

**NORTH MARIN  
WATER DISTRICT**

**NORTH MARIN WATER DISTRICT  
AGENDA - REGULAR MEETING  
August 2, 2011 – 7:30 p.m.  
District Headquarters  
999 Rush Creek Place  
Novato, CA 94945**

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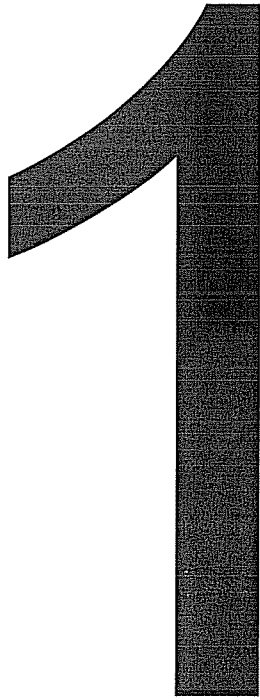
<b>Est. Time</b>	<b>Item</b>	<b>Subject</b>
<b>7:30 p.m.</b>	<b>CALL TO ORDER</b>	
	1. <b>APPROVE MINUTES FROM REGULAR MEETING</b> , July 19, 2011	
	2. <b>GENERAL MANAGER'S REPORT</b>	
	3. <b>OPEN TIME: (Please observe a three-minute time limit)</b>	
	This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.	
	4. <b>STAFF/DIRECTORS REPORTS</b>	
	5. <b>PRELIMINARY FY11 FINANCIAL STATEMENT</b>	
	<b>CONSENT CALENDAR</b>	
	The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.	
	6. <b>Consent - Approve</b> LAIF Signatories Update	<b>Resolution</b>
	<b>ACTION CALENDAR</b>	
	7. <b>Approve</b> Local Coastal Program Amendment	
	8. <b>Approve</b> Bank of Marin Loan	<b>Resolution</b>
	9. <b>Approve</b> Solar Project Incentive	
<b>8:30 p.m.</b>	<b>INFORMATION ITEMS</b>	
	10. Update for Proposed On Air/Verizon Cellular Tower at Winged Foot Tank Site	
	11. WAC/TAC Meeting – August 1, 2011	

All times are approximate and for reference only.

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

(Continued)

<b>Est. Time</b>	<b>Item</b>	<b>Subject</b>
	12.	<b>MISCELLANEOUS</b> Disbursements June 2011 Equipment Auction Report Residential Consumption 20-year History  <u>News Articles:</u> Algebra Academy adds up for students Legal Notice - Ordinance 25 Summary
9:00 p.m.	13.	<b>ADJOURNMENT</b>



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**DRAFT**  
**NORTH MARIN WATER DISTRICT**  
**MINUTES OF REGULAR MEETING**  
**OF THE BOARD OF DIRECTORS**  
July 19, 2011

**CALL TO ORDER**

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

Pat Collins and Carrie Lukasic of Winzler-Kelly, Attorney Barbara Schussman, and District employees Robert Clark (Operations/Maintenance Superintendent) and Doug Moore (Construction/Maintenance Superintendent) were in the audience.

**MINUTES**

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

AYES: Directors Fraites, Rodoni, Schoonover

NOES: None

ABSTAIN: Directors Baker, Petterle

ABSENT: None

**GENERAL MANAGER'S REPORT**

**Marin County Local Coastal Program**

Mr. DeGabriele reported that he attended a presentation of the Marin County Local Coastal Program (LCP) in Point Reyes Station on Monday night. He said that this is the first time the LCP has been updated since the early 1980's. He advised that District comments were not corrected in regards to the requirement that new development in Dillon Beach tie into available sewer main if within 400 feet. He said that this is a concern to the District, and he commented to that effect at last night's meeting. Mr. DeGabriele stated that there is a new policy to prohibit desalination; and even though desalination is not contemplated at this time, he opined that the District comment that desalination not be prohibited but should be authorized if there is a water quality requirement. He said that the text in the LCP regarding District West Marin facilities has not been updated, and he will provide the updated information to the County. Mr. DeGabriele informed the Board that there

1 will be an item on the next Board of Directors meeting agenda regarding District comments on the  
2 LCP Amendments.

3 General Manager Vacation

4 Mr. DeGabriele notified the Board that he will be on vacation from Thursday, July 21 through  
5 August 1, 2011 and that David Bentley will be acting General Manager. He advised that he will be  
6 unable to attend the WAC meeting on August 1, 2011.

7 OPEN TIME

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

10 STAFF / DIRECTORS' REPORTS

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

13 Compliments to Crew

14 Director Baker complimented the construction crew on their traffic control at the South  
15 Novato Blvd/Rowland Blvd intersection as part of the 12-inch cast-iron water main replacement  
16 project.

17 Director on Vacation

18 Director Petterle advised that he will be on vacation the week of August 1 and may miss the  
19 August 2 meeting.

20 North Bay Watershed Association Update

21 Director Fraites stated that he attended the North Bay Watershed Association meeting  
22 wherein during a discussion on wetland restoration, it was mentioned that Port Sonoma is dredging  
23 the river and depositing the dredging spoils on nearby agricultural land resulting in increased  
24 elevation and there is speculation of possible development. He asked if the District would be  
25 obligated to provide water service should development occur. Mr. DeGabriele responded that Port  
26 Sonoma has had a temporary service since the 1970's and the property lies outside of the District's  
27 service territory; and therefore, the District is under no obligation to serve development in that area.  
28 He stated that the dredging operation has been permitted by Sonoma County. He advised that he  
29 and Mr. McIntyre have talked about converting Port Sonoma's existing temporary service to an  
30 outside service.

1 **PUBLIC HEARING/APPROVE – FINAL ENVIRONMENTAL IMPACT REPORT – AQUEDUCT**  
2 **ENERGY EFFICIENCY PROJECT**

3 Drew McIntyre stated that the Board is being asked to consider certification of the Final  
4 Environmental Impact Report (EIR) for the Aqueduct Energy Efficiency (AEE) Project and to approve  
5 the project. He acknowledged Pat Collins and Carrie Lukasic of Winzler-Kelly and Barbara  
6 Schussman, CEQA attorney engaged by District Legal Counsel, who are in the audience tonight.  
7 He stated that he will provide an overview of the project and that Ms. Collins will review the CEQA  
8 process and answer any questions from the Board.

9 Mr. McIntyre referred to a map of the project and stated that the AEE Project will encompass  
10 the segment of NMWD aqueduct from Redwood Landfill to Kastania Pump Station. He said that the  
11 project will be implemented at the time of the Caltrans Marin-Sonoma Narrows project which  
12 requires about 20,000 feet of pipeline to be relocated. He said that because the Caltrans project  
13 requires relocation of the aqueduct, it makes sense to upsize the pipe at the same time. He  
14 explained that in addition to the Caltrans segments, to have a continuous project to meet District  
15 objectives, there are connector segments to bridge gaps near San Antonio Road, and another near  
16 Kastania Road. He said that once complete the project will allow gravity flow from point of  
17 connection with Sonoma County Water Agency at the Kastania Pump Station into Novato thereby  
18 eliminating the operation of the pump station at Kastania. Mr. McIntyre stated that the pipe diameter  
19 will be upsized from 30" to 42" in the relocation segments; and in the connector segments, there will  
20 be 36" diameter parallel pipe installed. He said that the current delivery capacity has been 18 mgd  
21 and the AEE Project capacity will remain the same under gravity flow. He said the upsizing cost  
22 totals approximately \$8M versus a total pipeline project cost of \$25M; therefore, there is significant  
23 savings by dovetailing this project with the Caltrans project. He advised that the project cannot  
24 move forward until the Board has an opportunity to consider the Environmental Impact Report which  
25 is before the Board tonight.

26 Mr. McIntyre presented a PowerPoint presentation of the AEE Project description and  
27 objectives. He said the project objectives includes elimination of energy use at Kastania Pump  
28 Station, elimination of greenhouse gases associated with the operation of the pump station,  
29 elimination of on-going O&M costs that the District pays a portion of and elimination of any future  
30 capital replacement costs. He said that by doing this project in concert with the Caltrans' Marin-  
31 Sonoma Narrows Project, the District will take advantage of the economy of scale and cost-savings  
32 because Caltrans will be paying the bulk of the cost associated with this project. Mr. McIntyre stated  
33 that delivery reliability is improved by eliminating the need for Kastania Pump Station to deliver the  
34 water and that there will be a physical separation of the aqueduct at the pump station.

1 Director Fraites asked if it would be feasible to install a pipeline off of the aqueduct to  
2 service potential growth in the Marin-Sonoma Narrows project area?

3 Mr. McIntyre stated that District service territory stops at the Marin-Sonoma Boundary at San  
4 Antonio Creek so there would not be an expansion of service in Sonoma County since that the  
5 District is not obligated to serve outside of its territory.

6 Director Fraites asked that even if the District is not obliged to serve outside of its territory,  
7 could it?

8 Mr. DeGabriele responded yes if the customer outside the territory requested service and  
9 the Board approved the request. He said that District policy states that it would have to coordinate  
10 with Sonoma County and Marin County LAFCOs and other entities in the two counties.

11 Director Petterle asked what prevents a future District Board from determining that capacity  
12 needs to be increased and thereby approve retrofitting Kastania Pump Station again.

13 Mr. McIntyre responded that if the pump station were to be redesigned for higher capacity it  
14 would need to go through a new environmental review. Mr. DeGabriele added that additional  
15 delivery entitlement and additional facilities to deliver the additional entitlement water to Kastania  
16 from Sonoma County Water Agency would also need approval.

17 Mr. McIntyre introduced Pat Collins of Winzler & Kelly who provided an overview of the EIR  
18 process that included the Notice of Preparation, Scoping Meeting, Public Hearing on the Draft EIR  
19 and circulation of the document for agency and public 45-day review and comment; and the final  
20 EIR is now before the Board for certification. She summarized the impacts and project alternatives  
21 identified in the Draft Environmental Impact Report. Ms. Collins advised that comment letters were  
22 received from the State Clearinghouse, California State Department of Fish and Game, Caltrans,  
23 Sonoma County Water Agency, and North Coast Rivers Alliance (NCRA) and she summarized the  
24 comments and responses. Ms. Collins informed the Board that the NCRA disagreed with the Draft  
25 EIR's determination that the project will not be growth inducing.

26 Director Rodoni stated that if the EIR does not address NCRA's concern should the NCRA  
27 go to court over this issue, is there a "quick fix" for that?

28 Ms. Collins responded that there would not be a "quick fix"; she opined that it may be  
29 required to recirculate the Draft EIR and go through another comment period. She said growth  
30 inducement was not analyzed in the Draft EIR.

1 Barbara Schussman, addressing Director Rodoni's concern, stated that the District does not  
2 have water rights to serve more than what is currently being served and the pipeline is not  
3 increasing in capacity.

4 Ms. Collins advised that the new SCWA 2010 Urban Water Management Plan is very  
5 definitive about Agency plans and there are no plans to expand water rights for planned growth.

6 Director Fraites asked how many trees will be removed for the project. Ms. Collins said that  
7 she did not know the exact number but there will be two locations where trees may be removed:  
8 Kastania Road if this alignment often is used, and in the south end in the vicinity of the Redwood  
9 Landfill interchange.

10 Director Fraites stated that the tree replacement ratio for tree mitigation is 3:1 and he  
11 inquired about the replacement sites.

12 Ms. Collins responded that the tree replacement sites may be moved to other areas along  
13 the 101 corridor that are biologically able to support the new trees at the 3:1 ratio.

14 Mr. DeGabriele added that in the south area, those trees would be affected whether the AEE  
15 Project moved forward or not since the trees lie 100% within the Caltrans project.

16 Ms. Collins stated that all requirements for the final EIR have been met.

17 President Schoonover opened the public hearing and hearing no comment, closed the  
18 public hearing.

19 On motion of Director Petterle, seconded by Director Baker, the Board unanimously  
20 approved Resolution No. 11-20 entitled, "A Resolution of the Board of Directors of North Marin  
21 Water District to Certify the Final EIR and Adopt the California Environmental Quality Act Findings,  
22 Mitigation Measures, and Mitigation Monitoring Program for the Proposed North Marin Water District  
23 Aqueduct Energy Efficiency Project and to Approve the North Marin Water District Aqueduct Energy  
24 Efficiency Project." Under the same vote, the Board authorized the General Manager to file a  
25 Notice of Determination with the County Clerk and Office of Planning and Research.

26 Mr. McIntyre expressed his thanks to Barbara Schussman in providing CEQA support for  
27 this project and conveyed Ms. Schussman's gratitude to Ms. Collins and Carrie Lukasic for providing  
28 the necessary information to make her review run smoothly and efficiently.

29 Mr. DeGabriele thanked the Board for certifying the EIR and acknowledged Mr. McIntyre's  
30 hard work on this project and said that the project is a real "milestone" for the District.

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1 **MONTHLY PROGRESS REPORT W/QUARTERLY CUSTOMER SERVICE QUESTIONNAIRE**

2 Mr. DeGabriele presented the June Monthly Progress Report that includes all of FY 11. He  
3 stated that water production in Novato is up 5% from a year ago, but down 20% from FY 06/07;  
4 West Marin production is up 2% and down 30% from FY 06/07. He said that Stafford Treatment  
5 Plant production is up significantly due to water production while the lake was spilling. Mr.  
6 DeGabriele advised that water conservation rebate programs for the high efficiency toilets and  
7 washing machines remain popular, and the summary of customer complaints and service orders are  
8 about the same as last year with the exception of increases in consumer line leaks and maintenance  
9 repairs. He said the Customer Service Questionnaire reveals that 96% of customers are satisfied  
10 with District performance; however, only 20% of questionnaires mailed are returned.

11 David Bentley provided the Auditor-Controller's Monthly Report of Investments and noted  
12 that as of June 30<sup>th</sup> the District's investment portfolio had a cash balance of \$4.4M. He advised that  
13 the cash balance decreased by \$1.3M primarily due to the State Revolving Fund loan principle and  
14 interest payment and payments for the Recycled Water and Crest Tanks Projects. He said that for  
15 the year, the cash balance declined \$2.1M and is in line with the Five-Year Financial Plan. Mr.  
16 Bentley stated that the ratio of total cash to budgeted annual operating expense stands at 34%  
17 compared to the District's target ratio of 90%. He advised that at the end of June, 46% of the  
18 District's portfolio was invested in California's Local Agency Investment Fund (LAIF) and 46% in  
19 Time Certificates of Deposit in Novato banks.

20 The Auditor-Controller informed the Board that based upon approval of the Aqueduct Energy  
21 Efficiency Project, staff will bring to the Board a request for approval of the loan agreement with  
22 Bank of Marin for \$8M to finance the project. He said that Bank of Marin is offering a 20-year loan at  
23 a fixed interest rate of 4%.

24 **CONSENT CALENDAR**

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

27 **NOVATO UNIFIED SCHOOL DISTRICT - HAMILTON ELEMENTARY**

28 The Hamilton Elementary School expansion project will provide a relocated four-inch  
29 metered service and new fire protection. New facilities include approximately 1,000 feet of pipe,  
30 three commercial fire hydrants, one six-inch fire service and the existing four-inch turbo meter will be  
31 upgraded to a four-inch compound meter.

32 The Board approved Resolution No. 11-21 entitled, "Authorization of Execution of Water  
33 Service Facilities Construction Agreement with Novato Unified School District."

1 **GROUP LIFE INSURANCE RENEWAL**

2 The Board authorized the Auditor-Controller to renew the Group Life and Accidental Death  
3 and Dismemberment Insurance agreement with for a two-year period commencing August 1, 2011.  
4 Unum's proposal includes a two-year rate guarantee and the annual cost is within the amount  
5 budgeted.

6 **ACTION CALENDAR**

7 **STAFFORD LAKE PARK IRRIGATION SYSTEM LAKE INTAKE UPGRADE**

8 Director Petterle recused himself from discussion and vote on this item because he is  
9 employed by the Marin County Parks and Open Space District.

10 Mr. McIntyre stated that Stafford Lake Park uses raw water from Stafford Lake for irrigation  
11 using an onshore pumping system. He said that the existing pump connects to a 300 foot long  
12 suction line extending into Stafford Lake and during the late production season when the lake level  
13 drops, there are problems pumping water. He explained that a remedy for the problem is to  
14 submerge two new pumps into a deeper location of the lake and use high-density polyethylene pipe  
15 as a new discharge line that will rest on the bottom of the lake, continue up to the shore through 40  
16 foot sections of pipe and connect to the existing onshore irrigation system piping. Mr. McIntyre said  
17 that the existing pump will remain in stand-by mode since it would cost more to remove it.

18 Mr. McIntyre provided a brief history of cooperation between the County of Marin and the  
19 District. He noted that a License Agreement dated September 21, 1971 is in effect for fifty years  
20 and terminates in September 2021. He summarized the terms of the Memorandum of  
21 Understanding (MOU) that stipulates that upon execution of the agreement, and every five years  
22 thereafter, the District will perform an audit to determine annual water budgets for Stafford Lake  
23 Park, limits the diversion of Stafford Lake water by the County to no more than 320 gallons per  
24 minute, and that the County will agree to remove said equipment when no longer needed. He  
25 advised that the term of the MOU will run coincident with the existing License Agreement.

26 Director Rodoni asked that the pipe be camouflaged so that it will not be visible; and he was  
27 assured by staff that the pipe will be black and that the pipeline will be below the water line and will  
28 eventually silt over.

29 On motion of Director Fraites, seconded by Director Rodoni, the Board approved the MOU  
30 Agreement between Marin County Parks Department and the District for installation of a new lake  
31 intake and pump station by the following vote:

32 AYES: Directors Baker, Fraites, Rodoni, Schoonover

1 NOES: None  
2 ABSTAIN: Director Petterle  
3 ABSENT: None

4 Director Petterle returned to the meeting.

5 **RECYCLED WATER NORTH SERVICE EXPANSION - PLUM STREET RECYCLED WATER**  
6 **TANK REHABILITATION PROJECT: AWARD CONSTRUCTION CONTRACT**

7 Mr. McIntyre stated the District advertised for bids in May for the Rehabilitation of Plum  
8 Street Tank for the purpose of recycled water storage for the Recycled Water Expansion Project –  
9 Novato North Service Area. He said that the project includes recoating of the interior and exterior  
10 surfaces of the tank and installation of a spiral staircase on the tank and other structural  
11 improvements. He said that ten contractors requested plans for the project and three prime  
12 contractors submitted bids ranging from \$377,220 to \$482,545. Mr. McIntyre advised that the  
13 engineer’s cost estimate was \$400,000. He further advised that the Crosno Construction’s low bid  
14 was non-responsive because they did not comply with the Minority Business Enterprise requirement  
15 for a state low-interest loan by failing to submit CWSRF Form 4 with their bid. Mr. McIntyre said that  
16 the second low bidder, Blastco Inc. satisfied all bid requirements. He informed the Board that that  
17 District received a Facility Plan Approval from the state which is the first step in securing the low  
18 interest rate loan.

19 On motion of Director Rodoni and seconded by Director Fraites, the Board unanimously  
20 voted to reject Crosno Construction’s bid as nonresponsive.

21 On motion of Director Rodoni and seconded by Director Fraites, the Board unanimously  
22 approved award of the contract to Blastco Inc. and authorized the General Manager to execute an  
23 agreement with Blastco Inc.

24 **APPROVE CHANGE ORDER NO. 2 – ENVIRONMENTAL SCIENCE ASSOCIATES (ESA) FOR**  
25 **ENVIRONMENTAL SUPPORT SERVICES CONTRACT (RECYCLED WATER SOUTH SERVICE**  
26 **AREA)**

27 Drew McIntyre summarized the Board’s action at the June 21, 2011 meeting to approve a  
28 new contract with Environmental Science Associates (ESA) to perform environmental monitoring  
29 services for the construction phase for the Recycled Water North Service Area project. He stated  
30 that at that time, the Board was apprised that staff would request a budget increase for additional  
31 CEQA and permit-related tasks for the Recycled Water South Service Area project that included  
32 preparation of an addendum for the EIR pipeline. He advised that the transmission line for the  
33 South Service area commences at Las Gallinas Valley Sanitary District and runs cross-country to

1 Hamilton Field. Mr. McIntyre further advised that the design phase for the pipeline alignment  
2 (performed by Nute Engineering) is now at 90%; and as a result, of recent surveys it has been  
3 determined that there are various wetland features that need additional environmental review. He  
4 stated that due to the extra level of effort, an additional \$35,000 is requested that includes \$5,000  
5 for work on the addendum, \$15,000 for wetlands delineation and 404 Nationwide Permit and  
6 \$10,000 for additional cultural resources work resulting from the pipeline alignment being different  
7 than what was approved in the EIR. He said the funds would be paid for as part of the Recycled  
8 Water Project South and he advised that if the state and federal agencies come back with  
9 unforeseen requirements, the cost would increase.

10 On motion of Director Baker and seconded by Director Petterle, the Board unanimously  
11 authorized the General Manager to execute Change Order No. 2 to ESA to perform additional  
12 CEQA permit-related tasks for the Recycled Water South Service Area project in the amount of  
13 \$35,000.

14 **INFORMATION ITEMS**

15 **TAC MEETING – JULY 11, 2011**

16 Mr. DeGabriele provided a summary of the highlights of the Technical Advisory Meeting held  
17 on July 11, 2011. He reported that during the public comment period, David Keller (Friends of the  
18 Eel River) asked if the TAC would comment on the State Water Resources Control Board proposed  
19 Russian River Frost Protection Regulation. He said that he looked into it and decided that it was not  
20 in the TAC's interest to weigh in and opined that the State Board must approve the frost protection  
21 regulation. Mr. DeGabriele advised that he contacted SCWA and the District's attorney on this  
22 subject.

23 Mr. DeGabriele said that SCWA did not collect all monies for the Local Supply/Recycled  
24 Water/Tier 2 water conservation program (LRT2) which began in 2001. He advised that only \$10M  
25 of the proposed \$13M was collected and that some water contractors did not receive their fair share;  
26 the District received approximately \$1.8M for Stafford Treatment Plant. Mr. DeGabriele said that in  
27 the effort to treat all contractors equally, LRT2 funds will be collected to make each participant  
28 whole, however; it will be tied to funding additional LRT2 projects.

29 **MISCELLANEOUS**

30 The Board received the following miscellaneous information: Disbursements and AWWA  
31 Service to Water Industry Plaque.

32 The Board also received the following news articles: Water regulations questioned, Russian  
33 River to undergo water quality testing, Marin Voice: Reasonable confusion on water rates, Water

1 main to be replaced this week, Recycled water project moving forward and Filmmaker George  
2 Lucas Donates \$2 Million.

3 **ADJOURNMENT**

4 President Schoonover adjourned the meeting at 8:50 p.m.

5 Submitted by

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Renee Roberts  
District Secretary

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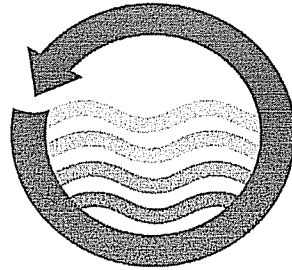
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# **NORTH MARIN WATER DISTRICT**



## **FINANCIAL STATEMENT FISCAL YEAR 2010-11**

**Preliminary  
June 2011**



**NORTH MARIN WATER DISTRICT  
FINANCIAL STATEMENTS  
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## MEMORANDUM

To: Board of Directors  
 From: David L. Bentley, Auditor-Controller  
 Subj: Information – FY10/11 Preliminary June Financial Statement  
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July 29, 2011

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

#### CONSOLIDATED SUMMARY

<b>Actual vs. Budget</b>	<u>Jun-11</u>	<u>FY10/11 YTD Actual</u>	<u>FY10/11 Budget</u>	<u>FYTD / Budget %</u>
Operating Revenue	\$2,069,689	\$13,797,743	\$15,199,000	91%
Other Sources of Funds <sup>1</sup>	474,605	1,510,325	4,975,000	30%
Total Funds Received	<u>\$2,544,294</u>	<u>\$15,308,068</u>	<u>\$20,174,000</u>	76%
Operating Expense less depreciation	\$1,090,247	\$11,873,340	\$13,064,200	91%
Other Uses of Funds <sup>2</sup>	1,013,558	5,268,409	7,995,000	66%
Total Funds Expended	<u>\$2,103,805</u>	<u>\$17,141,750</u>	<u>\$21,059,200</u>	81%
Net Surplus / (Deficit)	<u>\$440,489</u>	<u>(\$1,833,682)</u>	<u>(\$885,200)</u>	207%

<sup>1</sup>Other sources of funds exclude developer 'in-kind' contributions.

<sup>2</sup>Includes capital expenditures and debt service payments.

During the fiscal year the District received 76% of budgeted income and expended 81% of budgeted outlays. Operating Revenue, at 91%, came in 9% less than budget, and Operating Expense, at 91%, also came in 9% less than budget. The result was a fiscal year deficit of \$1,833,682 compared to a budgeted deficit of \$885,200 for the entire year. 59% of the Improvement Projects Budget was expended during the fiscal year. The District's total cash balance decreased \$1,253,913 in June and decreased \$2,149,728 during the fiscal year. The June cash decrease is due primarily to payment of \$880,000 in debt service combined with \$270,000 in Recycled Water and Crest Tank payments.

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

#### NOVATO WATER

<b>Year over Year Comparison</b>	<u>Jun-11</u>	<u>FYTD 10/11</u>	<u>FYTD 09/10</u>	<u>FY11 vs 10 Up/(Down)</u>
Operating Revenue	\$1,972,169	\$12,861,583	\$11,481,257	12%
Operating Expense less depreciation	\$1,028,386	\$11,230,336	\$12,227,653	(8%)
Depreciation Expense	\$190,483	\$2,309,166	\$2,312,339	(0%)
Other Income / (Expense)	(\$69,190)	(\$447,890)	(\$224,021)	100%
Net Income / (Loss)	<u>\$684,110</u>	<u>(\$1,125,809)</u>	<u>(\$3,282,755)</u>	(66%)
Active Accounts	20,464	20,464	20,438	0%
Consumption (MG)	444	2,786	2,672	4%
Average Commodity Rate/1,000 gal	\$3.93	\$3.82	\$3.53	8%
Income / (Loss) / Active Account	\$33.43	(\$55.01)	(\$160.62)	(66%)
Income / (Loss) / 1,000 Gal	\$1.54	(\$0.40)	(\$1.23)	(67%)
Connection Fee Revenue	\$28,600	\$371,460	\$1,622,019	(77%)
Developer 'In-Kind' Contributions	\$206,386	\$1,073,641	\$814,928	32%

Consumption for the fiscal year was up 4% from the prior year, but was 10% (314 MG) below the 3.1 BG budgeted demand through June. The revenue shortfall (net of purchased water cost) through June was \$600,000. Total operating revenue, which includes wheeling and other miscellaneous service charges, increased 12% (\$1,380,326) due to the 11% rate increase commencing June 1, 2011. Total operating

expense, before depreciation, was 8% (\$997,000) less than last year same period due in part to reclassifying \$714,144 of expensed Improvement Projects to capital in March (see Note 15). The Stafford Treatment Plant shut down for the season on November 30 and resumed operation March 4 and produced 884 MG during the fiscal year at a cost of \$2,618/MG<sup>1</sup> versus \$2,010/MG<sup>3</sup> from SCWA. The budget for Stafford was 800 MG at a cost of \$2,780/MG.

Salary and benefit cost charged to Novato operations was 7% less (\$384,296) than last year, due primarily to a reduction of four employees and reclassification of \$714,144 in expensed District projects to capital. Staff time charged to Novato operations was 11% less than the prior year.

The fiscal year net loss (which includes non-operating items such as interest revenue and expense) of \$1,125,809 compares to a budgeted net loss for the year of \$891,200 and to a net loss of \$3,282,755 for the prior year. 46% (\$2,296,883) of the Novato Water Improvement Project Budget was spent versus \$2,401,132 (43%) for the prior year. \$371,460 in connection fees were collected, which was 30% of the annual budget amount. The Novato cash balance decreased \$1,220,981 in June and decreased \$2,228,925 during the fiscal year. It stood at \$3,974,342 on June 30, 2011.

<b><u>NOVATO RECYCLED</u></b>		FYTD	FYTD	FY11 vs 10
<b>Year over Year Comparison</b>	<u>Jun-11</u>	<u>10/11</u>	<u>09/10</u>	<u>Up/(Down)</u>
Operating Revenue	\$29,817	\$199,164	\$196,061	2%
Operating Expense less depreciation	\$13,135	\$133,589	\$238,709	(44%)
Depreciation Expense	\$13,580	\$163,167	\$160,548	2%
Other Income / (Expense)	(\$1,901)	(\$22,060)	(\$14,115)	56%
Net Income / (Loss)	<u>\$1,201</u>	<u>(\$119,652)</u>	<u>(\$217,311)</u>	(45%)
Active Accounts	3	3	3	0%
Consumption (MG)	8	54	55	(2%)
Average Commodity Rate/1,000 gal	\$3.84	\$3.65	\$3.51	4%

The 0.5 MGD Deer Island Recycled Water Facility delivered 54 MG to the Stone Tree Golf Course and the Fire District this fiscal year. Operating revenue was up 2% due to the 4% rate increase and 2% consumption decrease. Total operating expense before depreciation was down 44% from last year same period due primarily to reduced chemical, supervision and engineering cost. The recycled water was produced at a cost of \$6,780/MG<sup>2</sup> versus \$2,010/MG<sup>3</sup> from SCWA. The budgeted production cost of recycled water was \$7,988/MG. The plant shut down for the season on October 14 and restarted on April 29th.

The fiscal year net loss of \$119,652 compares to a budgeted net loss of \$125,000 and a net loss of \$217,311 for the prior year. \$1,175,098 (180%) of the Improvement Project Budget was expended as the District moves ahead aggressively to expand the Recycled Water System. \$1,175,098 in Novato Water Connection Fees were transferred to the Recycled Water System fund to cover these expenditures pending receipt of ARRA Grant & SRF Loan funds.

Through June, \$53,188 in State Prop 50 Grant funds were received, and \$220,724 in Federal ARRA Grant funds was earned. The Recycled Water Facility repaid \$44,597 owed to the Novato Water fund at June 30, 2010 and ended the fiscal year with a \$33,217 cash balance.

<sup>1</sup>Cost of Stafford production = operating expense (\$1,297,001) + expensed improvement projects (\$122,785) + SRF loan interest (\$375,452) + plant depreciation (\$519,312) / 884 MG produced.

