond Freeboard (ft)	3.4	3.6
Storage Pond Freeboard (ft)	4.4	7.0

5. Developer Projects Status Report (March)

Job No.	Project	% Complete	% This month
2.2773.00	Koch Single Family	98	3
1.2774.00	Mt. Burdell Place	50	50
1.2776.00	Shell Gas Station	100	10

District Projects Status Report - Const Dept (March)

Job No.	Project	% Complete	% This month
1.6600.54	Stafford Start Up Flushing	100	5
7144.00	Grant/5 th 1" Galvanized R/R	70	70
7123.15	Atherton Oaks/Summit lane PB R/R	75	30

Employee Hours to Date, FY 14/15

As of Pay Period Ending March 31, 2015

Percent of Fiscal Year Passed = 75%

Developer Projects	Actual	Budget	% YTD Budget	District Projects	Actual	Budget	% YTD Budget
Construction	1,033	1,400	74	Construction	2,759	4,979	55
Engineering	349	1,480	24	Engineering	3,641	3,546	103

6. Safety/Liability

FY through March 15
FY through March 14

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) (\$)
165	83,160	1	0	4	3,402
60	24,960	1	0	2	872

Days without a lost time accident through March 31, 2015= 305 days

7. Energy Cost

FYE	March			Fiscal Year-to-Date thru March		
	Kwh	¢/Kwh	Cost/Day	Kwh	¢/Kwh	Cost/Day
2015 Stafford TP	62,954	18.1¢	\$368	482,879	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	1,804,337	17.7¢	\$1,160
2014 Stafford TP	57,450	17.1¢	\$316	506,430	17.1¢	\$315
Pumping	80,727	14.7¢	\$410	1,270,938	15.4¢	\$712
Other*	32,867	17.5¢	\$198	388,988	19.6¢	\$278
	171,044	16.0¢	\$914	2,166,356	16.5¢	\$1,306
2013 Stafford TP	60,097	17.1¢	\$332	448,682	15.9¢	\$257
Pumping	104,965	13.7¢	\$449	1,012,840	15.3¢	\$595
Other*	46,351	15.6¢	\$201	336,638	19.8¢	\$254
	211,413	15.1¢	\$966	1,798,161	16.3¢	\$1,115

*Other includes West Marin Facilities

8. Water Conservation Update

	Month of March 2015	Fiscal Year to Date	Program Total to Date
High Efficiency Toilet (HET) Rebate (\$100 each)	23	211	3,154
Retrofit Certificates Filed	29	197	5,226
Cash for Grass Rebates Paid Out	9	96	657
Washing Machine Rebates	6	111	6,555
Water Smart Home Survey	17	238	1,994

9. Utility Performance Metric

<u>SERVICE DISRUPTIONS</u>	March 2015 No. of Customers Impacted	March 2014 No. of Customers Impacted
PLANNED		
Duration Between 0.5 and 4 hours	10	33
Duration Between 4 and 12 hours		
Duration Greater than 12 hours		
UNPLANNED		
Duration Between 0.5 and 4 hours	8	11
Duration Between 4 and 12 hours		
Duration Greater than 12 hours		

<u>SERVICE LINES REPLACED</u>	March 2015	March 2014
Polybutylene	8	31
Copper (Replaced or Repaired)	2	2

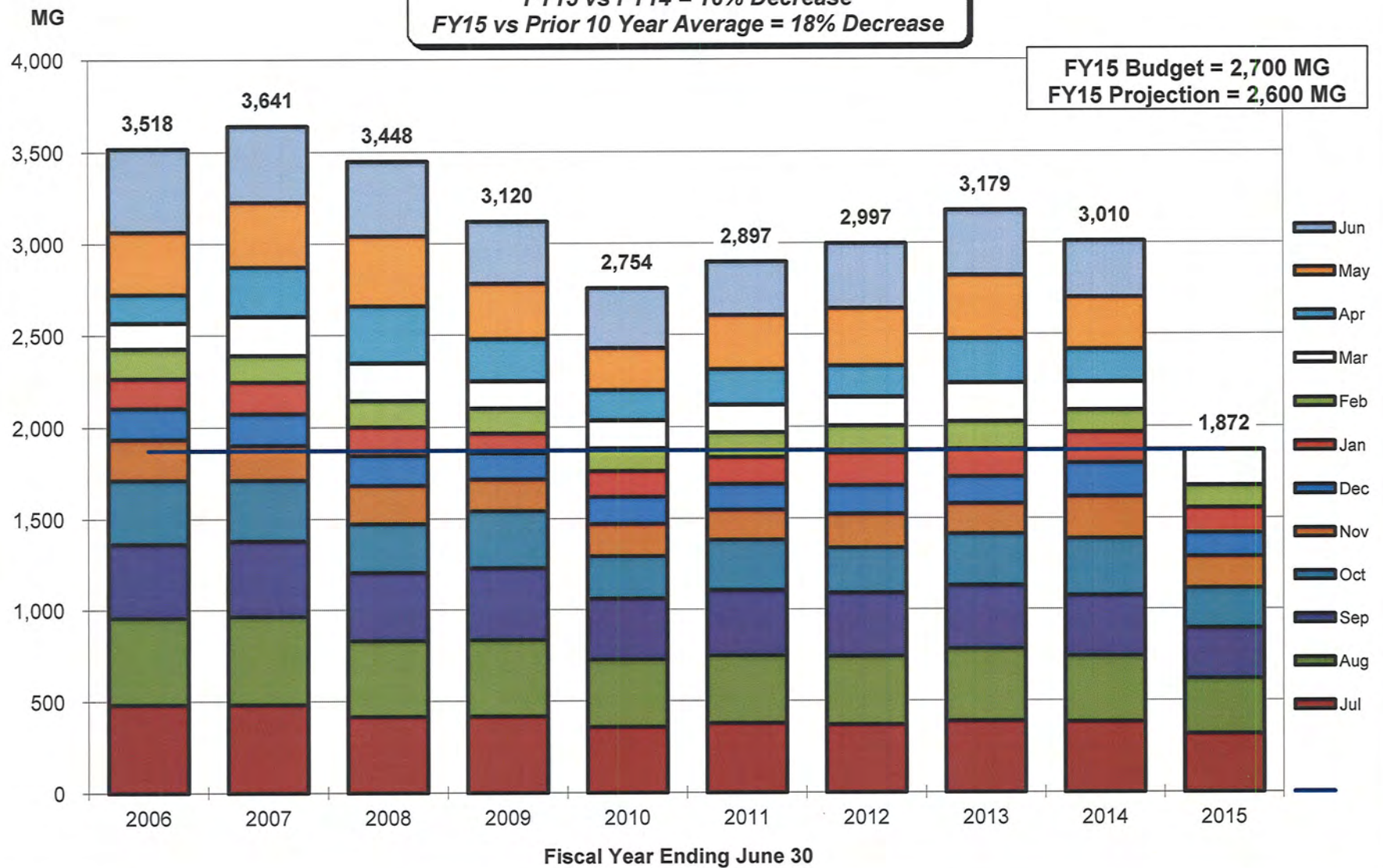
4/6/15

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

Novato Potable Water Production

FY15 vs FY14 = 16% Decrease
FY15 vs Prior 10 Year Average = 18% Decrease

FY15 Budget = 2,700 MG
FY15 Projection = 2,600 MG



NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders March 2015

4/10/2015

Type	Mar-15	Mar-14	Action Taken March 2015
<u>Consumers' System Problems</u>			
Service Line Leaks	0	0	~
Meter Leak Consumer's Side	17	13	Notified Consumer
House Plumbing	0	0	~
Noisy Plumbing	0	0	~
Seepage or Other	0	0	~
House Valve / Meter Off	5	6	Notified Consumer
Nothing Found	7	8	Notified Consumer
Low Pressure	2	0	Pressure @ 24 PSI. They will call plumber. Pressure @ 62 PSI. Failed PRV
High Pressure	0	0	~
Water Waster Complaints	0	0	~
Total	31	27	
<u>Service Repair Reports</u>			
Register Replacements	0	0	~
Meter Replacement	3	1	Replaced
Meter Box Alignment	0	0	~
Meter Noise	0	0	~
Dual Service Noise	0	0	~
Box and Lids	2	0	Replaced
Water Off/On Due To Repairs	4	10	Notified Consumer
Misc. Field Investigation	1	0	Notified Consumer
Total	10	11	
<u>Leak NMWD Facilities</u>			
Main-Leak	0	0	~
Mains-Nothing Found	0	0	~
Mains-Damage	0	0	~
Service- Leak	3	10	Repaired
Services-Nothing Found	10	2	Notified Consumer
Service-Damaged	0	0	~
Fire Hydrant-Leak	3	1	Repaired
Fire Hydrants-Nothing Found	1	0	~
Fire Hydrants-Damaged	0	0	~
Meter Replacement	3	0	Repaired
Meters-Leak	0	0	~
Meters-Nothing Found	0	0	~
Meters Damaged	0	0	~
Washer Leaks	11	9	Replaced
Total	31	22	
<u>High Bill Complaints</u>			
Consumer Leaks	6	7	Notified Consumer
Meter Testing	0	0	~
Meter Misread	4	4	Notified Consumer
Nothing Found	3	21	Notified Consumer
Projected Consumption	0	0	~
Excessive Irrigation	0	0	~
Total	13	32	

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders March 2015

4/10/2015

Type	Mar-15	Mar-14	Action Taken March 2015
<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	0	0	~
Color	0	0	~
Turbidity	0	0	~
Suspended Solids	0	0	~
Other	0	0	~
Total	0	0	
<u>TOTAL FOR MONTH:</u>	<u>85</u>	<u>92</u>	<u>-8%</u>
 <u>Fiscal YTD Summary</u>			
Consumer's System Problems	251	259	-3%
Service Repair Report	91	90	1%
Leak Complaints	274	207	32%
High Bill Complaints	252	329	-23%
Low Bills	7	0	0%
Water Quality Complaints	26	52	-50%
Total	<u>901</u>	<u>937</u>	<u>-4%</u>
 <u>Change Primarily Due To</u>			
			Decrease In Meter Lks Consumer Side
			Increase Water On/Off For Repairs
			Increase in Service Line Leaks
			Decrease In Nothing Found
			~
			Decrease In Taste & Odor

NORTH MARIN WATER DISTRICT

Summary of Complaints & Service Orders March 2015

4/10/2015

Type	Mar-15	Mar-14	Action Taken March 2015
<u>"In House" Generated and Completed Work Orders</u>			
<u>Check Meter:</u> possible consumer/District leak, high bill, flooded, need read, etc.	149	218	
<u>Change Meter:</u> leaks, hard to read	3	15	
<u>Possible Stuck Meter</u>	2	0	
<u>Repair Meter:</u> registers, shut offs	0	0	
<u>Replace Boxes/Lids</u>	2	8	
<u>Hydrant Leaks</u>	0	0	
<u>Trims</u>	23	29	
<u>Dig Outs</u>	73	66	
<u>Letters to Consumer:</u> meter obstruction, trims, bees, gate access, etc.	0	0	
<u>Misc:</u> locate meter, get meter number, cross connection follow ups, kill service, etc.	0	0	
	<u>252</u>	<u>336</u>	

Bill Adjustments Under Board Policy:

March 15 vs. March 14

Mar-15	21	\$6,888
Mar-14	27	\$9,587

Fiscal Year to Date vs. Prior FYTD

14/15 FYTD	197	\$85,130
13/14 FYTD	279	\$95,890

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Customer Service Questionnaire Quarterly Report

Quarter Ending 03/31/15



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Response				Response			
Water Quality	Agree	Neutral	Disagree	Pressure	Agree	Neutral	Disagree
Courteous & Helpful	2			Courteous & Helpful	2		
Accurate Information	2			Accurate Information	2		
Prompt Service	2			Prompt Service	2		
Satisfactorily Resolved	2			Satisfactorily Resolved	2		
Overall Experience	2			Overall Experience	2		
	10	0	0		10	0	0
Leak	Agree	Neutral	Disagree	Noisy Pipes	Agree	Neutral	Disagree
Courteous & Helpful	14	1		Courteous & Helpful			
Accurate Information	12	3		Accurate Information			
Prompt Service	13	2		Prompt Service			
Satisfactorily Resolved	13	2		Satisfactorily Resolved			
Overall Experience	13	2		Overall Experience			
	65	10	0		0	0	0
Billing	Agree	Neutral	Disagree	Other	Agree	Neutral	Disagree
Courteous & Helpful	4			Courteous & Helpful	1		
Accurate Information	3	1		Accurate Information	1		
Prompt Service	4			Prompt Service	1		
Satisfactorily Resolved	3	1		Satisfactorily Resolved	1		
Overall Experience	4			Overall Experience	1		
	18	2	0		5	0	0
				Grand Total	108	12	0
					90%	10%	0%
				Questionnaires Sent Out	158	100%	
				Questionnaires Returned	24	15%	

Customer Service Questionnaire Quarterly Report

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Quarter Ending 03/31/15

Customer Comments	Staff Response to Negative Comments	Issues NMWD Should Address In The Future
Water Quality Great Staff who responded quickly.		
Leaks The two staff people had zero customer service skills.	Customer felt we were curt when relaying the message that the customer had an irrigation leak. We called the customer, made amends and won him back.	Improve on our customer service skills.
Your bimonthly service charge is too high. Thanks for the great service. I take my bills to the office, very nice staff. The person came out quickly. Rich was wonderful!		Lower Rates
Billing Thank You		
Pressure Wonderful Service Everyone was great from when I called to each time Rich came out. I was pleasantly surprised when someone came out the same day.		
Noisy Pipes		
Other Excellent Service		

MEMORANDUM

To: Board of Directors

April 17, 2015

From: David L. Bentley, Auditor-Controller

Subj: Auditor-Controller's Monthly Report of Investments for March 2015

t:\aclword\invest\14\investment report 0315.doc

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of \$14,487,820 and a market value of \$14,495,912. During March the cash balance increased by \$2,388,882, due to receipt of \$2,239,382 from Caltrans for the Aqueduct Energy Efficiency Project, and \$522,102 from the State Water Resources Control Board for the Prop 50 Grant for the Gallagher Well Pipeline Project. The market value of securities held increased by \$2,155 during the month. The ratio of total cash to budgeted annual operating expense, excluding the \$2,666,461 unexpended balance of the Bank of Marin loan, stood at 86%, up 16% from the prior month. \$655,842 is anticipated to be received in April as the final Prop 50 Grant payment for the Gallagher Well Pipeline Project.

At March 31, 2015, 31% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 27% in Time Certificate of Deposits, 14% in Corporate Medium Term Notes, 14% in US Treasury Notes, and 7% in Federal Agency Securities. The weighted average maturity of the portfolio was 230 days, compared to 300 days at the end of February. The LAIF interest rate for the month was 0.28%, compared to 0.27% the previous month. The weighted average Portfolio rate was 0.50%, compared to 0.54% the previous month. Including interest paid by The Bay Club Company on the StoneTree Golf Club Recycled Water Facilities Loan, the District earned \$14,153 in interest revenue during March, with 64% earned by Novato Water, 34% earned by Recycled Water (by virtue of the StoneTree Golf Course Loan) and the balance distributed to the other districts.

**NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
March 31, 2015**

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis ¹	3/31/2015 Market Value	Yield ²	% of Portfolio
LAIF	State of CA Treasury	A	Various	Open	\$4,487,159	\$4,487,071	0.28% ³	31%
Time Certificate of Deposit								
TCD	GE Capital Retail Bank	n/a	10/11/13	4/13/15	\$248,000	\$248,000	0.80%	2%
TCD	Discover Bank	n/a	5/1/13	5/1/15	248,000	248,000	0.50%	2%
TCD	GE Capital Bank	n/a	6/10/13	6/8/15	248,000	248,000	0.50%	2%
TCD	American Express	n/a	8/1/13	8/3/15	248,000	248,000	0.70%	2%
TCD	Compass Bank	n/a	9/4/13	9/4/15	248,000	248,000	0.65%	2%
TCD	Sallie Mae Bank	n/a	10/23/13	10/23/15	248,000	248,000	0.80%	2%
TCD	BMW Bank	n/a	12/11/13	12/11/15	248,000	248,000	0.70%	2%
TCD	Key Bank	n/a	3/19/14	3/21/16	248,000	248,000	0.45%	2%
TCD	Barclays Bank	n/a	4/15/14	4/15/16	248,000	248,000	0.55%	2%
TCD	Americanwest Bank	n/a	5/30/14	5/31/16	249,000	249,000	0.50%	2%
TCD	Enerbank	n/a	6/30/14	6/30/16	249,000	249,000	0.65%	2%
TCD	Investors Bank	n/a	7/21/14	7/21/16	249,000	249,000	0.70%	2%
TCD	Comenity Capital Bank	n/a	8/18/14	8/18/16	249,000	249,000	0.80%	2%
TCD	Ally Bank	n/a	10/2/14	10/3/16	248,000	248,000	0.95%	2%
TCD	Cardinal Bank	n/a	11/12/14	11/14/16	249,000	249,000	0.80%	2%
TCD	Goldman Sachs	n/a	12/10/14	12/12/16	248,000	248,000	1.00%	2%
					\$3,973,000	\$3,973,000	0.62%	27%
US Treasury Notes								
Treas	1,000 - 0.50%	n/a	3/26/14	6/15/16	\$999,385	\$1,001,641	0.55%	7%
Treas	1,000 - 1.0%	n/a	8/4/14	9/30/16	1,005,358	1,008,203	0.65%	7%
					\$2,004,743	\$2,009,844	0.60%	14%
Federal Agency Securities								
FFCB	1.70% MTN	n/a	9/15/14	10/28/16	\$508,103	\$507,709	0.68%	4%
FHLB	0.58% MTN	n/a	11/7/14	11/14/16	499,473	500,459	0.64%	3%
					\$1,007,576	\$1,008,168	0.66%	7%
Corporate Medium Term Notes								
MTN	Toyota Motor Credit	AA-	5/14/13	7/17/15	\$1,001,103	\$1,001,660	0.51%	7%
MTN	General Electric	AA+	1/29/13	10/9/15	1,000,779	1,002,710	0.70%	7%
					\$2,001,883	\$2,004,370	0.60%	14%
Other								
Agency	Marin Co Treasury	AA+	Various	Open	\$577,335	\$577,335	0.22%	4%
Other	Various	n/a	Various	Open	436,124	436,124	0.40%	3%
TOTAL IN PORTFOLIO					\$14,487,820	\$14,495,912	0.50%	100%
Weighted Average Maturity =					230 Days			

LAIF: State of California Local Agency Investment Fund.

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

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

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

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

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.

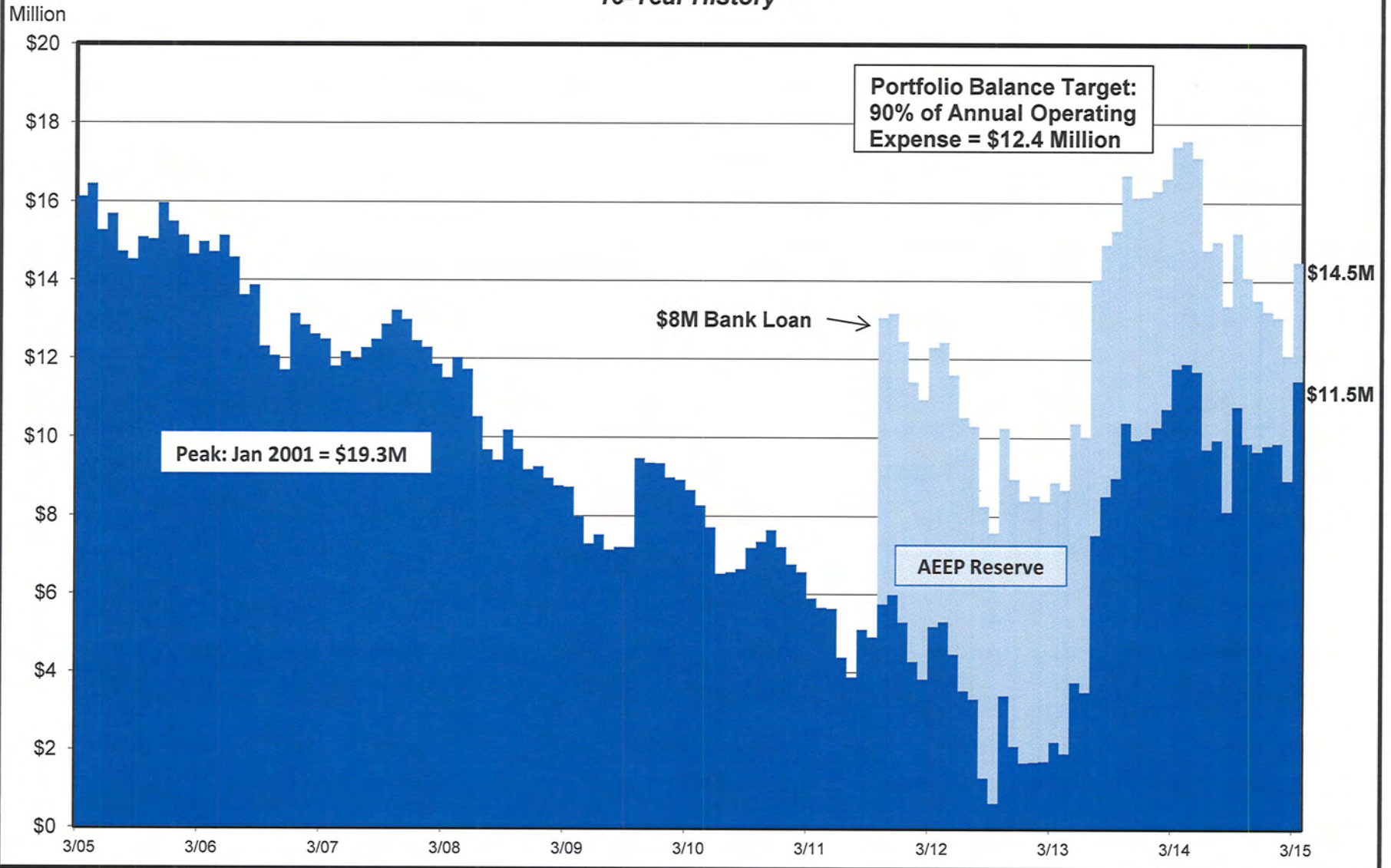
2 Yield defined to be annualized interest earnings to maturity as a percentage of invested funds.