<sup>2</sup>Cost of Recycled Water production = operating expense (\$133,589) + SRF loan interest (\$90,706) + plant depreciation (\$141,843) / 54 MG produced

<sup>3</sup>Cost of SCWA production per MG is comprised of O&M charge (\$1,588) + debt service charge (\$132) + Russian River conservation charge (\$229) + Russian River projects charge (\$61)

**WEST MARIN WATER**

**Year over Year Comparison**

	<u>Jun-11</u>	<u>FYTD 10/11</u>	<u>FYTD 09/10</u>	<u>FY11 vs 10 Up/(Down)</u>
Operating Revenue	\$55,236	\$587,176	\$555,424	6%
Operating Expense less depreciation	\$38,786	\$381,224	\$454,296	(16%)
Depreciation Expense	\$12,445	\$147,002	\$145,913	1%
Other Income / (Expense)	\$366	\$39,377	\$40,259	(2%)
Net Income / (Loss)	<u>\$4,370</u>	<u>\$98,328</u>	<u>(\$6,334)</u>	-
Active Accounts	770	770	769	0%
Consumption (MG)	6.7	73.8	74.5	(1%)
Average Commodity Rate/1,000 gal	\$6.99	\$6.63	\$6.17	7%
Income/ (Loss) / Active Account	\$5.68	\$127.70	(\$8.24)	-
Income / (Loss) / 1,000 Gal (Potable)	\$0.65	\$1.33	(\$0.09)	-
Connection Fee Revenue	\$0	\$16,150	\$31,350	(48%)
Developer 'In-Kind' Contributions	\$9,362	\$35,970	\$98,011	-

Potable water consumption was 74 MG this fiscal year, down 1% from the previous year, but down 11% from the 83 MG budgeted. Operating revenue of \$587,176 was \$31,752 (6%) more than last year. The year over year revenue increase is attributable to the 9% commodity and bimonthly charge increase effective 8/1/10. West Marin water was produced at a marginal cost of \$916/MG.<sup>4</sup>

Operating expenditures before depreciation were \$381,224, down \$73,072 (16%) compared to the prior year, due primarily to reclassification of \$46,873 in expensed District jobs to capital (see Note 15). The fiscal year net income of \$98,328 compares to a budgeted annual income of \$164,000 and to a net loss of \$6,334 for the prior year. 54% (\$144,687) of the Improvement Project Budget was spent. \$16,150 in connection fees (35% of budget) were collected during the fiscal year. The amount borrowed from the Novato Water fund decreased \$63,713 during the year, and stood at \$356,586 at fiscal year end, compared to a budgeted projection for June 30, 2011 of \$378,000.

**OCEANA MARIN SEWER**

**Year over Year Comparison**

	<u>Jun-11</u>	<u>FYTD 10/11</u>	<u>FYTD 09/10</u>	<u>FY11 vs 10 Up/(Down)</u>
Operating Revenue	\$12,467	\$149,820	\$148,436	1%
Operating Expense less depreciation	\$9,601	\$128,191	\$162,715	(21%)
Depreciation Expense	\$3,424	\$41,084	\$41,084	0%
Other Income / (Expense)	\$1,450	\$43,385	\$45,622	(5%)
Net Income / (Loss)	<u>\$892</u>	<u>\$23,931</u>	<u>(\$9,741)</u>	-
Active Accounts	227	227	225	1%
Monthly Sewer Service Charge	\$55	\$55	\$55	0%
Income / (Loss) / Active Account	\$3.93	\$105.42	(\$43.29)	-
Connection Fee Revenue	\$0	\$0	\$9,000	-

Operating revenue of \$149,820 was up 1% from the prior year. Operating expenses before depreciation were 21% lower (\$35,000) than the prior year, due in part to the reclassification of \$2,679 in expensed District jobs to capital (see Note 15). The fiscal year net income of \$23,931 compares to a budgeted net income of \$22,000 and to a net loss of \$9,741 for the prior year. 17% of the annual Improvement Project Budget was spent.

No connection fees were collected during the fiscal year. Oceana Marin ended the period with a cash balance of \$315,941, compared to a budgeted projection of \$181,000 for June 30, 2011.

<sup>4</sup> Marginal Cost of West Marin production = operating expense (\$61,589) + debt service charge for 25% of the interest on the 1973 GO Bond which funded the treatment plant construction. (\$500) + plant depreciation expense (\$5,723) / 74 MG produced



**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET ASSETS  
FOR THE PERIOD ENDING JUNE 30, 2011**

	TOTAL	NOVATO		NOVATO	WEST MARIN		OCEANA
		WATER	RECYCLED	WATER	MARIN	SEWER	
<b>ASSETS</b>							
<b>Cash &amp; Investments</b>							
Unrestricted/Undesignated Cash	\$176,932	\$0	\$0	\$0	\$0	\$0	\$176,932
<b>Restricted Cash (Note 1)</b>							
Connection Fee Fund	\$484,562	\$407,278	\$0	\$0	\$0	\$0	\$77,284
Wohler Pipeline Financing Fund	458,167	458,167	0	0	0	0	0
Collector #6 Financing Fund	1,882,017	1,882,017	0	0	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0	0	0
Retiree Medical Benefits Fund	1,017,333	1,017,333	0	0	0	0	0
RWF Replacement Fund	33,217	0	33,217	0	0	0	0
Tax Receipts Held in Marin Co Treasury	21,540	0	0	19,814	0	1,726	0
STP SRF Loan Fund-Marín Co Treasury	209,547	209,547	0	0	0	0	0
<b>Designated Cash (Note 2)</b>							
Liability Contingency Fund	0	0	0	0	0	0	0
Drought Contingency Fund	0	0	0	0	0	0	0
Maintenance Accrual Fund	0	0	0	0	0	0	0
Conservation Incentive Rate Fund	0	0	0	0	0	0	0
Operating Reserve Fund	60,000	0	0	0	0	0	60,000
<b>Total Cash</b>	<b>\$4,373,314</b>	<b>\$3,974,342</b>	<b>\$33,217</b>	<b>\$49,814</b>	<b>\$315,941</b>	<b>\$0</b>	
Gain/(Loss) on MV of Investments	2,747	2,747	0	0	0	0	0
<b>Market Value of Cash &amp; Investments</b>	<b>\$4,376,061</b>	<b>\$3,977,088</b>	<b>\$33,217</b>	<b>\$49,814</b>	<b>\$315,941</b>	<b>\$0</b>	
<b>Current Assets</b>							
Net Receivables - Consumers	\$2,465,086	\$2,242,759	\$113,108	\$106,236	\$2,983	\$0	\$2,983
Accounts Receivable - Other	376,783	138,378	220,418	9,388	\$8,600	0	\$8,600
State Revolving Fund Receivable	346,862	0	346,862	0	0	0	0
Prepaid Expense	14,466	13,000	0	0	1,466	0	1,466
Reimbursable Small Jobs	1,533	1,533	0	0	0	0	0
Interest Receivable	12,063	12,063	0	0	0	0	0
Inventories	552,753	552,753	0	0	0	0	0
Deposits Receivable	12,170	12,170	0	0	0	0	0
<b>Total Current Assets</b>	<b>\$3,781,717</b>	<b>\$2,972,656</b>	<b>\$680,388</b>	<b>\$115,624</b>	<b>\$13,049</b>	<b>\$0</b>	

**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET ASSETS  
FOR THE PERIOD ENDING JUNE 30, 2011**

	TOTAL	NOVATO		NOVATO	WEST MARIN		OCEANA
		WATER	RECYCLED	WATER	MARIN	SEWER	
<b>Loans Receivable</b>							
Employee Loans (Note 3)	\$1,448,703	\$1,448,703	\$0	\$0	\$0	\$0	\$0
Due From Other Funds	356,586	356,586	0	0	0	0	0
Other Long Term Receivables	2,713,164	0	2,713,164	0	0	0	0
<b>Loans Receivable</b>	<b>\$4,518,453</b>	<b>\$1,805,289</b>	<b>\$2,713,164</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Property and Plant</b>							
Land & Land Rights	\$1,473,091	\$1,368,872	\$0	\$103,411	\$808	0	0
Dam, Lake, & Source Facilities	5,027,081	4,797,638	0	229,444	0	0	0
Treatment Facilities	22,162,002	17,374,033	3,962,402	319,913	505,655	0	0
Storage Facilities	17,074,400	15,226,432	0	1,847,968	0	0	0
Transmission Facilities	5,489,830	5,367,506	0	122,324	0	0	0
Distribution Facilities	58,045,785	53,072,404	974,202	3,999,179	0	0	0
Sewer Mains, Pumps, & Laterals	853,683	0	0	0	853,683	0	0
<b>Sub-Total</b>	<b>\$110,125,873</b>	<b>\$97,206,885</b>	<b>\$4,936,603</b>	<b>\$6,622,239</b>	<b>\$1,360,146</b>	<b>0</b>	<b>0</b>
Less Accumulated Depreciation (Note 5)	(33,372,521)	(29,538,830)	(588,126)	(2,558,022)	(687,543)	0	0
<b>Net Property and Plant</b>	<b>\$76,753,352</b>	<b>\$67,668,055</b>	<b>\$4,348,477</b>	<b>\$4,064,217</b>	<b>\$672,603</b>	<b>0</b>	<b>0</b>
<b>Buildings and Equipment</b>							
Buildings	\$1,778,388	\$1,778,388	\$0	\$0	\$0	\$0	\$0
Office Equipment	765,100	765,100	0	0	0	0	0
Laboratory Equipment	304,815	304,815	0	0	0	0	0
Trucks & Automobiles	1,027,179	1,027,179	0	0	0	0	0
Construction Equipment	708,295	691,917	16,378	0	0	0	0
Tools, Shop Equipment	212,103	212,103	0	0	0	0	0
<b>Sub-Total</b>	<b>\$4,795,880</b>	<b>\$4,779,502</b>	<b>\$16,378</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
Less Accumulated Depreciation	(3,142,877)	(3,139,601)	(3,276)	0	0	0	0
<b>Net Buildings and Equipment</b>	<b>\$1,653,003</b>	<b>\$1,639,901</b>	<b>\$13,102</b>	<b>\$0</b>	<b>\$0</b>	<b>0</b>	<b>0</b>
<b>Construction in Progress</b>							
Developer	\$917,956	\$881,226	\$0	\$36,730	\$0	0	0
District	3,729,520	2,379,878	1,187,912	135,370	26,360	0	0
<b>Total Construction in Progress</b>	<b>\$4,647,477</b>	<b>\$3,261,104</b>	<b>\$1,187,912</b>	<b>\$172,101</b>	<b>\$26,360</b>	<b>0</b>	<b>0</b>
<b>Net Utility Plant</b>	<b>\$83,053,832</b>	<b>\$72,569,060</b>	<b>\$5,549,491</b>	<b>\$4,236,317</b>	<b>\$698,964</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>\$95,730,063</b>	<b>\$81,324,093</b>	<b>\$8,976,260</b>	<b>\$4,401,756</b>	<b>\$1,027,954</b>	<b>0</b>	<b>0</b>

**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET ASSETS  
FOR THE PERIOD ENDING JUNE 30, 2011**

	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
TOTAL				
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities</b>				
Trade Accounts Payable	\$996,917	\$226	\$0	\$2,980
Reimbursement Prog. Unclaimed Funds	4,902	0	0	0
Bond Debt Principal Payable-Current	33,384	0	33,384	0
Loan Debt Principal Payable-Current	542,618	187,045	1,948	0
Bond/Loan Debt Interest Payable-Current	11,074	5,318	5,756	0
Accrued Interest Payable-SRF Loan	0	0	0	0
Deposits/Performance Bonds	132,788	113,994	17,294	1,500
Unemployment Insurance Reserve (Note 7)	15,506	0	0	0
Employee Dental Reserve (Note 8)	156,968	0	0	0
Payroll Benefits (Note 9)	700,544	675,776	18,844	5,923
Due To Other Funds	356,586	0	356,586	0
Deferred Revenue	51,481	49,140	2,341	0
<b>Total Current Liabilities</b>	<b>\$3,002,768</b>	<b>\$2,368,941</b>	<b>\$436,154</b>	<b>\$10,402</b>

<b>Restricted Liabilities</b>				
Construction Advances	\$96,128	\$0	\$4,292	\$0
<b>Total Restricted Liabilities</b>	<b>\$96,128</b>	<b>\$0</b>	<b>\$4,292</b>	<b>\$0</b>
<b>Long Term Liabilities (Note 6)</b>				
Bonds Outstanding - PR3 (FmHA)	\$14,000	\$0	\$14,000	\$0
Bonds Outstanding - PR6 (FmHA)	100,000	0	100,000	0
Bonds Outstanding - OL2 (NMWD)	11,202	0	11,202	0
Bonds Outstanding - PRE1 (FmHA)	92,000	0	92,000	0
Drought Loan (EDA)	106,652	93,437	13,215	0
STP Rehab SRF Loan	14,865,993	14,865,993	0	0
RWF SRF Loan	3,409,691	0	0	0
RWS North/South Expansion SRF Loan	346,862	0	0	0
Retiree Health Benefits Payable	372,578	372,578	0	0
<b>Total Long Term Liabilities</b>	<b>\$19,318,979</b>	<b>\$15,332,008</b>	<b>\$230,417</b>	<b>\$0</b>
<b>TOTAL LIABILITIES</b>	<b>\$22,417,875</b>	<b>\$17,792,785</b>	<b>\$670,863</b>	<b>\$10,402</b>

**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET ASSETS  
FOR THE PERIOD ENDING JUNE 30, 2011**

	TOTAL	NOVATO		NOVATO		WEST MARIN		OCEANA	
		WATER	RECYCLED	WATER	SEWER	WATER	SEWER		
<b>Net Assets</b>									
<b>Invested in Capital Assets</b>									
Contributions in Aid of Construction	\$61,316,039	\$54,498,138	\$4,104,370	\$2,043,856	\$669,676				
Grants in Aid of Construction	1,946,221	100,838	462,168	1,383,215	0				
Connection Fees	26,996,443	24,325,481	1,308,757	1,026,845	335,360				
<b>Total Investment</b>	<b>\$90,258,703</b>	<b>\$78,924,456</b>	<b>\$5,875,295</b>	<b>\$4,453,916</b>	<b>\$1,005,036</b>				
<b>Restricted Reserves</b>									
Connection Fee Fund	731,604	407,278	0	247,042	77,284				
Wohler Pipeline Financing Fund	458,167	458,167	0	0	0				
Collector #6 Financing fund	1,882,017	1,882,017	0	0	0				
Revenue Bond Redemption Fund	30,000	0	0	30,000	0				
Retiree Medical Insurance Fund	2,573,913	2,573,913	0	0	0				
RWF Replacement Fund	161,571	0	161,571	0	0				
<b>Designated Reserves</b>									
Liability Contingency Fund	414,700	331,815	0	82,885	0				
Maintenance Accrual Fund	3,715,681	3,715,681	0	0	0				
Drought Contingency Fund	0	0	0	0	0				
Conservation Incentive Rate Fund	52,936	0	0	52,936	0				
Operating Reserve Fund	120,000	0	60,000	0	60,000				
Earned Surplus - Prior Yrs	(26,044,262)	(23,799,818)	(883,817)	(1,216,757)	(143,870)				
Net Income/(Loss)	(1,123,202)	(1,125,809)	(119,652)	98,328	23,931				
Transfer (To)/From Reserves (see below)	80,361	163,609	(60,962)	(17,457)	(4,829)				
<b>Total Restricted &amp; Designated</b>	<b>(\$16,946,515)</b>	<b>(\$15,393,147)</b>	<b>(\$842,860)</b>	<b>(\$723,023)</b>	<b>\$12,516</b>				
<b>TOTAL NET ASSETS</b>	<b>\$73,312,188</b>	<b>\$63,531,308</b>	<b>\$5,032,435</b>	<b>\$3,730,893</b>	<b>\$1,017,552</b>				
<b>Transfer (To)/From Reserves</b>									
Wohler Pipeline Financing	\$61,859	\$61,859	\$0	\$0	\$0				
Collector #6 Financing	163,031	163,031	0	0	0				
Connection Fee	(59,296)	(49,123)	0	(9,344)	(829)				
Grants in Aid of Construction	0	0	0	0	0				
Maintenance Reserve	(100,000)	(100,000)	0	0	0				
RWF Replacement Fund	(962)	0	(962)	0	0				
Retiree Medical Insurance Fund	(17,689)	(17,689)	0	0	0				
Drought Contingency Fund	0	0	0	0	0				
Conservation Incentive Rate Fund	97,418	105,531	0	(8,113)	0				
Operating Reserve Fund	(64,000)	0	(60,000)	0	(4,000)				
<b>Total Transfer</b>	<b>\$80,361</b>	<b>\$163,609</b>	<b>(\$60,962)</b>	<b>(\$17,457)</b>	<b>(\$4,829)</b>				

**NORTH MARIN WATER DISTRICT**  
**SOURCES AND USES OF FUNDS STATEMENT - ALL SERVICE AREAS COMBINED**  
**Fiscal Year 2010/2011**

	<u>YTD Actual</u>	<u>Annual Budget</u>	<u>YTD/ Budget %</u>	<u>Prior YTD Actual</u>
<b>OPERATING REVENUE</b>				
Water Sales	\$11,335,359	\$12,761,000	89%	\$10,086,100
Bimonthly Service Charge	2,109,255	2,068,000	102%	1,913,170
Sewer Service Charge	149,820	150,000	100%	148,427
Wheeling & Misc Service Charges	203,308	220,000	92%	212,031
<b>TOTAL OPERATING REVENUE</b>	<u>\$13,797,743</u>	<u>\$15,199,000</u>	91%	<u>\$12,381,178</u>
<b>OPERATING EXPENDITURES</b>				
Source of Supply	\$3,856,027	\$4,557,000	85%	\$3,497,565
Pumping	299,462	417,000	72%	277,750
Operations	648,743	615,000	105%	633,259
Water Treatment	2,012,351	1,891,000	106%	2,047,885
Sewer Service	103,054	98,000	105%	95,115
Transmission & Distribution	2,400,638	2,564,000	94%	2,450,765
Consumer Accounting	564,875	559,000	101%	535,401
Water Conservation	388,168	506,000	77%	373,589
General & Administrative	1,886,541	2,017,200	94%	1,984,300
Other Operating Expense	(286,519)	(160,000)	179%	1,187,742
<b>TOTAL OPERATING EXPENDITURES</b>	<u>\$11,873,340</u>	<u>\$13,064,200</u>	91%	<u>\$13,083,372</u>
<b>NET OPERATING INCOME (LOSS)</b>	<u>\$1,924,403</u>	<u>\$2,134,800</u>	90%	<u>(\$702,194)</u>
<b>OTHER SOURCES OF FUNDS</b>				
Tax Proceeds	\$96,543	\$109,000	89%	\$100,220
Interest Revenue	143,278	194,000	74%	205,905
Connection Fees	387,610	1,216,000	32%	1,796,028
Loan Proceeds	346,862	2,916,000	12%	0
Grant Proceeds	273,606	208,000	132%	289,400
Stone Tree RWF Loan Principal Payments	182,888	179,000	102%	178,560
Miscellaneous	79,538	153,000	52%	151,443
<b>TOTAL OTHER SOURCES</b>	<u>\$1,510,324</u>	<u>\$4,975,000</u>	30%	<u>\$2,721,556</u>
<b>OTHER USES OF FUNDS</b>				
Capital Equipment Expenditures	\$137,912	\$155,000	89%	\$192,436
Capital Improvement Projects	3,512,041	5,908,000	59%	532,512
Bond & Loan Debt Service	1,613,701	1,912,000	84%	1,576,525
Miscellaneous	4,755	20,000	24%	11,668
<b>TOTAL OTHER USES</b>	<u>\$5,268,409</u>	<u>\$7,995,000</u>	66%	<u>\$2,313,142</u>
<b>NET SURPLUS/(DEFICIT)</b>	<u>(\$1,833,682)</u>	<u>(\$885,200)</u>	207%	<u>(\$293,779)</u>
Depreciation Expense (not included above)	\$2,660,418	\$2,754,000	97%	\$2,662,502

**NORTH MARIN WATER DISTRICT  
INCOME STATEMENT AND CASH FLOW BY SERVICE AREA  
FOR PERIOD ENDING JUNE 30, 2011**

<u>SUMMARY INCOME STATEMENT</u>	<u>TOTAL</u>	<u>NOVATO WATER</u>	<u>NOVATO RECYCLED</u>	<u>WEST MARIN WATER</u>	<u>OCEANA MARIN SEWER</u>
<b>OPERATING REVENUE</b>	\$13,797,743	\$12,861,583	\$199,164	\$587,176	\$149,820
<b>OPERATING EXPENSE</b>					
Source of Supply	3,856,027	\$3,837,120	\$0	\$18,907	\$0
Pumping	299,462	268,371	0	31,092	0
Operations	648,743	575,595	27,183	45,965	0
Water Treatment	2,012,351	1,814,045	85,776	112,531	0
Transmission & Distribution	2,400,638	2,327,910	2,455	70,274	0
Wastewater Operations	103,054	0	0	0	103,054
Consumer Accounting	564,875	539,989	0	22,108	2,778
Water Conservation	388,168	382,901	0	5,266	0
General & Administrative	1,886,541	1,779,126	18,177	66,880	22,359
Other Operating Expense	(286,519)	(294,721)	0	8,201	0
<b>TOTAL OPERATING EXPENSE</b>	<b>\$11,873,340</b>	<b>\$11,230,336</b>	<b>\$133,589</b>	<b>\$381,224</b>	<b>\$128,191</b>
<b>OPERATING INCOME/(LOSS) BEFORE DEPRECIATION</b>	<b>\$1,924,403</b>	<b>\$1,631,247</b>	<b>\$65,575</b>	<b>\$205,952</b>	<b>\$21,629</b>
Depreciation	2,660,418	2,309,166	163,167	147,002	41,084
<b>OPERATING INCOME/(LOSS)</b>	<b>(\$736,015)</b>	<b>(\$677,919)</b>	<b>(\$97,592)</b>	<b>\$58,951</b>	<b>(\$19,455)</b>
Non-Operating Revenue	332,941	160,945	68,751	59,094	44,150
Non-Operating Expense	720,128	608,835	90,811	19,717	765
<b>NET INCOME/(LOSS)</b>	<b>(\$1,123,202)</b>	<b>(\$1,125,809)</b>	<b>(\$119,652)</b>	<b>\$98,328</b>	<b>\$23,931</b>
<b>CASH FLOW STATEMENT</b>					
<b>Cash From Operations</b>					
Net Income (Loss)	(\$1,123,202)	(\$1,125,809)	(\$119,652)	\$98,328	\$23,931
Add Depreciation	2,660,418	2,309,166	163,167	147,002	41,084
<b>Cash Generated From Operations</b>	<b>\$1,537,216</b>	<b>\$1,183,357</b>	<b>\$43,515</b>	<b>\$245,330</b>	<b>\$65,015</b>
<b>Other Sources (Uses) of Funds</b>					
Consumer Receivables Decr (Incr)	(\$223,436)	(\$196,220)	(\$11,341)	(\$26,417)	\$10,543
Capital Assets Acquisition	(3,650,714)	(2,312,011)	(1,175,098)	(137,245)	(26,360)
Construction Advances (Decr) Incr	(68,068)	(71,360)	0	3,292	0
Other Assets/Liabilities Decr (Incr)	45,057	437,197	(384,392)	(5,604)	(2,144)
Trade Accounts Payable (Decr) Incr	100,362	106,927	(7,774)	0	1,209
Loan Proceeds	346,862	0	346,862	0	0
Grant Proceeds	273,606	0	273,606	0	0
Connection Fee Revenue	387,610	371,460	0	16,150	0
Principal Paid on Debt	(898,223)	(681,488)	(182,661)	(34,074)	0
Interdistrict Transfers	0	(1,175,098)	1,175,098	0	0
Interdistrict Loan Due To (From)	0	108,311	(44,597)	(63,713)	0
<b>Total Other Sources (Uses)</b>	<b>(\$3,686,944)</b>	<b>(\$3,412,282)</b>	<b>(\$10,297)</b>	<b>(\$247,612)</b>	<b>(\$16,753)</b>
<b>Net Cash Provided (Used)</b>	<b>(\$2,149,728)</b>	<b>(\$2,228,925)</b>	<b>\$33,217</b>	<b>(\$2,283)</b>	<b>\$48,262</b>
<b>Cash Balance July 1, 2010</b>	<b>6,523,043</b>	<b>6,203,267</b>	<b>0</b>	<b>52,097</b>	<b>267,679</b>
<b>Cash Balance June 30, 2011</b>	<b>\$4,373,315</b>	<b>\$3,974,342</b>	<b>\$33,217</b>	<b>\$49,814</b>	<b>\$315,941</b>

**NOVATO WATER  
 DETAIL INCOME STATEMENT  
 FOR PERIOD ENDING JUNE 30, 2011**

	JUNE 2011	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>OPERATING REVENUE</b>				
Water Sales	\$1,747,508	\$10,715,930	90%	9,484,044
Bill Adjustments	(3,522)	(66,248)	-	(49,842)
Bimonthly Service Charges	209,756	2,012,351	102%	1,817,629
Account Turn-on Charges	5,918	74,575	99%	75,760
New Account Charges	560	9,700	108%	10,025
Returned Check Charges	54	1,206	121%	1,269
Hydrant Meter Up/Down Charges	300	3,900	98%	2,988
Backflow Service Charges	4,152	52,411	105%	48,224
Wheeling Charges - MMWD	3,347	53,662	72%	67,180
<b>TOTAL OPERATING REVENUE</b>	<b>\$1,972,169</b>	<b>\$12,861,583</b>	<b>91%</b>	<b>\$11,481,257</b>
<b>OPERATING EXPENSE</b>				
<b>SOURCE OF SUPPLY</b>				
Supervision & Engineering	\$1,782	\$8,965	179%	\$2,007
Operating Expense - Source	176	5,927	148%	5,745
Maint/Monitoring of Dam	0	8,290	41%	8,741
Maint of Lake & Intakes	0	8,220	59%	8,072
Maint of Structures	408	184	-	0
Maint of Watershed	408	1,607	4%	7,352
Water Quality Surveillance	1,762	12,377	77%	13,138
Fishery Maint	0	399	-	0
Erosion Control	0	361	-	0
Purchased Water	375,040	4,015,679	86%	3,630,416
Purch Wtr Capital Component (Note 4)	(55,338)	(224,890)	104%	(189,269)
<b>SOURCE OF SUPPLY</b>	<b>\$324,238</b>	<b>\$3,837,120</b>	<b>84%</b>	<b>\$3,486,201</b>
<b>PUMPING</b>				
Operating Expense - Pumping	\$0	\$641	6%	\$8,367
Maint of Structures & Grounds	1,378	17,153	42%	18,600
Maint of Pumping Equipment	164	17,354	54%	10,751
Electric Power	23,061	233,222	88%	200,318
<b>PUMPING</b>	<b>\$24,603</b>	<b>\$268,371</b>	<b>77%</b>	<b>\$238,036</b>
<b>OPERATIONS</b>				
Supervision & Engineering	\$14,890	\$185,361	134%	\$176,082
Operating Expense - Operations	21,140	191,713	68%	212,126
Maintenance Expense	4,687	94,633	117%	84,121
Telemetry Equipment/Controls Maint	3,700	83,047	395%	67,051
Leased Lines	1,762	20,841	41%	20,547
<b>OPERATIONS</b>	<b>\$46,179</b>	<b>\$575,595</b>	<b>101%</b>	<b>\$559,927</b>

**NOVATO WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2011**

	JUNE 2011	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>WATER TREATMENT</b>				
Supervision & Engineering	\$9,535	\$121,459	119%	\$122,312
Operating Expense - Water Treatment	33,945	320,882	120%	365,305
Purification Chemicals	120,759	464,140	111%	415,486
Sludge Disposal	7,118	84,618	176%	69,209
Maint of Structures & Grounds	3,079	71,772	75%	83,411
Maint of Purification Equipment	7,092	105,217	63%	157,642
Electric Power	12,765	128,913	161%	129,930
Water Quality Programs	5,852	87,556	114%	84,462
Laboratory Direct Labor	25,671	292,821	87%	292,436
Water Quality Supervision	8,322	60,167	163%	47,042
Laboratory Supplies & Expense	3,896	52,255	74%	44,971
Customer Water Quality	7,126	46,282	96%	48,187
Lab Cost Distributed	(2,593)	(22,037)	130%	(21,859)
<b>WATER TREATMENT</b>	<b>\$241,900</b>	<b>\$1,814,045</b>	<b>105%</b>	<b>\$1,838,533</b>
<b>TRANSMISSION &amp; DISTRIBUTION</b>				
Supervision & Engineering	\$38,547	\$466,110	90%	\$528,659
Maps & Records	2,221	74,154	73%	98,187
Operation of T&D System	11,788	158,679	128%	157,283
Facilities Location	6,028	61,108	139%	59,363
Safety: Construction & Engineering	803	33,569	50%	30,827
Customer Service Expense	9,984	147,205	93%	112,379
Flushing	76	21,814	32%	88,798
Storage Facilities Expense	8,802	147,832	95%	156,970
Cathodic Protection	1,185	10,415	80%	7,346
Maint of Valves/Regulators	12,677	190,866	128%	190,255
Maint of Mains	22,187	146,814	144%	102,633
Backflow Prevention Program	12,909	124,121	172%	93,754
Maint of Copper Services	14,278	166,916	68%	197,392
Maint of PB Service Lines	39,618	347,802	112%	263,714
Single Service Installations	3,497	(2,528)	-	2,415
Maint of Meters	10,094	146,170	88%	143,691
Detector Check Assembly Maint	2,216	36,509	101%	41,557
Maint of Hydrants	3,796	50,354	54%	77,038
<b>TRANSMISSION &amp; DISTRIBUTION</b>	<b>\$200,707</b>	<b>\$2,327,910</b>	<b>96%</b>	<b>\$2,352,260</b>
<b>CONSUMER ACCOUNTING</b>				
Meter Reading	\$9,151	\$122,364	93%	\$115,917
Collection Expense - Labor	2,367	22,760	78%	25,092
Collection Expense - Agency	177	2,438	244%	1,947
Billing & Consumer Accounting	23,827	282,046	108%	260,428
Contract Billing	1,616	18,285	96%	18,590
Stationery, Supplies & Postage	5,002	70,347	108%	64,698
Uncollectable Accounts	1,846	27,677	92%	35,190
Office Equipment Expense	1,436	9,835	123%	5,048
Distributed to West Marin (4.6%)	(1,153)	(15,762)	99%	(15,694)
<b>CONSUMER ACCOUNTING</b>	<b>\$44,269</b>	<b>\$539,989</b>	<b>102%</b>	<b>\$511,217</b>



**NOVATO WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2011**

	JUNE 2011	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>WATER CONSERVATION</b>				
Residential	\$37,734	\$338,093	89%	\$352,848
Commercial	1,151	15,423	55%	2,507
Public Outreach/Information	3,266	19,047	30%	10,197
Large Landscape	3,762	10,337	38%	6,254
<b>TOTAL WATER CONSERVATION</b>	<b>\$45,913</b>	<b>\$382,901</b>	<b>77%</b>	<b>\$371,806</b>
<b>GENERAL AND ADMINISTRATIVE</b>				
Directors Fees	\$1,200	\$15,100	101%	\$16,200
Legal Fees	551	8,572	78%	59,818
Human Resources	5,111	31,449	112%	31,662
Auditing Fees	0	27,800	99%	31,100
General Office Salaries	105,389	1,162,235	100%	1,135,227
Safety: General District Wide	354	14,935	51%	31,183
Office Supplies	2,809	38,870	78%	47,363
Employee Events	117	4,469	56%	11,366
Other Administrative Expense	1,991	17,414	87%	20,090
Dues & Subscriptions	338	47,775	98%	49,208
Vehicle Expense	676	8,112	101%	8,112
Meetings, Conferences & Training	8,284	101,472	72%	114,985
Recruitment Expense	(11)	663	33%	1,418
Gas & Electricity	1,888	24,562	94%	23,580
Telephone	486	3,472	58%	2,800
Water	140	978	98%	823
Buildings & Grounds Maint	5,574	35,902	76%	53,907
Office Equipment Expense	12,577	74,325	74%	85,550
Insurance Premiums & Claims	8,447	118,451	96%	117,023
Retiree Medical Benefits	13,677	147,084	96%	138,105
Distributed to Other Operations (5.6%)	(8,224)	(104,515)	87%	(100,811)
<b>GENERAL &amp; ADMINISTRATIVE</b>	<b>\$161,374</b>	<b>\$1,779,126</b>	<b>94%</b>	<b>\$1,878,960</b>
<b>OTHER OPERATING EXPENSE</b>				
Expensed Improvement Projects	\$3,421	\$122,785	107%	\$1,327,429
Expensed Equipment Purchases	2,392	29,993	91%	31,266
G&A Applied to Construction	(36,325)	(269,439)	209%	(153,213)
(Gain)/Loss on Overhead Charges	(30,288)	(178,061)	89%	(214,770)
<b>OTHER OPERATING EXPENSE</b>	<b>(\$60,799)</b>	<b>(\$294,721)</b>	<b>164%</b>	<b>\$990,712</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$1,028,386</b>	<b>\$11,230,336</b>	<b>91%</b>	<b>\$12,227,653</b>
<b>OPERATING INCOME/(LOSS)</b>				
<b>BEFORE DEPRECIATION</b>	943,783	1,631,247	91%	(746,395)
Depreciation (Note 5)	190,483	2,309,166	96%	2,312,339
<b>OPERATING INCOME/(LOSS)</b>	<b>\$753,300</b>	<b>(\$677,919)</b>	<b>112%</b>	<b>(\$3,058,734)</b>