3 Earnings are calculated daily - this represents the average yield for the month ending March 31, 2015.

Interest Bearing Loans	Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
StoneTree Golf Course Loan	6/30/06	2/28/24	\$3,612,640	\$2,003,825	2.40%
Employee Housing Loans (7)	Various	Various	1,359,200	1,359,200	Contingent
Employee Computer Loan (1)	1/8/2015	1/4/2016	893	670	1.52%
TOTAL INTEREST BEARING LOANS			\$4,972,733	\$3,363,695	

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

NMWD Portfolio Balance 10-Year History



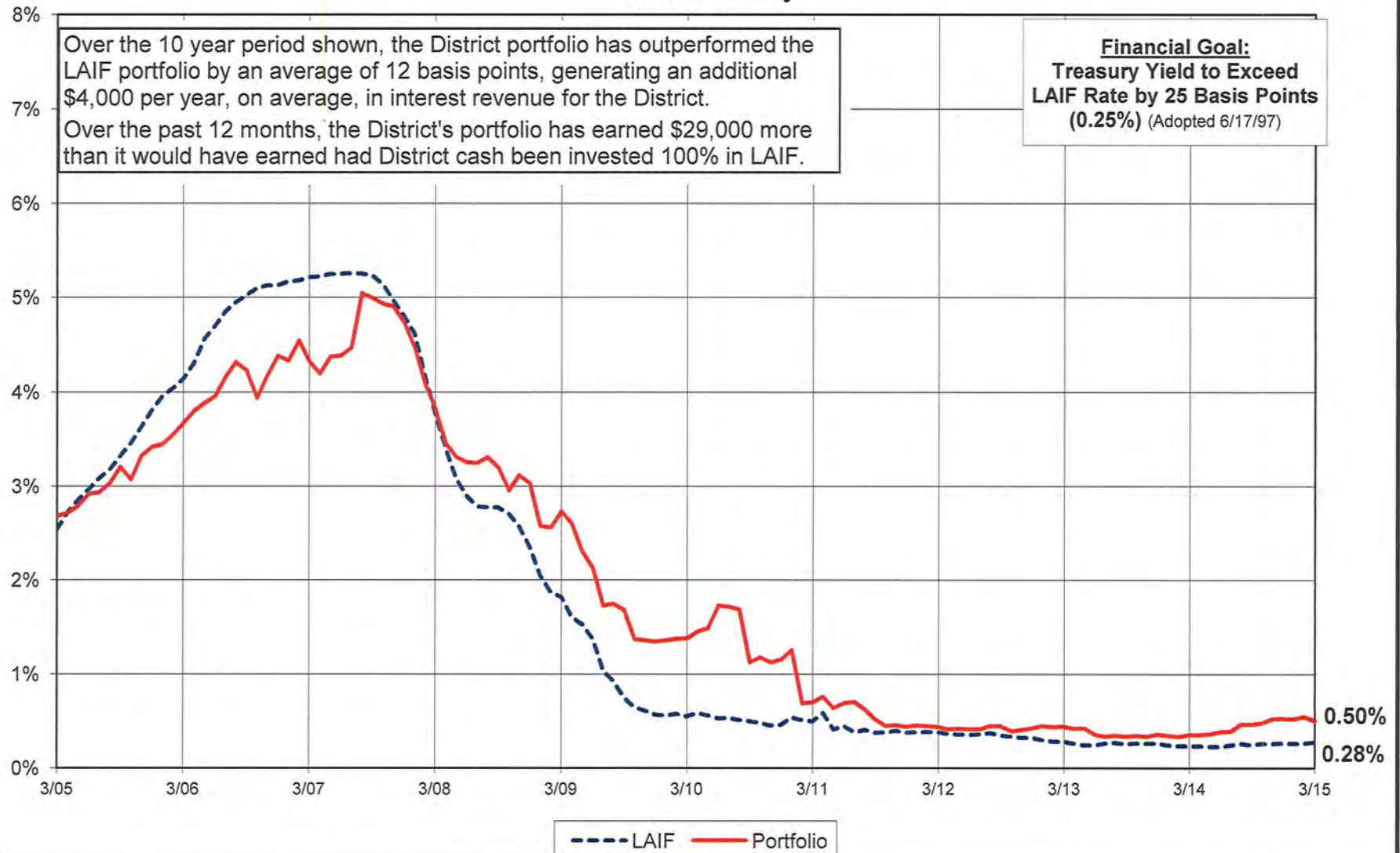
4/10/15

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

Over the 10 year period shown, the District portfolio has outperformed the LAIF portfolio by an average of 12 basis points, generating an additional \$4,000 per year, on average, in interest revenue for the District.
 Over the past 12 months, the District's portfolio has earned \$29,000 more than it would have earned had District cash been invested 100% in LAIF.

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



9

MEMORANDUM

To: Board of Directors
From: Drew McIntyre, Chief Engineer 
Subject: Water Service Agreement – Weldon Exhibits - 33 Commercial Blvd (APN 157-431-22)
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April 17, 2015

RECOMMENDED ACTION: The Board approve authorization of this agreement.

FINANCIAL IMPACT: None: Developer Funded

Weldon Exhibits (WE) is in the business of designing and building displays for museums around the globe. The Tenant Improvement (TI) Project proposes modifications to the existing building at 33 Commercial Boulevard, Novato owned by DeRecat Property, LLC (see attached vicinity map). The project includes remodel of 7,200 sq. ft. of the existing 10,160 square foot building, including converting existing rest rooms to disabled accessible restrooms, adding a lunch room, addition of fire sprinkling, and other miscellaneous improvements. Weldon Exhibits has acquired a building permit from the City of Novato for the above work.

New water facilities required include 60 ft. of 6-inch PVC pipe, 10 Ft of 6-inch steel pipe and one 6-inch fire service assembly installed on Commercial Boulevard to supply the new fire sprinklers. The property currently receives normal pressure water service from the District's Zone 1 system through an existing 5/8" water service with a 3/4" plastic lateral. A new 1-inch copper lateral and a 5/8" meter will be installed to replace the aforementioned service.

Water service to the property was established as part of the Bel Marin Commerce Park Unit No. 2 project in September 1974 (J-1620) and Facilities Reserve Charges were paid for 31-EDUs (31 lots) averaging 1 EDU for each lot. No additional water demand is associated with this project.

Environmental Document Review

This project has been determined to be exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15302 (re-construction of structures).

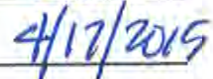
RECOMMENDATION:

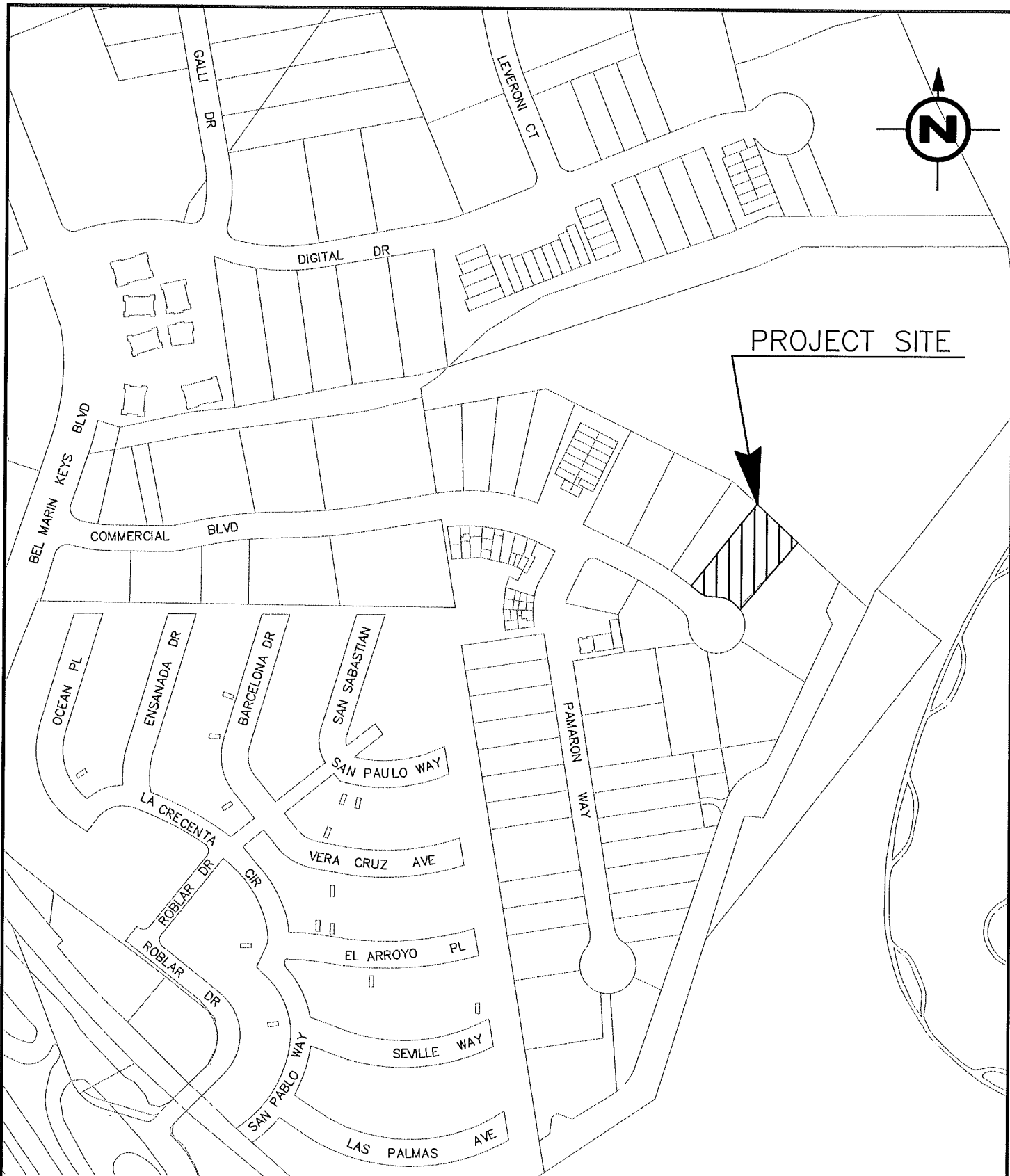
That the Board approve authorization of this agreement.

Approved by GM



Date:





33 COMMERCIAL BLVD. FIRE SERVICE
APN: 157-431-22

DATE	SCALE	JOB.NO.	DWG.NO.
4/11/15	NTS	2782	MAP

RESOLUTION NO. 15-
AUTHORIZATION OF EXECUTION
OF
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
WITH
DeRECAT PROPERTY LLC

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 DeRecat Property LLC, a Limited Liability Corporation, providing for the installation of water distribution facilities to provide domestic water service to that certain real property known as 33 Commercial Boulevard, Marin County Assessor's Parcel Number 157-431-22, 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 21st day of April, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Katie Young, Secretary
North Marin Water District

PART ONE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
FOR
WELDON EXHIBITS FIRE SERVICE

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 _____, 2015, by and between NORTH MARIN WATER DISTRICT, herein called "District," and DeRECAT PROPERTY 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 Number 157-431-22 and the project known as WELDON EXHIBITS FIRE SERVICE, consisting of one (1) lot for tenant improvements; 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 33 Commercial Boulevard, Novato (Marin County Assessor's Parcel 157-431-22); and

WHEREAS, the District established water service to the 33 Commercial Blvd. property (157-431-22) with job J-1620 on September 17, 1974 for a 5/8-inch meter; and

WHEREAS, fees were paid for one Equivalent Dwelling Unit (EDU); and

WHEREAS, the said parcel is now calculated to have an average day peak-month consumption equal to or less than (1) EDU resulting in no net increase in water use; 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 5 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 2782.001, entitled, "WELDON EXHIBITS FIRE SERVICE", 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 5 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
Fire Sprinkler Bypass Meters (included in material estimate)...	...One 5/8-inch @	\$	0.00	\$	0.00
Reimbursement Fund ChargesOne @	\$	420.00	\$	420.00
Facilities Reserve Charges.....One @	\$	28,600.00	\$	28,600.00
Credit for Existing Services (\$28,600 FRC+420 RFC).....@	\$	<29,020.00>	\$	<29,020.00>

Subtotal - Initial Charges..... \$ **.00**

Estimated District Costs

Pipe, Fittings & Appurtenances.....	\$	10,338.00
District Construction Labor.....	\$	29,372.00
Engineering & Inspection.....	\$	2,893.00
Bulk Materials.....	\$	3,850.00

Subtotal -Estimated District Costs..... \$ **46,453.00**

Estimated Applicant Installation Costs

Installation Labor.....	\$	0.00
Contractor Furnished – Pipe Fittings & Appurtenances.....	\$	0.00
Bulk Materials.....	\$	0.00

Subtotal- Estimated Applicant Installation Costs..... \$ 0.00

TOTAL ESTIMATED WATER FACILITIES COSTS..... \$ 46,453.00

(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. 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 **\$ 46,453**. 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

Installation By District: Due to the proprietary nature of construction required to install said facilities, the District reserves the right to install the facilities utilizing District construction forces. The Applicant shall either pay to the District the total Estimated Installation Costs set forth in Section 4 hereof in the amount of **\$46,453** 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 letter 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.

6. 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.

7. 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.

8. 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.

9. 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 5 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.

10. 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.

11. 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:

Jack Baker, President

Katie Young, Secretary

(SEAL)

DeRECAT PROPERTY, LLC
A Limited Liability Company
"Applicant"

(SEAL)

Christopher J. DeRecat, Owner

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.

10

MEMORANDUM

To: Board of Directors

Date: April 17, 2015

From: Drew McIntyre, Chief Engineer



Subject: Prunuske Chatham, Inc. – Consulting Services Agreement

R:\WON JOB No ISSUES\Consultants\Prunuske Chatham\Agmts_BOD Memos\PCI genl servs contract agmt 4_17_15 BOD memo.doc

RECOMMENDED ACTION: Authorize the General Manager to execute a new General Services Agreement for Consulting Services between NMWD and Prunuske Chatham, Inc.

FINANCIAL IMPACT: \$20,000

Attached is a proposal for Prunuske Chatham, Inc. (Sebastopol, CA office) to continue to provide yearly monitoring reports for the final three years of the State required five year reporting period for the Leveroni Creek Bank Stabilization project (completed in 2012). Prunuske Chatham, Inc. has a proven track record with the District of providing high quality and responsive services at reasonable cost. To provide flexibility to meet other watershed and erosion control demands, a General Consulting Services Agreement is desired with individual task orders on a job-by-job basis. The first task order amount of \$9,660 to be funded under this agreement will be to:

- (1) Prepare the final monitoring report to San Francisco Bay Regional Water Quality Control Board summarizing project progress during the first three years (2013-2015) and,
- (2) Provide monitoring reports for 2015, 2016 and 2017 as required by the California Department of Fish and Wildlife.

RECOMMENDATION

Authorize the General Manager to execute a new General Services Agreement for Consulting Services between NMWD and Prunuske Chatham, Inc. with a not-to-exceed limit of \$20,000.

Approved by GM CD
Date: 4/17/2015



PRUNUSKE CHATHAM, INC.

April 10, 2015

Carmela Chandrasekera, P.E.
North Marin Water District
999 Rush Creek Place
Novato, CA 94945

via email: cchandra@nmwd.com

Re: Scope of Work, Leveroni Creek Monitoring Completion, 2015 – 2017

Dear Carmela,

Prunuske Chatham, Inc. (PCI) is pleased to provide this scope of work and fee estimate to complete monitoring requirements for the Leveroni Creek bank stabilization project. In the summer of 2012, North Marin Water District (NMWD) installed bank stabilization on Leveroni Creek to protect the water-plant access road. The bank stabilization was designed by Prunuske Chatham, Inc. (PCI) and required permits from the U.S. Army Corps of Engineers (USACE), San Francisco Bay Regional Water Quality Control Board (SFRWQB), and the California Department of Fish and Game, which has since become the California Department of Fish and Wildlife (CDFW). SFRWQB and CDFW required monitoring reports for 3 and 5 years, respectively. PCI performed monitoring and generated reports for NMWD to submit to the agencies in 2013 and 2014. So far, the project is stable, performing as designed, and showing good revegetation success.

NMWD has requested a cost estimate from PCI to finish the required reporting. This scope of work includes the actions necessary to complete monitoring, assuming the project continues to meet performance criteria.

SERVICES TO BE PROVIDED BY PCI

Task 1: Final Year Monitoring Report to SFRWQCB

Based upon monitoring work conducted in 2013 and 2014, and a site visit this year, PCI will prepare a monitoring report including 2015 data and summarizing project progress through all three years. If NMWD has storm event photographs from the early December 2014 storm, please provide them for PCI's use in this report. PCI will:

- Conduct a site visit to evaluate revegetation success and geomorphic stability.
- Prepare a monitoring report incorporating monitoring data from this and previous years.
- Submit draft report to NMWD for one round of comments and revisions, confer with NMWD staff on any issues to address, and prepare final report.

Task 1 Deliverables

Draft and final 2015 SFRWQCB Monitoring Reports

Task 2: CDFW Monitoring Reports

Based upon monitoring work conducted in 2013 and 2014, and monitoring visits each September, PCI will prepare the required monitoring reports for 2015, 2016, and 2017. In each year, PCI will:

- Conduct a site visit to evaluate revegetation success per permit criteria.

- Prepare a monitoring report presenting the current year's data. In 2015, the monitoring report will evaluate success against required 3-year interim success standards. In 2017, the monitoring report will summarize data trends across all years and evaluate success against required 5-year final success standards.
- Submit draft reports to NMWD for one round of comments and revisions, confer with NMWD staff on any issues to address, and prepare final reports.

Task 2 Deliverables

Draft and final 2015, 2016, and 2017 CDFW Monitoring Reports

SERVICES TO BE PROVIDED BY NORTH MARIN WATER DISTRICT

1. Provide access to the site.
2. Review project materials in a timely way.
3. Take remediative actions identified in monitoring reports, as necessary, to achieve final success criteria.

PROPOSED 2015 SCHEDULE

May 2015	PCI to conduct site visit for Water Board monitoring.
June 2015	By June 8, PCI to provide draft SFRWQCB monitoring report to NMWD. By June 15, NMWD to provide comments. By June 22, PCI to provide final SFRWQCB monitoring report to NMWD.
Sept 2015	PCI to conduct site visit for CDFW monitoring.
Oct 2015	By October 13, PCI to provide draft CDFW monitoring report to NMWD. By October 27, NMWD to provide comments.
Nov 2015	By November 10, PCI to provide final CDFW monitoring report to NMWD.

PROPOSED GENERAL SCHEDULE FOR 2016 AND 2017

Early Sept	PCI to conduct site visit for CDFW monitoring.
Mid-Oct	PCI to provide draft CDFW monitoring report.
Late-Oct	NMWD to provide comments.
Mid-Nov	PCI to provide final CDFW monitoring report.

BUDGET ESTIMATE

Exhibit A is our estimated cost to complete the services described above. The total estimated budget for is \$9,660. A Fee Schedule is attached as Exhibit B.

PERSONNEL

Kathie Lowrey, Principal Planner, will serve as principal in charge. Laura Saunders, AICP, will serve as project ecologist and manager. Mike Jensen, Principal Landscape Architect, will assess the function and success of project installation. Other PCI staff will work on the project as needed. Other PCI staff will assist as needed.

The project manager is your primary point of contact at PCI. The project principal is an alternate point of contact. Feel free to contact the project principal if the project manager is not available or if you have concerns regarding PCI's performance.

If you have any questions about this proposal, please call Laura at (707) 824-4601, ext. 116, or me, at ext. 105.

Best regards,

Kathie Lowrey

Kathie Lowrey
Principal Planner

Attachments: Exhibit A-Cost Estimate
Exhibit B-Fee Schedule

PRUNUSKE CHATHAM, INC.
Cost Estimate for NMWD
Leveroni Creek Bank Stabilization Monitoring Completion
2015 - 2017

		Hour	Hour	Hour	Day	
	\$9,660	Principal Planner	Principal Landscape Architect	Certified Planner/ Ecologist	PCI Vehicle	Line Item Subtotal
	Rate	\$150	\$170	\$105	\$75	Cost
Task No.	Description					
1	Final Year Monitoring Report to SFRWQCB					
	Conduct May monitoring site visit		5	6	1	\$1,555
	Prepare monitoring report		1	6		\$800
	Submit draft and final reports to NMWD	2		2		\$510
	<i>Subtotal Task 1</i>	2	6	14	1	\$2,865
2	CDFW Monitoring Reports 2015, 2016, 2017					
	Conduct September monitoring site visits			18	3	\$2,115
	Prepare monitoring reports			24		\$2,520
	Submit draft and final reports to NMWD	6		12		\$2,160
	<i>Subtotal Task 2</i>	6	0	54	3	\$6,795
	TOTAL	8	6	68	4	\$9,660



PRUNUSKE CHATHAM, INC.

**FEE SCHEDULE
for North Marin Water District
2015 - 2017**

Classification	Hourly Rate	Overtime Hourly Rate
<i>Design & Planning Services</i>		
Founding Principal	\$180	
Principal Civil Engineer	\$170	
Principal Landscape Architect	\$170	
Principal Environmental Planner	\$150	
Principal Geomorphologist	\$150	
Sr. Civil Engineer	\$150	
Registered Civil Engineer	\$140	
Registered Professional Forester/CPESC/QSD	\$140	
Registered Landscape Architect	\$130	
Sr. Environmental Planner	\$140	
Sr. Botanist/Vegetation Ecologist	\$120	\$138
Sr. Wildlife Biologist	\$120	\$138
Professional Land Surveyor	\$110	\$132
Survey Party Chief, Prevailing Wage	\$126	\$151
Survey Rodman, Prevailing Wage	\$109	\$131
Sr. Engineering Tech./ Sr. CAD Operator	\$105	\$126
Certified Planner/ Planner II	\$105	\$126
EIT/Assistant Engineer	\$95	\$114
Construction Planner /QSP	\$95	\$114
Staff Scientist, Designer or Planner I	\$77	\$92
GIS Technician	\$83	\$100
Project Administrator	\$77	\$92
Clerical	\$60	\$72
Project Consumed Materials	cost plus 15%	
Rented Vehicles and Equipment	cost plus 15%	
Subconsultants / Subcontractors	cost plus 15%	
PCI-owned Vehicle	\$75 per day	
Employee-owned Vehicle	IRS rate per mile	
PCI-owned Survey or GPS Equipment	\$150 per day	

Invoicing occurs monthly for 100% of the work completed during the invoice period unless otherwise arranged. Fees are calculated on a time and materials basis in accord with this fee schedule. Payment is due upon receipt.

11

MEMORANDUM

To: Board of Directors
Chris DeGabriele, General Manager

April 17, 2015

From: Katie Young, District Secretary and Records Retention Manager

Subject: Records Retention Program – Destruction of Records

(\\gm\admin\secty\record retention\2015\board memo 0415.doc)

RECOMMENDED ACTION: Approve Destruction of Records

FINANCIAL IMPACT: \$500 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 24, 2015. 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, 2015 in the manner consistent with District Policy.

Approved by GM

CD

Date:

4/17/2015

RESOLUTION 15-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, 2015 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 twenty-first day of April 2015 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

(SEAL)

Katie Young
District Secretary

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 Pay Stubs	01/10	12/10	
	Bill Adjustments	2010		CY + 04
	Corrected Bills	2010		CY + 04
	Closed APS	2012		CY + 02
	Cash Register Tapes			CY + 02
	Fee Adjustment	2010		CY + 04
	Hydrant Meter Application	2011		CY + 03
	Consumer Applications (A- K)	2010		CY + 04
	Consumer Applications (L-Z)	2010		CY + 04
	Meter Edits Cycle 1-3	2010		CY + 04
	Meter Edits Cycle 4-6	2010		CY + 04
	Meter Edits Cycle 7-8	2010		CY + 04
	APS pass thru report	2010		CY + 04
	Cash Receipt Book	2010		CY + 04
	Service Orders A-L	2010		CY + 04
	Service Orders M-Z	2010		CY + 04
	Posted Payments Report (Jan-April)	2010		CY + 04
	Posted Payments Report (May-Aug)	2010		CY + 04
	Posted Payments Report (Sept-Dec)	2010		CY + 04

Request prepared by:	Date
Katie Young	03/20/15

DESTRUCTION APPROVALS SIGNATURES

Department Head	Date Approved
	4/14/15
Auditor-Controller	Date Approved
	4/14/15
Records Retention Manager	Date Approved
	4/15/15
General Manager	Date Approved
	4/15/2015

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.

Box No. or Dept.	RECORD NAME	DATE RANGE		NMWD Retention Period
		From	To	
	Deposit Slips	2011		CY+3
	Encode	2011		CY+3
	Service Complaint Reports	2011		CY+3
	Return Checks & Letters	2011		CY + 3
	Corrected Bill Copies	2010		CY + 4
	Old Close List	2010		CY + 4
	Bankruptcy Notices	2010		CY + 4
	Collection Agency Report (Money Received)	2010		CY + 4
	Sewer Billing Register	2010		CY + 4
	APS Corrections	2010		CY + 4
	Adjustment Lists (Monthly Adj Reports)	2009	2010	CY + 4
	New Customer Letters	2013		CY + 01
	Customer Correspondence			CY + 01
	Notification Log from NPD			CY + 01
	Water Load Permit			CY + 01
	Customer Service Questionnaire			CY + 01
	Sewer Billing Register	2010		CY + 04
	APS Corrections	2010		CY + 04
	Adjustment Lists (Monthly Adj Reports)	2009	2010	CY + 04

Request prepared by:	Date
Katie Young	03/20/15




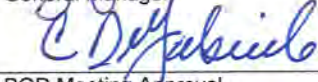
DESTRUCTION APPROVALS SIGNATURES	
Department Head	Date Approved
	4/14/15
Auditor-Controller	Date Approved
	4/14/15
Records Retention Manager	Date Approved
	4/15/15
General Manager	Date Approved
	4/15/2015
BOD Meeting Approval	
Date: _____	
Certificate of Destruction completed:	
Date: _____ No. _____ 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	
	Cancel APS	2013		CY + 02
	Hydrant Meter Application Closed	2012		CY + 02
	Bills Over 100 Listing	2014		CY + 01
	Collection List	2011		CY + 04
	Shut Offs	2013		CY + 01
	Payment Correction	2011	2012	CY + 04
	Check Request	2013		CY + 02
	Posted Payment Reports April 2,7,3,11,24	2008		CY+6
	Posted Payment Reports	2008		CY+6
	Posted Payment Reports	2008		CY+6
	Encoding Tapes	11/06	02/07	CY+6
	Payment Stub	05/07	07/06	CY+6
	Deposit Slips	2011		CY+3
	Encode	2011		CY+3
	Service Complaint Reports	2011		CY+3
	Return Checks & Letters	2011		CY + 3
	Corrected Bill Copies	2010		CY + 4
	Old Close List	2010		CY + 4
	Bankruptcy Notices	2010		CY + 4
	Collection Agency Report (Money Received)	2010		CY + 4


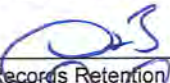

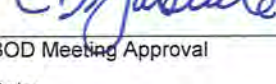
Request prepared by:	Date
Katie Young	04/10/15

DESTRUCTION APPROVALS SIGNATURES	
Department Head	Date Approved
	4/14/15
Auditor-Controller	Date Approved
	4/14/15
Records Retention Manager	Date Approved
	4/15/15
General Manager	Date Approved
	4/15/2015
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	
	Original Journal Entries 4444-5275	3/00	12/00	CY
	Original Journal Entries 66-549	02/07	09/07	CY
	Original Journal Entries 1712-2511	10/97	7/98	CY
	Original Journal Entries 5276-6009	01/01	09/01	CY
	Original Journal Entries 10-712	04/95	12/96	CY
	Original Journal Entries 713-1711	12/96	10/97	CY
	Original Journal Entries 3545-4443	04/99	3/00	CY
	Original Journal Entries 3326-3593	9/11	1/12	CY
	Original Journal Entries 6010-6743	09/01	07/02	CY
	Original Journal Entries 1519-1906	01/09	8/09	CY
	Original Journal Entries 11613-13098	08/06	02/07	CY
	Original Journal Entries 4304-4681	12/12	6/13	CY
	Original Journal Entries 1029-1518	05/08	1/09	CY
	Original Journal Entries 2829-3325	1/11	8/11	CY
	Original Journal Entries 4989-5289	10/13	2/14	CY
	Original Journal Entries 4682-4988	06/13	09/13	CY
	Original Journal Entries 8507-9132	01/04	07/04	CY
	Original Journal Entries 7578-8506	04/03	1/04	CY
	Original Journal Entries 6744-7577	06/02	03/03	CY
	Original Journal Entries 3594-3982	12/11	8/12	CY

Request prepared by: Katie Young		Date 04/10/15
DESTRUCTION APPROVALS SIGNATURES		
Department Head 	Date Approved 4/14/15	
Auditor-Controller 	Date Approved 4/14/15	
Records Retention Manager 	Date Approved 4/15/15	
General Manager 	Date Approved 4/15/2015	
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		

[illegible]

DESTRUCTION APPROVALS SIGNATURES	
Department Head 	Date Approved 4/14/15
Auditor-Controller 	Date Approved 4/14/15
Records Retention Manager 	Date Approved 4/15/15
General Manager 	Date Approved 4/15/2015
BOD Meeting Approval Date: _____	
Certificate of Destruction completed: Date: _____ No. _____ By: _____	

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**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	
	A/P Groeniger Disbursements	10/20/04	6/11/08	CY + 06
	WIP Posting Registers	1/15/09	06/30/10	CY + 04
	Payroll Posting Registers	7/15/10	10/31/10	CY + 04
	Payroll Deduction Registers	12/31/08	12/31/09	CY+ 04
	Daily Transaction Register	07/03/09	03/29/10	CY + 04
	Employee Timesheet	01/08	12/08	CY + 06
	Job Cost – Daily Job Transaction Register, Job Posting Register	07/02/09	2/26/10	CY + 04
	Daily Transaction Registers	06/30/07	2/21/08	CY + 06
	Daily Transaction Registers	2/14/08	7/1/08	CY + 06
	Daily Transaction Registers	03/30/10	05/15/10	CY + 04
	Job Cost – Daily Job Transaction Register, Job Posting Register	03/1/10	7/16/10	CY + 04
	AP Posting Registers	09/14/05	12/9/08	CY + 06
	AP Check Registers	7/8/07	10/22/08	CY + 06
	Operating Check	03/06	03/07	CY + 06
	SBT Conversion FY96 GL Backup	1996	1996	
	A/P Cancelled Checks	2007	2010	CY + 04
	Payroll Cancelled/Voided Checks	2008	2010	CY + 04
	Daily Overhead Allocation	11/12/07	11/30/08	CY + 06
	Tax Proceeds	FY 94	FY99	CY + 06
	Payroll Deduction Registers	1/1/07	12/31/08	CY + 06

Request prepared by:	Date
Katie Young	04/10/15

DESTRUCTION APPROVALS SIGNATURES

Department Head	Date Approved
	4/14/15
Auditor-Controller	Date Approved
	4/14/15
Records Retention Manager	Date Approved
	4/15/15
General Manager	Date Approved
	4/15/2015

BOD Meeting Approval
Date: _____
Certificate of Destruction completed:
Date: _____ No. _____ By: _____

SUGGESTED METHOD OF DESTRUCTION

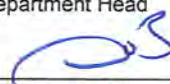
<input checked="" type="checkbox"/> Shredding	<input type="checkbox"/> Other _____
<input type="checkbox"/> Waste Paper (Recycled)	Note: Confidential records will be destroyed by shredding

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.

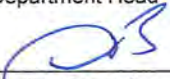


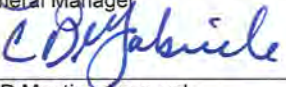
Box No. or Dept.	RECORD NAME	DATE RANGE		NMWD Retention Period
		From	To	
	Payroll Deduction Registers	7/15/07	12/15/08	CY + 06
	Vision Plan Reimbursement	07/01/07	06/30/08	CY + 06
	Payroll Posting Registers	11/15/07	6/30/10	CY + 04
	Cancelled A/P Checks	2009	2010	CY + 04
	Vehicle Timesheets	1/10	5/10	CY + 04
	PO Clearing Reconciliations	FY 08	FY 10	CY + 04
	Inventory Reconciliations	FY 06	FY 10	CY + 04
	Payroll Deduction Registers	01/01/07	12/31/08	CY + 06
	Payroll Direct Deposit Registers	07/15/07	12/15/08	CY + 06
	F/A Net Book Value/Depr Reports	7/09	6/30/11	CY + 03
	A/R Cash Receipts	3/10	11/10	CY + 04
	Employee Payments for Unreimb Medical/Child Care AFLAC	2006	2008	CY + 06
	Benefit Accrual Report	2013		CY
	Deduction Register	2013		CY

Request prepared by:	Date
Katie Young	04/10/15

DESTRUCTION APPROVALS SIGNATURES	
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Auditor-Controller 	Date Approved 4/14/15
Records Retention Manager 	Date Approved 4/15/15
General Manager 	Date Approved 4/15/2015
BOD Meeting Approval	
Date: _____	
Certificate of Destruction completed:	
Date: _____ No. _____ By: _____	

SUGGESTED METHOD OF DESTRUCTION	
<input checked="" type="checkbox"/> Shredding	<input type="checkbox"/> Other _____
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DESTRUCTION APPROVALS SIGNATURES	
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Auditor-Controller 	Date Approved 4/14/15
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BOD Meeting Approval Date: _____	
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**NORTH MARIN WATER DISTRICT RECORDS RETENTION
REQUEST FOR DESTRUCTION OF RECORDS**

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

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[illegible]

12

MEMORANDUM

To: Board of Directors
From: Chris DeGabriele, General Manager
Subj: Junior Accessory Dwelling Units 
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April 17, 2015

RECOMMENDED ACTION: Board authorize President to sign a letter replying to Mayor
Jeanne McLeamy regarding Junior Accessory Dwelling Units

FINANCIAL IMPACT: None at this time

At the April 7th Board of Director's meeting, the Board considered applying a connection fee to Junior Accessory Dwelling Units, a new housing classification now included in the Novato Zoning Code. At that meeting, the consensus of the Board was to not impose a connection fee. The Board did have some suggestions for the City of Novato moving forward. Additionally, staff had some suggestions in regard to processing the Junior Accessory Dwelling Units and monitoring water use. Staff has taken this information and prepared a draft response letter to the Mayor which is attached for your consideration.

RECOMMENDATION:

Board authorize the President to sign the reply to the Mayor of the City of Novato regarding Junior Accessory Dwelling Units.

DRAFT

April 22, 2015

Mayor Jeanne McLeamy
City of Novato
922 Machin Ave.
Novato, CA 94945

Re: Junior Accessory Dwelling Units

Dear Mayor McLeamy:

At our meeting on April 7, 2015, the Board of Directors of the North Marin Water District considered the City's request that the District waive connection fees for "Junior Accessory Dwelling Units" (JADU's). Your letter of January 5, 2015 had advised NMWD that JADUs were now included as a housing category in the Novato zoning code.

Following much discussion and consideration of input from community members and affordable housing advocates, the Board has agreed to not charge a connection fee for the JADU housing category at this time. NMWD reserves the right however to set a connection fee for JADUs in the future if the District subsequently determines that water consumption exceeds the historical water use (without a JADU) for previously existing single-family residential unit(s).

The District has the following recommendations for the City to consider in processing JADU's:

1. We suggest that the JADU category be retitled as "Junior Family Unit" and to limit the number of occupants to avoid substantial additional demand on utility and other community services, including water service by NMWD.
2. We request that the City add the requirement for NMWD sign-off prior to final approval of any new construction and provide all pertinent information to NMWD including address, size, and number of occupants for all approved JADUs.

In the future, NMWD requests that the City consult with local special districts prior to establishing a new housing category to coordinate development regulations in advance to avoid scenarios where housing classifications utilized by NMWD and perhaps other entities are inconsistent with newly adopted City housing categories.

Should you have questions in regards to these comments, please feel free to contact me at (415) 382-3332 or Chris DeGabriele, our General Manager at (415) 897-4133.

Sincerely,

Jack Baker
Board President

Cc:
Sandeep Karkal, Manager-Engineer – Novato Sanitary District
500 Davidson St.
Novato, CA 94945

CD/kly

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13

MEMORANDUM

To: Board of Directors

April 17, 2015

From: David L. Bentley, Auditor-Controller

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

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

FINANCIAL IMPACT: None at this time - \$38,000 Additional FY16 Revenue for West Marin Water and \$8,000 Additional FY16 Revenue for Oceana Marin Sewer Proposed for June 30 Public Hearing

At the January 20 Board meeting, staff presented an update of the five-year financial plan for both West Marin Water and Oceana Marin Sewer. Annual rate increases of 5% were included in the assumptions for both systems, consistent with prior forecasts. Accordingly, a 5% increase is recommended and proposed to become effective July 1, 2015 for both systems. Staff will incorporate the 5% increase into the rate increase letters to be reviewed and approved by the Board at its May 5 meeting. The letters will be mailed to each customer, and must be postmarked on or before May 16 to meet the minimum 45-day notice deadline. A public hearing to consider the proposed increases is scheduled for Tuesday, June 30, in Point Reyes Station.

West Marin Water

Consistent with Novato Water, staff proposes that the bimonthly Service Charge remain unchanged (\$30 for the typical 5/8" meter) and that the commodity rate be increased by 6.5%¹, rendering a 5% increase (\$2.50 per month) in water cost for the typical (median) single-family residential customer. The drought surcharge (\$2.50 per 1,000 gallons) will not be in effect in 2015, as rainfall at the Kent Lake precipitation gauge exceeded 28 inches on April 1.

Attachment A is an update of the West Marin Water System 5-Year Financial Plan. Now that the grant-funded \$1.5 million Gallagher Pipeline Project is complete, the next major project is construction of the Solids Handling Facility, projected to cost \$1,245,000. The District will need to borrow approximately \$500,000 in FY17 to fund completion of the Solids Handling Facility. This cost may be reduced if more readily accessible property at the Coast Guard Housing Site becomes available.

¹ A 6.5% Commodity Rate increase is required to generate a 5% increase in West Marin Water revenue, as the Service Charge represents 23% of the water revenue ($0.05/(1-0.23)=0.065$). The median single-family residential customer using 59,100 gallons annually will see a 5% increase (\$30) in annual water cost.

Significant assumptions include:

- 1) A 5% water rate increase annually, consistent with prior forecasts;
- 2) Water sales volume is projected conservatively at 70 MG in FY16 and thereafter, based on the assumption that a keen focus on water conservation will remain in effect going forward. This is a reduction of 12.5% from average consumption prior to the "dry-year" mandatory water use restrictions in effect last year.
- 3) One new connection per year, which is half the average over the past 5 years;

Oceana Marin Sewer System

Staff proposes that the \$68 monthly Sewer Service Charge be increased 5%, to \$71, a \$36 annual increase. Recall that the Sewer Service Charge is levied by the County Assessor and collected with the annual property tax payment.

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

Significant assumptions include:

- 1) A 5% sewer rate increase annually. This is consistent with prior forecasts, and is designed to build a reserve to fund the \$350,000 pond relining project in FY19;
- 2) One new connection per year, which is the average over the past 5 years;
- 3) A \$700,000 parallel force main is not included in the budget. Depending upon the condition of the pond lining in FY19, commencement of the redundant force main project may be substituted for the pond relining project.

RECOMMENDATION:

Authorize Staff to draft rate increase letters to West Marin Water and Oceana Marin Sewer customers, inviting them to the June 30 public hearing, and advising them of the proposal to enact a 5% rate increase.

WEST MARIN WATER

5-Year Financial Forecast

#		Actual 2012/13	Actual 2013/14	Estimated 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20
# BASIC DATA									
1	Active Meters	776	776	777	778	779	780	781	782
2	Avg Commodity Rate/1,000 Gal	\$7.61	\$8.12	\$8.78	\$9.30	\$9.77	\$10.26	\$10.77	\$11.31
3	Potable Consumption (MG)	81	78	67	70	70	70	70	70
INCOME									
4	Commodity Charge	\$614,880	\$633,904	\$588,000	\$623,000	\$684,000	\$718,000	\$754,000	\$792,000
5	Bimonthly Service Charge	138,684	169,038	167,000	167,000	175,000	184,000	193,000	203,000
6	Connection Fee	4,900	22,800	23,000	23,000	23,000	23,000	23,000	23,000
7	PR-2 County Tax Allocation	40,443	42,119	44,000	45,000	46,000	47,000	48,000	49,000
8	OL-2 G.O. Bond Tax	4,205	3,064	0	0	0	0	0	0
9	Interest	3,251	3,292	5,000	5,000	5,000	0	1,000	2,000
10	Miscellaneous	11,321	10,453	9,000	9,000	9,000	9,000	9,000	9,000
11	TOTAL INCOME	\$817,684	\$884,670	\$836,000	\$872,000	\$942,000	\$981,000	\$1,028,000	\$1,078,000
EXPENDITURES									
12	Operating Expenditures	\$396,828	\$474,270	\$460,000	\$474,000	\$488,000	\$503,000	\$518,000	\$534,000
13	Water Purchased from MMWD		0	7,000	0	0	0	0	0
14	Miscellaneous	11,964	35,525	0	0	0	0	0	0
15	Bond & Loan Debt Service	110,799	103,222	105,000	100,000	101,000	137,000	136,000	135,000
16	TOTAL EXPENDITURES	\$519,591	\$613,017	\$572,000	\$574,000	\$589,000	\$640,000	\$654,000	\$669,000
	NET INCOME	\$298,093	\$271,653	\$264,000	\$298,000	\$353,000	\$341,000	\$374,000	\$409,000
OTHER SOURCES/(USES)									
17	Capital Improvement Projects	(\$380,323)	(\$277,492)	(\$1,384,000)	(\$305,000)	(\$1,820,000)	(\$100,000)	(\$275,000)	(\$3,150,000)
18	Grant/Loan Proceeds	0	266,060	1,194,000	0	500,000	0	0	2,800,000
19	Net Change in Working Capital	(51,956)	(46,404)	0	0	0	0	0	
20	INCREASE (DECREASE) IN CASH	(\$134,186)	\$213,817	\$74,000	(\$7,000)	(\$967,000)	\$241,000	\$99,000	\$59,000
CASH BALANCE									
21	Operating Reserve	\$0	\$0	\$124,000	\$399,000	\$0	\$125,000	\$224,000	\$283,000
22	System Expansion Reserve	556,710	808,832	734,000	452,000	0	0	0	0
23	Liability Contingency Reserve	99,000	73,696	99,000	99,000	(17,000)	99,000	99,000	99,000
24	Bond Redemption Reserve	33,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
25	TOTAL CASH BALANCE	\$698,710	\$912,528	\$987,000	\$980,000	\$13,000	\$254,000	\$353,000	\$412,000
26	Depreciation Expense	\$148,654	\$154,749	\$157,000	\$180,000	\$185,000	\$215,000	\$217,000	\$222,000

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 increase of 6.5% is proposed effective 7/1/15. Annual 5% Commodity and Bimonthly Service Charge increases shown thereafter.
- 3 Consumption projection assumes 70MG annually in FY16 and thereafter which is 12.5% below the average use prior to FY15.
- 4 FY15 commodity charge revenue includes \$37,000 in drought surcharge revenue generated from the temporary drought surcharge.
- 5 Bimonthly service charge shown to increase 5% annually after FY16. 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 Olema GO Bond Tax terminated with payoff of Olema Bond January 1, 2015.
- 9 Projected available funds invested at 0.50%
- 10 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.
- 12 3% annual increase in Operating Expenditures assumed after FY15.
- 13 Purchase of 33.66AF from MMWD for release into Lagunitas Creek in October 2014 \$197.60/AF to address salinity intrusion.
- 14 FY14 includes \$20K for Master Plan update & \$13K in prior year work on Well #3 Rehab abandoned in FY14.
- 15 Comprised of three 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1975 OL-2 \$70,000 GO bond due 2015; 2) 1980 PRE-1 \$240,000 revenue bond due 2020; 3) 1981 PR-6 \$217,800 revenue bond due 2021; plus an Economic Development Administration \$46,000 5% 40-year loan due 2017. On June 30, 2012, WM Water was allocated \$1 million from a Bank of Marin loan to finance construction of a Treatment Plant Solids Handling Facility, with repayment commencing FY13. FY18 includes debt service on \$500K loan to finance completion of Solids Handling Facility.
- 16 Total Expenditures excludes depreciation.
- 17 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 18 FY14 & FY15 Gallagher Pipeline grant of \$1.2 million; FY17 \$500,000 loan to complete the Solids Handling and PRE Storage projects.
- 21 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors.
- 22 System Expansion Reserve is composed of connection fee revenue and unexpended Bank of Marin loan funds.
- 23 Liability Contingency Reserve - \$90,000 is West Marin Water's pro-rata share (3.6%) of the District's \$2.5 million liability contingency fund, available to pay liability claims arising within the West Marin water system. \$8,885 was added in Dec 2006 from sale of 2 surplus parcels in Inverness Park.
- 24 Bond Redemption Reserve is comprised of one year of Revenue Bond debt service (\$30K) for PR-6 & PRE-1 bonds as required by bond covenant plus tax receipts held in the Marin County treasury.

OCEANA MARIN SEWER

5-Year Financial Forecast

#		Actual 2012/13	Actual 2013/14	Estimated 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20
1	BASIC DATA								
1	Number of Connections	227	229	230	231	232	233	234	235
2	Monthly Service Charge	\$58.00	\$65.00	\$68.00	\$71.00	\$75.00	\$79.00	\$83.00	\$87.00
	INCOME								
3	Monthly Service Charge	\$157,992	\$177,970	\$187,000	\$196,000	\$208,000	\$220,000	\$233,000	\$245,000
4	OM-1/OM-3 Tax Allocation	43,101	44,887	46,000	47,000	48,000	49,000	50,000	52,000
5	Connection Fees	0	30,400	15,000	15,000	15,000	15,000	15,000	15,000
6	Interest Revenue	724	1,051	2,000	1,000	2,000	2,000	2,000	0
7	Miscellaneous Revenue/(Expense)	19,127	(248)	1,000	1,000	1,000	1,000	1,000	1,000
8	TOTAL INCOME	\$220,944	\$254,060	\$251,000	\$260,000	\$274,000	\$287,000	\$301,000	\$313,000
9	OPERATING EXPENDITURES	\$148,164	\$138,518	\$174,000	\$150,000	\$155,000	\$160,000	\$165,000	\$170,000
	OTHER EXPENDITURES								
10	Capital Improvement Projects/Other	\$221,835	\$19,655	\$85,000	\$40,000	\$160,000	\$110,000	\$390,000	\$40,000
11	TOTAL EXPENDITURES	\$369,999	\$158,173	\$259,000	\$190,000	\$315,000	\$270,000	\$555,000	\$210,000
12	Net Change in Working Capital	(\$2,275)	(\$5,035)						
13	INCREASE (DECREASE) IN CASH	(\$151,330)	\$90,852	(\$8,000)	\$70,000	(\$41,000)	\$17,000	(\$254,000)	\$103,000
	CASH BALANCE								
14	Operating Reserve	\$192,042	\$282,894	\$275,000	\$345,000	\$304,000	\$321,000	\$67,000	\$170,000
15	Connection Fee Reserve	0	0	0	0	0	0	0	0
16	TOTAL CASH BALANCE	\$192,042	\$282,894	\$275,000	\$345,000	\$304,000	\$321,000	\$67,000	\$170,000
17	Depreciation Expense	\$44,720	\$57,024	\$50,000	\$52,000	\$53,000	\$57,000	\$60,000	\$70,000

OCEANA MARIN SEWER

NOTES

KEY

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

14

MEMORANDUM

To: Board of Directors Date: April 17, 2015
From: Drew McIntyre, Chief Engineer 
Subject: Approve Memorandum of Agreement Among California Department of Transportation (Caltrans), Pacific Gas and Electric (PGE), and North Marin Water District
R:\Folders by Job No\7000 jobs\7118\Easements\B3\Martinovich\Memo to Board_rvv.docx

RECOMMENDED ACTION: Board authorize the General Manager to execute the Memorandum of Agreement among California Department of Transportation, Pacific Gas and Electric and North Marin Water District regarding easements on Sonoma County Parcel Number 019-330-012

FINANCIAL IMPACT: None, information only

Background

In July 2013, Caltrans filed an eminent domain action against Debra Martinovich, the property owner of Sonoma County APN 019-330-012 (Martinovich), and PGE to acquire, among other things, a portion of the 30-foot wide NMWD permanent construction easement to replace the District's current easement for the North Marin Aqueduct acquired in the early 1960s. Only a strip about 7-feet in width is located on the Martinovich parcel, but it overlaps with PGE's existing 10-foot wide pipeline easement on the Martinovich parcel (see parcel location map and easement details shown in Attachment 1). Since the District's new construction easement and PG&E's existing easement are compatible public uses, NMWD's "new" easement cannot unreasonably interfere with or impair the use of the existing PG&E easement.