**NOVATO WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2011**

	JUNE 2011	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>NON-OPERATING REVENUE</b>				
Interest:				
General Funds	(\$1)	\$0	0%	\$5,209
Facility Reserve Charge Fund	507	22,088	74%	32,063
Wohler Pipeline Financing Fund	289	5,393	67%	8,232
Collector #6 Financing Fund	1,173	21,537	72%	31,228
Drought Contingency Fund	0	0	-	1,335
Retiree Medical Insurance Fund	1,106	17,879	43%	38,946
Conservation Incentive Rate Fund	0	0	-	3,734
Recycled Water Advance (Note 10)	0	105	-	1,915
West Marin Water Advance (Note 10)	237	4,969	71%	7,074
<b>Total Interest Revenue</b>	<b>\$3,311</b>	<b>\$71,972</b>	<b>61%</b>	<b>\$129,735</b>
Rents & Leases	3,689	63,934	100%	47,931
CDPH Grant	0	13,582	-	100,838
PB Claim Settlement Payments	0	0	-	304
Other Non-Operating Revenue	11,472	38,053	45%	95,322
Gain/(Loss) on MV of Investments	(1,078)	(26,596)	-	(3,446)
<b>NON-OPERATING REVENUE</b>	<b>\$17,394</b>	<b>\$160,945</b>	<b>61%</b>	<b>\$370,684</b>
<b>NON-OPERATING EXPENSE</b>				
STP SRF Loan Interest Expense	\$30,500	\$375,452	96%	\$391,159
Drought Loan Interest Expense	444	5,327	89%	5,950
Wohler Pipeline Debt Service	15,162	61,859	100%	61,724
Collector #6 Debt Service	40,175	163,031	100%	127,545
Other Non-Operating Expense	303	3,167	16%	8,327
<b>NON-OPERATING EXPENSE</b>	<b>\$86,585</b>	<b>\$608,835</b>	<b>95%</b>	<b>\$594,705</b>
<b>NET INCOME/(LOSS)</b>	<b>\$684,110</b>	<b>(\$1,125,809)</b>	<b>115%</b>	<b>(\$3,282,755)</b>
 <b>BEGINNING FUND EQUITY</b>				
NET INCOME/(LOSS)	684,110	(1,125,809)		(3,282,755)
<b>CONTRIBUTED CAPITAL</b>				
Developer 'In-Kind' Contributions	206,386	1,073,641		814,928
Connection Fees	28,600	371,460	33%	1,622,019
Connection Fee Alloc to RWS	(259,295)	(1,175,098)		0
<b>ENDING FUND EQUITY</b>		<b>\$63,531,308</b>		<b>\$64,387,114</b>

**NOVATO RECYCLED WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2011**

	JUNE 2011	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>OPERATING REVENUE</b>				
Recycled Water Sales	\$29,364	\$196,183	99%	\$192,291
Bimonthly Service Charges	405	2,690	90%	2,775
Water Load Permits	0	0	-	765
Backflow Service Charges	48	290	-	229
<b>TOTAL OPERATING REVENUE</b>	<b>\$29,817</b>	<b>\$199,164</b>	<b>99%</b>	<b>\$196,061</b>
<b>OPERATING EXPENSE</b>				
<b>PUMPING</b>				
Maint of Pumping Equipment	\$0	\$0	0%	\$32
<b>PUMPING</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$32</b>
<b>OPERATIONS</b>				
Supervision & Engineering	\$1,364	\$6,288	314%	\$0
Operating Expense - Operations	274	10,767	98%	22,723
Potable Water Consumed	489	2,979	-	3,469
Maintenance Expense	0	1,062	106%	107
Telemetry Equipment/Controls Maint	96	6,086	304%	4,071
<b>OPERATIONS</b>	<b>\$2,223</b>	<b>\$27,183</b>	<b>170%</b>	<b>\$30,369</b>
<b>WATER TREATMENT</b>				
Purification Chemicals	\$3,195	\$40,805	102%	\$50,448
Maint of Structures & Grounds	0	55	-	23
Maint of Purification Equipment	83	2,247	37%	1,755
Electric Power	1,155	8,226	118%	8,000
Laboratory Direct Labor	3,857	25,010	83%	23,783
Lab Expense Distributed from Novato	1,187	9,273	-	11,622
<b>WATER TREATMENT</b>	<b>\$9,476</b>	<b>\$85,776</b>	<b>103%</b>	<b>\$97,779</b>
<b>TRANSMISSION &amp; DISTRIBUTION</b>				
Supervision & Engineering	\$0	\$987	7%	\$10,749
Maps & Records	0	227	-	4,226
Operation of T&D System	5	1,162	116%	1,873
Maint of Valves/Regulators	0	0	0%	66
Maint of Meters	0	0	-	539
Maint of Mains	0	79	-	0
<b>TRANSMISSION &amp; DISTRIBUTION</b>	<b>\$5</b>	<b>\$2,455</b>	<b>15%</b>	<b>\$17,453</b>
<b>GENERAL AND ADMINISTRATIVE</b>				
Distributed from Novato (1.0%)	\$1,430	\$18,177	87%	\$17,878
<b>GENERAL &amp; ADMINISTRATIVE</b>	<b>\$1,430</b>	<b>\$18,177</b>	<b>87%</b>	<b>\$17,878</b>
<b>OTHER OPERATING EXPENSE</b>				
Expensed Improvement Projects	\$0	\$0	-	\$75,198
<b>OTHER OPERATING EXPENSE</b>	<b>\$0</b>	<b>\$0</b>	<b>-</b>	<b>\$75,198</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$13,135</b>	<b>\$133,589</b>	<b>96%</b>	<b>\$238,709</b>
<b>OPERATING INCOME/(LOSS)</b>				
<b>BEFORE DEPRECIATION</b>	<b>16,682</b>	<b>65,575</b>	<b>104%</b>	<b>(42,648)</b>
Depreciation (Note 5)	13,580	163,167	99%	160,548
<b>OPERATING INCOME/(LOSS)</b>	<b>\$3,102</b>	<b>(\$97,592)</b>	<b>96%</b>	<b>(\$203,196)</b>

**NOVATO RECYCLED WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2011**

	JUNE 2011	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>NON-OPERATING REVENUE</b>				
Interest:				
General Funds	\$0	\$105	-	\$0
RWF Replacement Fund	0	962	-	874
Stone Tree RWF Loan	5,488	67,684	94%	72,012
<b>Total Interest Revenue</b>	<b>\$5,488</b>	<b>\$68,751</b>	<b>95%</b>	<b>\$72,886</b>
Other Non-Operating Revenue	0	0	-	6,912
<b>NON-OPERATING REVENUE</b>	<b>\$5,488</b>	<b>\$68,751</b>	<b>95%</b>	<b>\$79,798</b>
<b>NON-OPERATING EXPENSE</b>				
RWF SRF Loan Interest Expense	\$7,389	\$90,706	95%	\$91,998
Interest-Advance from Novato (Note 10)	0	105	-	1,915
<b>NON-OPERATING EXPENSE</b>	<b>\$7,389</b>	<b>\$90,811</b>	<b>96%</b>	<b>\$93,913</b>
<b>NET INCOME/(LOSS)</b>	<b>\$1,201</b>	<b>(\$119,652)</b>	<b>96%</b>	<b>(\$217,311)</b>
<b>BEGINNING FUND EQUITY</b>				
		\$3,703,383		\$3,598,473
NET INCOME/(LOSS)	\$1,201	(\$119,652)		(\$217,311)
State Prop 50 Grant	0	53,188	97%	188,562
Federal ARRA Grant	42,314	220,418	144%	0
Connection Fee Alloc from Novato	259,295	1,175,098	0%	133,659
<b>ENDING FUND EQUITY</b>		<b>\$5,032,435</b>		<b>\$3,703,383</b>

**WEST MARIN WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2011**

	JUNE 2011	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>OPERATING REVENUE</b>				
Water Sales	\$46,672	\$509,431	86%	\$471,696
Bill Adjustments	0	(19,938)	-	(12,090)
Bimonthly Service Charges	7,889	94,214	99%	92,766
Account Turn-on Charges	292	1,150	128%	888
New Account Charges	40	205	103%	225
Returned Check Charges	0	27	-	54
Backflow Service Charges	343	2,087	110%	1,885
<b>TOTAL OPERATING REVENUE</b>	<b>\$55,236</b>	<b>\$587,176</b>	<b>85%</b>	<b>\$555,424</b>
<b>OPERATING EXPENSE</b>				
<b>SOURCE OF SUPPLY</b>				
Operating Expense	\$2,830	\$11,507	288%	\$4,096
Maint of Structures	0	7,400	93%	7,200
Water Quality Surveillance	0	0	0%	68
<b>SOURCE OF SUPPLY</b>	<b>\$2,830</b>	<b>\$18,907</b>	<b>145%</b>	<b>\$11,364</b>
<b>PUMPING</b>				
Operating Labor	\$0	\$0	0%	\$0
Maint of Structures and Grounds	0	7,955	88%	7,715
Maint of Pumping Equip	1,169	8,889	74%	15,858
Electric Power	1,261	14,248	89%	16,110
<b>PUMPING</b>	<b>\$2,430</b>	<b>\$31,092</b>	<b>82%</b>	<b>\$39,682</b>
<b>OPERATIONS</b>				
Supervision & Engineering	\$174	\$174	4%	\$1,176
Operating Expense	439	8,668	108%	7,656
Maint of Telemetry Equipment	330	31,895	290%	28,910
Leased Lines	449	5,228	105%	5,221
<b>OPERATIONS</b>	<b>\$1,392</b>	<b>\$45,965</b>	<b>164%</b>	<b>\$42,962</b>
<b>WATER TREATMENT</b>				
Supervision & Engineering	\$769	\$6,858	229%	\$3,651
Operating Expense	113	10,477	70%	17,010
Purification Chemicals	5,057	7,777	156%	3,575
Maint of Structures & Grounds	375	397	40%	114
Maint of Purification Equipment	2,268	11,462	88%	18,542
Electric Power	2,149	24,619	85%	20,834
Laboratory Direct Labor	2,365	23,329	111%	20,948
Laboratory Services	0	1,600	40%	2,535
Water Quality Supervision	1,144	3,235	108%	7,721
Customer Water Quality	1,776	10,013	250%	6,408
Lab Expense Distributed from Novato	1,406	12,764	182%	10,237
<b>WATER TREATMENT</b>	<b>\$17,422</b>	<b>\$112,531</b>	<b>107%</b>	<b>\$111,573</b>

**WEST MARIN WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2011**

	JUNE 2011	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>TRANSMISSION &amp; DISTRIBUTION</b>				
Supervision & Engineering	\$1,104	\$10,386	87%	\$12,160
Maps & Records	0	392	13%	1,410
Operating Expense	0	323	-	0
Facilities Location - USA	143	2,008	67%	1,210
Customer Service Expense	1,341	13,927	87%	12,055
Flushing	126	5,718	114%	1,993
Storage Facilities Expense	19	8,805	44%	12,555
Cathodic Protection	0	805	81%	288
Maint of Valves	2,685	6,274	70%	3,694
Valve Operation Program	1,549	1,549	155%	2,118
Maint of Mains	0	2,157	17%	698
Water Quality Maintenance	2,104	2,104	-	0
Maint of Backflow Devices	0	973	49%	236
Backflow Dev Inspection/Survey	0	3,042	61%	913
Maint of Copper Services	127	4,230	85%	3,337
Maint of PB Service Lines	0	7,775	43%	17,861
Maint of Meters	407	1,941	28%	3,096
Detector Check Assembly Maint	0	218	-	375
Maint of Hydrants	765	1,311	66%	0
Hydrant Operation	2,509	2,509	251%	2,118
Single Service Installation	(6,954)	(6,175)	-	4,936
<b>TRANSMISSION &amp; DISTRIBUTION</b>	<b>\$5,923</b>	<b>\$70,274</b>	<b>57%</b>	<b>\$81,052</b>
<b>CONSUMER ACCOUNTING</b>				
Meter Reading	\$1,204	\$7,092	71%	\$7,064
Collection Expense - Labor	87	1,058	53%	961
Uncollectable Accounts	0	467	-	90
Distributed from Novato (3.5%)	1,000	13,491	104%	12,118
<b>CONSUMER ACCOUNTING</b>	<b>\$2,291</b>	<b>\$22,108</b>	<b>88%</b>	<b>\$20,232</b>
<b>WATER CONSERVATION</b>				
Water Conservation Program	\$1,236	\$5,266	88%	\$1,783
<b>TOTAL WATER CONSERVATION</b>	<b>\$1,236</b>	<b>\$5,266</b>	<b>88%</b>	<b>\$1,783</b>
<b>GENERAL AND ADMINISTRATIVE</b>				
Distributed from Novato (3.5%)	\$5,263	\$66,880	88%	\$63,234
<b>GENERAL &amp; ADMINISTRATIVE</b>	<b>\$5,263</b>	<b>\$66,880</b>	<b>88%</b>	<b>\$63,234</b>
<b>OTHER OPERATING EXPENSE</b>				
Expensed Improvement Projects	\$0	\$8,201	82%	\$82,412
<b>OTHER OPERATING EXPENSE</b>	<b>\$0</b>	<b>\$8,201</b>	<b>82%</b>	<b>\$82,412</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$38,786</b>	<b>\$381,224</b>	<b>90%</b>	<b>\$454,296</b>
<b>OPERATING INCOME/(LOSS)</b>				
<b>BEFORE DEPRECIATION</b>	<b>\$16,450</b>	<b>\$205,952</b>	<b>77%</b>	<b>\$101,129</b>
Depreciation (Note 5)	12,445	147,002	100%	\$145,913
<b>OPERATING INCOME/(LOSS)</b>	<b>\$4,004</b>	<b>\$58,951</b>	<b>50%</b>	<b>(\$44,784)</b>

**WEST MARIN WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2011**

	<u>JUNE 2011</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
<b>NON-OPERATING REVENUE</b>				
Interest - General Funds	(\$1)	(\$0)	0%	\$365
Rents & Leases	0	3,628	91%	3,453
Tax Proceeds - PR-3 G.O. Bond	407	13,441	90%	13,631
Tax Proceeds - OL-2 G.O. Bond	101	3,482	87%	3,910
Tax Proceeds - PR-2 Tax Allocation	1,203	38,543	88%	40,024
<b>NON-OPERATING REVENUE</b>	<b>\$1,710</b>	<b>\$59,094</b>	<b>87%</b>	<b>\$61,877</b>
<b>NON-OPERATING EXPENSE</b>				
PR-3 G.O. Bond Interest Expense	\$113	\$1,675	84%	\$2,300
OL-2 G.O. Bond Interest Expense	61	809	81%	967
PRE-1 Revenue Bond Interest Exp	421	5,387	90%	5,800
PR-6 Revenue Bond Interest Exp	450	5,400	90%	5,750
Drought Loan Interest Expense	63	758	76%	851
Interest-Advance from Novato (Note 10)	237	4,969	71%	7,074
Other Non-Operating Expense	0	718	-	686
<b>NON-OPERATING EXPENSE</b>	<b>\$1,344</b>	<b>\$19,717</b>	<b>86%</b>	<b>\$23,427</b>
<b>NET INCOME/(LOSS)</b>	<b>\$4,370</b>	<b>\$98,328</b>	<b>60%</b>	<b>(\$6,334)</b>
<b>BEGINNING FUND EQUITY</b>				
		\$3,580,445		\$2,935,346
NET INCOME/(LOSS)	4,370	98,328		(6,334)
<b>CONTRIBUTED CAPITAL</b>				
Developer 'In-Kind' Contributions	9,362	35,970		98,011
Connection Fees	0	16,150	35%	31,350
<b>ENDING FUND EQUITY</b>		<b>\$3,730,893</b>		<b>\$3,058,373</b>

**OCEANA MARIN SEWER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2011**

	JUNE 2011	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>OPERATING REVENUE</b>				
Sewer Service Charges	\$12,467	\$149,820	100%	\$148,427
Returned Check Charges	0	0	-	9
<b>TOTAL OPERATING REVENUE</b>	<b>\$12,467</b>	<b>\$149,820</b>	<b>100%</b>	<b>\$148,436</b>
<b>OPERATING EXPENSE</b>				
<b>SEWAGE COLLECTION</b>				
Supervision & Engineering	\$534	\$5,157	86%	\$3,627
Inspection	0	363	36%	(4)
Operating Expense	230	1,847	92%	1,537
Facilities Location	191	2,044	204%	1,648
Sewer Service Installation	0	0	-	79
Maint of Lift Stations	0	2,829	-	664
Electric Power	968	10,262	128%	8,076
<b>SEWAGE COLLECTION</b>	<b>\$1,923</b>	<b>\$22,503</b>	<b>125%</b>	<b>\$15,748</b>
<b>SEWAGE TREATMENT</b>				
Operating Expense	\$0	\$10,250	79%	\$12,431
Maint of Equipment	0	326	-	774
Electric Power	700	7,895	158%	6,269
<b>SEWAGE TREATMENT</b>	<b>\$700</b>	<b>\$18,470</b>	<b>103%</b>	<b>\$19,474</b>
<b>SEWAGE DISPOSAL</b>				
Maint of Pump Stations	\$0	\$489	49%	\$508
<b>SEWAGE DISPOSAL</b>	<b>\$0</b>	<b>\$489</b>	<b>49%</b>	<b>\$719</b>
<b>CONTRACT OPERATIONS</b>				
Contract Operations	\$5,049	\$60,588	99%	\$59,174
Equipment Replacements/Upgrades	0	1,004	10%	0
<b>CONTRACT OPERATIONS</b>	<b>\$5,049</b>	<b>\$61,592</b>	<b>87%</b>	<b>\$59,174</b>
<b>CONSUMER ACCOUNTING</b>				
Collection Expense - County of Marin	\$0	\$452	-	\$0
Distributed from Novato (1.0%)	153	2,271	57%	3,576
Uncollectable Accounts	0	55	-	376
<b>CONSUMER ACCOUNTING</b>	<b>\$153</b>	<b>\$2,778</b>	<b>69%</b>	<b>\$3,952</b>
<b>GENERAL AND ADMINISTRATIVE</b>				
Distributed from Novato (1.1%)	\$1,531	\$19,458	88%	\$19,699
Liability Insurance	244	2,900	97%	4,529
<b>GENERAL AND ADMINISTRATIVE</b>	<b>\$1,775</b>	<b>\$22,359</b>	<b>89%</b>	<b>\$24,228</b>
<b>OTHER OPERATING EXPENSE</b>				
Expensed Improvement Projects	\$0	\$0	0%	\$39,419
<b>OTHER OPERATING EXPENSE</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$39,419</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$9,601</b>	<b>\$128,191</b>	<b>87%</b>	<b>\$162,715</b>
<b>OPERATING INCOME/(LOSS)</b>				
<b>BEFORE DEPRECIATION</b>	<b>\$2,866</b>	<b>\$21,629</b>	<b>721%</b>	<b>(\$14,279)</b>
Depreciation (Note 5)	3,424	41,084	98%	41,084
<b>OPERATING INCOME/(LOSS)</b>	<b>(\$558)</b>	<b>(\$19,455)</b>	<b>50%</b>	<b>(\$55,363)</b>



**OCEANA MARIN SEWER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2011**

	<u>JUNE 2011</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
<b><u>NON-OPERATING REVENUE</u></b>				
Rents & Leases	\$0	\$500	100%	\$500
Interest - Connection Fee Reserve	47	837	84%	1,126
Interest - General Funds	121	1,718	86%	1,793
Tax Proceeds - OM-1/OM-3 Tax Alloc	1,282	41,077	89%	42,654
Other Non-Operating Revenue	0	18	1%	289
<b>NON-OPERATING REVENUE</b>	<u>\$1,450</u>	<u>\$44,150</u>	87%	<u>\$46,362</u>
<b><u>NON-OPERATING EXPENSE</u></b>				
Other Non-Operating Expense	\$0	\$765	-	\$740
<b>NON-OPERATING EXPENSE</b>	<u>\$0</u>	<u>\$765</u>	-	<u>\$740</u>
<b>NET INCOME/(LOSS)</b>	<u>\$892</u>	<u>\$23,931</u>	199%	<u>(\$9,741)</u>
<b>BEGINNING FUND EQUITY</b>		\$993,621		\$999,109
NET INCOME/(LOSS)	892	23,931		(9,741)
CONTRIBUTED CAPITAL				
Connection Fees	0	0	0%	9,000
<b>ENDING FUND EQUITY</b>		<u>\$1,017,552</u>		<u>\$998,368</u>

**NORTH MARIN WATER DISTRICT  
ANALYSIS OF CONNECTION FEE AND CIR FUNDS  
FOR PERIOD ENDING JUNE 30, 2011**

<b>CONNECTION FEE FUND</b>	<b>TOTAL</b>	<b>NOVATO WATER</b>	<b>WEST MARIN WATER</b>	<b>OCEANA MARIN SEWER</b>
<b>Connection Fee Cash Balance 7/1/10</b>	\$2,476,607	\$2,400,152	\$0	\$76,455
Add funds borrowed to subsidize operations	241,693	0	241,693	0
<b>Connection Fee Reserve Balance 7/1/10</b>	\$2,718,300	\$2,400,152	\$241,693	\$76,455
Add: Connection Fees Collected FYTD	387,610	371,460	16,150	0
Interest Earned	23,030	22,193	0	837
Subtotal	\$3,128,940	\$2,793,805	\$257,843	\$77,292
Less: Fees Expended FYTD	1,231,574	1,211,429	20,145	0
Fees Transferred to RW FYTD	1,175,098	1,175,098		
<b>Connection Fee Reserve Balance 6/30/11</b>	\$722,268	\$407,278	\$237,698	\$77,292
Less funds borrowed to subsidize operations	237,706	0	237,698	8
<b>CONNECTION FEE CASH BALANCE 6/30/11</b>	<b>\$484,562</b>	<b>\$407,278</b>	<b>\$0</b>	<b>\$77,284</b>

**CONSERVATION INCENTIVE RATE FUND**

<b>CIR Cash Balance 7/1/10</b>	\$0	\$0	\$0
Add funds borrowed to subsidize operations	150,353	105,531	44,822
<b>CIR Reserve Balance 7/1/10</b>	\$150,353	\$105,531	\$44,822
Add: CIR Charges Billed FYTD	67,685	51,869	15,815
Regulation 15 Forfeitures	4,095	4,095	0
Interest Earned	0	0	0
Subtotal	\$222,133	\$161,495	\$60,637
Less: CIR Funds Expended FYTD <sup>1</sup>	154,877	149,611	5,266
Bill Adjustments	14,320	11,884	2,436
<b>CIR Reserve Balance 6/30/11</b>	\$52,936	\$0	\$52,936
Less funds borrowed to subsidize operations	52,936	0	52,936
<b>CIR CASH BALANCE 6/30/11</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

**NORTH MARIN WATER DISTRICT  
MATERIAL COST ANALYSIS  
FOR PERIOD ENDING JUNE 30, 2011**

	Novato	West		Oceana		YTD Total	Annual Budget	YTD/Budget %	Prior YTD Actual	% Change
		Marin	Marin	Marin	Marin					
<b>OPERATING EXPENSE</b>										
Salaries & Benefits	\$4,905,939	\$52,420	\$159,334	\$10,755	\$10,755	5,128,449	\$5,402,000	95%	\$5,911,091	-13%
Water Purchases (net)	3,790,790	0	0	0	0	3,790,790	4,443,000	85%	3,441,147	10%
Op Matl Svcs & Supplies	358,220	21,532	160,609	94,184	94,184	634,545	972,200	65%	416,034	53%
Chemicals	464,140	40,805	7,777	0	0	512,721	462,000	111%	469,509	9%
Electric Power	362,136	8,226	14,248	18,157	18,157	402,766	373,000	108%	389,536	3%
Vehicles & Equipment	257,938	1,287	16,521	647	647	276,392	273,000	101%	308,397	-10%
IP Matl Svcs & Supplies	216,834	7,011	3,589	992	992	228,426	174,000	131%	1,098,185	-79%
Tools & Supplies	195,588	2,308	14,124	556	556	212,577	247,000	86%	267,276	-20%
Water Conservation Rebates	168,545	0	0	0	0	168,545	194,000	87%	244,338	-31%
Retiree Medical Expense	147,084	0	0	0	0	147,084	154,000	96%	138,105	7%
Inventory Materials	135,455	0	5,022	0	0	140,477	129,000	109%	166,141	-15%
Insurance & Claims	118,451	0	0	2,900	2,900	121,352	126,000	96%	121,552	0%
Stationary, Supplies & Postage	109,217	0	0	0	0	109,217	115,000	95%	112,061	-3%
<b>TOTAL OPERATING EXPENSE</b>	<b>\$11,230,336</b>	<b>\$133,589</b>	<b>\$381,224</b>	<b>\$128,191</b>	<b>\$128,191</b>	<b>\$11,873,340</b>	<b>\$13,064,200</b>	<b>91%</b>	<b>\$13,083,373</b>	<b>-9%</b>
<b>NON-OPERATING EXPENSE</b>										
Interest Expense	\$605,668	\$90,811	18,999	\$0	\$0	\$715,478	\$740,000	97%	\$703,883	2%
Other Non-Operating Expense	3,167	0	718	765	765	4,650	20,000	23%	9,753	-52%
<b>TOTAL NON-OPERATING EXPENSE</b>	<b>\$608,835</b>	<b>\$90,811</b>	<b>\$19,717</b>	<b>\$765</b>	<b>\$765</b>	<b>\$720,128</b>	<b>\$760,000</b>	<b>95%</b>	<b>\$713,636</b>	<b>1%</b>
<b>TOTAL OP &amp; NON-OP EXPENSE</b>	<b>\$11,839,171</b>	<b>\$224,400</b>	<b>\$400,941</b>	<b>\$128,956</b>	<b>\$128,956</b>	<b>\$12,593,468</b>	<b>\$13,824,200</b>	<b>91%</b>	<b>\$13,797,009</b>	<b>-9%</b>
<b>DISTRICT CAPITAL PROJECTS</b>										
Salaries and Benefits	\$386,006	\$332,019	\$9,886	\$8,414	\$8,414	\$736,326	\$615,000	120%		
G&A & Constr Supplies	130,465	101,570	9,383	2,368	2,368	243,785	151,000	161%		
Vehicles & Equipment	51,774	6,628	380	408	408	59,189	72,000	82%		
Material Services & Supplies	1,605,853	734,881	116,837	15,170	15,170	2,472,741	5,070,000	49%		
<b>TOTAL DISTRICT CAPITAL PROJECTS</b>	<b>\$2,174,098</b>	<b>\$1,175,098</b>	<b>\$136,485</b>	<b>\$26,360</b>	<b>\$26,360</b>	<b>\$3,512,041</b>	<b>\$5,908,000</b>	<b>59%</b>		
<b>DEVELOPER PROJECTS</b>										
Salaries & Benefits	\$206,220	\$0	\$14,804	\$0	\$0	\$221,024	\$307,000	72%		
G&A & Constr Supplies	88,545	0	5,763	0	0	94,308	151,000	62%		
Vehicles & Equipment	79,341	0	1,810	0	0	81,151	36,000	225%		
Material Services & Supplies	212,786	0	10,385	0	0	223,171	200,000	112%		
<b>TOTAL DEVELOPER PROJECTS</b>	<b>\$586,893</b>	<b>\$0</b>	<b>\$32,761</b>	<b>\$0</b>	<b>\$0</b>	<b>\$619,654</b>	<b>\$694,000</b>	<b>89%</b>		
<b>TOTAL CAPITAL PROJECTS</b>	<b>\$2,760,990</b>	<b>\$1,175,098</b>	<b>\$169,246</b>	<b>\$26,360</b>	<b>\$26,360</b>	<b>\$4,131,695</b>	<b>\$6,602,000</b>	<b>63%</b>		

**NORTH MARIN WATER DISTRICT  
OVERHEAD ACCOUNT ANALYSIS  
FOR PERIOD ENDING JUNE 30, 2011**

	YEAR TO DATE ACTUAL	ANNUAL BUDGET	YTD/ BUDGET %
<b><u>Material Handling</u></b>			
Material Overhead Recovered (15%)	\$63,983	\$95,500	67%
Labor	78,131	85,000	92%
Materials, Supplies & Expense	5,985	4,500	133%
Correction to Inventory Counts	15,189	0	-
Depr on Warehouse Equipment	6,026	6,000	100%
	<u>\$105,330</u>	<u>\$95,500</u>	110%
Net Gain / (Loss)	<u>(\$41,347)</u>	<u>\$0</u>	-
<b><u>Construction Supplies</u></b>			
Const Supplies Overhead Recovered (15%)	\$289,502	\$195,000	148%
Labor	82,322	108,000	76%
Materials, Supplies & Expense	67,904	61,000	111%
Small Tools	16,713	20,000	84%
Depreciation	4,648	6,000	77%
	<u>\$171,587</u>	<u>\$195,000</u>	88%
Net Gain / (Loss)	<u>\$117,916</u>	<u>\$0</u>	-
<b><u>Vehicle &amp; Equipment</u></b>			
Vehicle & Equipment Recovered	\$409,000	\$376,000	109%
Labor	93,315	116,000	80%
Materials, Supplies & Expense	62,398	73,000	85%
Fuel	91,573	62,000	148%
Depreciation	136,185	125,000	109%
	<u>\$383,471</u>	<u>\$376,000</u>	102%
Net Gain / (Loss)	<u>\$25,529</u>	<u>\$0</u>	0%

**NORTH MARIN WATER DISTRICT  
VEHICLE FLEET ANALYSIS  
FOR PERIOD ENDING JUNE 30, 2011**

Year	Description	Veh#	Assigned	Fiscal Year to Date			Gain/(Loss)	Mileage	Life to Date	Vehicle Cost per Mile		
				Mileage	Expense <sup>1</sup>	Recovery <sup>2</sup>				FYTD	FY10	FY09
1	1993 Ford F250 4x4	29	Cilia	6,372	\$9,061	\$7,563	(\$1,498)	127,886	\$0.55	\$1.42	\$1.19	\$0.68
2	1994 GMC C1500	30	Pool	4,396	\$3,574	\$2,131	(\$1,443)	132,387	\$0.30	\$0.81	\$0.21	\$0.79
3	1999 Dodge Ram 1500	32	Pool	4,778	\$2,343	\$6,537	\$4,194	60,747	\$0.42	\$0.49	\$0.81	\$0.44
4	1999 Ford F250	36	Ortiz	7,906	\$7,648	\$7,977	\$329	171,085	\$0.46	\$0.97	\$0.82	\$0.73
5	2000 Dodge Dakota	40	Pool	3,900	\$2,713	\$3,831	\$1,118	98,238	\$0.45	\$0.70	\$0.54	\$0.43
6	2001 Dodge Ram 1500	41	On-Call	6,707	\$4,125	\$1,415	(\$2,710)	95,071	\$0.53	\$0.62	\$0.44	\$0.47
7	2001 Dodge Dakota	42	Pool	1,964	\$1,863	\$927	(\$935)	101,396	\$0.30	\$0.95	\$0.46	\$0.34
8	2002 Dodge Dakota	45	Bynum	9,869	\$7,824	\$10,620	\$2,796	121,769	\$0.46	\$0.79	\$0.61	\$0.41
9	2002 Chev K1500 4x4	47	Engineering	3,987	\$2,878	\$2,400	(\$478)	95,532	\$0.32	\$0.72	\$0.60	\$0.41
10	2003 Dodge Dakota 4x4	49	Stompe	6,270	\$2,912	\$3,689	\$778	64,191	\$0.36	\$0.46	\$0.26	\$0.48
11	2003 Chev C1500	51	Pool	7,617	\$3,953	\$4,830	\$876	91,652	\$0.34	\$0.52	\$0.35	\$0.73
12	2004 Chev C1500	53	Kurfirst	11,128	\$4,983	\$9,455	\$4,472	81,407	\$0.36	\$0.45	\$0.88	\$0.39
13	2004 Chev C1500 Xtra Cab	54	Mello	5,887	\$2,708	\$3,714	\$1,006	68,807	\$0.36	\$0.46	\$0.86	\$0.37
14	2005 Honda Civic Hybrid	56	Lab	7,488	\$1,926	\$3,056	\$1,130	40,515	\$0.21	\$0.26	\$0.20	\$0.21
15	2005 Honda Civic Hybrid	57	Engineering	3,893	\$1,585	\$1,765	\$180	32,224	\$0.20	\$0.41	\$0.19	\$0.21
16	2005 Ford Ranger	58	Roberto	10,947	\$9,755	\$9,755	\$4,081	73,408	\$0.38	\$0.52	\$0.36	\$0.36
17	2005 Ford Ranger	59	Venegas	11,218	\$5,839	\$9,534	\$3,695	65,338	\$0.41	\$0.52	\$0.36	\$0.37
18	2006 Chev Colorado	501	Moore	13,543	\$6,174	\$12,065	\$5,891	70,641	\$0.35	\$0.46	\$0.33	\$0.35
19	2007 Chev K2500 4x4	502	Corda, Joe	8,574	\$4,560	\$16,371	\$11,812	42,888	\$0.47	\$0.53	\$0.44	\$0.57
20	2007 Chev Colorado	504	Grisso	4,117	\$2,399	\$6,515	\$4,116	21,021	\$0.42	\$0.58	\$0.49	\$0.88
21	2008 Ford F250 4x4	505	Arendell	11,898	\$7,496	\$22,843	\$15,347	41,928	\$0.66	\$0.63	\$0.65	\$0.68
22	2008 Ford F250 4x4	506	STP	4,637	\$2,674	\$5,959	\$3,285	22,878	\$0.86	\$0.58	\$0.83	\$1.19
23	2008 Chev Colorado 4x4	509	Lemos	12,364	\$4,397	\$1,595	\$3,258	35,426	\$0.33	\$0.36	\$0.29	\$0.51
24	2008 Toyota Prius Hybrid	510	Clark	13,983	\$2,898	\$6,055	\$3,157	37,230	\$0.17	\$0.21	\$1.64	\$0.12
25	2010 Ford F150 4x4	511	STP	7,724	\$4,518	\$6,828	\$2,310	11,143	\$0.51	\$0.58	\$0.39	-
26	2010 Ford F150	512	Ortiz	13,393	\$4,957	\$6,745	\$1,788	21,962	\$0.39	\$0.37	\$0.44	-
27	2010 Ford F150	513	LeBrun	6,987	\$3,358	\$5,094	\$1,736	11,992	\$0.48	\$0.48	\$0.51	-
<b>Total 3/4 Ton &amp; Under</b>				<b>211,547</b>	<b>\$115,038</b>	<b>\$183,664</b>	<b>\$68,626</b>	<b>1,838,762</b>	<b>\$0.40</b>	<b>\$0.54</b>	<b>\$0.51</b>	<b>\$0.51</b>
1	1971 Chev C50 2 Ton Boom	10	Crew	0	\$1,674	\$121	(\$1,553)	111,312	\$1.03	-	-	-
2	1991 Int'l 4700 5 Yd Dump	5	Sjoblom	8,521	\$10,866	\$19,088	\$8,221	144,697	\$0.83	\$1.28	\$1.46	\$2.35
3	1999 Ford F350 W/Svc Body	19	Pool	1,101	\$2,838	\$1,966	(\$872)	125,798	\$0.70	\$2.58	\$2.55	\$2.03
4	2002 Int'l 5 Yd Dump	44	Rupp	5,770	\$10,582	\$18,096	\$7,514	60,915	\$1.51	\$1.83	\$1.28	\$13.16
5	2002 Chev 1 Ton Crew	46	Castellucci	11,391	\$11,626	\$17,036	\$5,410	99,618	\$0.92	\$1.02	\$1.16	\$1.15
6	1999 Ford F550 3-Yd Dump <sup>3</sup>	52	Crew	3,406	\$4,804	\$8,575	\$3,770	33,715	\$1.35	\$1.41	\$2.13	\$1.07
7	1999 Int'l 5 Yd Dump <sup>4</sup>	55	Crew	4,067	\$6,184	\$18,373	\$12,188	27,411	\$2.50	\$1.52	\$6.07	\$1.95
8	2006 Int'l 4300 Crew	503	Reed	3,068	\$7,112	\$18,417	\$11,305	15,805	\$2.16	\$2.32	\$1.11	\$2.51
9	2008 Ford F350 4x4	507	Latanyszyn	12,192	\$9,980	\$14,964	\$4,984	37,804	\$0.78	\$0.82	\$0.55	\$0.74
10	2009 Peterbilt 335 Crew	508	Kehoe	2,568	\$4,827	\$23,423	\$18,596	10,500	\$1.87	\$1.88	\$2.17	\$1.70
<b>Total 1 Ton &amp; Over</b>				<b>52,084</b>	<b>\$70,493</b>	<b>\$140,056</b>	<b>\$69,563</b>	<b>667,575</b>	<b>\$1.06</b>	<b>\$1.35</b>	<b>\$1.74</b>	<b>\$2.05</b>

<sup>1</sup> Expense amount shown excludes depreciation (approximately \$75,000 for FY11).

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

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

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

**NORTH MARIN WATER DISTRICT  
WATER CONSERVATION PROGRAM DETAIL  
FOR PERIOD ENDING JUNE 30, 2011**

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Description	COST THRU JUNE 2010	JUNE 2011	FYTD TOTAL	FY 10/11 BUDGET	(OVER) UNDER	TOTAL COST
<b>NOVATO</b>						
<b>a. Residential</b>						
1-7700-01 1 Cash for Grass	\$180,602	\$5,034	\$23,796	\$45,000	\$21,204	\$204,398
1-7700-02 2 Landscape Efficiency Rebates	22,369	896	2,803	20,000	17,197	25,173
1-7700-03 3 Fixtures Purchases	24,512	0	3,739	5,000	1,261	28,251
1-7700-06 4 Washing Machine Rebates	231,444	2,922	39,677	30,500	(9,177)	271,121
1-7700-07 5 Demonstration Garden Improvements	54,377	0	0	500	500	54,377
1-7700-11 6 Toilet Rebate SF	731,743	11,847	88,146	45,000	(43,146)	819,889
1-7700-12 7 Toilet Rebate MF	18,081	0	0	10,000	10,000	18,081
1-7700-13 8 Residential Audits	80,901	5,218	43,619	40,000	(3,619)	124,520
1-7700-16 9 Water Waste Ordinance Monitoring	29,922	0	0	30,000	30,000	29,922
1-7700-17 10 Swimming Pool Cover Rebate	112	0	114	1,000	886	226
1-7700-19 11 ET Controller Rebate	13,095	800	800	5,000	4,200	13,895
1-7700-08 12 Administration	593,794	10,451	124,579	150,000	25,421	718,373
1-7700-20 13 New Development Wtr Cons Program	12,147	565	10,519	0	(10,519)	22,666
1-7700-21 14 Demand Offset Rebate Program	190	0	300	0	(300)	490
<b>b. Commercial</b>						
1-7701-02 1 Toilet Rebate Program	51,052	800	12,475	20,000	7,525	63,527
1-7701-03 2 Commercial Audits	2,124	351	2,949	8,000	5,051	5,073
<b>c. Public Outreach/Information</b>						
1-8672-16 1 Fall Newsletter	19,034	0	6,440	8,000	1,560	25,474
1-8672-17 2 Spring Newsletter	32,565	3,160	6,036	12,000	5,964	38,601
1-8672-18 3 Summer Newsletter	5,139	0	0	12,000	12,000	5,139
1-7700-04 4 Public Outreach / H <sub>2</sub> O Fair	78,915	106	3,544	6,000	2,456	82,459
1-7700-05 5 Marketing	80,273	(0)	3,027	25,000	21,973	83,300
<b>d. Large Landscape</b>						
1-8653-02 1 Large Landscape Audits	67,628	2,355	2,572	10,000	7,428	70,200
1-7702-01 2 Large Landscape Budgets	16,550	283	3,504	3,000	(504)	20,054
1-7702-02 3 Large Landscape Irrigation Efficiency Rebates	10,942	0	434	12,000	11,566	11,376
1-8653-01 4 CIMIS Station Maintenance	18,175	20	249	2,000	1,751	18,424
1-7702-03 6 Administration-Large Landscape	0	1,105	3,579	0	(3,579)	3,579
<b>TOTAL NOVATO WATER CONSERVATION</b>	<b>\$2,375,685</b>	<b>45,914</b>	<b>\$382,901</b>	<b>\$500,000</b>	<b>\$117,099</b>	<b>\$2,758,587</b>
<b>WEST MARIN</b>						
2-5166-00 a. Water Conservation Program	\$30,117	\$1,235	\$5,266	\$6,000	\$734	\$35,383
<b>TOTAL WATER CONSERVATION EXPENDITURES</b>	<b>\$2,405,802</b>	<b>\$47,149</b>	<b>\$388,168</b>	<b>\$506,000</b>	<b>\$117,832</b>	<b>\$2,793,970</b>

**NORTH MARIN WATER DISTRICT  
EQUIPMENT EXPENDITURES  
PERIOD ENDING JUNE 30, 2011**

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	JUNE 2011	FYTD TOTAL	FY 10/11 BUDGET	(OVER) UNDER	Notes
<b>1 INFORMATION SYSTEMS</b>					
<b>Administration</b>					
a. Replacement PC's (5)		\$4,713	\$5,000	\$287	e,1
b. Replacement Firewall		657	1,000	343	e,1
c. Software Licenses	12,751	12,751	5,000	(7,751)	c,1
d. Automated Payment Remittance System		0	22,000	22,000	c
e. Barcode Scanning System	301	11,685	0	(11,685)	c
f. Laptop PC for Auditor-Controller	973	973	0	(973)	e,1
<b>Engineering</b>					
f. CAD Station PC		1,610	2,000	390	e,1
<b>Operations</b>					
g. STP Server Replacements (2)		3,114	2,000	(1,114)	e,1
<b>Maintenance</b>					
h. Replacement PC for Ops/Maint Supt		871	1,000	129	e
	\$14,025	\$36,375	\$38,000	\$1,625	
<b>2 OPERATIONS</b>					
a. Chlorine Analyzer		\$0	\$7,000	\$7,000	c
b. Ion Chromatograph		68,326	71,000	2,674	c,1
	\$0	\$68,326	\$78,000	\$9,674	
<b>3 CONSTRUCTION</b>					
a. Pipe Locator		\$6,195	\$7,000	\$805	e,1
b. Traffic Plate		2,886	3,000	114	e
c. 30" Backhoe Bucket		927	1,000	74	e
	\$0	\$10,008	\$11,000	\$992	
<b>4 ADMINISTRATION</b>					
a. Postage Machine		\$6,500	\$7,000	\$500	c,1
	\$0	\$6,500	\$7,000	\$500	
<b>5 MAINTENANCE</b>					
a. Ultrasonic Portable Flow Meter	\$8,408	\$8,408	\$10,000	\$1,592	c,1
b. Steam Blast Cabinet		4,864	8,000	3,136	c
c. Low-Band Radios with Full Feature Controls (2)	1,419	1,877	3,000	1,123	e,1
d. Infrared Thermal Camera		8,707	8,000	(707)	c
e. Pressure Calibrator		3,183	0	(3,183)	e,1
	\$9,827	\$27,039	\$29,000	\$1,961	
<b>6 ENGINEERING</b>					
a. Flow Recorder		\$2,739	\$3,000	\$261	e,1
	\$0	\$2,739	\$3,000	\$261	
<b>7 VEHICLE &amp; EQUIPMENT PURCHASES</b>					
a. 185 CFM Portable Air Compressor	\$16,671	\$16,671	\$22,000	\$5,329	c,1
	\$16,671	\$16,671	\$22,000	\$5,329	

**EQUIPMENT EXPENDITURES  
PERIOD ENDING JUNE 30, 2011**

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	JUNE 2011	FYTD TOTAL	FY 10/11 BUDGET	(OVER) UNDER	Notes
<b>TOTAL EQUIPMENT EXPENDITURES</b>	\$40,523	\$167,659	\$188,000	\$20,341	
<b>EQUIPMENT EXPENDITURE SUMMARY:</b>					
<b>Total Capitalized Equipment</b>	\$38,131	\$137,912	\$160,000	\$22,088	
<b>Total Expensed Equipment</b>	2,392	29,747	28,000	(1,747)	
<b>Total Equipment Expenditures</b>	\$40,523	\$167,659	\$188,000	\$20,341	

Notes:

(e) Expensed (c) Capitalized

(1) Replacement item.



**NORTH MARIN WATER DISTRICT  
IMPROVEMENT PROJECTS  
PERIOD ENDING JUNE 30, 2011**

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Description	COST THRU JUNE 2010	JUNE 2011	FYTD TOTAL	FY 10/11 BUDGET	(OVER) UNDER	TOTAL COST	Notes				
<b>1 PIPELINE REPLACEMENTS/ADDITIONS</b>											
a. Main/Pipeline Replacements											
1-7067-01	\$0	\$44,394	\$96,392	\$0	(\$96,392)	\$96,392	(c)				
1-7112-00	152,467	0	0	0	0	152,467	(c)				
1-7123-04	0	0	20,124	0	(20,124)	20,124	(c)				
1-7123-05	0	28,085	28,085	0	(28,085)	28,085	(c)				
1-7067-02	0	10,654	10,654	0	(10,654)	10,654	(c)				
b. Main/Pipeline Additions											
1-7123-00	0	117	101,392	100,000	(1,392)	101,392	(c)				
c. PB Service Line Replacements											
1-7123-00	0	0	30,362	46,000	15,638	30,362	(c)				
1-7123-01	0	1,107	42,898	64,000	21,102	42,898	(c)				
1-7123-02	0	240	54,438	60,000	5,562	54,438	(c)				
1-7121-00	26,474	0	17,759	0	(17,759)	44,233	(c)				
1-7123-03	0	2,443	30,480	0	(30,480)	30,480	(c)				
d. Relocations to Sync w/City & County C.I.P.											
1-8716-07	0	1,237	18,373	20,000	1,627	18,373	(c)				
2	0	0	0	0	0	0	(c)				
1-8737-01	0	0	30,259	20,000	(10,259)	30,259	(c)				
1-8737-02	0	190	9,887	10,000	113	9,887	(c)				
1-8737-03	0	1,047	1,047	0	(1,047)	1,047	(c)				
e. Aqueduct Replacements & Enhancements											
1-7116-01	27,225	15,423	48,557	0	(48,557)	75,782	(c)				
1-7116-02	658	888	7,065	0	(7,065)	7,723	(c)				
1-7116-03	13,249	5,285	58,976	0	(58,976)	72,225	(c)				
1-7116-04	61,787	52,802	384,944	300,000	(84,944)	446,731	(c)				
1-7116-05	4,254	166	856	0	(856)	5,109	(c)				
<b>TOTAL PIPELINE REPLACEMENTS/ADDITIONS</b>						<b>\$286,115</b>	<b>\$164,078</b>	<b>\$992,546</b>	<b>\$620,000</b>	<b>(\$372,544)</b>	<b>\$1,278,660</b>
<b>2 SYSTEM IMPROVEMENTS</b>											
1-8650-18	\$0	\$825	\$19,329	\$24,000	\$4,671	\$19,329	(c)				
1-6000-40	0	0	1,113	20,000	18,887	1,113	(c)				
1-7008-07	0	4,366	43,817	50,000	6,183	43,817	(c)				
1-7124-00	0	15,142	28,238	25,000	(3,238)	28,238	(c)				
1-7125-00	0	4,946	28,826	45,000	16,174	28,826	(c)				
1-7054-02	3,101	0	3,475	0	(3,475)	6,576	(c)				
1-7007-05	33,567	0	12,841	0	(12,841)	46,408	(c)				
1-7129-00	0	0	27,688	0	(27,688)	27,688	(c)				
<b>TOTAL SYSTEM IMPROVEMENTS</b>						<b>\$36,668</b>	<b>\$25,279</b>	<b>\$165,328</b>	<b>\$164,000</b>	<b>(\$1,328)</b>	<b>\$201,995</b>

**NORTH MARIN WATER DISTRICT  
IMPROVEMENT PROJECTS  
PERIOD ENDING JUNE 30, 2011**

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Description	COST THRU JUNE 2010	JUNE 2011	FYTD TOTAL	FY 10/11 BUDGET	(OVER) UNDER	TOTAL COST	Notes
<b>3 BUILDINGS, YARD, &amp; S.T.P. IMPROVEMENTS</b>							
a. Administration Building							
1-6501-41 1 Admin Office/Lab/Yard Remodel Design	\$0	\$0	\$0	\$100,000	\$100,000	\$0	(c)
1-6501-42 2 Other Admin Bldg Improvements	0	0	0	20,000	20,000	0	(c)
b. Corp Yard/Warehouse/Construction Office							
1-6502-44 1 Other Yard Improvements	0	0	5,316	15,000	9,684	5,316	(c)
c. Stafford Treatment Plant							
1 Watershed Erosion Control							
a. Straw Project							
1-6600-52	44,694	0	3,000	9,000	6,000	47,694	(c)
1-6600-58	31,665	0	9,683	50,000	40,317	41,348	(c)
1-6600-55	89,290	0	11,974	0	(11,974)	101,264	(e)
1-6600-60	0	0	0	2,400,000	2,400,000	0	(c)
1-6600-64	14,228	114	20,862	30,000	9,138	35,090	(c)
1-6600-67	13,405	0	36,317	25,000	(11,317)	49,722	(e)
1-6600-68	7,890	0	9,957	50,000	40,043	17,847	(c)
1-6600-69	0	0	0	15,000	15,000	0	(c)
1-6600-59	0	519	38,488	50,000	11,512	38,488	(e)
1-6600-57	104,464	(50)	2,710	0	(22,049)	22,049	(c)
1-6600-56	38,878	0	60,915	0	(2,710)	107,174	(c)
<b>TOTAL BUILDING, YARD, &amp; STP IMPROVEMENTS</b>	<b>\$344,514</b>	<b>\$583</b>	<b>\$221,271</b>	<b>\$2,764,000</b>	<b>\$2,542,729</b>	<b>\$565,785</b>	
<b>4 STORAGE TANKS &amp; PUMP STATIONS</b>							
a. Tank Construction							
1-6235-00 1 Crest Tank #2 (0.5 MG) <sup>3</sup>	\$143,530	\$60,243	\$826,345	\$1,000,000	\$173,655	\$969,875	(c)
b. Tank Rehabilitation							
1-6112-24 1 Lynwood PS Motor Control Center	4,452	2,900	30,003	188,000	157,997	34,455	(c)
1-6217-20 1 Pacheco Tank C12 Mixing System	10,130	233	8,653	75,000	66,347	18,783	(c)
<b>TOTAL STORAGE TANKS &amp; PUMP STATIONS</b>	<b>\$158,112</b>	<b>\$63,376</b>	<b>\$865,001</b>	<b>\$1,263,000</b>	<b>\$397,999</b>	<b>\$1,023,113</b>	

**NORTH MARIN WATER DISTRICT  
IMPROVEMENT PROJECTS  
PERIOD ENDING JUNE 30, 2011**

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Description	COST THRU JUNE 2010	JUNE 2011	FYTD TOTAL	FY 10/11 BUDGET	(OVER) UNDER	TOTAL COST	Notes
<b>5 PRELIMINARY PROJECT ENGINEERING &amp; STUDY</b>							
1-7042-00 a. Facility Map Database	\$80,087	\$1,282	\$16,731	\$20,000	\$3,269	\$96,818	(e)
1-7116-00 b. STP Capacity/Solids Disposal Study (In-house)	202	2,760	24,911	25,000	89	25,113	(e)
1-7120-00 h. Urban Water Management Plan	8,968	143	11,096	15,000	3,904	20,064	(e)
1-7126-00 i. Local Water Supply Enhancement Study	0	0	0	100,000	100,000	0	(e)
<b>TOTAL PRELIMINARY PROJECT ENGINEERING &amp; STUDY</b>	<b>\$89,257</b>	<b>\$4,185</b>	<b>\$52,738</b>	<b>\$160,000</b>	<b>\$107,262</b>	<b>\$141,995</b>	
<b>6 RECYCLED WATER SYSTEM</b>							
5-7127-00 a. NBWRA Grant Outreach <sup>4</sup>	\$0	\$0	\$133,319	\$35,000	(\$98,319)	\$133,319	(e)
5-6270-20 b. Reservoir Hill Tank Property Transfer	0	36,630	38,811	5,000	(33,811)	38,811	(e)
5-6055-00 c. Expansion to North Service Area-ARRA/SRF <sup>5</sup>	12,814	44,695	416,590	613,000	196,410	429,404	(e)
5-6055-01 d. Expansion to North Service Area-SRF <sup>6</sup>	0	34,405	38,223	0		38,223	(e)
5-6056-00 e. Expansion to South Service Area-ARRA/SRF <sup>5</sup>	0	137,566	548,155	0	(548,155)	548,155	(e)
5-6056-01 f. Expansion to South Service Area-SRF <sup>6</sup>	0	0	0	0	0	0	(e)
	<b>\$12,814</b>	<b>\$253,296</b>	<b>\$1,175,098</b>	<b>\$653,000</b>	<b>(\$483,875)</b>	<b>\$1,187,912</b>	
<b>7 WEST MARIN WATER SYSTEM</b>							
System Improvements:							
2-6257-20 a. Tank Seismic Upgrades	83,510	\$3,742	\$6,647	\$60,000	\$53,353	\$90,157	(e)
2-6601-32 b. TP Solids Handling & Land Acquisition	27,581	17,093	63,400	100,000	36,600	90,981	(e)
2-6601-33 c. Cable Connection to TP	0	0	0	13,000	13,000	0	(e)
2-6263-20 d. Replace PRE Tank #4A (25,000 gal w/82,000 gal)	0	0	22,328	55,000	32,672	22,328	(e)
2-6261-21 e. Replace Retaining Wall at PRE 2	0	0	28,696	30,000	1,304	28,696	(e)
2-6603-20 f. Pt. Reyes Well #3 Rehab	0	0	15,415	0	(15,415)	15,415	(e)
Special Projects/Studies:							
2-8687-01 g. Water System Master Plan Update	0	0	0	10,000	10,000	0	(e)
2-5156-00 h. Water Rights Legal/Staff Time	120,353	0	8,201	0	(8,201)	128,554	(e)
<b>TOTAL WEST MARIN WATER SYSTEM</b>	<b>\$231,444</b>	<b>\$20,835</b>	<b>\$144,687</b>	<b>\$268,000</b>	<b>\$123,313</b>	<b>\$376,130</b>	

**NORTH MARIN WATER DISTRICT  
IMPROVEMENT PROJECTS  
PERIOD ENDING JUNE 30, 2011**

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Description	COST THRU JUNE 2010	JUNE 2011	FYTD TOTAL	FY 10/11 BUDGET	(OVER) UNDER	TOTAL COST	Notes
<b>8 OCEANA MARIN SEWER SYSTEM</b>							
8-8672-25 a. Infiltration Study & Repair	\$0	0	\$0	\$15,000	\$15,000	\$0	(c)
8-7103-00 b. Oceana Marin Remote Alarms	33,428	6,066	9,699	15,000	5,301	43,127	(c)
8-6606-21 c. Replace Siphon Dosage Tank	0	3,845	4,115	11,000	6,885	4,115	(c)
8-6001-20 d. Cross Country Sewer Line Rehab	0	5,488	12,546	100,000	87,454	12,546	(c)
8-7105-00 e. Equipment Replacement/Upgrade	3,571	0	0	10,000	10,000	3,571	(e)
<b>TOTAL OCEANA MARIN SEWER SYSTEM</b>	<b>\$36,999</b>	<b>\$15,400</b>	<b>\$26,360</b>	<b>\$151,000</b>	<b>\$124,640</b>	<b>\$63,359</b>	
<b>TOTAL PROJECT EXPENDITURES</b>	<b>\$1,195,922</b>	<b>\$547,032</b>	<b>\$3,643,028</b>	<b>\$6,043,000</b>	<b>\$2,438,196</b>	<b>\$4,838,950</b>	
<b>9 LESS FUNDED BY GRANTS, LOANS &amp; REIMBURSEMENTS</b>							
a. STP Solar Project Loan	\$0	\$0	\$0	(\$2,400,000)	(\$2,400,000)	\$0	
b. RW Expansion - North Service Area Grant <sup>5</sup>	0	(11,174)	(86,300)	(153,250)	(66,950)	(89,198)	
c. RW Expansion - North Service Area Grant <sup>5</sup>	(2,897)	0	(2,897)	0	2,897	(12,508)	
d. RW - North Service Area Loan <sup>6</sup>	(9,611)	(33,521)	(346,862)	(459,750)	(112,888)	(356,473)	
e. RW Expansion - South Service Area Grant <sup>5</sup>	0	(34,392)	(131,220)	0	131,220	(131,220)	
f. RW - South Service Area Loan <sup>6</sup>	0	0	0	0	0	0	
g. MSN Aqueduct Caltrans Reimb-Segment B1 <sup>7</sup>	0	(15,423)	(48,557)	0	48,557	(48,557)	
h. MSN Aqueduct Caltrans Reimb-Segment B2 <sup>7</sup>	0	(888)	(7,065)	0	7,065	(7,065)	
i. MSN Aqueduct Caltrans Reimb-Segment B3 <sup>7</sup>	0	(5,285)	(58,976)	0	58,976	(58,976)	
j. BF Meter/Check Valve-CDPH Grant	(53,188)	0	(53,188)	0	53,188	(106,376)	
<b>TOTAL FUNDING BY OTHERS</b>	<b>(\$65,696)</b>	<b>(\$100,682)</b>	<b>(\$735,065)</b>	<b>(\$3,013,000)</b>	<b>(\$2,277,935)</b>	<b>(\$810,371)</b>	
<b>NET PROJECT EXPENDITURES</b>	<b>\$1,130,226</b>	<b>\$446,350</b>	<b>\$2,907,963</b>	<b>\$3,030,000</b>	<b>\$160,261</b>	<b>\$4,028,579</b>	

**NORTH MARIN WATER DISTRICT  
IMPROVEMENT PROJECTS  
PERIOD ENDING JUNE 30, 2011**

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Description	COST THRU JUNE 2010	JUNE 2011	FYTD TOTAL	FY 10/11 BUDGET	(OVER)		Notes
					UNDER	COST	
<b>IMPROVEMENT PROJECT SUMMARY:</b>							
Novato Water Capital Projects		\$254,079	\$2,174,098	\$4,856,000		45%	
Novato Water Expense Projects		3,421	122,785	115,000		107%	
Novato Water Total		\$257,501	\$2,296,883	\$4,971,000		46%	
Novato Recycled Water Capital Projects		\$253,296	\$1,175,098	\$653,000		180%	
Novato Recycled Water Expense Projects		0	0	0		0%	
Novato Recycled Water Total		\$253,296	\$1,175,098	\$653,000		180%	
West Marin Water Capital Projects		\$20,835	\$136,485	\$258,000		53%	
West Marin Water Expense Projects		0	8,201	10,000		82%	
West Marin Water Total		\$20,835	\$144,687	\$268,000		54%	
Oceana Marin Sewer Capital Projects		\$15,400	\$26,360	\$141,000		19%	
Oceana Marin Sewer Expense Projects		0	0	10,000		0%	
Oceana Marin Sewer Total		\$15,400	\$26,360	\$151,000		17%	
<b>Total Capital Project Outlays</b>		\$543,611	\$3,512,041	\$5,908,000		59%	
<b>Total Expense Project Outlays</b>		3,421	130,987	135,000		97%	
<b>Total Improvement Project Outlays</b>		\$547,032	\$3,643,028	\$6,043,000		60%	

**Notes to Improvement Projects Schedule:**

- (c) Capital Project. (e) Expense Project.
- (1) At the 9/7/10 meeting the Board approved an additional \$261,400 authorization for Winzler and Kelly environmental work, bringing the Winzler and Kelly FY11 environmental work total authorization to \$468,000.
- (2) Solar Project funded by loan.
- (3) Crest Tank #2 funded 25% by FRC Funds.
- (4) At the 9/21/10 meeting the Board approved a \$37,000 Augmentation to increase the FY11 contribution to \$72,000 for NBWRA.
- (5) The District will receive Federal Grant Funding equal to 25% of the project cost and a lower interest State Revolving Fund Loan equal to 75% of the project cost.
- (6) The District will receive Federal Grant Funding equal to 25% of the project cost and anticipates receiving a lower interest State Revolving Fund Loan equal to 75% of the project cost.
- (7) The District anticipates receiving reimbursement from Caltrans.
- (8) Non-Grant Funded RWS Expansion Costs will be funded by a low-interest rate State Revolving Fund Loan.

## North Marin Water District Financial Statement Notes

### Note 1 - Restricted Cash

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

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

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

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

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

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

**West Marin Tax Proceeds – Marin County Treasury:** Balance of tax proceeds collected and disbursed by the County of Marin for repayment of the Olema (OL-2) and Point Reyes (PR-3) general obligation bond debt. The County credits interest to these funds quarterly.

### Note 2 - Designated Cash

**Liability Contingency Fund:** Established in 1986 when the District first elected to self-insure its general liability risk. This reserve was funded with \$1 million initially and \$200,000 annually thereafter until it reached a balance of \$2 million. Commencing FY93, \$1 million of the reserve was made available to fund loans to eligible employees under the District's Employer Assisted Housing Program. In FY98 the West Marin Water

System was included in the fund and built-up a proportional reserve of \$74,000 over several years. In March 2005, \$652,400 was expended from the fund to purchase a home at 25 Giacomini Road in Point Reyes Station. The home is rented to an employee who provides after-hours presence in the community to respond to emergencies. In 2006, \$8,885 was added from the sale of surplus property in West Marin. In August 2008 \$500,000 was transferred to this reserve from the Self-Insured Workers' Compensation Fund and made available to fund Employer Assisted Housing Program loans. The fund balance does not accrue interest

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

**Maintenance Accrual Fund:** Established in FY91 to provide a source of maintenance money for replacement of treatment, storage, transmission and distribution facilities as they wear out. The annual contribution from operating reserves was initially \$200,000. Net polybutylene claim settlement proceeds of \$671,060 were closed into the fund in FY 93. In FY 94 the annual contribution was reduced to \$100,000. The District's goal is to build a reserve equal to 10% of the net book value of Novato's existing plant, currently \$6,700,000. Funds are borrowed from the Maintenance Accrual Fund to offset the shortfall in unrestricted Cash & Investments. The fund balance does not accrue interest.