In July 2014, Caltrans notified the District that PGE operates and maintains a high-pressure gas transmission pipeline within its easement and that operation of heavy construction equipment within this overlapping easement may jeopardize the integrity of the pipeline. As such, PGE was requesting at least a 30 day notice in advance of any construction activity on the overlapping ~7-foot easement strip to discuss any special protective measures that may need to be undertaken.

Memorandum of Agreement Negotiation

Since July 2014, District legal counsel and staff have been working with Caltrans and PGE legal counsel and staff to develop a Memorandum of Agreement (MOA) that is acceptable to both PGE and NMWD. The final negotiated MOA is provided as Attachment 2. The intent of the MOA is to replicate NMWD's existing easement rights as they relate to the uses of the 30-

foot permanent construction access easement fronting the Martinovich parcel while also addressing PGE's concern regarding protection of their existing high-pressure gas line (during NMWD's potential use of the ~7-foot overlapping easement strip).

The attached MOA includes the following key items:

1. Language that ensures NMWD's free access to District facilities with no unreasonable interference.
2. NMWD shall notify PGE at least 14 days before commencing any scheduled construction activity involving the use of heavy construction equipment (half axle load greater than 10,000 pounds).
3. PGE acknowledges that advance notification is not required in the event of an emergency.
4. PGE will install and maintain three gas pipeline markers across the 290 foot wide Martinovich parcel to mark the location of their facilities and to provide contact information for PGE notification.

Staff and District legal counsel believe the negotiated MOA adequately replicates NMWD's historical easement rights and privileges which are necessary to operate and maintain the District's newly relocated aqueduct as part of Caltrans Marin Sonoma Narrows Project and NMWD's Aqueduct Energy Efficiency Project. Legal counsel will be available by phone should the Board have any questions before taking any action on this item.

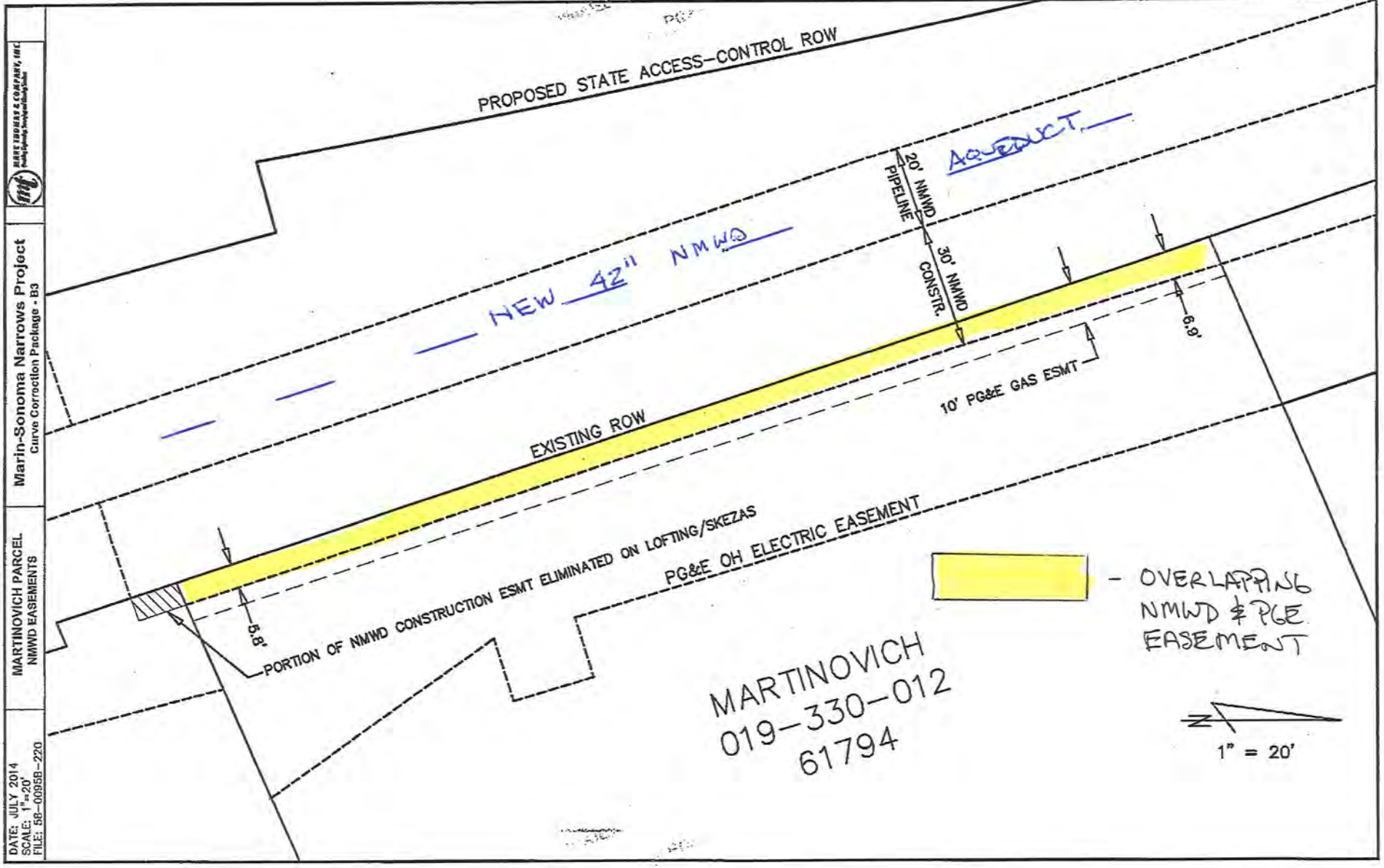
Recommendation

Board authorize the General Manager to execute the Memorandum of Agreement among California Department of Transportation, Pacific Gas and Electric and North Marin Water District regarding easements on Sonoma County Parcel Number 019-330-012.

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NO.	DATE	REVISION			BY APP.
NORTH MARIN WATER DISTRICT NOVATO, CALIFORNIA					
MARTINOVICH APN: 019-330-012					
DES	DR	CH	SCALE :		
	AC	DM	DATE :		
APPROVED: CHIEF ENGINEER			5 ()		
			ATTACHMENT 1		



DATE: JULY 2014
SCALE: 1"=20'
FILE: 58-00956-220

MARTINOVICH PARCEL
NMWD EASEMENTS

Martin-Sonoma Narrows Project
Curve Correction Package - B3

MARTINOVICH & COMPANY, INC.
Public Works Engineering Division

MARTINOVICH
019-330-012
61794

OVERLAPPING
NMWD & PGE
EASEMENT

1" = 20'

MEMORANDUM OF AGREEMENT
AMONG THE CALIFORNIA DEPARTMENT OF TRANSPORTATION,
PACIFIC GAS & ELECTRIC COMPANY, AND NORTH MARIN WATER DISTRICT
REGARDING EASEMENTS ON SONOMA COUNTY
ASSESSOR'S PARCEL NUMBER 019-330-012

THIS AGREEMENT REGARDING EASEMENTS ON SONOMA COUNTY ASSESSOR'S PARCEL NUMBER 019-330-012 is made and entered into on April __, 2015, by and among the California Department of Transportation ("Caltrans"), Pacific Gas & Electric Company ("PG&E"), and North Marin Water District ("NMWD"). Hereinafter, Caltrans, PG&E, and NMWD from time to time shall each be referred to as "party" or collectively as the "parties."

RECITALS

A. WHEREAS, Caltrans filed a Complaint in Eminent Domain against PG&E and fee owner Debra Martinovich on July 25, 2013 (as amended by the Amendment to Complaint in Eminent Domain filed on October 24, 2013), to acquire three easements on that property known as 4747 Redwood Highway, Petaluma, California, at Sonoma County Assessor's Parcel Number 019-330-012 ("Property" or "subject property"), for State highway purposes. The complaint was filed in *People v. Martinovich, et al.*, Sonoma County Superior Court Case No. SCV 254022. Other interest holders were also named in the complaint but have filed disclaimers or have not timely responded to the complaint.

B. WHEREAS, the three easements that are the subject of Caltrans' Complaint in Eminent Domain are labeled Parcel 61794-1, Parcel 61794-2, and Parcel 61794-3, and described in the Resolution of Necessity attached as Attachment A.

C. WHEREAS, State Condemnation Parcel 61794-2 constitutes an approximately 6'-to 7'-wide Permanent Construction Easement to be conveyed to NMWD as the easternmost part of a 30'-wide NMWD permanent construction easement to replace an existing 30'-wide NMWD permanent construction easement. NMWD intends to use its replacement 30'-wide Permanent Construction Easement as authorized by Attachment A for activities related to access, construction and maintenance of a water pipeline that shall be located solely on a separate and adjacent 20'-wide pipeline easement. Periodically or from time to time as necessary, and without limiting the uses as specified in Attachment A, such activities that may be conducted within the Permanent Construction Easement may include surveying, the operation of motor vehicles, including construction equipment not licensed for street use, on, over and across the easement, and/or using the easement as a construction staging area or "lay-down" area for materials related to the installation and maintenance of the water pipeline installed within the adjacent 20'-wide pipeline easement.

D. WHEREAS, PG&E claims an interest in a portion of the Property in the nature of a private easement right ("PG&E Gas Easement"). Said easement right is a gas easement recorded in book 679, page 309 on April 1, 1946 in the Official Records of Sonoma County, California. A copy of the PG&E Gas Easement deed is attached as Attachment B.

E. WHEREAS, the aforementioned Permanent Construction Easement at State Condemnation Parcel 61794-2 overlaps in geographical area with the westernmost 6-7' of the 10'-wide PG&E Gas Easement.

NOW, THEREFORE, Caltrans, PG&E, and NMWD agree and stipulate as follows:

STIPULATIONS

1. The Permanent Construction Easement identified as Parcel 61794-2 in the State's Complaint in Eminent Domain, to be conveyed by State to NMWD, and the PG&E Gas Easement, will co-exist and operate in accordance with, and to the extent provided in, the easement descriptions in Attachments A and B attached hereto, insofar as the Permanent Construction Easement at State Condemnation Parcel 61794-2 does not unreasonably interfere with or impair the continuance of the use of the existing PG&E Gas Easement, as such use exists or may reasonably be expected to exist in the future on the subject property, and vice versa.

2. Once conveyed by the State to NMWD, NMWD may use the Permanent Construction Easement at State Condemnation Parcel 61794-2 as described in Paragraph C, above.

3. To the extent that the NMWD and PG&E easements overlap, there will be no unreasonable interference with PG&E's and NMWD's free access to their respective facilities.

4. NMWD should notify PG&E at least 14 days before commencing any scheduled construction activity involving use of a vehicle with a half axle load of more than 10,000 pounds on the PG&E Easement, to facilitate review of NMWD's planned activities within the PG&E Easement area, and discuss any protective measures that the parties may mutually agree need to be undertaken. PG&E recognizes that NMWD will not be able to give advance notice in the event of an emergency, and acknowledges that advance notice is not required for crossing the PG&E Easement with vehicles with a maximum half axle load of 10,000 pounds or less.

5. PG&E will place and maintain three markers over its gas transmission line located within the PG&E Easement. The markers will each include the name and telephone number of the PG&E staff that NMWD should contact in accordance with Stipulation 4, above. PG&E will be responsible for updating the markers with current contact information. NMWD will not be required to attempt further notification to PG&E if the contact information on the markers is no longer current or valid. One marker will be placed at the northern end of the PG&E Easement, one marker will be placed at the southern end of said easement, and one marker will be placed at or near the halfway point between the northern and southern ends of the PG&E Easement and each shall be plainly visible from the shoulder of the roadway abutting the western edge of the subject property.

6. NMWD shall install an exclusionary fence along the western boundary of the PG&E easement on the subject property before commencing relocation of its facilities as

contemplated in 2015. The exclusionary fence shall remain in place until the initial relocation of the portion of NMWD's facilities located adjacent to the subject property is completed.

7. This Agreement is not a subordination of PG&E's rights or title to or interest in its easements on the subject property, nor should the Agreement be construed as a waiver of any provisions contained in said easements or a waiver of any cost of relocation, if required, of affected facilities.

8. PG&E will be bound by any Judgment in the matter of *People v. Martinovich, et al.*, so long as such Judgment incorporates the terms of this Agreement and/or is not in contravention of this Agreement.

9. Any Judgment in the matter of *People v. Martinovich, et al.*, shall not terminate, vacate, impair, modify, or alter the existing PG&E Gas Easement in and on the subject property.

10. This Agreement will be recorded and incorporated as part of the Final Order of Condemnation in the matter of *People v. Martinovich, et al.*

11. The parties agree that this Agreement may be executed in counterparts, each of which shall be deemed an original instrument, and all such counterparts, taken together, shall constitute one and the same instrument. This Agreement may be executed by and shall be effective upon signature by facsimile. A facsimiled signature shall have the same effect as the original signature. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes all prior understandings or agreements. However, nothing in this agreement shall subordinate, terminate, vacate, impair, modify or alter PG&E's rights and interests in the existing PG&E Gas Easement in relation to the fee owner of the subject property. This Agreement may be modified only by a writing signed by all parties in the same manner as the original.

12. Each person signing this Agreement represents and warrants that s/he has the right and authority to execute this Agreement on behalf of the party upon whose behalf s/he has signed. Each party to this Agreement represents and warrants that it has had the opportunity to and has consulted with its own independent counsel concerning this Agreement and its terms, and that it enters into this Agreement with full understanding of the Agreement's terms and conditions.

Executed this ____ day of April, 2015.

CALIFORNIA DEPARTMENT
OF TRANSPORTATION

DATED: _____

MARK L. WEAVER
Deputy District Director,
Right of Way and Land Surveys

DATED: _____

LINDA EMADZADEH
District Office Chief

DATED: _____

JOHN O. CARLSTON
District Branch Chief

PACIFIC GAS & ELECTRIC COMPANY

DATED: _____

SARAH HUG
Supervisor, Land Rights Services

NORTH MARIN WATER DISTRICT

DATED: _____

CHRIS DEGABRIELE
General Manager

Attachment A

PARCEL 61794-2:

For State freeway purposes, An EASEMENT to the State of California or its assigns, a permanent construction easement and right of way including the perpetual right, and privilege to enter upon the land hereinafter described at any time for the purpose of facilitating the surveying, laying, constructing, repairing, replacing, maintaining, operating, controlling, using, removing and relocating the facilities installed or to be installed by the State or its assigns over and across that parcel of land described as follows:

A portion of that parcel of land as described in the Grant Deed recorded April 18, 2008 under Recorder's Serial Number 2008035685, Official Records of Sonoma County, more particularly described as follows:

BEGINNING at the most southerly corner of said parcel; thence along the southerly line of said parcel, N. 66°35'13" E., 5.81 feet; thence N. 18°27'27" W., 193.70 feet; thence N. 17°10'49" W., 67.40 feet to a point on the northerly line of said parcel; thence along said northerly line, S. 66°35'13" W., 7.12 feet to the northwesterly corner of said parcel; thence along the westerly line of said parcel, S. 18°24'47" E., 260.97 feet to the POINT OF BEGINNING.

Owner hereby reserves the right to cultivate, occupy and use PARCEL 2(61794-2) hereinabove described for any purpose not inconsistent with the State or its assigns' full enjoyment of the rights and privileges conveyed hereby and which will not interfere with or endanger any of the facilities of the State or its assigns or the State or its assigns' use, operation, maintenance, repair, control, removal, relocation or replacement thereof. The State or its assigns shall repair any damage it shall do to the Owner's private roads or lanes and shall indemnify the Owner against any loss or damage which shall be caused by any wrongful act or omission of the State or its assigns or of its agents or employees in the course of their employment.

The provisions hereof shall inure to the benefit of and bind the heirs, successors and assigns of the Owner and the State or its assigns.

The bearings and distances used in the above description are on the California Coordinate System of 1983 (Epoch 1991.35), Zone 3. Multiply the above distances by 1.0000383 to obtain ground level distances.

Attachment B

287-64
2404-07-00 96

THIS INDENTURE made by and between.....PIERINA SPOLINI, also known as Pririna

Spolini

hereinafter called first party, and PACIFIC GAS AND ELECTRIC COMPANY, a California corporation, hereinafter called second party,

WITNESSETH that:

In consideration of value paid therefor by second party, the adequacy and receipt whereof are hereby acknowledged, first party does hereby grant to second party the right to excavate for, install, replace (of the initial or any other size), maintain and use for conveying gas such pipe line or lines as it shall from time to time elect, with necessary valves and other appliances, within the hereinafter described strip.... of those certain premises which are situate

In the.....County of.....Sonoma....., State of California,
and described as follows, viz:

That certain 10 acre parcel of land, situate in section 11, township 4 north, range 7 west, M. D. B. & M., described in the decree terminating life estate in joint tenancy, dated September 6, 1935 and recorded in Book 387 of Official Records at page 496, records of said Sonoma County, save and excepting therefrom that portion thereof lying on the westerly side of a line which begins at a point in the northerly boundary line of said 10 acre parcel of land, from which the intersection of said northerly boundary line with the easterly boundary line of the state highway commonly known as the Redwood Highway as same existed in 1940, bears south 64° 42' west 82.3 feet distant and runs thence south 20° 40' east to the southerly boundary line of said premises.

Said strip of said premises is described as follows:

A strip of land of the uniform width of 10 feet extending entirely across, and lying contiguous to and easterly of the westerly boundary line of, said premises.

First party also grants to second party (a) the privilege of using such portion of said premises along and adjacent to said strip..... as may be reasonably necessary in connection with the installation and maintenance of such pipe line or lines, (b) the right of ingress to said pipe line or lines and egress therefrom across said premises by means of then existing roads and lanes thereon, if such there be, and if there be no such roads and lanes then over such route as shall be most convenient to second party doing as little damage to said premises as practicable, and (c) the right to erect, maintain and use gates in all fences which now cross or shall hereafter cross said strip..... of said premises.

Second party shall promptly backfill any trench made by it on said premises so as to leave the surface of the ground thereover as nearly normal as practicable.

Second party shall avoid unreasonable interference with such use by first party of said premises as shall not be inconsistent with the full enjoyment hereof by second party; provided, however, that first party shall not erect, or construct, or permit to be erected or constructed, any building or other structure, or drill, or operate, any sort of well within said strip..... of said premises.

Second party will indemnify first party against any and all loss and damage which may be caused by the exercise of said ingress and egress or by any wrongful or negligent act or omission of second party, or of its agents or employees in the course of their employment.

The provisions hereof shall inure to the benefit of and bind the successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF first party has executed these presents this.....day
of....., 19.....

Executed in the presence of:

L. N. Barnett

Witness

The undersigned hereby consents to the making, execution, acknowledgment, and delivery of the foregoing deed insofar as any interest the undersigned may have therein is concerned.

L. N. Barnett

Witness.

Pierina Spolini

Josephine Coleman

15

MEMORANDUM

To: Board of Directors

April 17, 2015

From: David L. Bentley, Auditor-Controller

Subj: Initial Review – FY16 & FY17 Capital Improvement Project Budget

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RECOMMENDED ACTION: Initial Review and Provide Direction to Staff**FINANCIAL IMPACT:** None at this time - \$11.0 million FY16 & \$15.6 million FY17
Gross Expenditure Budget Proposed for Consideration

Attached for your initial review is the proposed Fiscal Year 2015-16 (FY16) and FY2016-17 (FY17) Capital Improvement Project (CIP) expenditure budget for consideration. As in prior years, a comprehensive 2-year plan is presented, which includes the projects recommended for Novato Water, Recycled Water, West Marin Water, and Oceana Marin Sewer. The comprehensive plan is developed to verify that adequate staffing exists to accomplish the 36 budgeted projects planned for FY16. 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 FY16 project is incorporated into the detail listing attached.

Project	FY16	FY17
Aqueduct Energy Efficiency Project - Hwy 101 ¹	\$2,800,000	\$0
San Mateo 24" Inlet/Outlet Pipe	150,000	655,000
Radio Read Meter Retrofit (Pilot Study/Installation) ²	500,000	2,500,000
Office/Yard Building Refurbish ³	1,500,000	1,500,000
Recycled Water Expansion to Central Novato ⁴	3,500,000	7,500,000
Replace PRE Tank 4A	50,000	450,000
Other Projects	<u>2,515,000</u>	<u>2,960,000</u>
Gross Project Outlay	\$11,015,000	\$15,640,000
Less Loan/Grant Funding	<u>(7,860,000)</u>	<u>(12,645,000)</u>
Net Project Outlay (internally funded)	<u>\$3,155,000</u>	<u>\$2,995,000</u>

¹ The Aqueduct Energy Efficiency Project is funded with a \$7M 3.5% Bank loan, \$9.9M in Caltrans reimbursement and \$440K local share.

² \$5M Radio Read Meter Retrofit to be funded by an SRF or bank loan.

³ \$3M Office/Yard Building Refurbish to be funded by a bank loan.

⁴ The RW Central Expansion is funded by \$2.25M 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 outside funding, comes in at \$6.1 million, down \$1.9 million from the \$8.0 million combined two-year budget adopted last year. The proposed FY16 CIP budget includes 36 projects, down from 40 approved for FY15.

	Net Outlay		
District	Proposed FY16 & FY17	Adopted FY15 & FY16	Increase (Decrease)
Novato Water	\$4,610,000	\$7,130,000	(\$2,520,000)
Recycled Water	360,000	325,000	35,000
WM Water	980,000	463,000	517,000
OM Sewer	200,000	135,000	65,000
Total	<u>\$6,150,000</u>	<u>\$8,053,000</u>	<u>(\$1,903,000)</u>

Novato Water's CIP expenditure plan, when viewed over the current fiscal year and the next five years, averages \$2.3 million annually in internally funded projects, which is below the \$2.5M 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 19, and a public hearing and approval of the Budgets is scheduled for June 16, 2015. An additional review of the West Marin Water and Oceana Marin Sewer CIP budgets is scheduled for June 2, with a public hearing planned for June 30 in Point Reyes Station. Expression of Board comments and concerns earlier in the process, rather than later, is appreciated.