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

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

### **Note 3 – Employee Loans**

**Housing Loans:** The District's Employer Assisted Housing Program allows up to \$300,000 to be loaned to an employee for a period of up to 15 years for the purchase of a home within the District service territory that will enable the employee to respond rapidly to emergencies affecting the operation of the District. Repayment is due upon sale, termination of employment, or other event as described in the Program. Interest on the loan is contingent upon and directly proportional to the appreciation in value occurring on the purchased property. There are eight employee-housing loans currently outstanding totaling \$1,441,785: a \$250,000 loan dated August 2004, a \$39,200 loan dated September 2004, a \$300,000 loan dated October 2006, a \$140,000 loan dated September 2007, a \$150,000 loan dated November 2007, a \$125,000 loan dated July 2008, a \$192,585 loan dated October 2008, and a \$245,000 loan dated June 28, 2010.

**Personal Computer Loans:** Up to \$3,500 may be loaned to an employee for a period of up to 36 months under the District's Personal Computer Loan Program. Loans are repaid with interest at the rate earned on the District's investment portfolio at the time of the loan plus one percent. Currently there are 7 employee loans outstanding totaling \$7,195.

### **Note 4 – Purchased Water Capital Component**

In 2003 the Sonoma County Water Agency issued \$6.8 million in 30-year 4.75% revenue bonds to finance the Wohler to Forestville pipeline. That same year the Agency received a \$15.8 million 2.8% 20-year State Revolving Fund loan to finance construction of Collector #6. For these two projects the District pays the Agency a debt amortization surcharge incorporated into its purchased water cost. The FY11 Purchased Water Capital Cost Component is \$225,000, which is the District's share of the annual debt service for these projects, and is paid as a \$93.60/MG surcharge, based on budgeted water deliveries. The Purchased Water Capital Component is funded from Restricted Cash Reserves established to amortize this debt (see Note 1).

**Note 5 – Depreciation**

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

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

**Note 6 – Bond & Loan Servicing Schedule for Fiscal Year 2010-2011**

Service Area	Description	Issue Date	Rate	Original Amount	Payment Due	Final Pmt	FY11		6/30/11 Outstanding Balance	
							Interest	Principal		
1 Novato	EDA Loan	1977	5.0%	\$351,770	7/1	7/1/17	\$5,958	\$12,465	\$106,534	
2 Novato	SRF Loan - STP	2004	2.39%	\$16,528,850	7/1 & 1/1	7/1/29	\$375,452	\$669,023	\$15,206,511	
							\$381,410	\$681,488	\$15,313,045	
3 RWF	SRF Loan	2006	2.4%	\$4,302,560	6/19	6/19/27	\$90,706	\$182,661	\$3,596,737	
4 Point Reyes	PR-3 GO	1973	5.0%	\$250,000	1/1	1/1/13	\$2,000	\$13,000	\$27,000	
5 Olema	OL-2 GO	1975	5.0%	\$70,000	1/1	1/1/15	\$890	\$3,223	\$14,587	
6 Point Reyes	EDA Loan	1977	5.0%	\$46,000	7/1	7/1/17	\$852	\$1,851	\$15,162	
7 PRE	PRE-1 Revenue	1980	5.0%	\$240,000	10/1 & 4/1	4/1/20	\$5,500	\$9,000	\$101,000	
8 Point Reyes	PR-6 Revenue	1981	5.0%	\$217,800	7/1 & 1/1	7/1/21	\$5,575	\$7,000	\$108,000	
							\$14,817	\$34,074	\$265,749	
Total								\$486,933	\$898,223	\$19,175,531

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 Plan. The District borrowed all of the authorized \$16,528,850. The project was completed in FY09 with repair of the Outlet Tower Sluice Gate. Total interest paid during construction was \$1,636,378. Debt service is funded 25% by Facility Reserve Charges.
3. In August 2006 the California State Department of Water Resources approved a 2.4% 20-year loan of \$4,264,545 for construction of the Deer Island Recycled Water Facility. The project was completed in June 2007, and the first payment was made June 19, 2008.



4. In November of 1970, by a 70% "yes" vote, voters approved the formation of the PR-3 improvement district and a bonded indebtedness of \$250,000 to acquire and improve the Inverness Park and Point Reyes Water Companies. On 9/5/73 the bond issue was purchased in its entirety by the U.S. Department of Agriculture, Farmers Home Administration Rural Development Administration, on a 5%, 40-year payback basis. System upgrades included replacement of a major portion of the distribution facilities, installation of a treatment plant, addition of a 100,000-gallon storage tank in Point Reyes Station and connection of the Inverness Park System to the Point Reyes Station water source (Lagunitas Creek).
5. 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%.
6. 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.
7. The Paradise Ranch Estates private water system was created by David Adams and Sons in 1952 to provide water to 85 homes in the PRE subdivision located north of Inverness Park. Problems with water quality and quantity developed and in 1969 the Marin County Health Department issued a boil-water order to all customers of the company. In 1972 the County declared a moratorium on issuance of building permits. A suit by property owners resulted in an agreement reached in Marin Superior Court in late 1978 directing Adams to finance a District feasibility study for the takeover of the system. This culminated in formation of Improvement District PRE-1 and an election authorizing issue of \$240,000 of 5% 40-year revenue bonds, which, in conjunction with a \$720,000 Farmers Home Administration grant, financed system rehabilitation. Service was provided from the Point Reyes System by installation of an additional well, expansion of the treatment plant, and a 6-inch pipeline connection at the Inverness Park pump station extending 1.6 miles along Sir Francis Drake Boulevard to the newly reconstructed Paradise Ranch Estates distribution system. On 4/22/80 the USDA purchased the revenue bond issue in its entirety.
8. In 1981 work commenced on rehabilitating the Point Reyes Inverness Park water system. 18,865 feet of pipeline was either replaced or installed, a 300,000-gallon tank was added in Point Reyes Station and a 100,000-gallon tank was added in Inverness Park. Total cost of these improvements was \$820,015. A 72% grant combined with a \$217,800 5% 40-year revenue bond acquired 8/28/81 by the Farmers Home Administration financed the project.

#### **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  $\$450 \times 52 = \$23,400$ ).

#### **Note 8 – Employee Dental Reserve**

Since 1980 the District has self-insured its employee dental plan. One half of the savings accrued through self-insuring the plan are contributed by the District to the employee dental reserve to pay for dental benefits not covered in the basic plan, such as 100% coverage for crown, bridge, & denture work, \$1,000 of orthodontia, and two additional cleanings (total 4) per year.

#### **Note 9 – Payroll Benefits**

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

### **Note 10 - Interest Policy on Inter-District Loans**

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

No interest shall be paid by an improvement district on funds borrowed from that improvement district's Board Designated Fund reserves. Interest on loans from the Novato Improvement District shall be paid by the recipient district to the Novato district based upon the outstanding loan balance at the close of the previous accounting period. Interest shall be calculated at the average interest rate earned on the District treasury since the close of the previous accounting period plus \$50 per month.

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

In September the Board approved a budget augment of \$3,200 for a Washington DC trip by the General Manager and Director Rodoni to meet with federal legislators to advocate for the Water Resource Development Act and Russian River project funding.

In June the Board approved a budget augment for STP Chemicals of \$92,000 to allow for replacement of Granular Activated Carbon.

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

### **Note 13 – CalPERS Unfunded Pension Liability**

NMWD is one of 163 agencies assigned by CalPERS to a pooled-risk group of agencies having less than 100 employees that participate in the 2.5% at 55 benefit plan. The funded ratio for this pool was 59.4% at June 30, 2009 (the most recent data available). The unfunded liability for the combined 163 agencies was \$341M. Based on NMWD's payroll as a percent of total payroll of the 163 agencies, NMWD's share of the unfunded liability was about \$4M. Note, however, the S&P 500 has increased 40% since the June 30, 2009 valuation date, so the \$4M unfunded liability would be significantly less today.

### **Note 14 – Explanation of Financial Statement Components**

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

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

**The Sources and Uses of Funds Statement – All Service Areas Combined** (page 8) compares fiscal year-to-date performance against the Board approved annual budget – presented in the adopted budget format. This Sources and Uses of Funds Statement varies from the income statement in that it excludes depreciation expense, and 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 Principals (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 33) 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 24), Equipment Expenditures (page 25) and Improvement Project Expenditures (page 27), which show outlays to date, compared with budget authority.

**Note 15 – Revision in Accounting Practice-Reclassification of Expensed District Jobs to Capital**

Historically the District has taken a very conservative stance in charging as an expense, rather than as a capital asset, its Improvement Project costs that are not significant additions to Property, Plant or Equipment. This results in reducing Net Income, but has no impact on the cash balance. The benefit of the conservative approach is that costs incurred in the current year are fully reflected therein, rather than amortized via depreciation over future years.

In March 2011, in anticipation of requesting a credit rating for the purpose of borrowing \$8 million to fund the Aqueduct Energy Efficiency Project, the District, on the advice of its financial advisor Frank Soriano, President of Sutter Securities, and with the concurrence of the District's outside auditor, Paul Kaymark of Charles Z. Fedak & Company, changed its accounting practice and commenced capitalizing all costs eligible to be capitalized.

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 \$5,000 is now NMWD's threshold.

The District's adopted (FY11) \$6.5 million Improvement Project Budget included \$2 million in projects classified as expense. Of the \$2 million, \$1,365,000 has now been reclassified as capital, the significant exception being \$506,000 in Water Conservation expense. This accounting change increases the District's FY11 budgeted Net Income by \$1,365,000, resulting in a budgeted \$800,000 net loss, as compared to the adopted \$2.2 million net loss.

Summary - FY11 Expense Projects Reclassified to Capital

	<u>Actual Outlay</u>	<u>Budgeted Outlay</u>
Novato Water	\$714,444	\$1,181,000
Recycled Water	\$0	\$40,000
West Marin Water	\$46,873	\$103,000
Oceana Marin Sewer	\$2,679	\$41,000
	<u>\$763,696</u>	<u>\$1,365,000</u>

6

## MEMORANDUM

To: Board of Directors  
From: David L. Bentley, Auditor-Controller  
Subj: LAIF Signatories Update  
t:\ac\word\invest\12\laif signatory update.docx

July 29, 2011

**RECOMMENDED ACTION:** Approve

**FINANCIAL IMPACT:** None

In the course of the District's transition to U.S. Bank for banking services, the State Treasurer's Office advised that the Local Agency Investment Fund (LAIF) authorizing resolution they require has been revised. The resolution previously included the names of the District Officers authorized to transact business with LAIF. The update now specifies "...the following District Officers or their successors..." A minor change, but the updated resolution is required by LAIF prior to allowing the transfer of funds to/from U.S. Bank.

**Recommended Action:**

Approve the attached Resolution authorizing the investment/withdrawal of monies in the California LAIF.

DRAFT  
RESOLUTION 11-

RESOLUTION OF THE BOARD OF DIRECTORS OF  
NORTH MARIN WATER DISTRICT  
AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND

---

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein as in the best interests of the District.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby authorize the deposit and withdrawal of District monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard.

BE IT FURTHER RESOLVED, that the following District officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund.

Chris DeGabriele _____ (Name)	David Bentley _____ (Name)	Drew McIntyre _____ (Name)
General Manager _____ (Title)	Auditor-Controller _____ (Title)	Chief Engineer _____ (Title)
_____ (Signature)	_____ (Signature)	_____ (Signature)

\* \* \* \* \*

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, County of Marin of the State of California at a regular meeting of said Board held on the 2nd day of August 2011 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

---

Renee Roberts, Secretary  
North Marin Water District

(SEAL)

7



**MEMORANDUM**

To: Board of Directors  
From: Chris DeGabriele, General Manager  
Subject: Local Coastal Program Amendment  
T:\GM\BOD Misc 2011\local coastal prgram board memo.doc

July 29, 2011

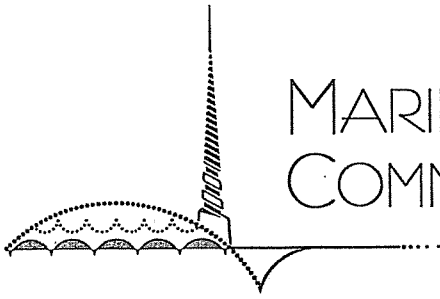
**RECOMMENDED ACTION:** Board authorize General Manager to send North Marin Water District comments on Marin Local Coastal Program Policy and Development Code Amendments

**FINANCIAL IMPACT:** None at this time

Attached is the executive summary of the Local Coastal Program amendment ongoing at the Marin County Community Development Agency. While the executive summary does not touch on areas of concern to NMWD, there are several reflected in the comment letter to Community Development staff. The Community Development staff is aware of the District's comments and anticipating receipt of our letter.

**RECOMMENDATION**

Board authorize General Manager to send comment letter on the Marin Local Coastal Program Amendment.



# MARIN COUNTY COMMUNITY DEVELOPMENT AGENCY

BRIAN C. CRAWFORD, DIRECTOR

June 28, 2011

## LOCAL COASTAL PROGRAM Executive Summary JUNE 2011

Marin County Board of Supervisors  
Marin County Planning Commission  
3501 Civic Center Drive  
San Rafael, California 94903

**SUBJECT:** Local Coastal Program Amendment and Schedule

Dear Members of the Board and Planning Commission:

**RECOMMENDATIONS:**

1. Accept report summarizing the Local Coastal Program Amendment public review process and hearing schedule;
2. Accept public comments; and
3. Provide direction to staff on public review process and schedule.

### BACKGROUND:

Following a series of public workshops conducted by the Planning Commission during 2009 and 2010 and extensive public input, a Public Review Draft of Amendments to the certified Local Coastal Program has been prepared for further consideration. The Public Review Draft includes:

- Land Use Plan policies with amendments; and
- Development Code Amendments/Implementation Plan measures.

The proposed Local Coastal Program Amendment (LCPA) will be subject to formal public hearings before the Planning Commission and Board of Supervisors. Upon adoption by the Board of Supervisors, the proposed LCPA will be submitted to the California Coastal Commission for certification.

The Local Coastal Program (LCP) is a planning document that identifies the location, type, densities, and other ground rules for development in the coastal zone. The LCP has two main components, both of which are presented in the public review draft: the Land Use Plan and the zoning/implementation measures. In Marin, the latter currently take the form of the Development Code (Title 22, Articles I – VIII of the Marin County Code). The purpose of the LCP is to implement, at the local level, the provisions of the California Coastal Act of 1976.

The original Marin County Local Coastal Program was among the earliest LCPs approved by the Coastal Commission as meeting the requirements of the Coastal Act. The Land Use Plan component of Marin County's LCP was prepared in two segments, known as Unit I and Unit II. Unit I was certified by the Coastal Commission in 1980 and includes the communities of Muir Beach, Stinson Beach, Seadrift, and Bolinas. The Unit II plan was certified in 1981 and includes the communities of Olema,

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3501 Civic Center Drive, Room 308 – San Rafael, CA 94903-4157

Phone 415-499-6269 – Fax 415-499-7880 – Website: <http://www.co.marin.ca.us/comdev>

Point Reyes Station, Inverness Park, Inverness, Dillon Beach, Oceana Marin, Marshall, and Tomales. The Zoning/Implementation Plan portion of the LCP was prepared as one set of provisions for the entire coastal zone, including Chapters 22.56 and 22.57 of the Marin County Code (Interim Code), accompanied by zoning and other maps.

In 2008, some 30 years after the Marin County Local Coastal Program was prepared, the County commenced an effort to amend the LCP by conducting a joint workshop of the Board of Supervisors and Planning Commission. Community meetings followed in Muir Beach, Stinson Beach, Point Reyes Station, Tomales, and other locales, to gather public comments and identify key issues of concern. Subsequently, the Planning Commission held a series of 18 workshops during 2009 and 2010. At each workshop, one or more groups of LCP policies were discussed, public testimony was taken, and direction was provided by the Planning Commission regarding potential changes as well as key provisions to maintain as is. In addition, a number of meetings with community groups were conducted, including agricultural producers, community and environmental representatives, and staff of involved agencies.

The goals of the LCP Amendment process are to:

- Integrate policies into a single land use plan, in order to ease implementation and assure consistent application;
- Maintain in place those LCP policies that have “stood the test of time,” or make only minor changes in order to enhance policy effectiveness;
- Streamline permit requirements where possible and provide for operational efficiencies;
- Amend provisions that support agriculture, a cornerstone of the coastal zone’s economy and open space protection;
- Strengthen measures to protect and enhance natural resources;
- Minimize polluted runoff and protect the quality of coastal waters; and
- Continue to provide a wide array of opportunities for public coastal access and recreation.

## **THE LCP LAND USE PLAN**

The Land Use Plan is presented in three groups of policies, parallel to the structure of the Marin Countywide Plan: Natural Systems and Agriculture, Built Environment, and Socioeconomic Element.

The policies of the current Unit I and Unit II plans are similar to each other in many cases, but in other instances, the text of Unit I policies on a given topic are slightly different from those of Unit II. To form a single set of plan policies out of the existing two plans, as proposed by the LCPA, thus requires a number of changes, even aside from efforts to update and strengthen the policies. Many of the proposed LCP changes are relatively minor, while some are more substantial in nature. A summary of the proposed LCP changes is included in Attachment 1.

## **THE LCP IMPLEMENTATION PLAN (PROPOSED DEVELOPMENT CODE AMENDMENTS)**

The Implementation Plan portion of the Local Coastal Program consists of specific elements of the Marin County Development Code, accompanied by zoning maps and related materials. When the comprehensive, countywide Development Code amendments were adopted in 2003, Article V was set aside for use as the coastal zone provisions. The original Article V was not certified by the Coastal Commission. The revised version now proposed will serve as the main component of the LCP Implementation Plan carrying out the proposed Land Use Plan amendments. Selected additional portions of the Development Code outside of Article V will also serve to implement the LCP, while the remainder of the Development Code will remain separate from the LCP and would not be submitted to the Coastal Commission for review.

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Under the Coastal Act, a key element in crafting the Implementation Plan is ensuring a close relationship between the Land Use Plan and the Implementation Plan. To certify the Land Use Plan, the Coastal Commission must find that it conforms with the policies of Chapter 3 of the Coastal Act. To certify the Implementation Plan, the Coastal Commission must find that it conforms with, and is adequate to carry out, the Land Use Plan provisions. Included as Attachment 2 is a summary of the proposed Implementation Plan, which is intended to accomplish the following objectives:

- Follow the overall format of the Development Code, as much as possible;
- Be sufficient to carry out all Land Use Plan policies, while being as concise as possible;
- Incorporate available streamlining measures to save time and reduce costs; and
- Facilitate a high level of public input in coastal permitting decisions.

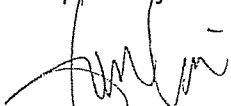
## ENVIRONMENTAL REVIEW

Pursuant to Sections 15250 and 15251(f) of the California Environmental Quality Act (CEQA) Guidelines, the preparation, approval, and certification of a Local Coastal Program Amendment is exempt from the requirements for conducting environmental review because it meets CEQA environmental review requirements through the California Coastal Commission's Certified Regulatory Program "functional equivalent" review and approval process. The California Coastal Commission has been certified by the Secretary of Resources as being the functional equivalent of the environmental review required by CEQA in Sections 21080.5 and 21080.9 of the Public Resources Code.

## NEXT STEPS

Staff will be promoting several workshops in the coastal area, as well as the City-Centered corridor, to present the Public Review Draft to interested individuals and groups in order to answer questions and help increase understanding of the proposals in advance of the hearings. Staff is also happy to meet individually with groups to further explain the LCP Amendment. Beginning on August 15, and continuing for 6 meetings as shown on the tentative schedule included as Attachment 3, the Planning Commission will conduct hearings on each section of the proposed LCP Amendment, addressing both the Land Use Plan and implementing Development Code Amendments. The Commission is scheduled to complete its review and to make a recommendation on the LCPA to the Board of Supervisors by the end of October. The Board of Supervisors will then take up the LCPA with hearings in November and December with adoption as early as the end of the year. In 2012, staff will prepare a submittal package to present the LCPA to the Coastal Commission for final certification.

Respectfully submitted,



Thomas Lai  
Agency Assistant Director

Reviewed by:



Brian C. Crawford  
Agency Director

Attachments:

1. Summary of Land Use Plan Changes
2. Summary of Implementation Plan
3. Tentative Public Hearing Schedule
4. Public Review Draft (PRD), Marin County Local Coastal Program Amendment
  - a. Draft LUP Policy Amendments
  - b. Proposed Development Code Amendments

*(Please Note: In the interest of conserving resources, Attachment 4 is included only in the Board of Supervisors and Planning Commission packets. Copies of the Public Review Draft and Appendices are available in both CD and hard-copy form from the Marin County Community Development Agency (email contact information to [SSilver@co.marin.ca.us](mailto:SSilver@co.marin.ca.us) ) and on the Marin County Local Coastal Program website: [www.MarinLCP.org](http://www.MarinLCP.org))*

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## THE MARIN COUNTY LCP LAND USE PLAN: SUMMARY OF PROPOSED CHANGES

The Land Use Plan is presented in three groups of policies, parallel to the structure of the Marin Countywide Plan: Natural Systems and Agriculture, Built Environment, and Socioeconomic Element.

The policies of the current Unit I and Unit II plans are similar to each other in many cases, but in other instances, the text of Unit I policies on a given topic are slightly different from those of Unit II. To form a single set of plan policies out of the existing two plans, as proposed by the LCPA, thus requires a number of changes, even aside from efforts to update and strengthen the policies. Many of the proposed LCP changes are relatively minor, while some are more substantial in nature. A summary of the proposed LCP changes is presented below, with references to selected revised LCP provisions.

### Natural Systems and Agriculture

**Agriculture (AG).** The LCPA would continue to place a high priority on supporting and encouraging coastal agriculture, consistent with local goals and values as well as Coastal Act priorities. Key enhancements to the LCP are proposed with respect to ensuring the viability of agriculture in the future. Many of the changes respond to concerns raised by members of the public, the Planning Commission, and other interested parties. Proposed changes include:

1. Intergenerational housing units. On lands designated C-APZ, one or two additional dwelling units would be allowed without subdivision of the land, in order to support the continued operation of family farms. (Policy C-AG-2 and Program C-AG-2.b)
2. On-site agricultural sales and processing. On lands designated C-APZ or C-ARP, more detailed criteria would be provided to allow small-scale retail sales and processing of agricultural products principally grown on the site or in Marin County, in order to allow diversified operations for farmers. (Policy C-AG-2 and Program C-AG-2.e)
3. Agricultural tourism. A program to encourage farm tours and homestays is proposed. (Program C-AG-2.f)
4. Agricultural worker housing. Programs are proposed to support the establishment of dwellings for agricultural workers on agricultural land, in order to increase the legal and safe housing stock for agricultural workers, and reduce traffic on limited area roadways. (Programs C-AG-2.c and 2.d)
5. Residences on agricultural land. Measures are proposed to ensure that lands designated for agriculture are not converted to residential use, by limiting the scale of single-family dwellings. Where applicable, a single-family residence would be limited to a maximum of 8,400 square feet in



size, including any intergenerational housing units, but not including agricultural worker housing. (Policy C-AG-9)

**Biological Resources (BIO).** As is true of the existing LCP, the LCPA would strictly limit development within areas defined as environmentally sensitive habitats. Sand dunes, roosting and nesting habitat for birds and butterflies, and upland grasslands that serve as shorebird feeding areas would continue to be afforded protection under the revised LCP. Streams, riparian resources, and wetlands would continue to be protected.

Proposed changes to Biological Resource policies include:

1. Consistent application of policies. Whereas the policies of the Unit I and Unit II Land Use Plans are slightly different with respect to the protection of streams and wetlands, the revised policies would provide a consistent approach to protection of resources regardless of location within the County's coastal zone. Furthermore, clear statements of the overarching goals of protecting environmentally sensitive habitat areas, marine resources, and the biological productivity of coastal waters would be incorporated into the LCP. (Policies C-BIO-1, 13, and 23)
2. Environmentally Sensitive Habitat Areas (ESHAs). The Coastal Act provides specific policy direction regarding Environmentally Sensitive Habitat Areas and the development that might be allowed in or near them. The policies of the Unit I and Unit II plans lack a consistent approach with respect to these significant resources; for instance, the relevant Unit II plan policies fall under the heading of "Natural Resources." The revised policies would provide a clear definition of ESHA and policies regarding their protection.
3. Restoration of degraded resources. Where environmentally sensitive habitat areas have become degraded through past development or other activities, the revised policies would encourage their restoration and enhancement. Where feasible, the removal of non-native invasive plants would be required as part of the approval of new development. (Policy C-BIO-5)
4. Wetland and stream buffers. A more careful policy approach with respect to land uses within the buffer zone adjacent to wetlands and streams is proposed, including (for example) in buffers next to sewage treatment ponds and human-created drainage ditches. At the same time, the goal of protecting wetland and stream resources would be maintained. (Policies C-BIO-20 and 25)
5. Mitigation for diking or filling of wetlands. Where development is permitted by the LCP, such as in the very limited instances when coastal-dependent land uses require such a location, mitigation requirements for wetland impacts, including effective maintenance programs are proposed. (Policy C-BIO-21)

size, including any intergenerational housing units, but not including agricultural worker housing. (Policy C-AG-9)

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**Environmental Hazards (EH).** In potentially hazardous areas, the revised LCP would continue to require applicants to demonstrate that proposed developments would be stable and would not create a hazard. Proposed policy changes, however, would incorporate a more realistic expectation of how long such development is likely to be maintained in place, and procedures to take into account potential sea level rise. Proposed changes to LCP provisions include the following:

1. Economic lifespan. The “economic life” of structures (that is, the period during which development can be expected to remain safe without additional protective measures) would be defined as 100 years. The 100-year economic lifespan would represent a more conservative approach, compared to the existing LCP, to the approval of new development in hazardous areas and would recognize the increasing investment value over time of homes and other structures in coastal locations. (Policies C-EH-1, 5, and 9)
2. Shoreline land divisions. The revised LCP would prohibit the creation of new shoreline lots unless the lots can be developed without the need for a shoreline protective device. (Policy C-EH-17)
3. Acceptance of risk. Applicants for development in hazardous areas would be required to acknowledge through a recorded document that shoreline protective devices would not be allowed during the structure’s economic life. (Policy C-EH-3)
4. Blufftop development. Policies that address development on potentially hazardous blufftop parcels would be revised to apply throughout the County’s coastal zone, rather than only in selected areas as in the existing LCP. (Policies C-EH-5 and 7, along with accompanying programs)
5. Accessory structures. On shoreline parcels, residential accessory structures such as patios and gazebos would be allowed only if designed with the expectation of relocation landward, if necessary, and would not be subject to future protection by a revetment or other shoreline protective device. (Policy C-EH-15)
6. “Raising” of existing structures. Minimum floor elevation requirements for the renovation of existing buildings in certain flood hazard zones established by the Federal Emergency Management Agency, such as in parts of Stinson Beach, could be met without the need for a variance to setback requirements, as is the case under the existing LCP. (Policy C-EH-12)
7. Floor elevation at Seadrift. For new development in the special flood hazard zone at the Seadrift subdivision, the maximum allowable building height would take into account the minimum floor elevation requirements

established by the Federal Emergency Management Agency. (Policy C-EH-11).

**Mariculture (MAR).** The existing Unit II Local Coastal Program contains detailed provisions regarding the location of mariculture allotments in Tomales Bay and the methods to be used in raising shellfish commercially. Because coastal permitting of mariculture operations in state waters is generally the responsibility of the Coastal Commission and not of Marin County, the revised LCP would focus instead on providing only general support for the practice of mariculture, with only limited specific standards for the development of new mariculture operations. Those standards include the protection of eelgrass beds, operator access to mariculture leaseholds, shoreline public access, boating access, provision of appropriate onshore support facilities, and protection of visual impacts. By being incorporated into the amended LCP, such standards would be intended to guide decisions of the Coastal Commission, where applicable, on coastal permits for mariculture projects in state waters, as well as to guide decisions of the County on coastal permits for associated onshore facilities. (Policies C-MAR-1 through 3)

**Water Resources (WR).** Existing LCP policies that require minimizing soil exposure and wintertime grading would be continued. A number of new policies are proposed in order to broaden protections for coastal water quality from the impacts of polluted runoff:

1. Goal statement. A direct statement of the overarching goal of protecting the quality of coastal waters would be incorporated into the LCP. (Policy C-WR-1)
2. Grading. The revised LCP would address the impacts of all development projects that involve grading, rather than only those that involve 150 or more cubic yards of grading, as under the existing LCP. (Policy C-WR-4)
3. Site design and source control measures. Site design and source control measures to minimize the production, in the first place, of land development-related pollutants would be emphasized, rather than relying only on those measures that seek to control pollutants after they have been generated. (Policy C-WR-2)
4. Best Management Practices. Best Management Practices that involve post-construction facilities, such as infiltration basins, would be required to be sized properly and maintained appropriately. (Policies C-WR-11 and 12)
5. High-impact projects. Those projects that have a high potential for generating pollutants, such as auto repair shops and restaurants, would have to incorporate Best Management Practices to protect water quality, whether or not such projects are subject to the National Pollutant Discharge Elimination System Phase II permit issued by the San Francisco Bay Regional Water Quality Control Board. (Policy C-WR-14)

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4. Best Management Practices. Best Management Practices that involve post-construction facilities, such as infiltration basins, would be required to be sized properly and maintained appropriately. (Policies C-WR-11 and 12)
5. High-impact projects. Those projects that have a high potential for generating pollutants, such as auto repair shops and restaurants, would have to incorporate Best Management Practices to protect water quality, whether or not such projects are subject to the National Pollutant Discharge Elimination System Phase II permit issued by the San Francisco Bay Regional Water Quality Control Board. (Policy C-WR-14)

6. Storm Water Pollution Prevention Plans. Those projects of a scale or type that raises a particular risk of polluted runoff could be required to be accompanied by a Storm Water Pollution Prevention Plan, at the discretion of the Department of Public Works. Such a plan would be required to describe in detail how storm water and polluted runoff would be managed, utilizing source control and treatment control measures and both structural and non-structural measures. (Policy C-WR-13)
7. Public information. The efforts of the Marin County Stormwater Pollution Prevention Program (MCSTOPPP) would be supported in the LCP Amendment by providing information to permit applicants and the public regarding ways to minimize polluted runoff and to retrofit existing developments. (Program C-WR-14.a)

### **Built Environment**

**Community Design (DES).** Existing requirements that are applicable to signs, utility lines, and tree protection would be maintained. New provisions would include:

1. Ridgeline development. A policy and program would be added to the LCP, based on the Countywide Plan provision that applies outside the coastal zone, to protect views of ridgelines by requiring development on or near visually prominent ridgelines to be placed appropriately. (Policy C-DES-3 and Program C-DES-3.a)
2. Building height limits. Height limit requirements for new development would be maintained as they are in the existing Unit I and Unit II Local Coastal Programs, with the exception that at the Seadrift subdivision in Stinson Beach, height limits would take into account Federal Emergency Management Agency requirements. (Policy C-DES-4)
3. Night lighting. A new policy is proposed in order to minimize the off-site impacts of exterior night lighting. (Policy C-DES-7)
4. Fuel modification. A new policy is proposed in order to minimize the impacts of fuel modification associated with new development, while providing for fire safety. (Policy C-DES-11)

**Community Development (CD).** Maintaining the character of Marin County's coastal zone, with its small villages surrounded by farms and open space, is the focus of the LCP's Community Development policies. A brief look at the amount and pace of development in Marin's coastal communities over the past few decades is useful. The Unit I and Unit II Local Coastal Programs state that there were some 2,771 residential units in the coastal communities at the time of LCP adoption in the early 1980s. As amended subsequently, the LCPs state that an additional 1,992-1,999 units, beyond what existed at that time, could be built under plan policies. Ultimate buildout, then, is stated

by the Unit I and Unit II plans to be approximately 4,763-4,770 units. (It appears that these numbers represent only primary units, not including second units or agricultural worker units, although such dwelling units should be part of total buildout figures.)

Analysis prepared for the 2007 Countywide Plan (CWP) Environmental Impact Report (EIR) states that the number of dwelling units within coastal communities had grown by that year to approximately 3,528 units, accompanied potentially by 373 additional second residential units. Furthermore, the EIR estimates that outside the listed communities there were 246 primary residential units and potentially an additional 219 units. Thus, the EIR concludes that in the coastal zone there were a total of 4,366 residential units of all types. The EIR states also that the potential for development of additional residential units would lead to a total buildout for the coastal zone by 2030 of 5,422 units.

It appears that the pace of development over recent decades has been well within past buildout estimates. The Local Coastal Program Amendments propose no major changes in the location or intensity of new residential and commercial development. As before, most new development would be directed toward the existing villages, with agricultural land and open space land maintained around them. Many of the Community Development policies from the existing Unit I and Unit II LCPs are proposed to be carried over to the amended plan, with modest changes suggested in order to strengthen the protection of community character.

Among key changes proposed to Community Development provisions of the LCP are the following:

1. Land use maps. Although the existing LCP includes zoning maps that indicate the location and intensity of development, the existing LCP lacks land use maps that provide a foundation for that zoning. The amended LCP would contain such land use maps along with definitions of land use categories and appropriate development densities consistent with the certified zoning maps. These zoning provisions are consistent with, and adequate to carry out the land use designations. (Policies C-CD-3, 22, 23, 24, 25, 26, and Maps 17a-m)
2. Village limit boundaries. Village limit boundaries for all coastal villages in the coastal zone would be designated; these boundaries would have the same purpose as the "community expansion boundaries" designated in the existing Unit II LCP (i.e., to concentrate development in existing developed areas), but would carry a more accurate title. Furthermore, the village limit boundaries would be applied to all, rather than only some, of the coastal villages. (Policies C-CD-2, 11, and 12)
3. Community character. Amended policies are intended to protect the residential character of coastal villages, maintain the rural character of roadways, discourage strip development along Highway One, preserve coastal views, and limit night lighting. (Policies C-CD-13, 15, 16, 17, 19, and 20)

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4. Conversion to private use of visitor-serving facilities. The conversion of existing visitor-serving enterprises to “clubs” or otherwise restricted availability would be discouraged. (Policy C-CD-14)
5. The amended resource protection policies (for instance, Water Resources policies) contained in other chapters of the plan, taken together, would minimize the impacts of the built environment on the natural resources of the coastal zone.

**Community Specific Policies.** The existing Unit I and Unit II LCPs contain certain policies that apply only to specific communities or neighborhoods, and these are carried forward in the LCPA. As part of Countywide Plan process, additional detailed community plans were adopted for many coastal communities. However, only two of these have been amended into the existing LCP. The LCPA bridges the gap by proposing Community Specific policies that draw from all of the adopted community plans, and reflect the comments and input of community members. By incorporating these key policies for each community, the LCPA better integrates the particular needs and desires of each community to complement the overall framework for coastal planning. The Community Specific policies supplement and complement the more general LCP policies addressing community character, including those found in the Community Design and Community Development chapters of the LCP.

Community Specific policies address the communities of Muir Beach (Policy C-MB-1), Stinson Beach (Policies C-SB-1-5), Bolinas (Policies C-BOL-1-3), Olema (Policy C-OL-1), Point Reyes Station (Policies C-PRS-1-6), Inverness (Policies C-INV-1-4), Eastshore (Policies C-ES-1-6), Tomales (Policy C-TOM-1), and Dillon Beach (Policy C-DB-1). These policies, already part of community plans, do not represent new policy direction for development in the communities, but rather strengthen measures to maintain community character in ways specific to each community, while supporting visitor-serving and commercial facilities in appropriate locations, such as Point Reyes Station.

**Energy (EN).** The existing Unit I and Unit II plans address energy development primarily in the context of oil and gas development, thermal powerplants, and other industrial-scale facilities. LCPA policies are proposed to address the more realistic policy concerns, at least in Marin County’s coastal zone, of energy conservation and small-scale, distributed energy production facilities. These LCP policies are drawn from the Marin Countywide Plan and thus do not represent new policy approaches, but rather than extension of existing policies to the Local Coastal Program. (Policies C-EN-1-5)

**Housing (HS).** While the California Coastal Act does not mandate specific housing policies for inclusion in Local Coastal Programs, the Act states at the same time that it does not exempt local governments from meeting the requirements of state and federal law with respect to providing low- and moderate-income housing and meeting other housing obligations. Furthermore, because housing represents a significant use of land in the coastal zone, with impacts on coastal resources, it is appropriate to include provisions

for affordable housing, second units, and other housing-related goals in the LCP. Proposed LCP provisions related to housing are drawn from existing policies contained in the Unit I and Unit II plans, as well as the Marin County Housing Element and Marin Countywide Plan. (Policies C-HS-1-9)

**Public Facilities and Services (PFS).** Much of the development in Marin County's coastal zone is dependent on on-site provision of water or sewage treatment, while the community facilities that serve other areas are in some cases limited in capacity. The Unit I and Unit II LCPs require that a determination of adequate services be made prior to approving new development, and LCPA policies would continue that policy approach. Furthermore, the amended LCP would continue to provide that a lack of available services shall be grounds for denial of a project or for a reduction in density. With respect to water supply, the LCPA policies would maintain existing requirements for ensuring that water wells and other water sources are determined to be adequate to support new development. In addition, the LCPA would continue to state that new utility services shall be sized so as to provide only the minimum necessary capacity without encouraging growth that cannot be handled by other public works facilities, such as roads.

New or strengthened policies regarding public facilities and services are proposed in several areas. These include:

1. Special districts. Special districts intended to provide public facilities and services should be formed only where assessment for, and provision of, the service would not induce new development inconsistent with the policies of the LCP. (Policy C-PFS-3)
2. On-site sewage disposal. New or expanded sewage disposal systems shall be designed, constructed, and maintained so as to protect the biological productivity and quality of coastal waters. Furthermore, certain requirements of existing County regulations that are not currently included in the certified Local Coastal Program would be made a part of the LCP. For instance, regulations regarding maintaining the adequacy of on-site sewage disposal systems for existing development would be incorporated into the LCP. (Policies C-PFS-6, 10, and 11)
3. Limited off-site sewage disposal. Where existing on-site systems that serve existing development have failed, a new LCP policy is proposed that would allow construction of an off-site system under only when there is no alternative means to protect coastal water quality and appropriate controls would be in place in order to prevent new or expanded development. (Policy C-PFS-13)

**Transportation (TR).** Existing policies that address roads in the coastal zone, such as those limiting Highway One and other coastal roads to two lanes in width, would be maintained in the amended LCP. Additional policies, drawn from the Marin Countywide Plan, are proposed to encourage non-vehicular transportation and to support bicycle and

for affordable housing, second units, and other housing-related goals in the LCP. Proposed LCP provisions related to housing are drawn from existing policies contained in the Unit I and Unit II plans, as well as the Marin County Housing Element and Marin Countywide Plan. (Policies C-HS-1-9)

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pedestrian facilities. Furthermore, policies are proposed to reduce visitor-related traffic congestion. (Policies C-TR-1-12)

### **Socioeconomic**

**Historical and Archaeological Resources (HAR).** The Coastal Act requires the protection of archaeological and paleontological resources, but does not specifically mandate the protection of historical resources. The historic architecture and character of coastal communities are fundamental, however, in keeping them attractive for residents and visitors. The LCP Amendment would continue the goals of the existing Unit I and Unit II plans to protect archaeological, paleontological, and historical resources, but with some changes in terminology. “Areas and structures of special character and visitor appeal” would replace the term “historic structures,” in order to more accurately reflect the Coastal Act’s provisions, while the boundaries of those areas and the guidelines to which development would be subject would remain unchanged. (Policies C-HAR-1-8)

**Parks, Recreation, and Visitor-Serving Uses (PK).** Much of Marin County’s coastal zone is within local, state, or federal parks and is thus available for public recreation and enjoyment. Commercial visitor-serving facilities, mostly of small scale, are located throughout the coastal zone. Amended LCP policies would continue the existing approach of encouraging opportunities for public recreation, including commercial facilities, while addressing the need to maintain the character of coastal communities. In the coastal villages, mixed-use development would continue to incorporate commercial visitor-serving uses of a suitable scale.

Changes proposed as part of the LCPA include:

1. Balancing land uses. Support is proposed to maintain a balance between visitor serving and local serving facilities. (Policy C-PK-4)
2. Small-scale visitor facilities. Preference would be expressed for small-scale, rather than large, tourist facilities within coastal villages. (Policy C-PK-5)
3. Lower-cost facilities. Support would be included for lower cost visitor facilities open to the public. (Policy C-PK-7)
4. State parks. Key provisions for state park properties in the coastal zone would be incorporated in the LCP. (Policy C-PK-11)
5. California Coastal Trail. Policy direction regarding completion of the California Coastal Trail through Marin County would be added. (Policy C-PK-14)

**Public Coastal Access (PA).** Public access to much of Marin County’s coastline is available through public ownership of coastal parks and accessways. The LCPA would

continue to support and encourage the enhancement of public access opportunities to the coast, consistent with Coastal Act policies.

The Coastal Act requires that most shoreline development projects (that is, those defined as “new development”), receive scrutiny for possible inclusion of requirements related to the provision of public access to the coast. Since the time that the Unit I and II LCPs were approved in the early 1980s, court decisions have guided the imposition of public access conditions in connection with coastal permit decisions. For instance, to require public access as a condition of a coastal permit, a nexus between that condition and the impacts of the project upon public access is required. If such a nexus exists, then a public access requirement may be appropriate as part of coastal permit approval. Accordingly, the policies in the LCPA provide that all new development shall be examined to determine if a nexus exists between the impacts of the project and a possible public access condition, and if so, what type of coastal access requirement might be appropriate.

The site-specific coastal access recommendations contained in the existing Unit I and Unit II plans would be carried over to the amended plan, with adjustments to reflect changes subsequent to their adoption. For instance, many of the recommendations for additional coastal accessways have been carried out in the intervening years through public acquisition of parklands or other means. The provisions of the Seadrift settlement agreement, which formalize public access to the Seadrift beach and were adopted subsequent to the Unit I LCP, would be incorporated into the amended LCP. (The lengthy site-specific access policies are proposed to be placed in an appendix to the plan, rather in the plan policies.)

Changes proposed in policies related to shoreline public access include:

1. Direct dedication of accessways. An additional mechanism to provide public coastal access is proposed through direct dedication of accessways, rather than the use only of offers to dedicate accessways. (Policy C-PA-4)
2. Acceptance of offers to dedicate. Procedures for the acceptance of offers to dedicate accessways that may have already been made are proposed to be clarified. (Policy C-PA-5)
3. Multiple methods of acquiring public access. The use of all suitable means to acquire coastal accessways would be encouraged. (Policy C-PA-6)
4. Prescriptive rights of public access. Clarifications are proposed to existing LCP policies that would apply when a question is raised regarding the potential existence of prescriptive rights of public access over private land to the shoreline. (Policy C-PA-7)
5. Appropriate siting and design of accessways. Additional LCP policy changes are proposed in order to provide for the siting and design of new accessways to take into account their potential impacts on the surrounding community and their use by persons with disabilities. (Policies C-PA-10 and 13)

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The site-specific coastal access recommendations contained in the existing Unit I and Unit II plans would be carried over to the amended plan, with adjustments to reflect changes subsequent to their adoption. For instance, many of the recommendations for additional coastal accessways have been carried out in the intervening years through public acquisition of parklands or other means. The provisions of the Seadrift settlement agreement, which formalize public access to the Seadrift beach and were adopted subsequent to the Unit I LCP, would be incorporated into the amended LCP. (The lengthy site-specific access policies are proposed to be placed in an appendix to the plan, rather in the plan policies.)

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6. Restoration of accessways. Restoration of coastal accessways, where degraded through overuse, would be encouraged. (Policy C-PA-17)
7. Parking restrictions and other impediments. The impact of parking restrictions and physical encroachments on public coastal accessways would be addressed. (Policies C-PA-20 and 22).

**THE LCP IMPLEMENTATION PLAN:  
PROPOSED DEVELOPMENT CODE AMENDMENTS**

*The local government shall submit to the commission the zoning ordinances, zoning district maps, and, where necessary, other implementing actions which are required pursuant to this chapter...adequate to carry out the provisions of the certified land use plan...*

California Coastal Act, Section 30513

The Implementation Plan portion of the Local Coastal Program consists of specific elements of the Marin County Development Code, accompanied by zoning maps and related materials. When the comprehensive, countywide Development Code amendments were adopted in 2003, Article V was set aside for use as the coastal zone provisions. The original Article V was not certified by the Coastal Commission. The revised version now proposed will serve as the main component of the LCP Implementation Plan carrying out the proposed Land Use Plan amendments. Selected additional portions of the Development Code outside of Article V will also serve to implement the LCP, while the remainder of the Development Code will remain separate from the LCP and would not be submitted to the Coastal Commission for review. The Development Code is applicable throughout the County's jurisdiction area.

Under the Coastal Act, a key element in crafting the Implementation Plan is ensuring a close relationship between the Land Use Plan and the Implementation Plan. To certify the Land Use Plan, the Coastal Commission must find that it conforms with the policies of Chapter 3 of the Coastal Act; to certify the Implementation Plan, the Coastal Commission must find that it conforms with, and is adequate to carry out, the Land Use Plan provisions.

The Public Review Draft of the Implementation Plan is intended to:

- Follow the overall format of the Development Code, as much as possible;
- Be sufficient to carry out all Land Use Plan policies, while being as concise as possible;
- Incorporate available streamlining measures to save time and reduce costs; and
- Facilitate a high level of public input in coastal permitting decisions.

**Development Code provisions.**

**Chapter 22.32 – Standards for Specific Land Uses.** While not part of Article V, this Chapter of the Development Code contains standards that apply to development throughout the County. Some standards in Chapter 22.32 will be the same inside or outside of the Coastal Zone. Others are proposed to apply specifically to development in the coastal zone and therefore they are proposed to be revised through the LCP amendment process. Examples include Agricultural Retail Sales and Facilities (Section 22.32.027) and Agricultural Intergenerational Homes (22.32.023), which carry out particular Land Use Plan policies. These section titles are marked “(Coastal)” in Chapter



22.32. Because coastal-specific standards are closely related to standards that apply throughout the County, others sections may rely in part on the general countywide standard, but will include additional standards for the Coastal Zone. In this case the general standard is specified first, and the additional coastal-specific requirements are marked with “(Coastal)” where they commence in the text. Those standards that are necessary to implement LCP Land Use Plan policies will be incorporated into the LCP and submitted to the Coastal Commission for review.

## **Article V. – Permit Requirements and Development Standards.**

**Chapter 22.60 – Purpose and Applicability of Coastal Zone Regulations.** This brief chapter serves to state the purpose of Article V, which is to carry out the policies of the LCP Land Use Plan.

**Chapter 22.62 – Coastal Zoning Districts and Allowable Land Uses.** This chapter establishes those zoning districts that are used only in the coastal zone, describes the different types of land uses in coastal zoning districts, and establishes that “development,” as defined, requires a coastal permit, unless exempt. Chapter 22.62 presents in Tables 5-1, 5-2, and 5-3 a list of land uses appropriate to coastal zoning districts and indicates generally whether those uses are allowable in different types of districts and subject to which type of permit requirements.

The Coastal Permit is the mechanism that serves to carry out all LCP Land Use Plan provisions and assure that the LCP standards are met. In the past, some confusion has been created by reference to non-LCP processes within Coastal Permit procedures. The proposed draft clarifies and distinguishes between the responsibilities of the Coastal Permit and the non-coastal permits required by the Countywide Plan and other provisions of the Marin County Code. The proposed draft provides for efficiently coordinating these requirements, while assuring that in the rare event of conflict, the provisions of the LCP will take precedence as required by state law. As provided by draft Chapter 22.62, non-coastal permit requirements, such as those regarding master plans, design review, and use permits, are not part of the Local Coastal Program.

Certain land uses are indicated in Tables 5-1, 5-2, and 5-3 as the “Principal Permitted Use” in a given zoning district. Under the Coastal Act, a use other than the principal permit use must be treated as “appealable” to the Coastal Commission. Thus a public hearing is required on the project, and an aggrieved party may take the matter up with the Coastal Commission, if the County approves the project. Principal Permitted Uses, however, are not subject to this kind of appeal unless the project location lies within the geographic appeals area, such as between the first public road and the sea. (Section 22.70.080 of the draft provides additional detail on potential coastal permit appeals.)

In Tables 5-1, 5-2, and 5-3, certain other land uses are indicated as “Permitted Uses.” These are allowed with a coastal permit, and they may or may not be appealable to the Coastal Commission, depending on their geographic location. Uses indicated with a “U” are designated as conditional uses and require a use permit. These uses are subject to appeal to the Coastal Commission, but the use permit itself is separate from the Coastal Permit, and thus the “U” is provided here simply as a matter of information. Finally, uses

22.32. Because coastal-specific standards are closely related to standards that apply throughout the County, others sections may rely in part on the general countywide standard, but will include additional standards for the Coastal Zone. In this case the general standard is specified first, and the additional coastal-specific requirements are marked with “(Coastal)” where they commence in the text. Those standards that are necessary to implement LCP Land Use Plan policies will be incorporated into the LCP and submitted to the Coastal Commission for review.

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not identified in the tables for a given zone are not allowed in the zoning district, although the Development Code does provide for appeal to the County in this situation.

**Chapter 22.64 – Coastal Zone Development and Resource Management Standards.**

This chapter provides site development standards (Table 5-4) applicable to each coastal zoning district. Chapter 22.64 also provides the standards that would apply, regardless of zoning district, to development that potentially affects the enumerated coastal resources. For instance, Sec. 22.64.050 applies to developments that could affect biological resources and lists the various requirements that would be applied through the coastal permitting process to such developments.

Where a Land Use Plan policy regarding the protection of a particular coastal resource provides a concise statement of goals, the proposed text of the Development Code provision refers specifically to that LUP policy. Thus Sec. 22.64.050.B.1, which addresses allowable uses in or near Environmentally Sensitive Habitat Areas, refers directly to Land Use Plan policies C-BIO-1 and 2, which provide a clear statement of potential uses. By referring directly to appropriate Land Use Plan policies, rather than restating the policy in whole, the text of the Development Code is at once made clearer, more concise, and automatically consistent with the LUP.

By contrast, where Land Use Plan policies regarding coastal resource protection require additional explanation or detail in order to be implemented effectively, the proposed text of the Development Code includes that additional explanation. For instance, the Land Use Plan policies that address Environmental Hazards state the goal of ensuring that new development will be safe from hazards, while Section 22.64.060 contains additional specific requirements for submittal of geotechnical reports, the measurement of appropriate blufftop setbacks for new development, and related matters. The draft Development Code provisions incorporate references in parentheses to related Land Use Plan policies, in order to facilitate review.

**Chapter 22.65 – Coastal Zone Planning District Development Standards.** This chapter provides certain development standards applicable to those zoning districts defined as “planned districts”: C-APZ, C-ARP, C-RSP, C-RSPS, C-RMP, C-CP, C-RMPC, and C-RCR. Outside the coastal zone, the requirement for a master plan is the mechanism applied to implement such standards, but in the coastal zone, the Coastal Permit is proposed to carry out all land use requirements related to the LCP Land Use Plan. A master plan may or may not be required for a particular development, depending on other provisions of the Development Code, but for LCP purposes, within the coastal zone the Coastal Permit is proposed to fully implement all applicable requirements.

**Chapter 22.66 – Coastal Zone Community Standards.** This chapter implements the community-specific policies of the LCP Land Use Plan. Those standards apply to all proposed development, regardless of zoning district, within the communities of Muir Beach, Stinson Beach, Bolinas, Olema, Point Reyes Station, Inverness, Eastshore, Tomales, and Dillon Beach. The Land Use Plan policies specific to these various communities were drawn from existing Community Plans, which form part of the Marin Countywide Plan but are separate from the Local Coastal Program.

**Chapter 22.68 – Coastal Permit Requirements.** This chapter explains which types of projects require a coastal permit and which projects are exempt. Coastal permit exemptions are of two types: some projects, such as certain additions to existing single-family residences, are exempt from a coastal permit under the Coastal Act and its accompanying regulations, while other projects are “categorically excluded” from the need to obtain a coastal permit, under what are known as categorical exclusion orders adopted by the Coastal Commission. The categorical exclusion orders apply to certain listed developments, such as single-family homes within specified locations where development raises no issues regarding coastal resource protection. The categorical exclusion orders are adopted by the Coastal Commission separately from the Local Coastal Program, but are intended to remain in force and thus are referred to in the draft Development Code provisions.

A proposed “streamlining” measure not previously a part of the County’s LCP is the “de minimis waiver” proposed in Section 22.68.070. A de minimis waiver is a simplified process, authorized by the Coastal Act, for County review of certain minor developments. The review process incorporates an opportunity for public review and comment.

Draft Chapter 22.68 also includes a provision not previously available for a “consolidated” coastal permit review, where a proposed project located on a shoreline site straddles the line between County and Coastal Commission coastal permitting jurisdiction. Under consolidated permit review, if the applicant and reviewing agencies agree, a unified coastal permit could be processed by the Coastal Commission, thus relieving the applicant of the necessity to obtain two separate permits from the two agencies.

**Chapter 22.70 – Coastal Permit Administration.** This chapter provides applicable procedures for the County’s processing of coastal permit applications, including filing, provision of public notice, decision, and appeals. Section 22.70.070 describes the findings that must be made in order to approve a coastal permit, with reference to applicable resource protection provisions of the LCP Land Use Plan.

A proposed streamlining measure, not included in the existing Local Coastal Program, is the “public hearing waiver” proposed in Section 22.70.030.C.4. As authorized by the Coastal Act, certain developments defined as “minor” that would otherwise require a public hearing can receive a waiver of that hearing, if interested parties do not request a hearing. Depending on location, some developments, even minor ones, currently require a public hearing, even if no one intends to appear or to comment; the public hearing waiver would represent a savings of time and costs in instances where proposed development is non-controversial.

The draft includes a provision in Section 22.70.140 for Emergency Coastal Permits, which are not a part of the existing LCP. Such provisions allow for appropriate response to calamities, while ensuring that a follow-up coastal permit must be secured. The draft includes also a provision in Section 22.70.150 for Coastal Permit Variances, in order to address those situations where the particular circumstances of a parcel create an unwarranted hardship for a permit applicant. Coastal Permit Variances, which are not addressed in the existing LCP, would be available only for relief from standards relating

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to height, floor area ratio, and setbacks and not for standards related to coastal resource protection contained in the LCP Land Use Plan.

**Maps.** The Public Review Draft of the LCP incorporates applicable maps. These include:

- Zoning maps that indicate the zoning district applicable to all areas in the coastal zone
- Coastal permit jurisdiction map, also called the “post-certification” map. This map, provided in new digital form by the Coastal Commission, indicates the coastal zone boundary and, within the coastal zone, those areas subject to County jurisdiction, Coastal Commission jurisdiction, and the geographic “appealable” areas within which a County coastal permit decision may be appealed to the Coastal Commission.
- Categorical exclusion order maps, showing areas where categorical exclusion orders adopted by the Coastal Commission are applicable.

**Additional Materials.** In addition to the Land Use Plan, the Implementation Plan, and the applicable maps as described above, the Public Review Draft includes additional materials, some of which are provided for information purposes and others which will form part of the LCP package that is submitted to the Coastal Commission. For instance, the LCP is intended to include the “Design Guidelines for Construction in Areas of Special Character and Visitor Appeal and for pre-1930s Structures” and the “Coastal Village Community Character Review Checklist.” Other materials, such as Coastal Act policies and the strike-out/underline version of existing Unit I and Unit II Land Use Plan policies, are provided simply for assistance during the public review process and will not form part of the updated Local Coastal Program.



**Tentative Planning Commission Hearing Schedule  
Local Coastal Program Update  
2011**

Date	LCP Amendment Chapters
August 15, 2011 (Special Meeting)	Agriculture
August 22, 2011	Biological Resources and Other Natural Systems
September 19, 2011 (Special Meeting)	Built Environment
September 26, 2011	Socio-Economic
October 10, 2011	Contingent Meeting (If unresolved issues remain from previous hearings)
October 24, 2011	Final PC Hearing and Adoption
Nov. – Dec. 2011	<b>Board of Supervisors</b> Hearings and Adoption

**DRAFT**

August 3, 2010

Jack Leibster  
Marin County Community Development Agency  
3501 Civic Center Drive, Rom 308  
San Rafael, CA 94903-4157

Re: North Marin Water District Comments on Local Coastal Program Amendments

Dear Mr. Leibster:

North Marin Water District (NMWD) has reviewed the June 2011 Draft Marin County Local Coastal Program Policy Amendments and Proposed Development Code Amendments. We offer the following comments to be incorporated into your proposed amendments prior to adoption by the Planning Commission and Board of Supervisors:

Marin Local Coastal Program **Draft LCP Policy Amendments**

1. Page 93, **C-PFS-5, Community Sewer Systems**. "Require new development within a village limit boundary to connect to a public sewer system if the sewer system is within 400 linear feet of the parcel on which the development is proposed, unless the County Health Officer finds that such connection is legally or physically impossible."

Comment: NMWD provides sewer service to the Oceana Marin development adjacent to old Dillon Beach. NMWD does provide sewer service to a handful (nine) of dwelling units within old Dillon on Ocean View Avenue. Extension of sewer service to other properties within old Dillon Beach would be outside the Oceana Marin Improvement District boundaries and the cost of providing public sewer service for the village community on a piecemeal basis is very expensive and would result in an unreliable, expensive and difficult to operate mixture of private and public sewer



facilities. NMWD has previously identified those lots in the village which have an existing gravity sewer fronting the property and which may be considered for annexation by the District Board of Directors in the future in accordance with District regulations. The prescriptive "400 foot" threshold will not work in old Dillon Beach as there is not sufficient collection, treatment or disposal capacity or financing available to carry out such expansion.

2. Page 94, **C-PFS-10, Adequate Onsite Sewage Disposal Systems for Existing Development...** "1. Require connection to a public sewer, if the property is within 400 feet of a public sewer main and it is physically and legally possible to connect to such main;"

Comment: See comment 1.

3. Page 130, **C-PFS-19, Desalination facilities.** "Due to the Coastal Zone's unique natural resources and recreational opportunities of nationwide significance prohibit development of desalination facilities."

Comment: NMWD currently provides community water supply to Point Reyes Station, Olema, Bear Valley, Inverness Park and Paradise Ranch communities from wells adjacent to Lagunitas Creek. Due to the wells' location in the upper tidal reach of Lagunitas Creek, they are under the influence of flows in the tidal reach and subject to periodic salinity intrusion and occasional flooding. A desalination project may be needed to address the water quality concerns resulting from salinity intrusion to the wells. For these reasons we request that limited desalination be authorized in the Point Reyes community water supply if necessary to address drinking water quality requirements.

4. Additionally, we recommend that the description of NMWD water service in West

Jack Leibster  
Marin County Community Development Agency  
August 3, 2011  
Page 3

Marin be updated to better reflect existing conditions. A detailed response to Kristin Drumm's request for this information provided on April 21, 2011 is included herein for your ready reference in preparing this description update.

Marin County Local Coastal Program **Proposed Development Codes Amendments**

5. Page 54, "**5. Community sewer systems.** New Development within a village limit boundary shall connect to a public sewer system within 400 feet of the parcel per Land Use Policy C-PFS-5, unless such connection is prohibited by the County."

Comment: See comment 1.

6. Page 55, "**18. Desalination facilities.** Due to the Coastal Zone's unique natural resources and recreational opportunities of nationwide significance, development of desalination facilities shall be prohibited."

Comment: See comment 3.

Thank you for the opportunity to comment.

Sincerely,

Chris DeGabriele  
General Manager

Enclosure

CD/rr

T:\GM\West Marin\2011\County LCP comments 2011.doc

## Chris DeGabriele

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**From:** Chris DeGabriele  
**Sent:** Thursday, April 21, 2011 9:44 AM  
**To:** 'Drumm, Kristin'  
**Subject:** RE: West Marin Water Information

Kristin,  
Attached is a detailed response to your information request below. I'm assuming you'll use the info for the Local Coastal Plan update for the WM communities at the base of Tomales Bay. There's more here than you likely need, but you can cut and paste as you see fit. I'd appreciate the opportunity to comment on any draft that you prepare prior to publication.  
Thanks,  
Chris DeGabriele

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**From:** Drumm, Kristin [mailto:KDrumm@co.marin.ca.us]  
**Sent:** Wednesday, April 13, 2011 3:42 PM  
**To:** Chris DeGabriele  
**Subject:** RE: West Marin Water Information

Hi Chris,

I apologize for my delayed response. I am interested in information for the following:

1. The number of active connections in the entire Point Reyes Water System, and for each of these communities: Point Reyes Station, Olema, and Inverness (including Paradise Ranch Estates).
2. A breakdown of connections by users per community, for example, the number of residential, commercial, agriculture, etc.
3. Are there any improvements or upgrades planned?
4. What are the projected water use demands for the next 20 years for these areas? Is there enough supply?

Thanks,  
Kristin

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**From:** Chris DeGabriele [mailto:cdegabriele@nmwd.com]  
**Sent:** Tuesday, March 29, 2011 4:39 PM  
**To:** Drumm, Kristin  
**Subject:** West Marin Water Information

Hi Kristin,  
I'm happy to send you a copy of the NMWD 2005 UWMP but it doesn't address our West Marin Water Improvement District because the communities served don't meet the thresholds requiring an UWMP. Give me a call to let me know what specifically you'd like to know and we'll get it for you.  
Chris DeGabriele  
(415)897-4133

Email Disclaimer: <http://www.co.marin.ca.us/nav/misc/EmailDisclaimer.cfm>

The communities of Point Reyes Station, Olema, Inverness Park, and Paradise Ranch Estates utilize groundwater that is pumped from two wells adjacent to Lagunitas Creek. The wells serving the West Marin distribution system are founded in the alluvial aquifer that underlies the Lagunitas Valley and operated by the North Marin Water District (NMWD). Significant aquifer recharge occurs through streambed infiltration along Lagunitas Creek. The local watershed runoff and upstream reservoir releases provide more than sufficient recharge to meet the water use demands of the West Marin service area and to maintain instream flows for fish.

Below are the numbers of active accounts today:

	Point Reyes Station	Olema	Inverness Park	Paradise Ranch Estates	Total
Agriculture	5	3	1	0	9
Commercial	61	14	3	2	80
Residential	340	28	153	154	675
Total	406	45	157	156	764

NMWD historically has relied on the Coast Guard Wells to supply water for the NMWD West Marin service area. The wells are located to the south of the NMWD Point Reyes Water Treatment Plant, which is located approximately 500 feet from the end of Commodore Webster Drive at the Point Reyes Station Coast Guard Housing Facility. Due to the wells' location in the upper tidal reach of Lagunitas Creek, they are under the influence of flows in the tidal reach of Lagunitas Creek and subject to periodic salinity intrusion and occasional flooding.