4/15/15

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NMWD Capital Improvement Project Expenditures All Districts Combined

Thousands

\$20,000

\$18,000

\$16,000

\$14,000

\$12,000

\$10,000

\$8,000

\$6,000

\$4,000

\$2,000

\$0

FY11-15 Avg Internally Financed Expense = \$1.9 million
FY16-20 Avg Internally Financed Expense = \$2.8 million

	11	12	13	14	15 e/a	16 Budget	17 Budget	18 Budget	19 Budget	20 Budget
■ Debt/Grant Financed	\$1,606	\$7,203	\$7,308	\$3,062	\$12,294	\$7,860	\$12,645	\$2,500	\$0	\$2,800
■ Internally Financed	\$2,037	\$1,317	\$1,429	\$1,393	\$3,462	\$3,155	\$2,995	\$2,750	\$3,100	\$2,120
Total	\$1,919	\$3,643	\$8,520	\$8,736	\$4,456	\$15,756	\$11,015	\$15,640	\$5,250	\$3,100

Proposed Capital Improvement Projects

4/14/15

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		FY16	FY17	FY16 Project Description
1. PIPELINE REPLACEMENTS/ADDITIONS				
	a.	Main/Pipeline Replacements		
1.7367.20	1	So Novato Blvd - Rowland to Sunset (12" CI @ 1,000')	\$400,000	3rd year of 3-year project to replace Cast Iron Pipe at the end of its useful life.
	2	Ridge Road 6" ACP (8"@1,400')	\$300,000	
		\$400,000	\$300,000	
	b.	Main/Pipeline Additions		
1.7145.00	1	Zone A Pressure Improvements - Ignacio	\$150,000	Upsize Bel Marin Keys Intertie to enhance water delivery to the south service area.
1.7150.00	2	San Mateo 24" Inlet/Outlet Pipe	\$150,000	2nd year of a multiyear project to install a new 24-inch, 2,000 foot long pipeline from San Mateo Tank to the end of Palmo Way to improve fire flow in the northern most part of Zone 2
		\$300,000	\$655,000	
	c.	Polybutylene Service Line Replacements		
	1	Replace PB in Sync w/City Paving (30 Srvcs	\$70,000	PB service replacement coordinated with City Overlay Program
	2	Other PB Replacements (60 Services)	\$200,000	
		\$70,000	\$270,000	
	d.	Relocations to Sync w/City & County CIP		
1.8737.xx	1	Other Relocations	\$80,000	Relocate facilities for yet to be identified City/County Projects
		\$80,000	\$80,000	
1.7118.01-21	e.	Aqueduct Replacements/Enhancements (Note 1)		
	1	Energy Efficiency Proj-Hwy 101 Widening	\$2,800,000	North Marin Aqueduct upsizing/relocation
		\$3,650,000	\$1,305,000	

Proposed Capital Improvement Projects

4/14/15

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		FY16	FY17	FY16 Project Description	
2. SYSTEM IMPROVEMENTS					
1.7008.11	a.	RTU Upgrades	\$15,000	\$15,000	FY17 will complete the replacment of aging and unreliable RTUs
	b.	Flushing Taps at Dead-Ends (12 biennially)	\$50,000		Ongoing replacement program
1.7007.09	c.	DCA Repair/Replace (~14/yr)	\$190,000	\$190,000	Detector Check Assembly replacements
1.7090.02	d.	Anode Installations (150/yr)	\$30,000	\$30,000	Place anodes on copper laterals for corrosion protection
1.7132.01	e.	Radio Telemetry	\$25,000	\$25,000	Install radio transmitters to replace leased lines
1.7054.05	f.	Inaccurate High Use Meter Replacement	\$10,000	\$10,000	Evaluate large meters to assure accuracy
1.7137.00	g.	Backflow Device Upgrade - BMK (15 Srvcs/yr)	\$30,000		Replace DCVs with above grade RPP devices
1.7146.00	h.	Tank Access Hatch/Level Alarms (15 Sites)	\$35,000	\$35,000	Remote alarm notification of unauthorized entry at tank sites
1.8650.20	i.	Sampling Stations (6 biennially)	\$40,000		
1.7136.00	j.	Facilities Security Enhancements		\$25,000	
	k.	Automate Zone Valve (Slowdown Ct)	\$50,000		Will provide real-time operation of Zone 2 pressure and flow when STP goes on & off
	l.	Radio Read Meter Retrofit (Pilot Study/Install)	\$500,000	\$2,500,000	Pilot Program for Cellular & Tower Mounted Radio Transmission
			<u>\$975,000</u>	<u>\$2,830,000</u>	
3. BUILDING, YARD, STP. IMPROVEMENTS					
	a.	Administration Building			
	1	Electronic Document Management System	\$150,000		Manage digital document creation, storage, retrieval & expiration.
1.6501.46	2	Office Emergency Generator	\$150,000		Customer service, lab and operations equipment requires an emergency power supply when primary power is interrupted.
	3	Office/Yard Building Refurbish (Note 3)	\$1,500,000	\$1,500,000	Building is 50-years-old and requires significant upgrading.
			<u>\$1,800,000</u>	<u>\$1,500,000</u>	
	b.	Stafford Treatment Plant			
	1	Dam Concrete Repair	\$50,000		Concrete patch repair to west face of the dam
1.6600.82	2	STP Emergency Power Generator	\$150,000		Needed to provide emergency power to the chlorine gas scrubber
	3	Watershed Erosion Control	\$25,000		STRAW, Grossi dairy manure removal and misc. erosion control on the Stafford Lake Watershed.
	4	Remove Old STP Chemical Tanks		\$20,000	
	5	Lake Backfeed De-Chlor System		\$100,000	
	6	Other Treatment Plant Improvements		\$75,000	
			<u>\$225,000</u>	<u>\$195,000</u>	
			<u>\$2,025,000</u>	<u>\$1,695,000</u>	

Proposed Capital Improvement Projects

4/14/15

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		FY16	FY17	FY16 Project Description
4. STORAGE TANKS/PUMP STATIONS				
	a.	Tank Rehabilitation		
	1	Hydropneumatic Tank Repairs	\$60,000	Inspect & repair the 7 hydropneumatic tanks in compliance with State Code
			\$60,000	\$0
1.6112.24	a.	Lynwood P.S. Motor Control Center	\$120,000	Move motor controls above-ground.
1.6222.23	b.	Sunset Tank Cl2 Mixing System	\$90,000	Chlorine mixing system to enhance water quality.
1.6141.00	c.	Crest PS(Design/Const)/Reloc School Rd PS	\$70,000	\$150,000 Design phase of Crest zone pump station.
			\$340,000	\$150,000
5. RECYCLED WATER				
5.7127.00	a.	NBWRA Grant Program Administration	\$80,000	\$80,000 Continued support of NBWRA to obtain/administer recycled water project Federal/State grants for the Central Project.
	b.	Expansion to Central Area (Note 4)	\$3,500,000	\$7,500,000 Install 5.7 miles of pipeline on Ignacio Blvd
	c.	Other Recycled Water Expenditures	\$100,000	\$100,000 Retrofit existing potable irrigation customers to RW
			\$3,680,000	\$7,680,000

Proposed Capital Improvement Projects

4/14/15

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		FY16	FY17	FY16 Project Description
6. WEST MARIN WATER SYSTEM				
2.6601.32	a.	TP Solids Handling (Note 5)	\$1,245,000	
2.7153.00	b.	Upsize 4" Pipe from Bear Valley Tanks (8"@900')	\$100,000	Upsize 900' pipeline to 8-inch from Bear Valley Tanks to Fox Dr/McCarthy Ct to improve water delivery and fire flow to Bear Valley
2.6605.23	c.	Abandon Downey Well	\$50,000	
	d.	Tanks #2 & #3 Seismic Piping Upgrade	\$30,000	Balance of work commenced in FY13
	e.	Replace PRE Tank #4A (25K gal w/82K gal)	\$50,000	\$450,000 Replace redwood tank destroyed in Vision Fire with concrete tank
	f.	PB Replace in Sync w/ County Paving	\$50,000	For 25 replacements
	g.	Green Sand Filter Media Replace	\$75,000	\$75,000 Media replacement in both filters
			<u>\$305,000</u>	<u>\$1,820,000</u>
7. 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
	b.	Design/Install 8th Disposal Trench (300')		\$50,000
	c.	Tahiti Way Lift Pumps Rebuild (2) (every 5 yrs)		\$20,000
	d.	Tahiti Way Power Relocation		\$20,000
	e.	Dillon Beach Lift Station Rehab		\$30,000
			<u>\$40,000</u>	<u>\$160,000</u>
		Novato Water	\$6,990,000	\$5,980,000
		Recycled Water	\$3,680,000	\$7,680,000
		West Marin Water	\$305,000	\$1,820,000
		Oceana Marin Sewer	\$40,000	\$160,000
		GROSS PROJECT OUTLAY	<u>\$11,015,000</u>	<u>\$15,640,000</u>

Proposed Capital Improvement Projects

4/14/15

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	FY16	FY17	FY16 Project Description
LESS FUNDED BY LOANS/GRANTS/OTHER			
a. AEEP - Hwy 101 Widening (Note 1)	(\$2,360,000)	\$0	Funded by Bank Loan & Caltrans Reimbursement
b. Radio Read Meter Retrofit (Note 2)	(\$500,000)	(\$2,500,000)	Funded by SRF or Bank Loan
c. Office/Yard Building Refurbish (Note 3)	(\$1,500,000)	(\$1,500,000)	Funded by Bank Loan
c. RW Sys Expansion (Note 4)	(\$3,500,000)	(\$7,500,000)	Funded by 1% SRF Loan
e. WM Treatment Plant Solids Handling (Note 5)	\$0	(\$1,145,000)	Funded from FY12 Bank loan & add'l \$500K FY17 loan
	<u>(\$7,860,000)</u>	<u>(\$12,645,000)</u>	
<u>SUMMARY - NET PROJECT OUTLAY</u>			
Novato Water	\$2,630,000	\$1,980,000	
Recycled Water	\$180,000	\$180,000	
West Marin Water	\$305,000	\$675,000	
Oceana Marin Sewer	\$40,000	\$160,000	
	<u>\$3,155,000</u>	<u>\$2,995,000</u>	
Total Number of Projects	36	30	

Note 1 - Aqueduct Energy Efficiency Project funded by \$7M bank loan, \$9.9M in Caltrans reimbursement, and \$440,000 local contribution.

Note 2 - Radio Read Meter Retrofit to be funded by SRF or Bank Loan

Note 3 - Office/Yard Refurbish to be funded by Bank Loan

Note 4 - RW Central Expansion funded by \$2.25M from Marin Country Club with balance from Fed/State Grants & SRF loans with debt service paid from Novato potable water FRC funds.

Note 5 - West Marin Water Treatment Plant Solids Handling Facility partially funded by \$782,000 bank loan. Additional \$500K to be borrowed in FY17 to complete project.

Studies carried under Admin Operating Exp (Novato) or Other Non-Operating Exp (WM & OM)

a. Insured Property Valuation Assessment	\$40,000	
b. Local Water Supply Enhancement Study	\$100,000	\$100,000
c. Retiree Health Liability Actuarial Update	\$5,000	
d. Novato Water Master Plan Update (every 5 yrs)	\$85,000	
e. Deer Island/NSD RW Conjunctive Use Study	\$10,000	
f. Gallagher Well #2 Hydrogeologic Study	\$58,000	
g. Stafford Lake Bathymetric Study		\$35,000
	<u>\$348,000</u>	<u>\$135,000</u>

16

MEMORANDUM

To: Board of Directors

April 17, 2015

From: David L. Bentley, Auditor-Controller

Subj: Initial Review – Proposed FY15/16 Equipment Budget

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RECOMMENDED ACTION: Initial Review and Provide Direction to Staff**FINANCIAL IMPACT:** None at this time - \$199,000 proposed for June 17 Public Hearing

Presented for your initial review is the proposed FY 2015/16 (FY16) Equipment Budget. The proposed budget totals \$199,000, up 1% from the adopted FY15 Equipment Budget (\$198,000). FY15 estimated actual expenditures are forecast to come in right on budget, at \$198,000. The 5-Year Financial Plan includes \$265,000 for FY16 Equipment purchases.

Purchase of rolling stock (a backhoe and two half-ton pickups) comprise 90% of the Proposed FY16 Equipment Budget.

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

An additional Equipment Budget review is scheduled for May 19, and a public hearing and approval of the Equipment Budget is scheduled for June 16, 2015. Expression of Board comments and concerns earlier in the process, rather than later, is appreciated.

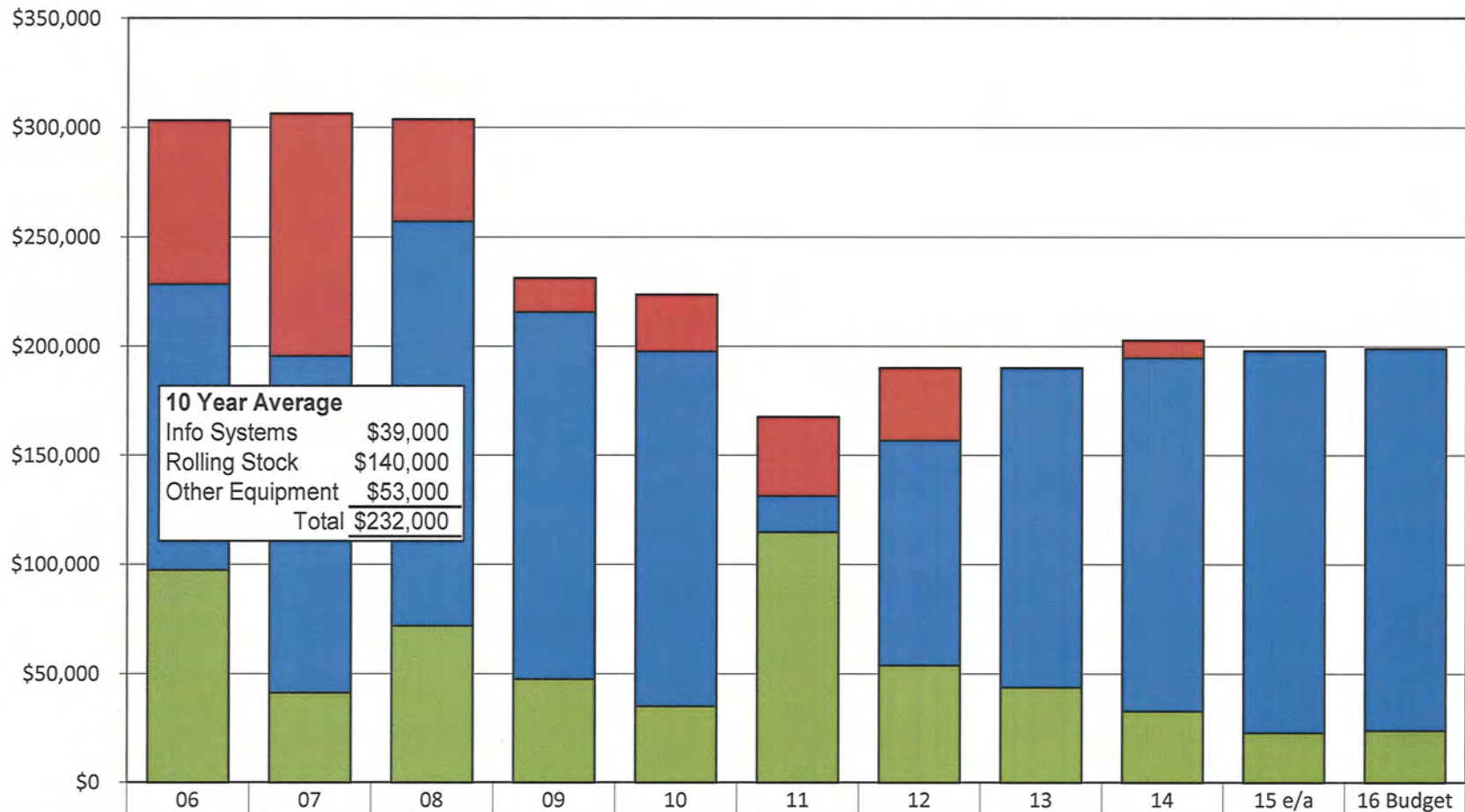
**Proposed
Equipment Expenditures
Fiscal Year 2015/2016 Budget**

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		Proposed	Description
1 CONSTRUCTION			
12107.01.00	a.	Fittings & Hose for Emergency Hose Trailer	\$6,000 Additional Fittings & Hose (1"-6") for Hose Trailer
			<u>\$6,000</u>
2 ENGINEERING			
	a.	Large Format Color Printer	\$12,000 For CAD Drawings - to replace HP800 Plotter which is obsolete and no longer supported
			<u>\$12,000</u>
3 OPERATIONS/MAINTENANCE			
	a.	Tire Balancer	\$6,000 To replace broken 1992 balance with unit that supports a larger variety of fleet wheels.
			<u>\$6,000</u>
4 VEHICLE & ROLLING EQUIPMENT EXPENDITURES			
12104.01.00	a.	4x4 Backhoe (Diesel)	\$125,000 To replace '04 JD 310 with 2,445 hours that will be auctioned
12104.01.00	b.	1/2 Ton Pickup w/Tool Box & Radio	25,000 To replace '00 Dakota w/115,000 miles that will be auctioned
12104.01.00	c.	1/2 Ton Pickup w/Tool Box & Radio	25,000 To replace '03 Chevy C1500 w/117,000 miles that will be auctioned
			<u>\$175,000</u>
		Total	<u>\$199,000</u>

	Adopted Budget 2014/15	Estimated Actual 2014/15	Proposed Budget 2015/16
RECAP			
Equipment	\$23,000	\$23,000	\$24,000
Rolling Stock	\$175,000	\$175,000	\$175,000
	<u>\$198,000</u>	<u>\$198,000</u>	<u>\$199,000</u>

10 Year History of Equipment Purchases



	06	07	08	09	10	11	12	13	14	15 e/a	16 Budget
Info Systems	\$74,666	\$110,726	\$46,572	\$15,761	\$25,925	\$36,375	\$33,346	\$0	\$8,050	\$0	\$0
Rolling Stock	\$131,185	\$154,281	\$185,181	\$168,055	\$162,696	\$16,671	\$103,057	\$146,305	\$161,834	\$175,000	\$175,000
Other Equipment	\$97,287	\$41,238	\$71,888	\$47,520	\$35,082	\$114,612	\$53,724	\$43,764	\$32,884	\$23,000	\$24,000
Total	\$303,138	\$306,245	\$303,641	\$231,336	\$223,703	\$167,658	\$190,127	\$190,069	\$202,768	\$198,000e	\$199,000

5-Year Vehicle and Equipment Replacement Plan

Updated 4/14/2015

FY15/16	New Item Description	Replacement Item Description	Cost
1	Backhoe 4X4 Diesel	#77 2004 John Deere 310 SG	\$125,000
2	1/2 Ton Pickup w/Tool Box and Radio	#58 Ford Ranger moved into pool	\$25,000
3	1/2 Ton Pickup w/Tool Box and Radio	#59 Ford Ranger moved into pool	\$25,000
			Total \$175,000

Note: #77 '04 John Deere Backhoe w/4450 hours, #51 '03 Chevy PU w/117,041 miles and #47 '02 Chevy 4x4 PU w/111,035 miles will be auctioned.

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

Note: 44 & 53 will be auctioned.

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

Note: Truck 19 & 52 be auctioned.

FY18/19	New Item Description	Replacement Item Description	Cost
1	1/2 Ton 4x4 with camper shell, Radio	#49 2003 Dodge Dakota 4X4	\$35,000
2	Hybrid 4X4 SUV	#54 2004 Chevy Xcab	\$65,000
3	Hybrid Car w/ Radio	#510 2009 Toyota Prius	\$30,000
4	1/2 ton V6 2WD w/Tool Box and Radio	#502 2007 3/4 Ton Chevy 4x4	\$25,000
			Total \$155,000

Note: 32, 510 will be auctioned

FY19/20	New Item Description	Replacement Item Description	Cost
1	1/2 ton V6 2WD w/Tool Box and Radio	#505 2008 Ford 3/4 ton 4X4	\$25,000
2	Hybrid 4X4 SUV	#512 2010 Ford 1/2 ton	\$65,000
3	Hybrid Car w/ Radio	#56 2005 Honda Civic	\$30,000
4	Hybrid Car w/ Radio	#57 2005 Honda Civic	\$30,000
			Total \$150,000

Note: 505, 512, 58, 59 will be auctioned

x:\fleet\equipment replacement plan\5 year plan.xls]5yr 15-16

17

**NOTICE OF MEETING OF
NORTH BAY WATERSHED ASSOCIATION**

Notice is hereby given that a meeting of the North Bay Watershed Association will be held as follows:

Date: Friday, May 1, 2015
Time: 9:30 a.m. – 11:30 a.m.
Location: Marin Community Foundation
5 Hamilton Landing, Suite 200
Novato, CA 94949

AGENDA

<u>Item</u>	<u>Recommendation</u>
1. Call to Order (Jack Gibson, Chair)	
2. Public Comment	
3. Approval of the Agenda (1 min.)	Approve
4. Approval of Minutes	Approve
5. Treasurer's Report (1 min.)	Accept
6. North Bay Projects Update (30 min.) Guest Speaker: Matt Erickson, CDFW	Information
7. Ross Valley Update (30 min.) Guest Speaker: Scott Lyle and Russ Eberwein Marin County Flood Control	Information
8. Stormwater Initiative (15 min.) Guest Speaker: Mitch Avalon, Consultant	Action
9. Board Decisions (15 min.) - HR 813 Support letter - SFEP Sponsor request – \$500 - Marin Urban Streams Coordinator Support Letter	Action
10. Items of Interest	
11. Items for Next Agenda	

Next Meeting Information:

Next Meeting: June 5, 2015
Novato Sanitary District
500 Davidson Street
Novato, CA 94945

NORTH BAY WATERSHED ASSOCIATION

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

Date: April 3, 2015
Time: 9:30 a.m.
Location: Napa County Library Community Room
580 Coombs Street
Napa, CA 94559

Directors Present: Directors present included:

<u>Board Member</u>	<u>Agency/Organization</u>	<u>Board Member</u>	<u>Agency/Organization</u>
Madolyn Agrimonti	City of Sonoma and Sonoma Valley County Sanitation District	Juliana Inman	Napa County Flood Control and Water Conservation District
Jack Baker	North Marin Water District	Paul Jensen	City of San Rafael
Keith Caldwell	Napa Sanitation District	Pamela Meigs	Ross Valley Sanitary District
Megan Clark	Las Gallinas Valley Sanitary District	Brad Sherwood	Sonoma County and Sonoma County Water Agency
Damon Connolly	County of Marin	Robert Wilson	City of Petaluma
Jack Gibson	Marin Municipal Water District		
Kathy Hartzell	Central Marin Sanitation Agency		

Directors present represented 14 out of the 16 agencies signatory to the Association MOU.