NMWD diverts water from Lagunitas Creek through a Water License and two Water Right Permits. Water License 4324B allows NMWD to divert water between May 1 and November 1 of each year at a rate not exceeding 0.67 cubic feet per second (cfs) for a maximum diversion of 148.8 acre-feet per year. The authorized points of diversion (POD) under this License include the Giacomini Ranch site (POD 1), the Coast Guard Wells (POD 2), and the Downey Well (POD 3). The License contains a number of stipulations that limit or prohibit diversion when streamflow in Lagunitas Creek falls below levels needed to protect fish and wildlife.

Water Right Permit 19724 allows diversion of 0.699 cfs (maximum of 212.7 acre-feet diverted) on a year-round basis. Water Right Permit 19725 allows a maximum diversion of 0.961 cfs (292.5 acre-feet maximum) on a year-round basis. The Permits authorize diversion from the Coast Guard Wells. Pursuant to State Water Resources Control Board Water Right Order 95-17 (WR 95-17) the water rights under these two Permits are junior rights that are not available during the summer months (July through October) of dry years. A dry year is defined as a year in which the total precipitation that occurs from October 1 through April 1 is less than 28 inches as measured at the Marin Municipal Water District's Kent precipitation gauge. Since WR 95-17 has been in place no dry years have occurred.

The NMWD Gallagher Pipeline project proposes to change POD 1 from the Giacomini Ranch site to the Gallagher Well site and includes drilling one additional well at NMWD's Gallagher Wells site and constructing a pipeline to connect the existing and new well at this well site to NMWD's Point Reyes water treatment plant. There is one existing well at the Gallagher Well site, but the well is not connected to the NMWD treatment and delivery system, and it has not been used since it was developed. The water from these wells would be used to supplement the

existing Coast Guard Wells, which are the primary water source for the Point Reyes Water Treatment Plant. The proposed project also includes construction of a new stream gauging station, demolition and abandonment of the existing NMWD Downey Well, and the change in purpose of use of existing NMWD Water Right Permit 19724 from municipal and irrigation to instream uses. A project site map is shown on Figure 1.

The Gallagher Ranch site is upstream of any flooding and tidal reaches of Lagunitas Creek. However, the existing NMWD Gallagher supply well has a limited flow capacity (170 gallons per minute) and is not connected to the West Marin distribution system. This project would increase the Gallagher Well site's capacity and integrate those wells into the District distribution system. Because the Coast Guard Wells largely have good water quality, are reliable during most months, and have ample recharge, the Coast Guard Wells will continue to be the primary source of supply.

The historic salinity intrusion problem at the Coast Guard Wells may be exacerbated by sea level rise and the National Park Service's conversion of the Giacomini Ranch to tidal wetland, which will increase salinity in portions of Lagunitas Creek. According to the Final EIS/EIR for the Giacomini Wetland Restoration Project, the Park Service will not implement the Olema Marsh portion of the restoration project until either further studies are done to determine whether that part of the restoration would increase salinity; new information is received showing that the project would not adversely pose a threat to NMWD water quality; or NMWD constructs the pipeline connecting the Gallagher Wells to the treatment plant.<sup>1</sup> The proposed project would satisfy the third criterion, thereby allowing the Park Service to conduct the proposed Olema Marsh restoration.

The Gallagher Well site is located on a small parcel of land (130 feet by 85 feet) owned by NMWD on property commonly called the Gallagher Ranch (14500 Point Reyes-Petaluma Road), which is located 1.3 miles northeast of Highway 1 at Point Reyes Station. Access is provided by Point Reyes-Petaluma Road. The well site is on the south bank of Lagunitas Creek, across the creek from Point Reyes-Petaluma Road near the east end of the private Gallagher Ranch bridge.

NMWD will abandon the existing Downey Well that lies within the Lagunitas Creek stream channel. This well is a hazard, causes adverse impacts to the stream and produces water with poor water quality. The well was originally constructed on the bank of the stream, but the creek has migrated and captured the wellhead, so that currently it is located in the middle of the creek. From 1994 through 2007, this well was used solely to deliver raw water to the Giacomini Ranch for irrigation.

NMWD proposes to amend Water Right License 4324B and Permit 19725 to add the Gallagher Well site as a point of diversion (Proposed POD1). NMWD is petitioning the State Water Resources Control Board (SWRCB) to change the approved points of diversion for License 4324B from the Giacomini Ranch, Coast Guard Wells, and Downey Well to the Coast Guard Wells, Downey Well site, and the Gallagher Wells.

An existing stream gauging station is located between Point Reyes-Petaluma Road and Lagunitas Creek immediately north of the Gallagher Ranch driveway. In order to gauge the streamflow downstream of the area where the existing and the new Gallagher Well would be located, the stream gauge will be relocated to a point about 1,200 feet south of the existing

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<sup>1</sup> National Park Service, Giacomini Wetland Restoration Project: Final EIS/EIR, Response C-20, Volume 2, page 8, 2007.

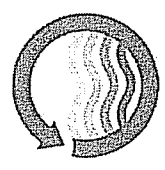
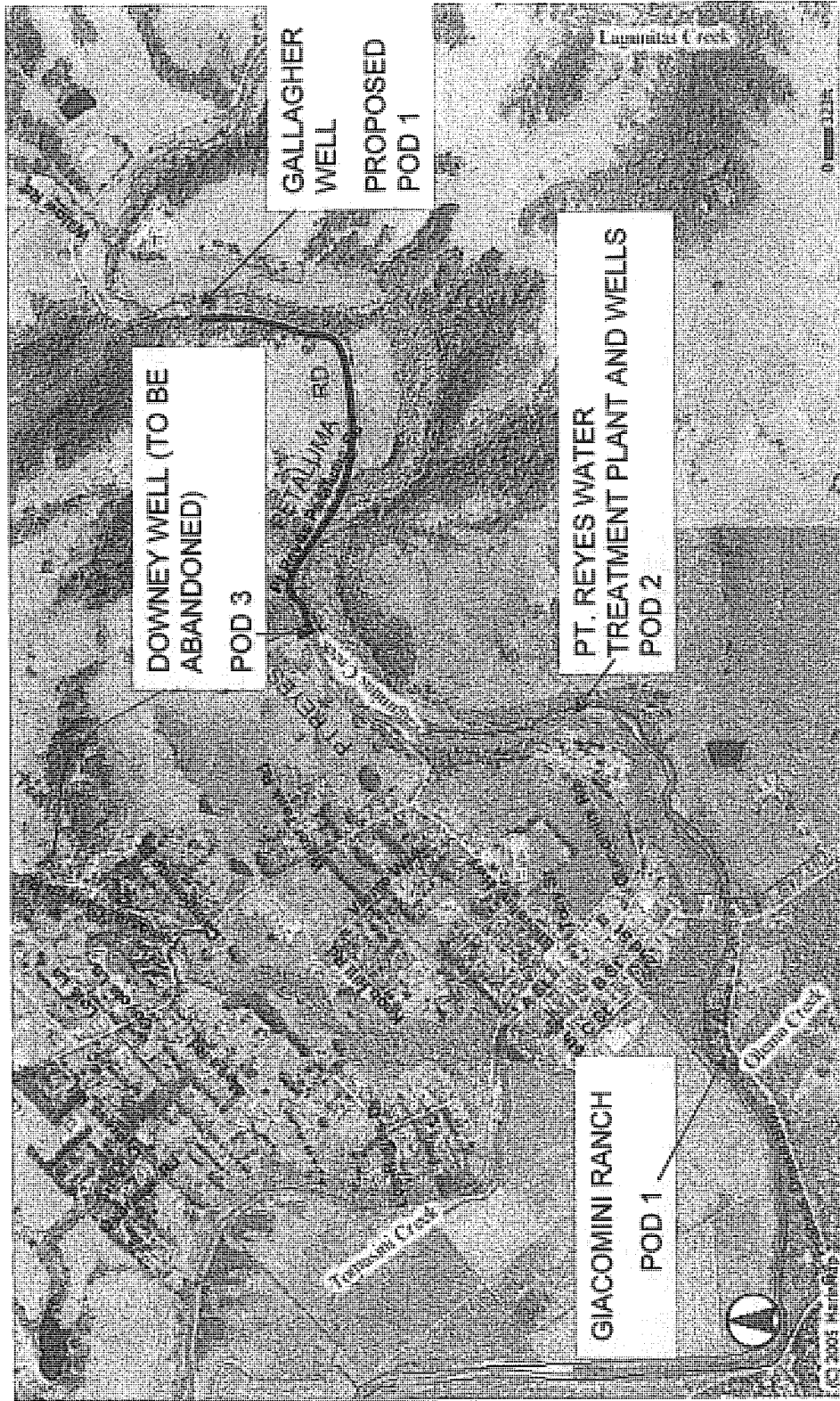
Gallagher Well. This site was identified as an appropriate site by NMWD and U.S. Geological Survey (USGS) staff during a March 17, 2008 site visit. The stream gauge station meets USGS standards; it would be a very small installation measuring approximately 3 feet by 3 feet by 4 feet; it would be elevated to be above the 100-year flood elevation. It would be constructed on the east side of the creek with access from the Gallagher Ranch pasture that borders this section of the creek. It would be powered by either an electrical line from a nearby power pole or a solar cell. It would contain a telephone or cell phone connection to send data.

As allowed under California Water Code Section 1707, NMWD proposes to dedicate the water that the District can now divert under its Water Right Permit 19724 to permanent instream use. The Permit allows diversion of 212.7 acre feet of water per year (at a maximum rate of 0.699 cubic feet per second) at the Coast Guard Well site for municipal and irrigation purposes. NMWD is petitioning the State Water Resources Control Board (SWRCB) to change the place of use and purpose of use for 0.699 cubic feet per second (cfs) of water diverted from Lagunitas Creek under Water Right Permit 19724 for municipal uses in the NMWD West Marin Service Area for the purpose of preserving and enhancing wetland habitat, and also for the purpose of preserving and enhancing fish and wildlife resources in Lagunitas Creek pursuant to Water Code Section 1707. The new place of use is defined as instream flows for the protection, preservation, restoration and recovery of aquatic organisms, including but not limited to coho salmon and steelhead trout pursuant to Recovery Planning measures to be developed under the Memorandum of Understanding Among National Marine Fishery Service, California Department of Fish and Game, Army Corps of Engineers, Fish Net4C, Counties of Mendocino, Sonoma, Marin, San Mateo, Santa Cruz and Monterey and the County of Humboldt as executed on May 16, 2002.<sup>6</sup>

Lagunitas Creek is classified as a Flow-Regulated Mainstem River pursuant to the Policy for Maintaining Instream Flows in Northern California Coastal Streams. The above noted change petition(s) and the proposed changed point of diversion result in no additional diversion of water beyond that currently licensed (License 4324B) and permitted (Permit 19725). In fact, the petition to change the purpose of use of Permit 19724 to instream purposes reduces NMWD's cumulative authority to divert water from Lagunitas Creek to a maximum quantity of 441.3 acre feet per year. The available water supply is sufficient to meet the forecast at build-out pursuant to current County of Marin growth estimates (see forecast Attachment 1).

NMWD has made significant improvements to the West Marin Water System and has several large planned projects (Attachment 2). It's not likely the Gallagher Pipeline or Treatment Plant upgrade projects will proceed without grant or loan funding to lessen the cost impact on the small customer base.

# GALLAGHER WELLS & PIPELINE PROJECT



**LEGEND:**  
 NEW 12" MAIN -   
 EX. 6" MAIN - 

FIGURE 1

Forecast of Water Demands - Pt Reyes Water System

By: CD  
 Orig: 2/26/1992 12:29  
 Updated: 4/3/2007 0:00  
 Last: 4/19/2011 15:12

c:\profile\prs\WM 2007 Demmdnew.xls  
 References:  
 I:\Res\DLB\excel\wtr use\wm use fy02.xls  
 I:\Res\scada\spreadsheet\production\point reyes\Point Reyes Water Production.xls

Basic Breakdown in Water Use in 2006 was (DLB spreadsheet - wtr use\wm by type.xls)2005):

	All	AFA	Accounts
Residential	61.43%	180	693
Commercial	16.04%	47	68
Agriculture	9.90%	29	8
Government	12.63%	37	16
All	100%	293	785

Household population density of area is 2.33 according to Census 2000 (Draft Marin Countywide Plan Figure 3-58).  
 Therefore each person explains 26% of annual residential use per DU.

Pt Reyes Water System Statistics As of June 30, 2006:

	Pt Reyes Station	Olema	PRE	Inv Park/BV	O'side/Other	All	
<b>System Capacity:</b>							
Finished Water Storage, gal.	560,000	150,000	138,000	160,000	-	1,028,000	ref WM Storage Data
Filter Plant, gpm						700	
Well #1 & Pump, operating alone						360	
Well #2 & Pump, operating alone						200	
Well #1 & #2 Operating in Tandem						530	<limiting
<b>Connections:</b>							
Active						753	ref 6/06 Monthly Rpt
Inactive						41	
Total						794	
<b>DUs:</b>							
Active						777	ref 6/06 Monthly Rpt
Inactive						41	
Correction for Coast Guard(1)						36	
Total						854	
<b>Sales:</b>							
Avg Ann 2002 - 2006 (Acre Feet)						292	
Pk B1Mo 1998 - 2002 (Acre Feet)						65	
<b>In FY 2005/06:</b>							
a/a (w/o unaccounted for)						255	
a/a (w/active acct)						0.34	
a/a (w unaccounted for)						324	
mgd Pk B1Mo						0.35	
gpd/active acct						464	
<b>FY 2002-2006 avg:</b>							
CCF/SF DU or EDU						121	
a/a/SF DU or EDU						0.28	
<b>Equivalent SF Units(2):</b>						918	
Storage per EDU:						1120	
<b>Production:</b>							
Unaccounted For Water as % of Sales (1997-2006 avg)						18%	
Avg Annual, Acre Feet (1997-2006 avg)						352	
Avg day, cfs (1997-2006 avg)						0.49	
Avg day, gpm (1997-2006 avg)						218	
Avg day of Pk Mo, cfs (July 2001)						0.66	
Avg day of Pk Mo, gpm (July 2001)						295	
Avg day of Pk Week, FY 2001/02, cfs						0.75	
Avg day of Pk Week, FY 2001/02, gpm						335	
Pk Mo to Avg Mo Ratio						1.4	
Pk Week to Pk Mo Ratio						1.1	

County's Estimate of Growth contained in 2001 PRS Community Plan & 2005 Draft Countywide Plan Update:

		Olema	PRE	Inv Park/BV	O'side/Other	All
Existing (3)	445	44	154	158	14	815
Potential (buildout,4)	688	53	214	191	14	1160
Increase DUs	243	9	60	33	0	345
Increase %	55%	21%	39%	21%	0%	42%

Footnotes:

- Included in "Gov't" in NMWD records.  
 Note: There are 36 of USCG apts and 18 bachelor units currently. Latter are bedroom w. sink, Share bathrooms. Also mess hall.
- Based on annual use of typical SF DU = 0.28 a/a.
- "Existing" includes 409 Point Reyes Units (from DLB's spreadsheet:wm cust by rate code 063005.xls) and 36 gov't du's. Olema, PRE, Inv Park/BV and O'side/Other also from DLB spreadsheet.
- "Potential" from 2001 PRS Community Plan and 21% growth in Olema and Inv Park/BV. For PRE NMWD estimate as already subdivided is used.

end

Predicted Ultimate Demand:

- Assumptions:  
 (1) Residential will grow per County's prediction & growth will be SF type DU's.  
 (2) Agriculture will decrease as result of NPS purchase of Giacomini Ranch.  
 (3) Commercial and Gov't will grow and maintain their same relative relationship or share of residential: 47%  
 (4) Unaccounted For Water will ultimately be: 10%  
 (5) Pk Mo to Avg Mo ratio remains at: 1.4  
 (5) Pk Week Mo to Pk Mo ratio remains at: 1.1  
 (6) Additional Water Conservation achieved between now and buildout is limited to residential fraction and will amount to: 15%  
 (7) Household Density ultimately increases from current 2.33 to: 2.5  
 Associated increase in demand is: 4%

	PR Station	Olema	PRE	Inv Park/BV	All
<b>Existing Base Demand (Avg 1997-2005):</b>					
a/a					298
residential portion, a/a					183
<b>New Base Demand:</b>					
New Residential, DU's Demand, a/a/DU	243	9	60	33	345
Demand, a/a					96
New Commercial & Gov't, a/a					45
Less Agricultural (Giacomini Ranch)					-25
Existing + New Base Demand, a/a:					382

<b>Ultimate Demand**:</b>					
Annual, a/a:					420
Peak Mo, cfs:					0.78
Peak Week, cfs:					0.89
Peak Week, gpm:					401

\*\* Includes Unaccounted For Water & adjustments for increased household density and water conservation.



# West Marin Long Range Improvement Project Plan

4/1/2011

## Status Report

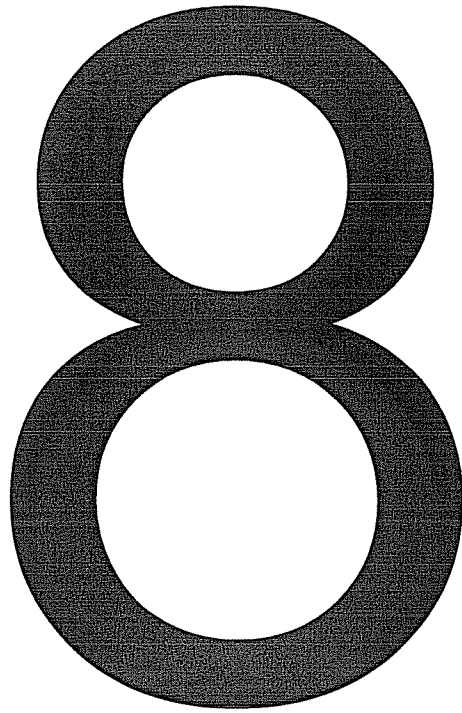
t:\gm\west marin\gallagher well\wmlripp status report 0411.xls\ripp (2)

### Completed Projects

	<u>4/30/2009</u>	
1 Replace PRE Tank #3 - 25,000 gal	\$91,759	Complete
2 Install 3 Standby Booster Pumps & Controls @ PRE	159,990	Complete
3 Bear Valley Pump Station Upgrade	88,132	Complete
4 Replace Pt Reyes 100,000 gal tank w/180,000 gal	399,707	Complete
5 Replace Olema 80,000 gal tank w/150,000 gal	561,742	Complete
6 Install Parallel 8" Main on Hwy 1	180,000	Complete
7 Upgrade Inverness Park PS w/2 150 gpm pumps	157,888	Complete
8 Install Pressure Reducing Valve @ Inverness Pk PS	13,046	Complete
9 Replace 30,000 gal Inverness Park Bolted Steel Tank	164,262	Complete
10 Tank Seismic Upgrades	70,881	In Progress
	<u>\$1,887,407</u>	

### Planned Projects

1 Replace PRE 25,000 gal Tank #4A w/82,000 gal	\$255,000
2 Treatment Plant Solids Handling Facility	200,000
3 Gallagher Pipeline	1,600,000
4 Treatment Plant Upgrade	<u>1,200,000</u>
	\$3,255,000



## MEMORANDUM

To: Board of Directors  
From: David L. Bentley, Auditor-Controller  
Subj: Bank of Marin Loan  
t:\acl\word\bank of marin\bod approve memo.docx

July 29, 2011

**RECOMMENDED ACTION: Approve Loan Agreement with Bank of Marin**

**FINANCIAL IMPACT: \$8M Loan Payable over 20 Years at 4% (approx.) Interest**

Staff has been working with Bank of Marin over the past several months to secure a loan to fund the District's \$8 million cost for the Aqueduct Energy Efficiency Project (AEEP). The Bank has agreed to loan the money at an interest rate approximately 1.5% below that available through the sale of certificates of participation (COP) in the financial market.

The terms, in summary, are as follows:

- 1) The 20-year loan will require 240 monthly payments at an interest rate determined at the time the funds are disbursed to the District, anticipated to be within the next 90 days.
- 2) The rate will be set 2.25% above the one-month LIBOR (London Interbank Offered Rate) floating rate on the date the funds are disbursed. The District will obtain a fixed rate loan through use of an interest rate Swap Contract. Bank of Marin will facilitate finding a counterparty that will receive the District's fixed interest payments and will pay the floating rate payments. The other party to the Swap Contract is betting that the 4% payments received from the District will exceed the LIBOR floating rate over the 20-year life of the loan, and will therefore profit from the transaction. The District prefers the security of the fixed rate. Las Gallinas Sanitary District used this same financing vehicle via Bank of Marin to fund construction of their recycled water treatment plant.
- 3) The Bank of Marin loan fee is 1% of the loan amount (\$80,000), which is approximately half of what would be required with a COP issue.
- 4) If the loan is repaid early, a "breakage fee" is due, which allows the other party to the Swap Contract to be made whole based on interest rates in effect at the time of the prepayment. Note that, depending upon interest rates at the time, it is possible prepayment would result in a rebate to the District.
- 5) The District is required to reimburse Bank of Marin for their out-of-pocket expense incurred in preparing the loan, not to exceed \$5,000.
- 6) The District is required to provide an opinion letter from legal counsel that NMWD qualifies under IRS guidelines for tax exempt financing. After receiving an estimate of

\$20,000-\$25,000 from Orrick, Herrington & Sutcliff, Carl Nelson of Bold, Polisner et al has agreed to provide the letter with assistance on the tax side from Bartle Wells, a public finance consulting firm in Berkeley.

- 7) The Bank can call the loan if NMWD fails to maintain a debt coverage ratio of 1.2. This means that the District must maintain an annual net income over the term of the loan equal to at least 120% of its annual debt service obligation. The District's FY10 debt coverage ratio was 1.8. The ratio for FY11 (based on unaudited results) was 2.0. The projected ratios for FY12 and FY13, even with the increased recycled water SRF loan debt and the Bank of Marin AEEP debt, will remain at approximately 2.0 due in large part to the rate increases recently approved.

Staff is pleased that Bank of Marin, headquartered here in Novato, has agreed to loan money at a reasonable rate for this local project to benefit the community.

**Recommended Action:**

Approve the attached Resolution authorizing the General Manager to execute all necessary loan documents required to facilitate execution of the \$8 million loan to fund the Aqueduct Energy Efficiency Project.

**DRAFT  
RESOLUTION 11-**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
NORTH MARIN WATER DISTRICT AUTHORIZING THE GENERAL MANAGER TO ENTER  
INTO A LOAN AGREEMENT AND THE EXECUTION OF FINANCING DOCUMENTS WITH  
BANK OF MARIN**

---

WHEREAS, the North Marin Water District (the "District") owns and operates facilities and property for the production, treatment and distribution of water within the service area of the District; and

WHEREAS, the District intends to construct an Aqueduct Energy Efficiency Project (AEEP); and

WHEREAS, in order to provide financing for the AEEP, the District has determined that the most economical method of financing is with a loan from Bank of Marin; and

WHEREAS, the District has entered into negotiation with Bank of Marin to receive a loan in the aggregate principal amount of \$8,000,000 (the "Loan"); therefore

BE IT RESOLVED by the Board of Directors of North Marin Water District that the General Manager is hereby authorized and directed to sign on behalf of the North Marin Water District, the following documents:

1. Commitment Letter
2. Promissory Note
3. Governmental Certificate
4. Disbursement Request and Authorization

\*\*\*\*\*

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 2nd day of August, 2011 by the following vote:

AYES:           Directors  
NOES:  
ABSENT:  
ABSTAINED:

---

Renee Roberts, Secretary  
North Marin Water District

(SEAL)





504 Redwood Blvd. Ste 100  
Novato, CA 94947  
Phone 415-884-5340  
Fax 415-884-5351

June 3, 2011

*Rec'd  
6/3/11*

David Bentley  
Auditor - Controller  
North Marin Water District  
999 Rush Creek Place  
Novato, CA 94948

Dear Mr. Bentley:

Bank of Marin ("Bank") is pleased to commit to establishing the following Federal income tax-exempt credit facility for North Marin Water District with the following primary terms:

1. Type of Facility: Bank Qualified Tax Exempt Loan ("Credit Facility").
2. Borrower: North Marin Water District
3. Purpose: To finance the relocation and upgrade of the Borrower's ~~Petaluma~~ <sup>NORTH MARIN</sup> Aqueduct. Once the Aqueduct project has been completed, any remaining funds may be used for other capital projects as directed by Borrower's Board of Directors.
4. Credit Facility Amount: Eight Million Dollars (\$8,000,000).
5. Maturity: Approximately 240 months from the date of the note.
6. Repayment: Unpaid principal and interest payments shall be due and payable in equal installments based on a twenty (20) year amortization period. All outstanding principal and interest shall be due and payable at maturity.
7. Interest Rate: Interest on the unpaid principal of the Credit Facility will be at a fixed annual rate of interest for the term which is equal to the tax-exempt equivalent of the sum of the swap rate (the "Swap Rate") plus a spread of 225 basis points. Bank will enter into a contract with its correspondent bank to obtain a U.S. Dollars One-Month Contract LIBOR floating rate (the "Swap Contract"). If the Credit

Facility was funded as of June 3, 2011, the tax exempt equivalent Fixed Rate would have been 3.738%.

**IMPORTANT: The interest rate will not be fixed until the day the Swap Contract is consummated and may be higher or lower than the example above.**

For purposes of this section, the "tax-exempt equivalent" of any rate will be calculated by multiplying the applicable rate by 0.65% based on the assumption that a 35% tax rate shall be applicable.

8. Loan Fee: One percent (1.0%) of the Credit Facility amount, or \$80,000.
  
9. Breakage Fee: Upon execution of the Swap Contract, Borrower acknowledges and agrees that if the Credit Facility is prepaid in whole or in part or is not funded, the Swap Contract may result in costs and risks to Bank beyond the costs and risks Bank would otherwise incur. Accordingly, if Borrower prepays all or any portion of the Credit Facility, or if the Credit Facility shall become due and payable at any time prior to the maturity date by acceleration after a default by Borrower or as otherwise provided in the Credit Facility Documents, a breakage fee may be due under the Swap Contract. Borrower shall pay to Bank, within 10 days of Bank's demand, the amount of any breakage fee payable to the issuer of the Swap Contract. However, if Bank is entitled to a rebate under the Swap Contract, Bank shall pay to Borrower the full amount of such rebate promptly after it is received by Bank from the issuer of the Swap Contract.
  
10. Transaction Costs: Borrower will reimburse Bank for all out-of-pocket costs incurred in regard to this transaction, including but not limited, to its legal expenses associated with preparing and reviewing the Credit Facility documentation. Costs are estimated to be no more than \$5,000.
  
11. Guarantor: None.
  
12. Opinion of Borrower's Counsel: Bank shall receive an opinion of Borrower's counsel who is acceptable to Bank stating that Borrower is duly authorized to enter into and perform under the Credit Facility Documents, the Credit Facility Documents are valid and binding obligations of Borrower and enforceable in accordance with their terms subject only to equitable principles and the bankruptcy laws, and the Credit Facility qualifies under IRS guidelines for tax-exempt



financing.

13. Collateral:

None.

14. General  
Conditions:

- 1) Borrower to maintain an annual Debt Coverage Ratio of 1.2x. The definition of the ratio is shown below. \*
- 2) Annually, Borrower will submit to Bank a copy of its audited financial statement within 150 days of fiscal year-end.
- 3) Tax Indemnification: Loan documentation will provide for Borrower to indemnify Bank in the event tax exempt status changes or is revoked.
- 4) Borrower to provide a copy of a resolution or a copy of the Board meeting minutes verifying the Board's approval to enter into the ~~Swap Contract~~.

*CREDIT FACILITY*


\* Change in Net Assets plus interest, depreciation and amortization divided by current year's interest and scheduled principal payments as determined by generally accepted accounting principles, consistently applied.

The foregoing outlines the primary terms of the Credit Facility. Additional terms and conditions will need to be negotiated in the loan documents. The Bank's commitment hereunder shall not become a binding commitment unless and until all of the loan documents required by us to evidence the Credit Facility have been agreed upon, signed and delivered.

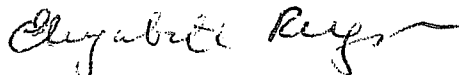
If these terms and conditions are acceptable, please so indicate by signing the consent section below and return this letter to us by the close of business on ~~July 20~~, 2011. If the Credit Facility is not fully documented and closed by ~~August 31~~, 2011 the Bank's commitment will expire. *August 3*  
*October*

Thank you for providing us the opportunity to be of service to you. Please call me at 415-884-4554 if you have any questions or we can be of additional assistance.

Best regards,



Joel Louraine  
Vice President  
Commercial Loan Officer



Elizabeth Reizman  
Senior Vice President  
Commercial Banking Manager

North Marin Water District  
June 3, 2011  
Page 4

ACCEPTED AND AGREED TO THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2011

NORTH MARIN WATER DISTRICT

BY: \_\_\_\_\_

USSW12 ↓ **3.4855** - **-0177** ANCN 3.4840/3.4870  
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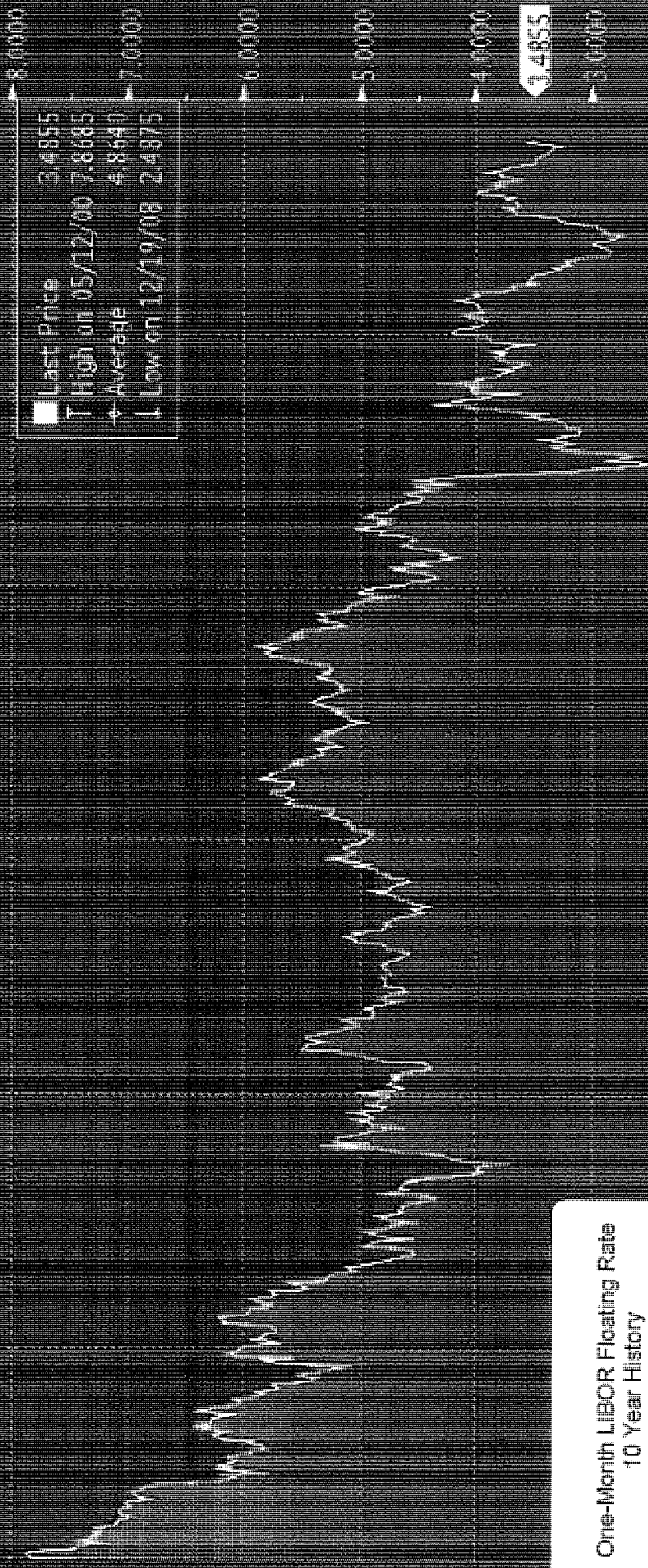
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Page 1/17

Range	04/28/00	-	07/06/11	Upper	Market Price	<input type="checkbox"/>	Mov. Avgs	<input type="checkbox"/>	Currency	USD
Period	Weekly	<input type="checkbox"/>	Lower	None	Mov. Avg	<input type="checkbox"/>	Source	CMPN	Events	<input type="checkbox"/>



One-Month LIBOR Floating Rate  
10 Year History

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Australia 61 2 9777 8600	Brazil 5511 3048	4500 Europe 44 20 7330 7500	Germany 49 69 5204 1210	Hong Kong 852 2977 5000	Japan 81 3 3201 8900	U.S. 1 212 316 2000	Copyright © 2011 Bloomberg Finance L.P.	GMT-4:00 H+48:29-2 06-JUL-2011 15:02:23			



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## MEMORANDUM

To: Board of Directors  
From: David L. Bentley, Auditor-Controller  
Subj: Solar Project Incentive  
t:\ac\word\stp solar proj\sb585 support cover memo.docx

July 29, 2011

**RECOMMENDED ACTION:** Approve Letter to Assemblyman Huffman in Support of SB 585

**FINANCIAL IMPACT:** If SB 585 Is Enacted, the STP Solar Project would become Financially Feasible, Rendering Cost Savings over 20 Years Projected at \$400,000

SB 585, the legislation reinstating the California Solar Initiative (CSI) Incentive, made it through the Assembly Appropriations Committee on July 13. It will be heard on the floor when the Legislature returns from recess on August 15. The District's solar power project was halted last December when the Incentive was suspended. The Incentive gives provides 5¢/kWh for all solar power produced within the first five years of an eligible solar facility's operation, thereby allowing NMWD's project to pencil out financially.