Board Actions:

1. **Call to Order.** Jack Gibson, Chair, called the meeting to order at 9:33 a.m.
2. **Public Comment.** None.
3. **Approval of the Agenda.** (See Handout) The Board unanimously approved the agenda.
4. **Approval of the Minutes of the Board Meeting held March 6, 2015.** (See Handout) The Minutes of the Board Meeting held on March 6, 2015 were unanimously approved.
5. **Treasurer's Report.** (See Handout) The Treasurer's Report was accepted as presented by Harry Seraydarian.
6. **Napa Earthquake: Lessons Learned.** Mike Parness, City Manager, provided a PowerPoint and began with a map showing the faults and surface fractures from the 6.0 earthquake at 3:20 am on August 24, 2014. Mike presented a summary of injuries and patients treated and then provided examples of structural damage including firefighters hindered by broken water lines. Mike described how the Emergency Operation Center opened at 6:00 am and provided visuals of residential damage identified in daylight. He focused on the hardest hit areas – the west side and older buildings downtown. Mike emphasized the importance of showing FEMA the internal damage to buildings that couldn't be seen from the outside. He noted the number of red tagged structures (165) and yellow tagged structures (1,700) and the total damage estimate of \$362.4m to private property and public infrastructure. Mike then described the building damage assessment with up to 60 inspectors a day in the field. He noted that FEMA makes determinations separately and initially only looked at red tagged buildings. Mike then highlighted debris management (7,400 tons) and damage to water facilities (240 leaks total, one storage tank damaged and 1,500 connections affected). Mike provided more detail on water facilities and described efforts and results for days 1, 2, 3 and 4-6. Mike then moved on to the recovery process and taking care of the community with the Napa Local Assistance Center handling over 8,000 in person visits and over 2,400 calls. Mike then presented "Lessons Learned" and emphasized the importance of mutual aid-regional agreements (CalWARN), competition for limited resources and the essential help of non-profits. He also noted that Napa should have: predetermined debris sites; centralized the call center sooner; and handled red and yellow tagging more thoroughly (citing city ordinances, photo documentation, instructions, data base, etc.). Mike then presented "Learning Opportunities" – extensive water damage from chiller lines and fire sprinklers; consider critical facilities (hospitals, jails); value nonprofits; communication is essential; and the need to coordinate and manage media relations and VIP visits. He also noted why earthquakes are different from fire and flood as far as disaster declarations and noted the need for more training. Mike ended with some facts he described as "Fun with FEMA" and estimated the recovery work and documentation were ten times more work than the initial disaster. The NBWA Board Members had several questions. Was there more than one assistance center? (Only one, all consolidated.) Did one emergency declaration cover Sonoma? (City and County declared locally.) Should ABAG provide information for tags? (No, relates to specific city codes.) Any need for building code changes? (Yes – need flexible joints for water and gas lines.)

7. **Items of Interest.**

- * Can NBWA consider writing a letter of Support for the Marin Watershed Outreach Position?
- * NBWA should consider supporting HR 18-Huffman Bill.
- * SCWA has Groundwater Sustainability presentation that may be of interest.

8. **Items for Next Agenda.**

- * North Bay Projects, Matt Erickson, CDFW
- * Ross Valley Flood Control Update – Scott Lyle, Marin Flood Control
- * Stormwater Funding Initiative, Mitch Avalon, Consultant

9. **Napa Flood Management Project Update.** Rick Thomasser, Napa County Flood Control & Water Conservation District provided a PowerPoint and began with some background on flooding in Napa, including pictures of 1986 and 2005 floods. He reviewed some project history going back to the 1940's hydraulic studies by the Army Corps. He then explained the "Living River" concepts and design elements developed after the 1986 flood. He also noted Measure A (½ cent sales tax 1998-2018) passed in 1997 to cover local project cost share. Rick then displayed graphics to illustrate the components of the Napa River Flood Protection project including the downtown urban reach and the south wetlands area. He showed photos of completed elements and phases for both the downtown and wetlands areas. He provided a comparison of the wetlands area from 1940 to 2012 and noted approximately 75% restoration. Rick also provided details on the wetland monitoring program for vegetation, birds and fish. Rick then presented the current phase of construction for the downtown Oxbow Bypass and the various components including recent pictures of the inlet and outlet structures. Rick summarized the remaining elements of the project and described the federal funding challenges. He highlighted a recent value engineering study by the county that identified over \$90 million in cost savings. The NBWA Board Members had several questions. Have you considered sea level rise? (USACE reviewed flood control and will have a lot of freeboard; wetlands will experience change and now considering adaptive management.) Did USACE require "Shovel Readiness"? (Stimulus funding phrase, not used lately.) How much more funding needed? (Need \$65 million in federal funds.)

Jack Gibson, Chair, adjourned the meeting at 11:25 a.m. for a Napa River Walking Tour of the Downtown Reach and Napa River Bypass Construction (Paved Urban Trails)

SUBJECT TO BOARD APPROVAL

Submitted By: Elizabeth O. Preim-Rohtla
Assistant to the Executive Director

NEXT MEETING INFORMATION:

May 1 – Marin Community Foundation, 5 Hamilton Landing, Suite 200, Novato, CA 94949

June 5 – Novato Sanitary District, 500 Davidson Street, Novato, CA 94945

The Marin Community Foundation - Map and Directions

Marin Community Foundation

5 Hamilton Landing
Suite 200
Novato, CA 94949

main phone: 415.464.2500
fax: 415.464.2555

Come through the courtyard between the two buildings (Hanger 5 and Hanger 6) and enter through the automatic door in the center of Hanger 5. There is an elevator or stairs to the second level. Our meeting room is called "The Redwood Room"

Going north:

a) Going north on Highway 101, take the Hamilton Field/Nave Dr. Exit. Veer right at the end of the exit ramp and follow Nave Drive going north, parallel to 101. Take a right at Main Gate Road, which leads into Hamilton. (At Crescent, Main Gate Road becomes Palm Drive.)

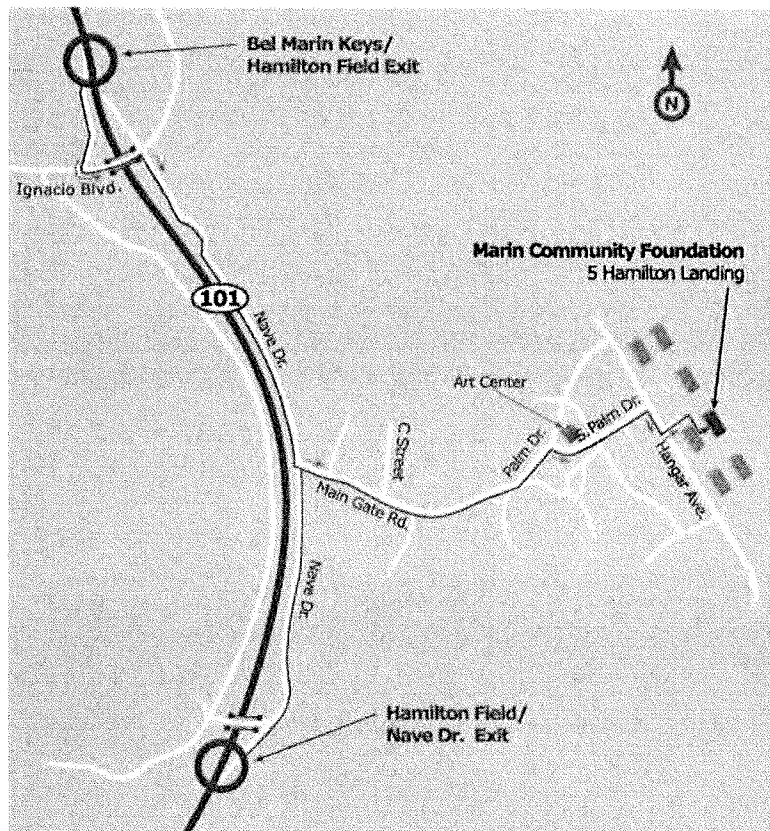
b) Continue until you reach the Arts Center, then bear right onto South Palm Drive. Take South Palm Drive to the end, turn right onto Hangar Avenue, and take an immediate left into the parking lot. MCF is in Hangar 5, at 5 Hamilton Landing. The entrance is down the pathway between Hangar 5 and Hangar 6.

Going south:

Going south on Highway 101, take the Bel Marin Keys/Hamilton Field Exit. At the end of the exit ramp, take a right onto Ignacio Blvd. After crossing the freeway, take an immediate right onto Nave Drive. Take a left onto Main Gate Road, which leads into Hamilton. (At Crescent, Main Gate Road becomes Palm Drive.) Then follow directions "b" above.

From the east bay:

Cross the Richmond-San Rafael Bridge and continue on 580 until it merges onto 101 North. Then follow the directions for "going north."



18

DISBURSEMENTS - DATED APRIL 9, 2015

Date Prepared 4/7/15

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

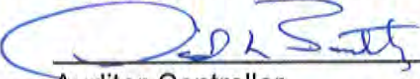
Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 3/31/15	\$123,417.92
EFT*	US Bank	Federal & FICA Taxes PPE 3/31/15	53,505.97
EFT*	State of California	State Taxes & SDI PPE 3/31/15	9,330.97
EFT*	US Bank	March Credit Card Fees Incurred for Customer Online Payments	2,018.90
1	Agrichem Services	Refund Security Deposit on Hydrant Meter Less Final Bill	994.51
2	Athens Administrators	Replenish Self-Insured Workers' Comp Account (Venegas) (3/1/15-3/31/15)	7,157.91
3	AT&T	March Internet Service @ PRTP	75.00
4	AT&T	Telephone Charges: Leased & RTU Lines	520.54
5	Autoworld	Replace Outboard Motor Lower Drive & Tune Up (STP Boat)	915.46
6	Automation Direct	Communication Cards for SCADA Network & PLC & AI Modules for STP (\$385)	586.00
7	Bay Area Air Quality Mgmt Dist	Annual Permit Fee (to Operate Back-up Generator @ O.M.)	526.00
8	Bay Alarm	Quarterly Fire Alarm Monitoring Fee (STP) (4/1/15-7/1/15)	338.19
9	Black Box	Network Cable Ends (100) & Crimper (\$67)	136.96
10	Bold & Polisner	AEEP Caltrans Reimb B3 (\$643), Brown Act (\$53), Employer Assist Housing (\$444) & Wild Horse Tank (\$87)	1,226.79
11	Brooks, Ted	Novato "Cash for Grass" Program	400.00
12	CalPERS Retirement System	Pension Contribution PPE 3/31/15	43,286.26

Seq	Payable To	For	Amount
13	Cummings Trucking	Rock (65 yds)	2,409.31
14	Daly, Anne	Novato "Toilet Rebate" Program	300.00
15	Electrical Equipment	Pump Motor Starter Contact	142.05
16	Emery, Barbara	Novato "Toilet Rebate" Program	200.00
17	Evergreen Landscape	Refund Security Deposit on Hyd Meter Less Final Bill	754.28
18		Vision Reimbursement	73.00
19	Fisher Scientific	Bottles (72) (\$129) & Buffers (3) (Lab)	238.07
20	Freeman, Deborah	Novato "Toilet Rebate" Program	100.00
21	Ghilotti Construction	Progress Pymt#11: Construct AEEP Reaches A- D/MSN B3 Pipeline Project (Balance Remaining on Contract \$3,151,712)	109,758.68
22	Gill, Robin	Novato "Toilet Rebate" Program	98.00
23	Goggans, Sheri	Novato "Toilet Rebate" Program	200.00
24	Grainger	Pressure Transducer (\$221), Thread Connectors (2), Light Bulbs (52) (\$238), Bucket Organizers (2), Knee Boots (\$42) & 'D' Batteries (24)	632.13
25	Groeniger	Elbow, Hydrant Extensions (3) (\$177), Couplings (30) (\$687), Meter Adaptors (48) (\$1,005) & 1" x 4" Nipples (3)	1,901.07
26	Hall Dump Truck Service	Remove Dirt Spoils from NMWD Yard (96 yds)	1,440.00
27	Han, Khing	Novato "Toilet Rebate" Program	100.00
28	Kuhlmann, Shane	Novato "Cash for Grass" Rebate Program	400.00
29	Maltby Electric	Water Proof Wire Splices (100) (\$194), Telemetry Cable Wire Splices (200) & Electrical Wire (500') (\$42)	261.12
30	Marin County Recorder	Aug-Feb Official Copy of Records	38.00
31	McLellan, WK	Misc Paving	13,150.28


Seq	Payable To	For	Amount
32	MRC Global	Valve Actuator Replacement for Lynwood P/S	10,037.81
33	National Meter	4" Compound Meter for IVC Pool	2,770.03
34	New Pig	Disposable Gloves (4 mil) (1,000)	257.16
35	Novato Disposal Service	March Trash Removal	432.54
36	Novato Sanitary District	January Recycled Water	6,172.70
37	NTU Technologies	Polymer Emulsion (STP) (2,300 gal)	3,703.00
38	Office Depot	5 Slot Wall Organizer (\$106) (Filippi), File Folders (300), File Folder w/Fasteners (50) (\$129), Tape Dispenser, Binder, Chair Mat (Blue) (\$98), Audio Cassettes (2), Keyboard Wrist Pad & Parchment Cover Stock (2 reams)	419.53
39	On-Site Health & Safety	CPR/First Aid Training (48 Employees)	2,085.00
40	Pace Supply	Tube Nuts (6), Caps (10) (\$192), Hydrant Extension (2) (\$124), 3/4" & 1" Repair Clamps (10) (\$673), Elbows (23) (\$365), Couplings (14), Bushings (12), Ball Valves (8) (\$77), 4" & 6" Gate Valves (5) (\$2,083) & Tee (\$387)	4,323.13
41	Pacific Water Resources	Replacement Pump Bearing & Seals @ STP	2,462.95
42		Cafeteria Plan: Uninsured Medical & Childcare Reimbursement	474.25
43	Shell	Small Tool Fuel (6 gal)	21.00
44	Shirrell Consulting Services	March Dental Expense	3,641.70
45	SMART Real Estate	General Easement Access @ Golden Gate Transit Crossing (4/1/15-3/31/16)	711.08
46	State Water Resources Control Board	D2 Renewal Certification (Reischmann) (Budget 0) (10/15-10/17)	60.00
47	USA BlueBook	Pressure Valve (\$199) & 3/8" Elbows (3) (STP)	322.63
48	Van Adelsberg, Eric	Novato "Washer Rebate" Program	50.00
49	Verizon California	Leased Lines & RTU	850.13

Seq	Payable To	For	Amount
50		Vision Reimbursement	100.00
51	Wine Country Balance	Annual Scale Cleaning & Calibration (Lab)	499.00
		TOTAL DISBURSEMENTS	<u>\$416,027.01</u>

The foregoing payroll and accounts payable vouchers totaling \$416,027.01 are hereby approved and authorized for payment.


Auditor-Controller

4/7/15
Date


General Manager

4/7/2015
Date

DISBURSEMENTS - DATED APRIL 16, 2015

Date Prepared 4/14/15

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


Seq	Payable To	For	Amount
1	Able Tire & Brake	Forklift Tire Tube	\$20.27
2	Athens Administrators	April Workers' Comp Admin Fee	1,000.00
3	Autoworld	Fuel Hose Connector Kit (STP Boat)	125.57
4	AWWA CA-NV SEC	Lab Analyst Grade 3 Renewal (Lucchesi) (7/15-6/17) (Budget \$60)	55.00
5	Bastogne	Refund Overpayment on Closed Account	151.17
6		Vision Reimbursement	280.00
7	Brophy, Harry	Novato "Cash for Grass" Program	400.00
8	Buck's Saw Service	Weed Eater Line (\$60) (782'), Pull Starter Rope (\$51), Air Filters (2) & Spark Plugs (2)	145.74
9	California State Disbursement	Wage Assignment Order	811.50
10	Cloney, Gina	Novato "Cash for Grass" Program	160.00
11	CSW/Stuber-Stroeh Engineering	Progress Pymt#3: Marin Sonoma Narrows NMWD Aqueduct Energy Efficiency Project (Balance Remaining on Contract \$105,269)	17,193.54
12	DeGabriele, Chris	Exp Reimb: March Mileage	163.88
13	Diggs, James	Retiree Exp Reimb (April Health Ins)	966.79
14	Environmental Express	Borosilicate Filters (Lab)	111.33
15	Evoqua Water Technologies	Service on Deionization System (Lab)	221.80
16		Cafeteria Plan: Uninsured Medical Reimbursement	75.00
17	Fisher Scientific	Electrode (\$435) (STP), Pipettes (200) (\$80) & pH Electrode Storage Solution (Lab)	577.22
18	Friedman's Home Improvement	Replacement Ceiling Fan (Watchman's Apartment)	62.24


Seq	Payable To	For	Amount
19	Golden Gate Petroleum	Turbine Oil (5 gal), Gasoline (\$3.19/gal) & Diesel (\$2.76/gal) (\$2,856)	2,985.07
20	Grainger	Wire Raceway, Pressure Transducer (\$221), Internal Thread Connector, Sump Pump (\$217), 3" Flexible Couplings (2) (\$235) (RWF Effluent Pumps), Valve Marking Paint Pens (2), Welding Headgear, Hose Clamps (2), Duct Fan (Zone A Pressure Improvement) (\$238)	1,079.99
21	Harms, Vicky	Novato "Cash for Grass" Program	400.00
22	Harrington Industrial Plastics	Elbows (8)	85.77
23	Kemira Water Solutions	Ferric Chloride (10 tons)	5,497.20
24	Klein, Gretchen	Novato "Toilet Rebate" Program	100.00
25	Lincoln Life	Deferred Compensation PPE 4/15/15	11,661.35
26	Marin Landscape Materials	Concrete (42 bags)	210.94
27	Marin County Ford	Oil Filters (3), Motor Oil (20 qts) (\$91), Air Filter (3) (\$49), Wiper Blades (3 sets) (\$61), Ignition Switch, Brake Rotors (2) (\$207) & Brake Pad Kit ('08 F250 4 X 4), Upper Steering Column Assembly ('08 F250 4X4) (\$758), Ignition Cylinder (\$79), Axle, Oil Seals, Parking Brake Shoe Kit (\$144), Light Bulb, Rear View Mirror & Heater Blower Motor Resistor	1,626.72
28	McLellan, WK	Misc Paving	2,129.25
29	Moore, Doug	Retiree Exp Reimb (April Health Ins)	895.35
30	MSI Litho	Business Cards (Grisso & Freeman) (1,000)	125.35
31	Nationwide Retirement Solution	Deferred Compensation PPE 4/15/15	1,325.00
32	North Marin Auto Parts	2-Cycle Oil (2 qts), Diesel Engine Oil (4 gal) (\$61), Battery ('00 Dodge Ram) (\$115), Grommets, Wire Looms (2), Sealant (3-35 oz tubes), Oil Filters (4), Primer (3-15 oz cans), Toggle Switches (2), Circuit Breaker, Air Filter, Wiper Blades & Heavy Duty Truck Code Reader (\$296)	739.16

Seq	Payable To	For	Amount
33	North Bay Gas	Nitrogen (STP) (\$525), Welding Shop Supplies (\$62) & March Cylinder Rental (\$93)	679.72
34	NMWD Employee Association	Employee Dues (2/15-3/31/15)	920.00
35	Novato Builders Supply	Concrete (1/2 yd) (\$103), Plywood (16) (\$931) & Water Stop Cement (20 lbs)	1,068.15
36	Novato, City of	ADA Interactive Process Training on 4/23/15 (Landeros) (\$185) & Street Excavation Moratorium Fee (50 Robinhood) (\$500)	685.00
37	Novato Chevrolet	Air Filters (3) (\$82), Oil Filters (3), Motor Oil (20 qts) (\$72), Wiper Blades (3 sets) (\$49)	231.45
38	O'Reilly Auto Parts	Car Wash Cleaner (4 gal), Motor Oil (12 qts) (\$52) & Wheel Brush	99.08
39	Pace Supply	12" Elbows (12) (\$2,089), Flange, 3/4" Hex Nuts (252) (\$175), 3/4" Nuts (248), 12" Gate Valves (2) (\$2,916) & Bolts (200) (\$1,058)	6,463.56
40	Peterson Trucks	Batteries (2) ('07 Int'l)	216.39
41	PG&E	Power: Bldgs/Yard (\$3,017), Rectifier/Controls (\$377), Pumping (\$15,655), Treatment (\$142) & Other (\$89)	19,279.77
42	Pini Hardware	Light Bulb, Tape Measures (2) (STP), Rat Traps (4), Measuring Cup for Paint, Plant Food, Fan Motor Speed Switch & Fuel Keys	72.31
43	POA of Novato Heights	Annual Dues (Budget \$150) (1/15-12/15)	150.00
44	Preferred Pump & Equipment	Replacement Pump & Motor for Rockrose P/S #2	2,131.23
45	Ray, Scott	Replacement Check-Original Lost in Mail	47.91
46	Red Wing Shoe Store	Safety Boots (Arendell & Kurfirst)	387.46
47	Roberts, Renee	Retiree Exp Reimb (April Health Ins)	966.79
48		Cafeteria Plan: Childcare Reimbursement	118.75
49	Sequoia Safety Supply	Safety Gloves (262) (\$78), Leather Gloves (12) (\$75), Brief Relief Urine Bags (100) (\$231), Ear Plugs (400), Respiratory Masks (3) & Sunglasses Retainer Cords (10)	503.31

Seq	Payable To	For	Amount
50	Shirrell Consulting Services	April Dental Insurance Admin Fee	293.80
51	Sierra Chemical	Chlorine (2 tons) (STP)	3,013.33
52	Starn, George	Novato "Rainwater Harvesting" & "Pool Cover" Rebate Programs (\$50)	80.00
53	TEE VAX	Replacement Refrigerator (Watchman's Apartment)	653.95
54	Thomas Scientific	Inoculating Loops (Lab) (2)	270.48
55	Univar	Sodium Hypochlorite (53 gal) (STP)	1,087.84
56	US Bank	March Safekeeping Fee Treasury Securities	76.75
57	US Postal Service	Meter Postage	1,000.00
58	Vali Cooper & Associates	Progress Pymt #12: Construction Management Services for AEEP Reaches A-D/MSN B3 (Bal Rem on Contract \$532,477)	54,619.29
59	Verizon California	Leased Line	50.04
60	Verizon Wireless	Cellular Charges: Data (\$108) & Airtime (\$118) (19)	226.52
61	VWR International	18" Pipette (Lab)	119.97
TOTAL DISBURSEMENTS			<u>\$146,895.05</u>

The foregoing payroll and accounts payable vouchers totaling \$146,895.05 are hereby approved and authorized for payment.


4/14/15
 Auditor-Controller Date


4/14/2015
 General Manager Date

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Self-Insured Workers' Comp – 3rd Quarter Status Report
t:\acl\word\personnel\wc\self ins status 0315.docx

April 17, 2015

RECOMMENDED ACTION: None

FINANCIAL IMPACT: Cumulative Savings of \$565,821

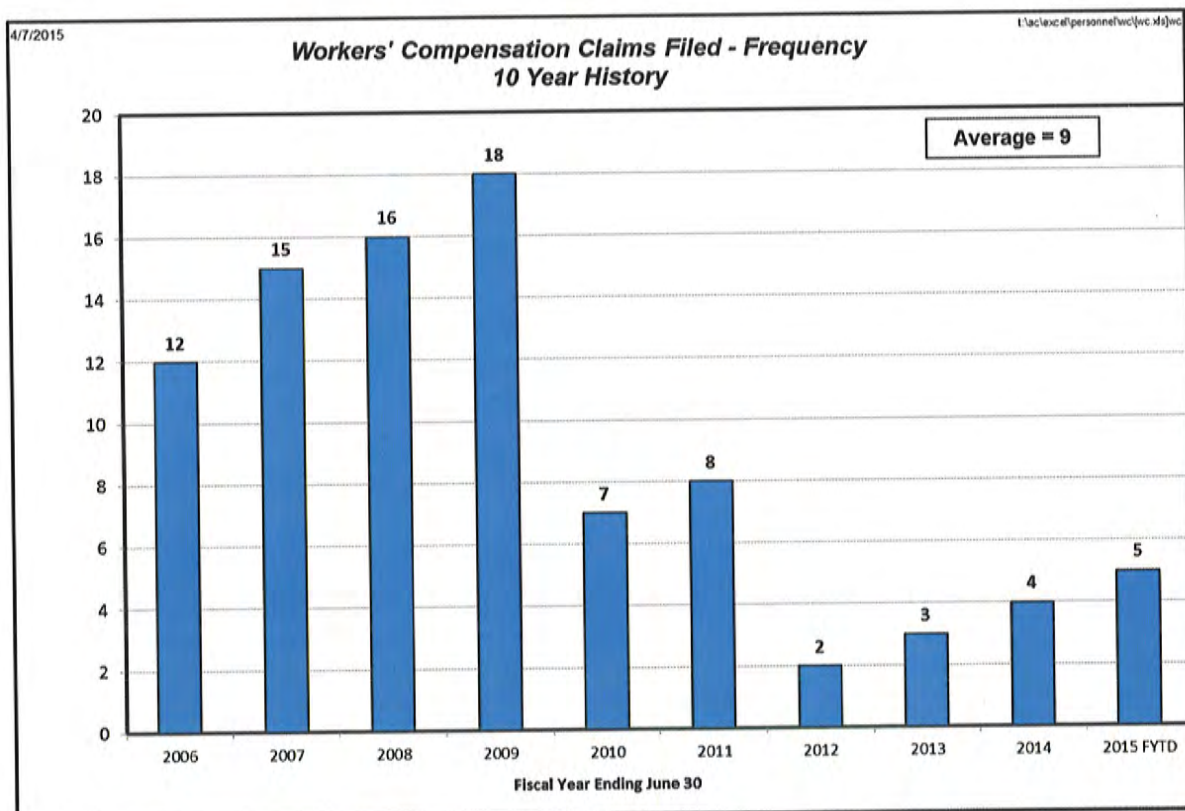
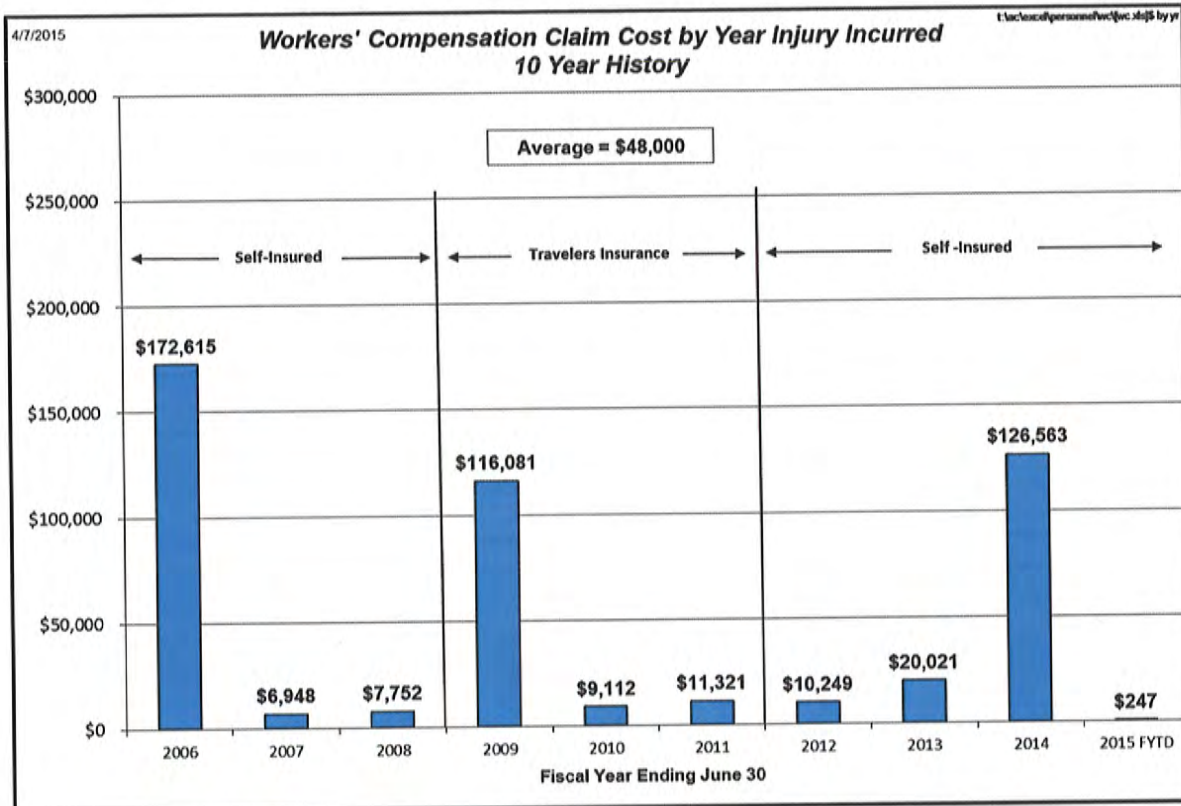
The District returned to self-insuring its workers compensation liability effective July 1, 2011, after the low-cost proposal for first-dollar workers' compensation coverage increased 20% over the prior year, to \$159,331. The avoided-cost in FY12, FY13, FY14 and FYTD15 from self-insuring is calculated at \$486,317. Through the third quarter of FY15, the District incurred five minor claims, four of which are closed.

Cumulative cost avoided for the fifteen quarters of self-insurance total \$486,317. When the Reserve for Future Medical (which is money not yet paid out) is added, the total cash outlay avoided to date, including interest earned on the cost avoided, is \$565,821. This cash is set-aside in a reserve for future claims.

Attached are charts showing a 10-year history of annual claims cost (average \$48,000 per year) and 10-year history of claims frequency (average 9 claims per year).

	FY12	FY13	FY14	FYTD15	Cumulative
Premium Avoided	\$159,331	\$170,574	\$311,764	\$152,792 ¹	\$794,461
Self-Insurance Cost					
Medical/Indemnity Cost	(10,249)	(20,021)	(43,463)	(247)	(73,980)
Third Party Administration	(12,000)	(12,000)	(12,000)	(9,000)	(45,000)
Excess Insurance Premium	(45,546)	(47,762)	(49,276)	(39,079)	(181,663)
Legal/Miscellaneous	0	0	(7,501)	0	(7,501)
Net Cost Avoided	\$91,536	\$90,791	199,524	104,466	\$486,317
Reserve for Future Medical	0	0	75,599	0	75,599
Total Cash Outlay Avoided	\$91,536	\$90,791	\$275,123	104,466	\$561,916
Interest on Cost Avoided	36	9	1,433	2,427	3,905
Cumulative Savings	\$91,572	\$90,800	\$276,556	\$106,893	\$565,821

¹ Alaska National Insurance Company proposed an Annual Premium of \$203,722.



MEMORANDUM

To: Board of Directors

April 17, 2015

From: Nancy Williamson, Senior Accountant

Subj: Information – FY15 3rd Quarter Labor Cost Report

t:\aclword\memo\15\3rdqtrlaborcost.rpt.doc

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None

Total labor cost decreased \$1,433 (0.03%) from the prior year, same period. Attached in graphical format is a five-year comparative summary of total labor cost (Attachment A), overtime cost (Attachment B) and temporary employee cost (Attachment C) expended during each fiscal year. Also attached is a summary of total labor cost vs. budget (Attachment D), which shows that labor cost came in 5% under budget for the first nine months of the fiscal year.

Department	Increase / (Decrease) in Labor Cost vs prior FY	% Change
Administration	(\$34,220)	(2.6%)
Engineering	\$39,184	4.1%
Operations/Maint	(\$37,722)	(2.0%)
Construction/Maint	\$31,325	3.2%
Net Increase/(Decrease)	(\$1,433)	(0.03%)

Comment on Change from Prior Year

Administration: Labor Cost decreased \$34,220, or 2.6%. The decrease is primarily due Miguel Venegas' absence due to industrial injury beginning June 1, 2014 offset by the two Senior Accountants increasing to full time status as of July 1, 2014, 3 step increases and the 2.37% labor cost increase effective October 1 of 2014.

Engineering: Labor Cost increased \$39,184, or 4.1%. The increase is primarily due to use of more temporary labor and overtime, combined with the aforesaid 2.37% labor cost increase.

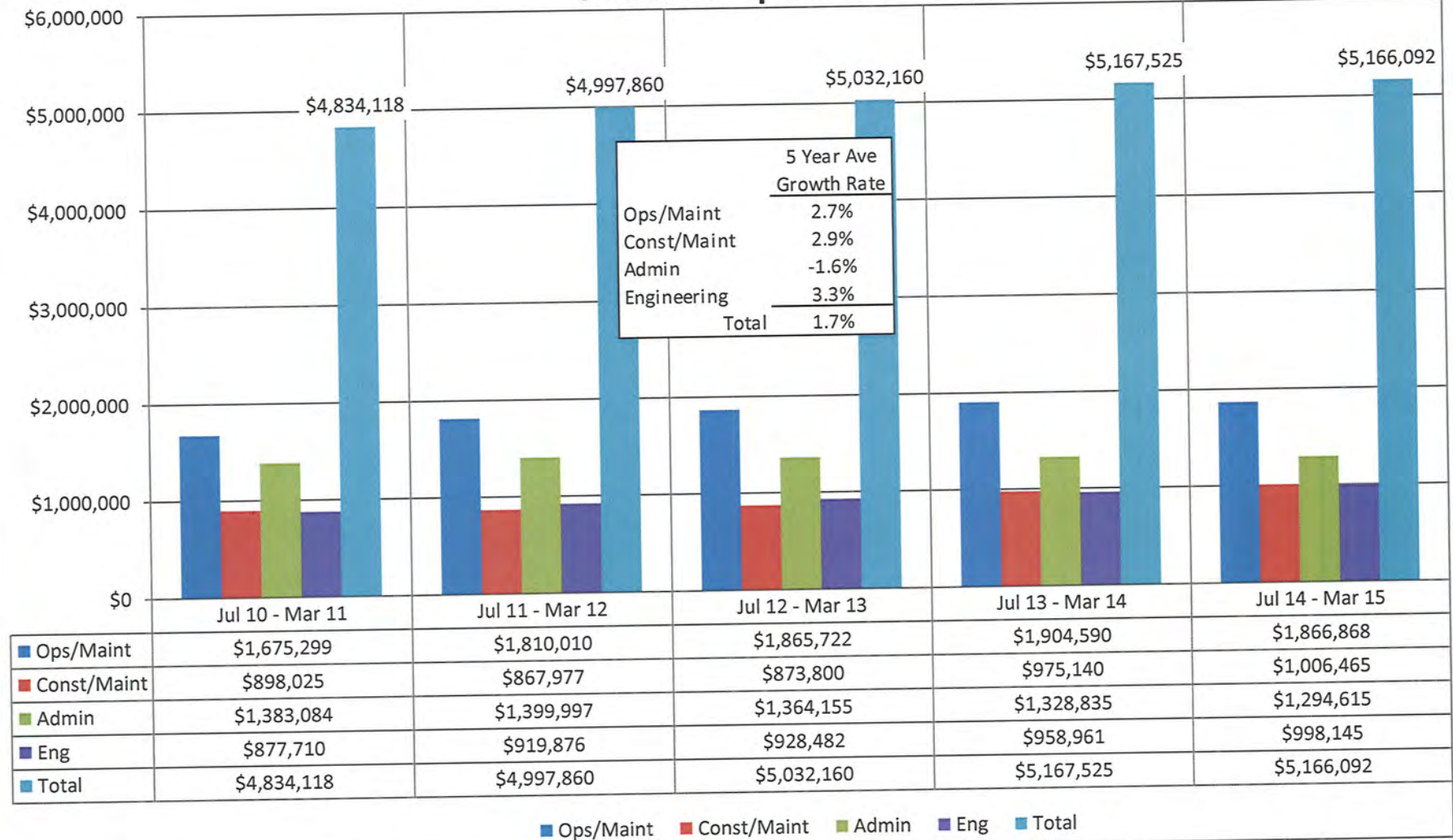
Operations/Maintenance: Labor Cost decreased \$37,722, or 2.0%. The decrease was primarily due the use of less temporary and overtime labor, offset by 5 step increases and the 2.37% labor cost increase.

Construction/Maintenance: Labor Cost increased \$31,325, or 3.2%. The increase was due to more hours worked, 9 step-increases and the 2.37% labor cost increase.

4/17/15

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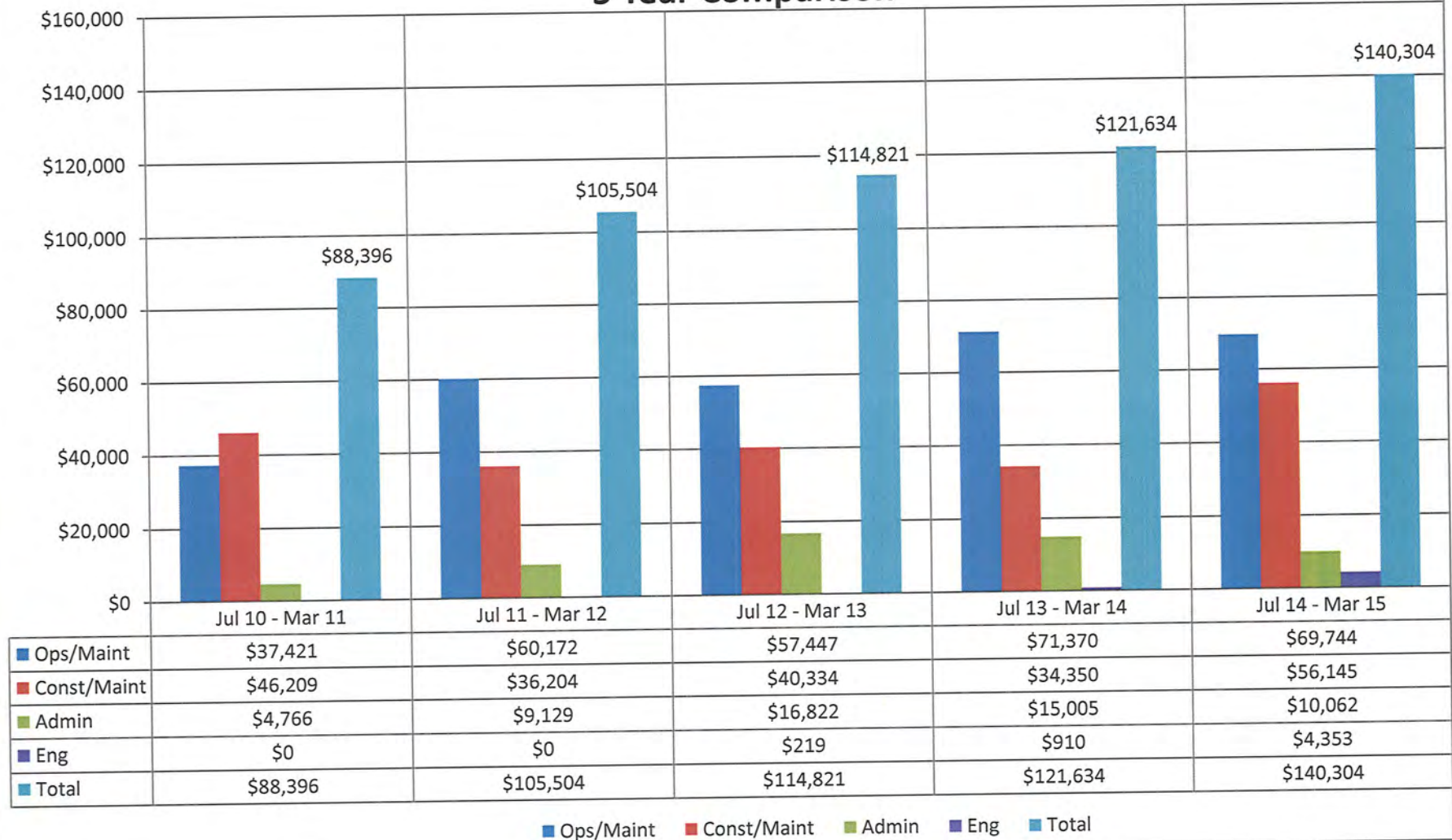
Total Labor Cost NMWD Fiscal Year through March 5 Year Comparison



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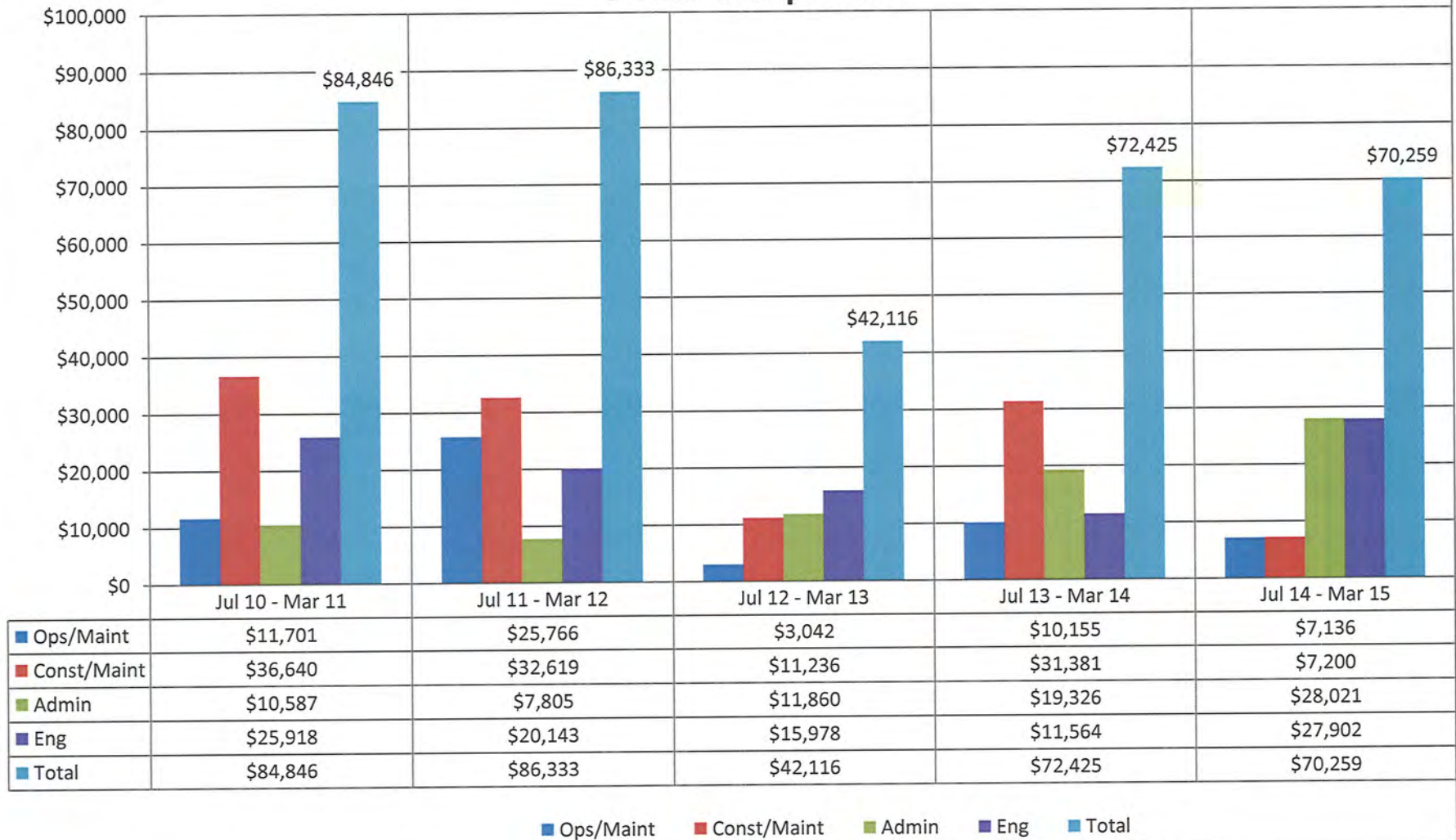
Overtime Cost NMWD Fiscal Year through March 5 Year Comparison



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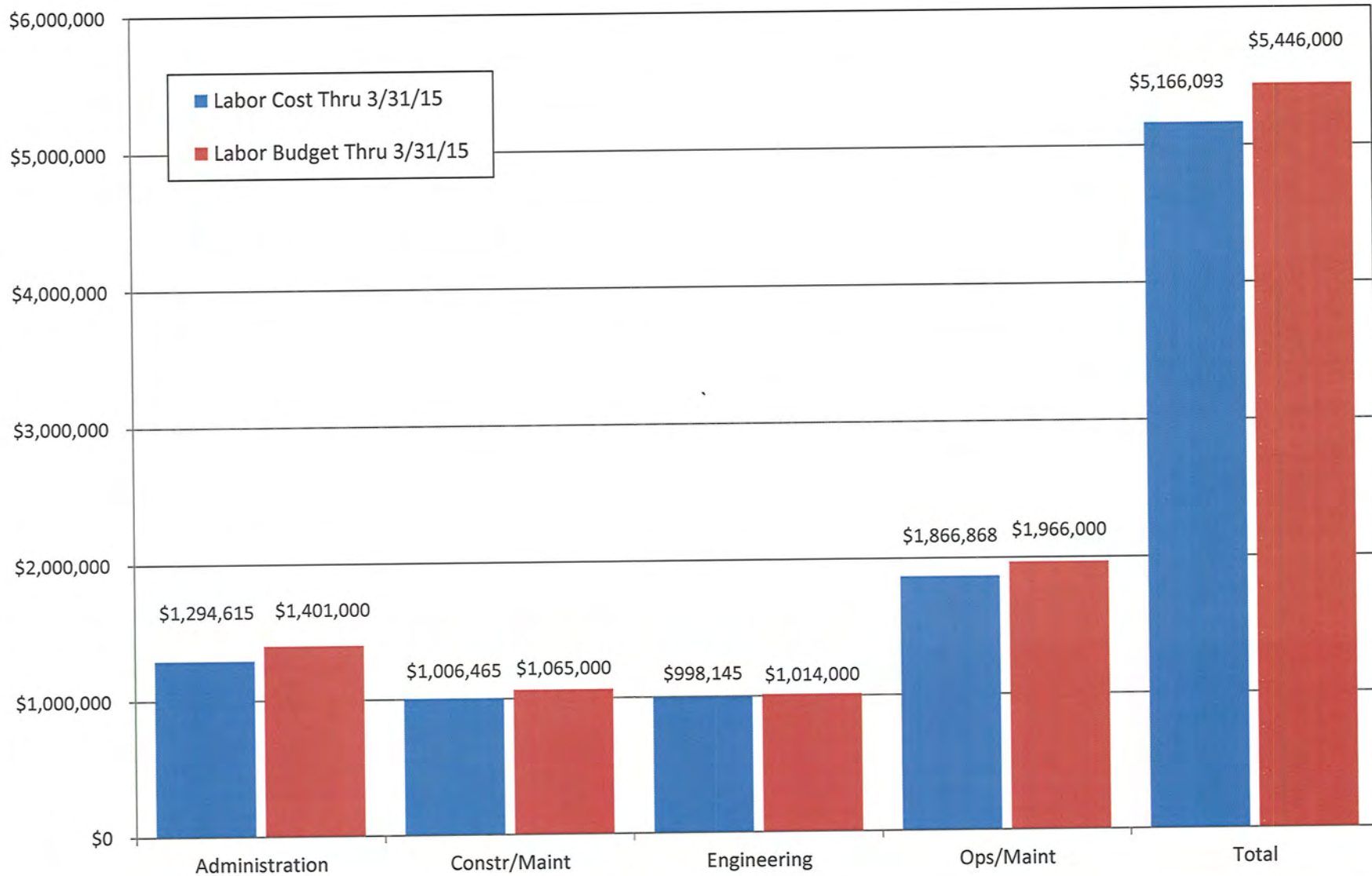
Temporary Employee Cost NMWD Fiscal Year through March 5 Year Comparison



4/17/15

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Total Labor Cost vs. Budget NMWD Fiscal Year through March



April 3, 2015

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 3% for the typical Novato customer, effective June 1 of 2015. This letter provides details on the need for the increase and information about the public hearing where public comment will be taken prior to a vote on the proposed water rate increase by the District Board of Directors.

REASON FOR THE PROPOSED INCREASE

Higher Water Cost: The Sonoma County Water Agency (SCWA), which provides 80% of Novato's water supply, is increasing the rate it charges NMWD for Russian River water by 4.9% effective July 1, 2015. In addition, water purification costs to operate the Stafford Water Treatment Plant, which supplies 20% of Novato's water supply, continue to rise.

Water System Infrastructure Maintenance: The Novato water system includes 315 miles of pipeline, 37 million gallons of finished water storage distributed across 31 tanks, 27 pump stations, 16 pressure regulating stations, over 2,600 fire hydrants and a multitude of valves, all of which require ongoing maintenance. The District is now 67 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. You can assess this for yourself by comparing NMWD's cost of water service to 16 counterpart Bay Area water agencies (see Urban Area Water Cost Comparison on page 5 of this letter). The comparison shows that the typical cost of service for a Novato single-family residence is at the median of our counterpart agencies.

PROPOSED RATE INCREASE

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

Residential Accounts: It is proposed that a commodity rate increase of 4% for all water used be implemented effective June 1, 2015. No increase in the bimonthly service charge is proposed. For the typical Novato single-family residence, the proposed increase in the total cost of water (commodity charge plus bimonthly service charge) is 3%. The proposed increase would add \$1.70 per month (\$3.40 per bimonthly bill) to the cost of water for a typical single-family residence beginning June 2015.

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

Non-Residential Accounts (Commercial, Institutional & Irrigation): It is proposed that an increase in the commodity rate of 4% for all water used be implemented effective June 1, 2015. No increase in the bimonthly service charge is proposed. The increase for non-residential customers will vary based upon water use. In Novato the median non-residential account uses more water than the median residential account, but would still see an increase in the total cost of water (commodity charge plus bimonthly service charge) of 3%. 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 19, 2015, to consider enactment of an increase averaging 3% effective June 1, 2015.

HOW TO PARTICIPATE

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

Your written protest must be received prior to the close of the May 19, 2015 public hearing. Written protests must be signed by the property owner or customer of

Notice of Proposed Water Rate Increase
April 3, 2015
Page 3 of 5

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.

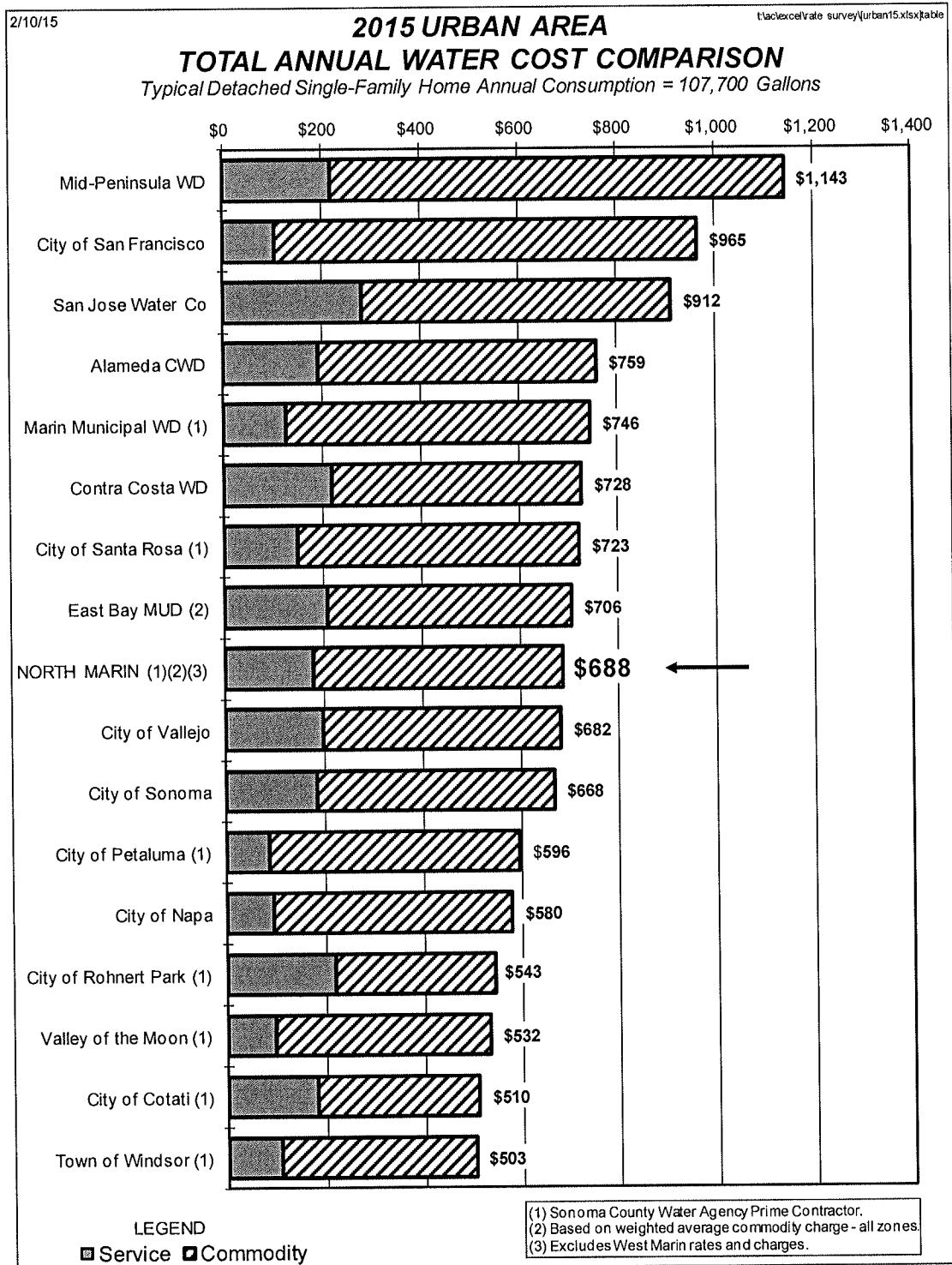
Sincerely,

A handwritten signature in black ink, appearing to read "Chris DeGabriele". The signature is fluid and cursive, with the first name "Chris" and last name "DeGabriele" clearly distinguishable.

Chris DeGabriele
General Manager

NOVATO WATER CHARGES

	Existing 6/1/14	Proposed 6/1/15	% Increase
A BI-MONTHLY SERVICE CHARGE OF:			
STANDARD 5/8-INCH METER	\$30.00	\$30.00	0%
1 -inch residential meter for fire sprinklers	\$34.00	\$34.00	0%
1 -inch meter	\$60.00	\$60.00	0%
1.5 -inch meter	\$73.00	\$73.00	0%
2 -inch meter	\$114.00	\$114.00	0%
3 -inch meter	\$227.00	\$227.00	0%
4 -inch meter	\$364.00	\$364.00	0%
6 -inch meter	\$761.00	\$761.00	0%
8 -inch meter	\$1,134.00	\$1,134.00	0%
PLUS A QUANTITY RATE OF:			
<u>Residential rate for each 1,000 gallons</u>	<u>Rate</u>	<u>Rate</u>	
First 615 gallons per day	\$4.29	\$4.46	4%
616 - 1,845 gallons per day	\$6.84	\$7.11	4%
Use in excess of 1,845 gallons per day.....	\$11.90	\$12.38	4%
<u>Rate for each 1,000 gallons for all other potable water accounts</u>			
Commercial, institutional & irrigation accounts - 11/1-5/31.....	\$4.73	\$4.92	4%
Commercial, institutional & irrigation accounts - 6/1-10/31.....	\$5.08	\$5.28	4%
<u>Rate for each 1,000 gallons for non-potable water</u>			
Recycled Water	\$4.73	\$4.92	4%
Raw (Untreated) Water	\$1.95	\$2.03	4%
PLUS AN ELEVATION ZONE RATE FOR EACH 1,000 GALLONS OF:			
<u>Zone</u> <u>Elevation</u>	<u>Rate</u>	<u>Rate</u>	
A 0 through 60 feet.....	\$0.00	\$0.00	-
B 60 feet - 200 feet.....	\$0.51	\$0.53	4%
C 200 feet +.....	\$1.64	\$1.71	4%
Hydrants or Temporary Service.....	\$6.72	\$6.99	4%



The New York Times | <http://nyti.ms/1IZ9joD>

The Opinion Pages | CONTRIBUTING OP-ED WRITER

Making Sense of Water

APRIL 14, 2015

Mark Bittman

BERKELEY, Calif. — Almost every number used to analyze California's drought can be debated, but this can be safely said: No level of restrictions on residential use can solve the problem. The solution lies with agriculture, which consumes more than its fair share.

That doesn't mean homeowners can't and shouldn't cut back.

But according to estimates by the Public Policy Institute of California, more water was used to grow almonds in 2013 than was used by all homes and businesses in San Francisco and Los Angeles put together. Even worse, most of those almonds are then exported — which means, effectively, that we are exporting water. Unless you're the person or company making money off this deal, that's just nuts.

California produces more than 400 commodities in many different climates, so it's difficult to generalize about agriculture. Many farmers are cutting back on water use, planting geographically appropriate crops and shifting to techniques that make sense, like "dry" farming. Others, however, are mining water as they would copper: When it runs out, they'll find new ways to make money.

So the big question is not, "How do we survive the drought?" — which could well be the new normal — but, "How do we allocate water sensibly?"

California grows fruits and vegetables for everyone; that's a good thing. It would be an even better thing, however, if some of that production shifted to places like Iowa, once a leading grower of produce. That could happen again, if federal policy subsidized such crops, rather than corn, on some of that ultra-fertile land.

California also grows alfalfa (which uses more water in total than any other crop — yes, more than almonds) that then gets shipped to China. It grows lettuce in the desert, and other crops in places that make no sense. The state has also become the biggest dairy producer in the country; at least a part of that industry would work better back east, where both water and land are available. That everyone in California needs to conserve water is a no-brainer. But a relatively small adjustment in agricultural use could make this drought look like a period of abundance. Properly managed, there is more than enough water for everything important. Improperly managed, as it has been for more than 100 years, there is a crisis.

It won't be easy to rationalize water use in the face of powerful water-dependent interests; though agriculture is a surprisingly minuscule part of the state's gross domestic product, it's a big political force. But Gov. Jerry Brown and the State Water Resources Control Board have the authority to do what it takes, as the constitution says "waste or unreasonable use" are to be prevented.

The system is arcane, allowing some people and entities to get surface water nearly free. (This system, involving "senior," as in inherited, water rights, has never been successfully challenged.) Others, sometimes including cities, can pay 100 times more.

In most areas, groundwater for landowners is "free," as long as you can dig a well that's deep enough. This has led to a race to the bottom: New, super-deep wells, usually drilled at great expense, are causing existing shallower wells, often owned by people with less money, to run dry.

That's more than unfair: Groundwater that's built up over a millennium is being removed too rapidly to be recharged, and in some cases the land is sinking as the water-saturated layers beneath it go dry. Those layers will

most likely never be replenished, making this a form of environmental suicide.

Knowing this, Brown has announced mandatory cutbacks of an average of 25 percent in residential water use. He hasn't said much about agriculture, but he must. He needs to see this crisis as an opportunity to rationalize the system.

Last September, Brown signed the state's first bill to manage groundwater; the most important groundwater basins are due to be "in balance" — that is, recharged at a sustainable rate — by 2040. That's probably too late.

It would be better to have a national policy preventing profit-making from public water and to encourage agriculture where it's more naturally supported by the climate. But until that happens, Brown should challenge senior water rights, strictly regulate the pumping of groundwater, and perhaps even stop irrigation entirely on lands where growing water-intensive crops makes no sense.

When I arrived here a few months ago, an old friend who moved here in the 1980s came for dinner and scolded me for my dishwashing technique: "Turn that water off; there's a drought."

I almost pointed that my use of water was trivial compared with ... well, nearly everyone else's. But I shut up. After all, every drop really does count. Wise use and conservation — not new dams, not desalination — are the answers, and conservation means common sense should take precedence over profiteering.

Joe Nocera is off today.

A version of this op-ed appears in print on April 14, 2015, on page A23 of the New York edition with the headline: Making Sense of Water.

Bonnie M. & E.

Local

California Water Authorities To Use New Tool In Fight Against Water Wasters

April 6, 2015 10:24 PM

LONG BEACH (CBSLA.com) — Water authorities are using a new tool in a major effort to crack down on people and businesses wasting water in light of new water restrictions issued by Gov. Jerry Brown to fight the drought.

The Long Beach Water Department says sprinklers at a McDonald's restaurant on Bellflower Boulevard went on for 45 minutes at a time, twice a night, for an undefined number of nights. Complaints continued to mount as water pooled and wasted. The department, however, could do little about the wasting.

That was before the smart meter.

Since its installation in February, Long Beach Water Department General Manager Kevin Wattier says he saw an immediate spike by tens of thousands of gallons, each time McDonald's overwatered their property.

"It collects the data every five minutes, then after midnight, the cellphone that's built in here comes on, makes one call, and calls it in to the database that we and the customer, through a password security system, have online access to their consumption," Wattier said.

"The accuracy is just incredible, because we get the data the next day."

Using this data, Wattier knew the precise moment to send his employees to videotape the infractions to use as evidence.

"We are using it specifically for an enforcement tool to go after those customers who we've gotten lots of complaints about," Wattier said.

Wattier says he believes the smart meter will be used in both businesses and homes to track water waste across Southern California.

County seeks relief from state water restrictions

By Jessie Faulkner, jfaulkner@times-standard.com

Times-Standard.com

The Humboldt County Board of Supervisors voted unanimously Tuesday afternoon to request relief from the governor's mandated statewide water use reduction of 25 percent.

The letter to the State Water Resources Control Board, which was slated to have minor adjustments after the supervisors met, asks that reductions in Humboldt County be 10 percent and that the state board add flexibility to the new emergency regulations "to account for varying local water supply conditions."

In response to record low snowpack levels, Gov. Jerry Brown's April 1 order called for the State Water Resources Control Board to impose water restrictions that will lead to a 25 percent reduction in urban water usage statewide from usage levels recorded in 2013. Suppliers will have until the end of February 2016 to reach that goal.

Humboldt Bay Municipal Water District General Manager Carol Rische thanked the board for taking up the issue.

"This is the third in a series of regulations," Rische said. "What they're proposing is for larger water agencies to have mandatory reductions ranging from 10 to 35 percent, 25 percent for all small water agencies."

The draft regulations are scheduled to be released Friday, she said.

In an April 13 email to the state Water Resources Control Board, Rische noted that Ruth Lake — the source of the district's water — was full to capacity in December, February, March and April.

"Assuming zero rainfall recharge to our reservoir," Rische wrote, "we have determined we have reservoir capacity of 3 years or until April 2018 to meet 100 percent of our municipal customer demands and instream flow requirements."

The potential financial impacts of the 25 percent reduction in water use can be severe for Humboldt Bay Municipal Water District's customers — Arcata, Eureka, Blue Lake and the Humboldt, McKinleyville, Manila and Fieldbrook-Glendale community services districts. Rische reported that one wholesale customer said the mandated water reductions and subsequent loss in revenue would eliminate their capital improvement projects.

The mandated water use restrictions can also create difficulties for commercial and industrial customers. Rische suggested that the supervisors amend the letter to include flexibility for economic and process-related water use.

Dennis Mayo, the McKinleyville Community Services District board representative to the Association of California Water Agencies, said the association has been working on the issue nonstop. What's needed, he added, is a protection of economic uses of potable water,

to be fair to communities with different situations and to provide credit for those communities that have already reduced water use.

Advertisement

Zuretti Goosby, a field representative for state Sen. Mike McGuire, reported that both McGuire and state Assemblyman Jim Wood are co-signing a letter to the state Water Resources Control Board asking for adjustments in the restrictions for the North Coast.

First District Supervisor Rex Bohn underlined the need to amend the statewide restrictions for areas not facing significant water shortages.

"One size does not fit all," he said, "I support it 110 percent."

The balance of the board agreed.

"Water conservation is always a good thing," 3rd District Supervisor Mark Lovelace said. "But I have a real concern about something like this. ... It doesn't recognize the places that are ahead of the curve."

Contact Jessie Faulkner at 441-0509.

Water & Drought

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Sacramento-area water agencies push back against proposed water cuts

BY PHILLIP REESE AND DALE KASLER - PREESE@SACBEE.COM

04/14/2015 11:23 PM | Updated: 04/15/2015 7:40 AM



Drought resistant landscaping at the home of Marc and Jeana Kenyon in Roseville on Thursday, April 9, 2015. These families have cut their water use by more than 80 percent mostly by ripping up their large front lawn and replacing it with drought-resistant plants. Roseville has become one of the best in the region for residential water conservation. **RANDALL BENTON / RBENTON@SACBEE.COM**

Water agencies representing hundreds of thousands of Sacramento-area residents are pushing back against a state plan that calls for their customers to sharply reduce water use while other parts of California face smaller cuts.

In separate letters to the State Water Resources Control Board this week, water agency officials in Carmichael, Fair Oaks, West Sacramento and other suburbs argued that their customers already had made significant cuts in water use in the last decade and should not be forced to reduce

consumption by 35 percent over 2013 usage. That's the harshest conservation target the board has proposed. California has roughly 400 urban water agencies, and 135 were targeted for the 35 percent cuts, including 17 in the Sacramento region.

The agencies contend the state's proposal is too blunt. It should take into account California's widely varying climates, they said, as water evaporates more quickly inland than in coastal areas. It should be adjusted, they said, to give relief to areas with low population density and large lots that require more water. And, they argued, it should reward districts that made major gains in conservation before 2013, the year the board chose as the baseline for the cuts.

"It's so doggone complicated," Einar Maisch, general manager for the Placer County Water Agency, said in an interview. "We are in an area that has traditionally had relatively cheap land. Our densities are lower. In L.A. and San Francisco, it's not only cooler but more dense."

The Placer district is among those facing a 35 percent cut because of its relatively high water use. The district's residents used 235 gallons per person per day last September, according to data collected by the state, compared with the state average of 124 gallons.

Gov. Jerry Brown earlier this month issued the first-ever order for mandatory cuts in urban water use across the state. His order called for a 25 percent reduction statewide in urban water consumption, but warned that some districts would need to cut more than others.

The State Water Resources Control Board, which oversees California's complex system of water rights, responded to Brown's order last week with a draft framework that imposes mandatory cutbacks ranging from 10 percent to 35 percent on cities and towns statewide, with communities that have the highest per-capita water use targeted for the deepest reductions. The board's benchmark was water use last September, when the majority of the region's districts used far more water than the state average.

The Sacramento River hydrologic region was hit hard by the framework because of its heavier water usage, particularly compared with cities in more moderate coastal climates. About 70 percent of its water agencies face the harshest water cuts proposed by the state. By comparison, about 28 percent of South Coast water agencies and 13 percent of Central Coast water agencies were targeted with the 35 percent cuts.

In the days since it released its draft proposal, the board has received more than 200 written comments. It plans to release an updated draft Friday and is expected to approve a final plan next month.

Comments arrived from agencies throughout California. The San Diego County Water Authority, for instance, complained that it should have gotten credit for years of conservation efforts, and for investing in a \$1 billion desalination plant under construction in Carlsbad. The Association of California Water Agencies, a statewide organization, said the idea of fining agencies \$10,000 a day if they fail to meet their target reductions is draconian and should be used only as a “last resort.”

Some agencies praised the plan. The giant Metropolitan Water District of Southern California, which sells water wholesale to 26 agencies serving 19 million people, endorsed the framework in a letter to the governor. On Tuesday, its board agreed to cut deliveries to member agencies by 15 percent and fine those that exceed their allocations.

The city of Sacramento, facing a mandatory 25 percent reduction, also is on board with the plan, said interim utilities director Bill Buseth. Sacramento, adjacent to two major rivers, for years was criticized as among the state’s more profligate water users. But over the past year, the city has ramped up conservation efforts. It reported cutting per-capita usage 21 percent between the summers of 2013 and 2014.

“The bottom line is, we don’t have any big issues with what the governor is proposing,” Buseth said.

Some of the most vociferous complaints came from water districts in the state’s hot, dry interior. Seventeen Sacramento-area water districts used more than 165 gallons per person per day in September, targeting them for a 35 percent cut under the state’s proposal. Five area districts, including Davis, Woodland and Roseville, face 25 percent cuts; one, California American Water, which serves several suburbs mostly in eastern Sacramento County, would need to cut use by 20 percent.

“There’s a big difference between 25 percent and 35 percent,” Maisch said of Placer County’s situation. “One of our key points that we were concerned about is fairness.”

Several Sacramento water agencies asked the board to take into consideration prior conservation gains when setting new targets.

“We’ve already had huge reductions,” said Chris Nelson, a spokesman for the Carmichael Water District, which is targeted for a 35 percent cut.

The Fair Oaks Water District, identified as one of the region’s heaviest water users, said the board’s proposal would punish an agency that has invested millions in state-approved projects to improve its storage and reliability.

The district “is being asked to disproportionately carry California’s drought burden,” General Manager Tom Gray wrote in an eight-page letter to the water board.

In an interview, Gray said the district isn’t trying to escape any pain. But he said Fair Oaks is frustrated after spending \$6 million drilling wells, with the state’s blessing, in recent years. “We’ve been investing on behalf of our ratepayers in a sound water planning strategy that ... was approved by the state,” he said. “Now that we’ve implemented that plan and followed it, they’re saying we can’t use the water.”

At the San Juan Water District, another agency facing a 35 percent cut, General Manager Shauna Lorange said the board should take population density and lot size into account when setting targets. “We have a very low water use per acre,” she said. San Juan’s territory includes portions of Granite Bay, Roseville, Orangevale and Folsom. The district did not write a letter to the state.

Officials in West Sacramento, also facing a 35 percent cut, said they are worried the state will make agencies impose the same sharp cutbacks on commercial and industrial customers as they do on residents. West Sacramento food processors and other employers might need to reduce production in order to comply, said Denix Anbiah, the city’s public works director.

“It’s one thing to say ‘water your lawn once a week or twice a week.’ When you go to commercial and industrial customers and tell them you need to cut down by 35 percent, how do they do that?” said Public Works Director Denix Anbiah. “There’s an implication for jobs and the economy.”

One district, Elk Grove, told the state it ended up in the wrong category because the water usage data it turned in was flawed.

The Elk Grove Water Service District initially told the state that its residents used about 210 gallons per person per day in September. After the framework was released, district officials reviewed those numbers and found mistakes. General Manager Mark Madison said new

calculations put Elk Grove's usage at 135 gallons. That would place the city in the category for a 25 percent cut in consumption, not 35 percent.

Call The Bee's Phillip Reese, (916) 321-1137. The Bee's Tony Bizjak contributed to this report.

PROPOSED WATER USAGE CUTS

The state's proposed water cutbacks would require greater reductions for communities with higher rates of water use. Districts and agencies in the Sacramento region fall into one of three tiers of proposed reductions:

35 percent reduction

- San Juan
- Orange Vale
- Golden State – Cordova
- Fair Oaks
- Fruitridge Vista
- West Sacramento
- Placer County
- Rio Linda-Elverta Community
- Carmichael
- Sacramento Suburban
- Lincoln
- Elk Grove
- Georgetown Divide
- Citrus Heights
- El Dorado Irrigation

- Galt
- Folsom

25 percent reduction

- Roseville
- Sacramento County
- Woodland
- City of Sacramento
- Davis

20 percent reduction

- California American – Sacramento

Source: State Water Resources Control Board

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