**Recommended Action:**

Authorize the Board President to sign the letter to Assemblyman Huffman supporting reinstatement of the CSI incentive.

SB 585 (Kehoe)

Energy: solar energy systems: funding.

Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations. Decisions of the PUC adopted the California Solar Initiative. Existing law requires the PUC, in implementing the California Solar Initiative, to ensure that the total cost over the duration of the program does not exceed \$3,350,800,000, and imposes monetary limits on programs funded by charges collected from customers of the state's 3 largest electrical corporations and on programs adopted, implemented, and financed by charges collected by local publicly owned electrical utilities.

This bill would increase the cost limit to \$3,550,800,000, and make a corresponding increase in a monetary limit imposed on programs funded by charges collected from customers of the state's 3 largest electrical corporations. The bill would require the commission, to fund certain program shortfalls, to first allocate interest accumulated from customer collections and, for the remainder of the shortfall, to increase collections from customers of the state's 3 largest electrical corporations for specified programs. The bill, except as specified, would set the discount rate for interest at 4%. The bill would require the commission, within 90 days of the enactment of the bill, to establish and impose project cost caps for residential and nonresidential projects under the California Solar Initiative, based on national and state installed cost data.

This bill would declare that it is to take effect immediately as an urgency statute.

DRAFT

August 3, 2011

The Honorable Jared Huffman  
California State Assembly  
State Capitol, Room 3120  
Sacramento, CA 95814

Re: Senate Bill 585 - SUPPORT Reinstatement of CSI Incentive

Dear Assembly Member Huffman:

I am writing on behalf of North Marin Water District (District) to express our support for SB 585 (Kehoe) authorizing an additional \$200 million for the California Solar Initiative (CSI) which provides incentive funding for solar energy systems.

The North Marin Water District has completed all CEQA work to construct a 357kw photovoltaic project to serve its Stafford Water Treatment Plant in Novato, CA. The District has been working to develop a financially feasible solar project for this purpose since 2006. We were finally on the verge of letting a construction contract for the project when the CSI Incentive was halted in December 2010. The District has negotiated a Power Purchase Agreement and is ready to commence construction as soon as the CSI Incentive is reinstated.

The CSI Incentive is a key component of the District's project financing. Without it, the project simply does not pencil-out. Reinstatement of the CSI Incentive is necessary for North Marin's project to move forward. The District is number 37 on PG&E's CSI Incentive Reservation waitlist. As an urgency measure, passage of SB 585 would allow NMWD's project to move forward immediately.

We ask that you vote to support SB 585 to reinstate the CSI Incentive program.

Sincerely,

John Schoonover  
President  
North Marin Water District

c: Senator Mark Leno  
Senator Christine Kehoe  
Association of California Water Agencies



10

## MEMORANDUM

To: Board of Directors

July 29, 2011

From: Robert Clark, Operations/Maintenance Superintendent 

Subj: Update for Proposed On Air / Verizon Cellular Tower at Winged Foot Tank Site

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**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** None at this time

At the February 1, 2011 Board of Directors meeting, staff presented an informational item regarding the On Air Company's interest in a project at the Winged Foot Tank site. The On Air Company performs cellular communications site evaluations for the Verizon Communication Company. In that presentation the Board was informed that Peter Hilliard, with whom District staff worked with on the STP/Little Mountain cellular project, indicated that the site would indeed be suitable for a cellular antenna, and would like to develop a feasibility study as well as move forward with a license agreement similar to that in place for the STP/Little Mountain site.

During the evaluation of the feasibility study, it was determined that the utility access to the site would need the approval of the Marin County Open Space District (MCOSD) prior to making a final decision. In order for Mr. Hilliard and his On Air staff to complete the feasibility study, they have requested the MCOSD for a utility easement access across the open space to the Winged Foot Tank site. This request (attached) includes key elements of the feasibility study for the Board's review.

During the February meeting, Directors Rodoni and Petteerle expressed the need to notify the homeowners within visual range of the Winged Foot Tank site. Mr. Hilliard has indicated that the utility access request will require a public hearing; and if successful, there will be two more public hearings - one for the City of Novato and another for District license agreement process.

District staff will also work with the On Air staff to develop the preliminary license agreement and return to the Board with the feasibility study findings, public hearing feedback and the preliminary agreement. The preliminary license agreement includes the requirement to procure permits and notification to surrounding neighbors before the final agreement is made.



Wireless Site Acquisition & Construction Management

July 25, 2011

Marin County Parks and Open Space  
3501 Civic Center Drive, Room 260  
San Rafael, CA 94903

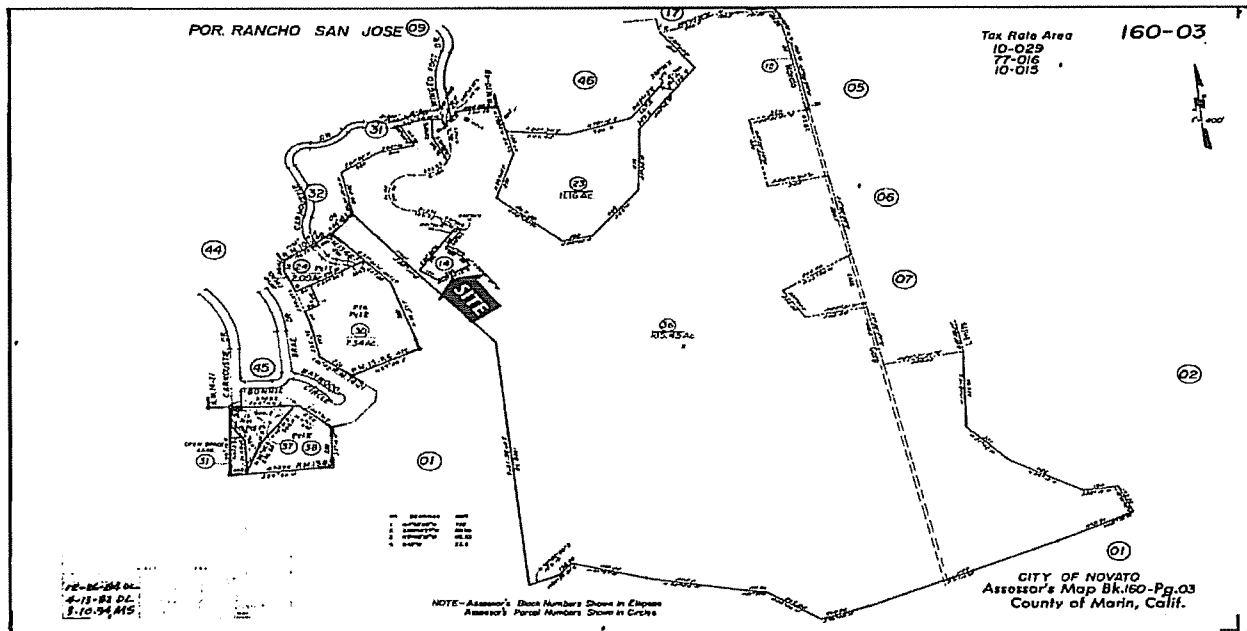
Attention: James Raives, Senior Open Space Planner

Re: Verizon Wireless - Formal Request for Access & Utility License  
Ignacio Valley OSP – APN: 160-030-36

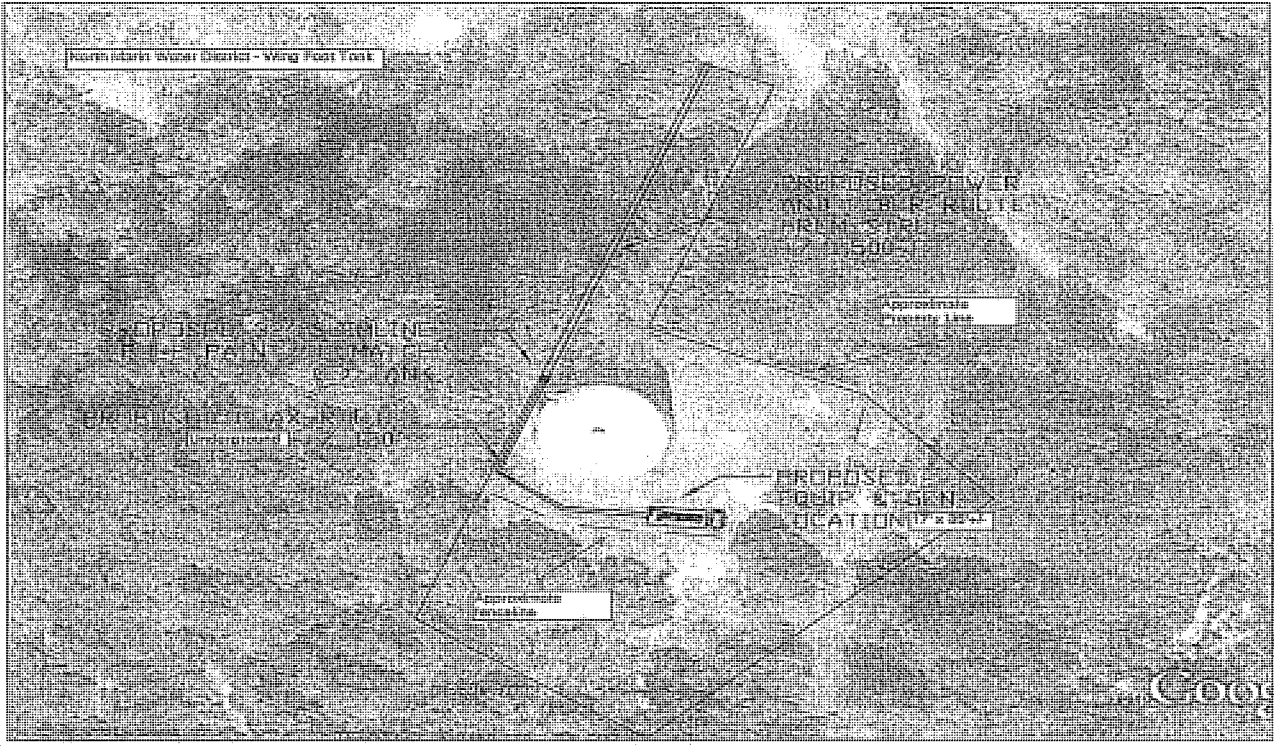
Mr. Raives:

Please consider this letter as the formal request by Verizon Wireless to the Marin County Open Space District to grant a license for access and utilities across District land to a North Marin Water District reservoir site (“Winged Foot Tank”), within the Ignacio Valley Open Space Preserve. Our request includes and elaborates on the following seven (7) points of discussion that you provided.

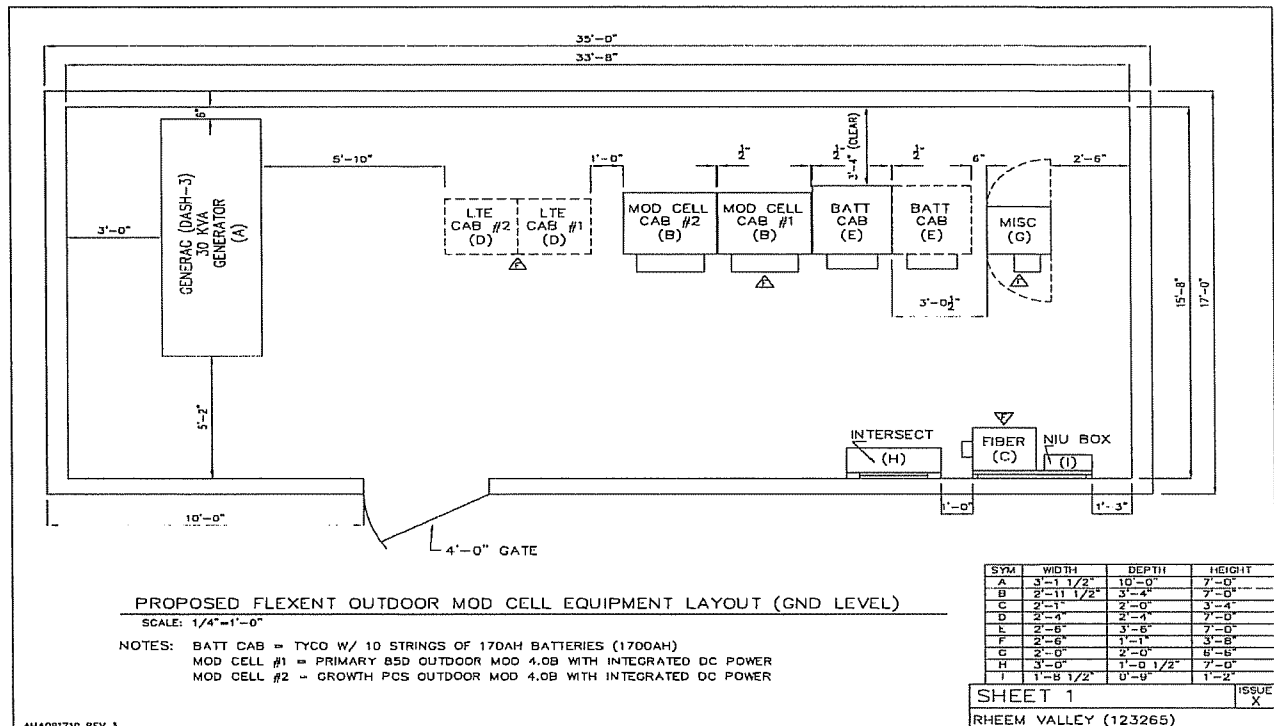
**1) Project Description** - Since July of 2004, Verizon Wireless has been working on leasing ground and/or building space to build a “cellular” base station in order to enhance their network coverage and capacity along Ignacio Blvd. and to the neighborhoods in and near the Marin Country Club area. The North Marin Water District (NMWD)– “Winged Foot” Water Reservoir is the fourth (4<sup>th</sup>) potential location that has been investigated. The parcel is depicted on the Assessor’s Tax Map below as parcel number 160-030-14.



NMWD operates a thirty-two foot (32') tall, six hundred thousand (600,000) gallon reservoir on the odd shaped one (1+/-) acre sized parcel. There is ample room for Verizon's equipment and discussion has focused on one thirty-two foot (32') tall monopole to hold six (6) panel type antennas. The proposed equipment location and layout is depicted as follows:



Equipment Location



Equipment Layout

The NMWD parcel is an “island” within a larger one hundred eighty-five (185) acre park known as the Ignacio Valley Open Space Preserve, which is managed by the Marin County Open Space District. NMWD accesses the site via a fifteen foot (15’) wide, approximately twelve hundred fifty foot (1,250’+/-) long deeded easement for ingress and egress. In order for Verizon to place underground utilities within this easement and confirm access, it will have to enter into a license agreement with the Marin County Open Space District. The aerial photo below depicts the proposed utility and access route.



A license agreement with NMWD will also be required for the facility. Verizon is currently a tenant of NMWD at the Stafford Lake Water Treatment Plant at 3015 Novato Blvd., and it is anticipated that a similar license agreement would be entered into.

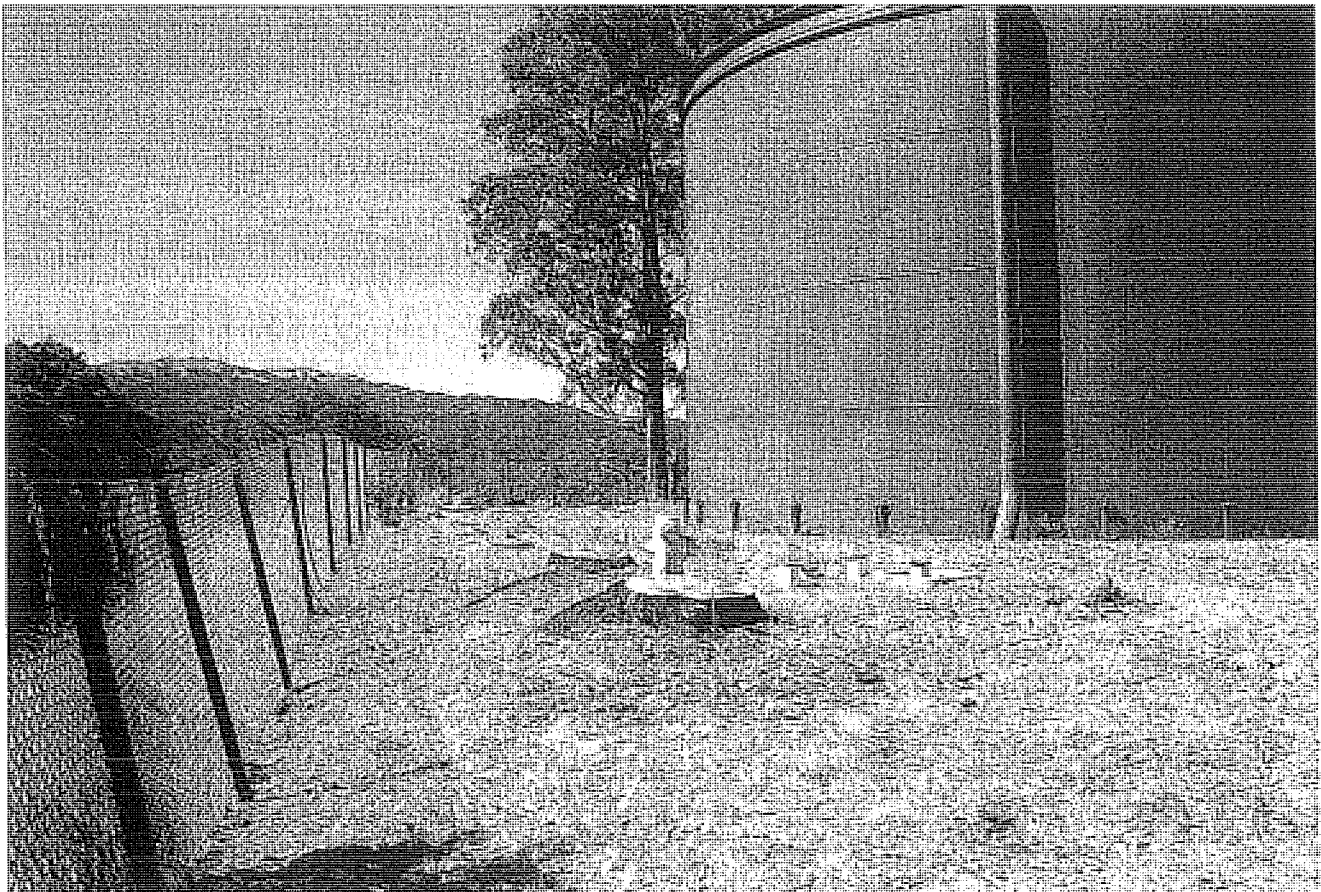
The project falls under the jurisdiction of the City of Novato is zoned CF –Community Facilities (Public Land Uses and Utilities) and will be subject to Code Section 19.38 Wireless Communications Facilities. A Use Permit via the Planning Commission will be necessary, prior to any building permit being issued.

Photos of the equipment project area follow:





Looking east to equipment location at rear of tank



Looking west to equipment location at rear of tank



Looking south from entry gate to antenna pole location in line with trees on right



Looking north to antenna pole location in line with trees on left

## 2) Summary of Potential Environmental Impacts -

### Equipment:

The proposed facility will be unmanned and will not require the use of services such as water or sewer. Ground disturbance will occur in the construction phase of the project. At the tank site, (i) there will be minimal grading for the equipment pad; (ii) approximately one hundred fifty (150') feet of trenching for the coaxial cables that connect the antennas to the radio equipment; (iii) the 32' monopole (antenna support structure) will require a drilled pier/caisson foundation for its support.

We anticipate removing one fifteen (15') foot dead eucalyptus tree for placement of the monopole on the western side of the water tank. The pole will be no taller than the tank at thirty-two (32') feet overall height. It will be painted (along with the antennas) to match the tank. The monopole and antennas should blend with tank in the background to be effectively unnoticeable.

We believe that the project will not have a significant effect on the environment and that the project would be exempt or an adoption of a Negative Declaration in compliance with CEQA will be completed as part of the use permit process. There should not be a potential biotic habitat impact of concern to Fish & Game.

Initially there will be one (1) new battery cabinet with twenty (20) batteries and plans for a future cabinet also with twenty (20) batteries. The total electrolyte in twenty (20) batteries amounts to forty-one and 6/10ths (41.6) gallons. The 30kW diesel generator with a UL-142 double walled belly tank holds one hundred thirty-two (132) gallons of fuel. In some cases, the second battery cabinet is not added if there is an on-site generator for back-up power.

Verizon places a back-up power source at their sites so that in the event of a prolonged power outage so the site may remain operational, serving the public and emergency services.

A hazardous materials business plan will be filed with the City of Novato and Verizon shall receive the state required AQMD permits to operate the generator. In addition, Verizon will complete full NEPA report for the facility.

The outdoor equipment contains air conditioning and coupled with the location of the equipment and the distances to residences should not result in noise to the neighbors. According to Google Earth, the nearest residences are approximately six hundred seventy-five (675') feet from the proposed antennas and over two hundred (200') feet lower in elevation.

All equipment shall meet or exceed the noise standards provided by the City of Novato.

Photos of the proposed monopole location from the access and utility route follow:





Looking towards antenna location (in front of tank) from just above midway up the access and utility route



Looking towards antenna location (in front of tank) above midway up the access and utility route

### Access and Utility Route:

The twelve hundred fifty foot (1,250') access road is established and will require minimal grading to maintain. The utilities (200 Amp power and high capacity telephone service) necessary to operate the facility will be installed underground via trenching along the existing access route. The trench will be approximately thirty-six inches (36") deep and twenty-four inches (24") wide. Verizon will install rated conduit and cover it (per PG&E/AT&T specs) with six inches (6") of sand and backfill the remainder and compact to ninety percent (90%+/-) to prevent erosion. Every three hundred feet (300') or so, the utility companies will have Verizon install seventeen inch by thirty inch (17" x 30") traffic rated utility boxes.

### Radio Frequency Exposure:

Antennas used for cellular and PCS transmissions are typically located on towers, water tanks or other elevated structures including rooftops and the sides of buildings. The combination of antennas and associated electronic equipment is referred to as a cellular or PCS "base station" or "cell site." Typical heights for free-standing base station towers or structures are 30-200 feet. In urban and suburban areas, cellular and PCS service providers commonly use "sector" antennas for their base stations. These antennas are rectangular panels, e.g., about one foot (1') wide by five foot (5') long in size, typically mounted on towers or poles. Panel antennas are usually arranged in three groups of three each. In this case there will be two groups of three antennas each for a total of six (6) panels. It is common that not all antennas are used for the transmission of RF energy; some antennas may be receive-only.

The RF emissions from cellular or PCS base station antennas are generally directed toward the horizon in a relatively narrow pattern in the vertical plane. In the case of sector (panel) antennas, the pattern is fan-shaped, like a wedge cut from a pie. As with all forms of electromagnetic energy, the power density from the antenna decreases rapidly as one moves away from the antenna. Consequently, ground-level exposures are much less than exposures if one were at the same height and directly in front of the antenna.

Measurements made near typical cellular and PCS installations, especially those with tower-mounted antennas, have shown that ground-level power densities are thousands of times less than the FCC's limits for safe exposure. This makes it extremely unlikely that a member of the general public could be exposed to RF levels in excess of FCC guidelines due solely to cellular or PCS base station antennas located on towers or monopoles.

Verizon Wireless will retain a consulting engineering firm to evaluate the facility for compliance with appropriate FCC guidelines limiting human exposure to radiofrequency ("RF") electromagnetic fields. The study results for this type of installation typically indicate that for a person on the ground at the site, the RF exposure level would be less than two percent (2%) of the applicable public exposure limit. It should be noted that the results will include several "worst-case" assumptions and are expected to overstate actual power density levels from the proposed operation.

Photos of the access and utility route follow (starting at the gate at Winged Foot Drive):



Lower section of access and utility route and the gate at the top of Winged Foot Drive



Lower section of access and utility route looking up to midway section





Midway section of access and utility route



Upper section of access and utility route



NMWD parcel driveway turnoff on the right on upper section



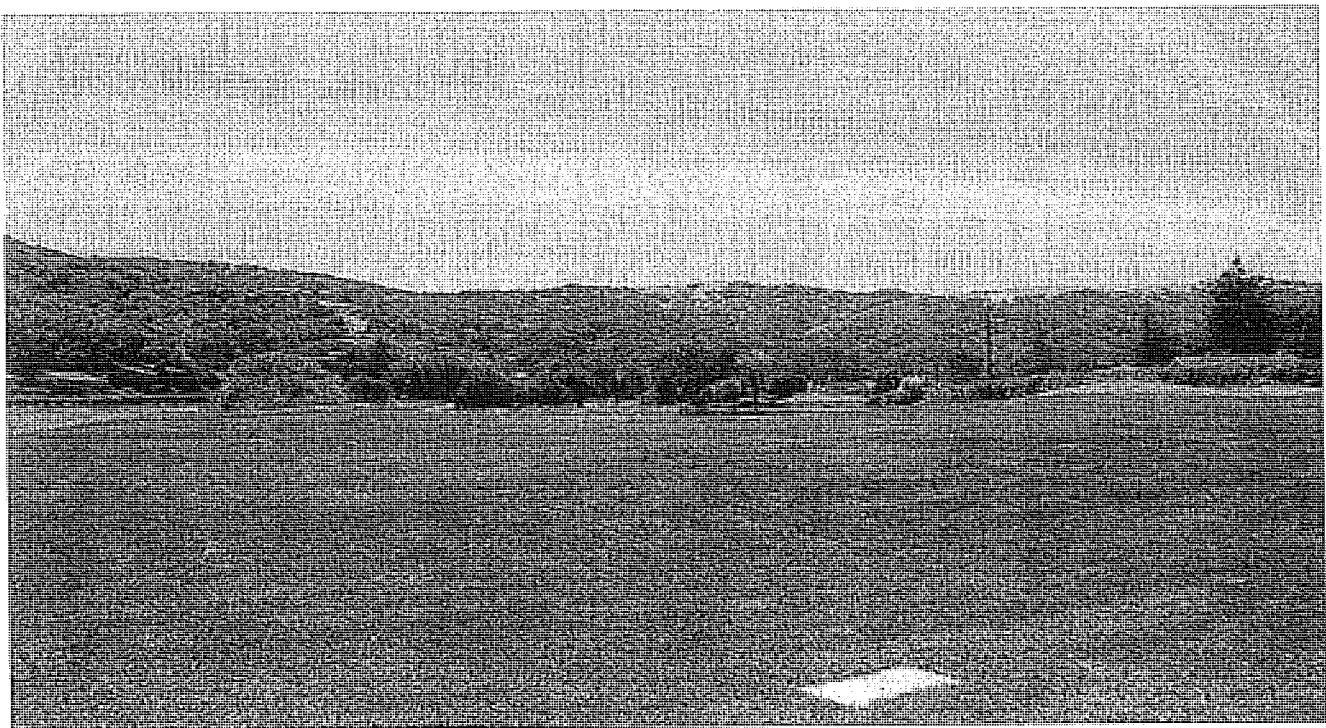
Access and utility route to tank on NMWD parcel

**3) List of Alternatives to Using Open Space District Land to Access the Site and Alternative Sites that Avoid the Need to Use Open Space District Land -**

Candidate #1:

Address: Marin Country Club -500 Country Club Drive, Novato, CA 94949

The Marin Country Club was working with Cingular at the beginning of the year (2004) but after receiving a letter of authorization from the Club and filing an application for a Use Permit with the City of Novato in April 2004, Cingular all but disappeared. Verizon designed a location in the middle of the golf course, however, the location was subsequently abandoned because of the two hundred foot (200') setback from residential required by the City of Novato under Code Section 19.38 Wireless Communications Facilities. In addition, a site at the Club would be approximately four hundred feet (400') lower in elevation than the tank site and would not be able to maximize the needed coverage outside of the immediate Club area.



Picture of location in distance at Candidate 1

Candidate #2:

Address: PG&E Tower - Open Space, Novato, CA 94949

Candidate #2 was an October, 2004 collocation with Cingular on a PG&E tower located on City of Novato land above the Paradise Foods market. Although east of the target area, Verizon's radio frequency engineer believed that it had a chance to provide coverage to the broader area west of what is now the Paradise Foods market. Cingular was approved by the City of Novato to collocate on the same PG&E tower as Verizon was interested in, but they were never able to acquire access or utility easements for their facility and the site was subsequently abandoned by Cingular and Verizon.





Picture looking at PG&E tower as location for Candidate #2

Candidate #3:

Address: Greek Church - 1110 Highland Dr., Novato, CA 94949

This Candidate #3 was a collocation with AT&T, Sprint and Metro PCS on the Church that we worked on from August, 2004 to December, 2009. There were many delays in the negotiations and consternation that the site would not meet Verizon's coverage objectives. Finally, after Metro PCS constructed their facility (further reducing Verizon's antenna location choices) the site was abandoned and the search for alternatives resulted in the Winged Foot Tank as a candidate.



Picture of antennas on western wall of Church

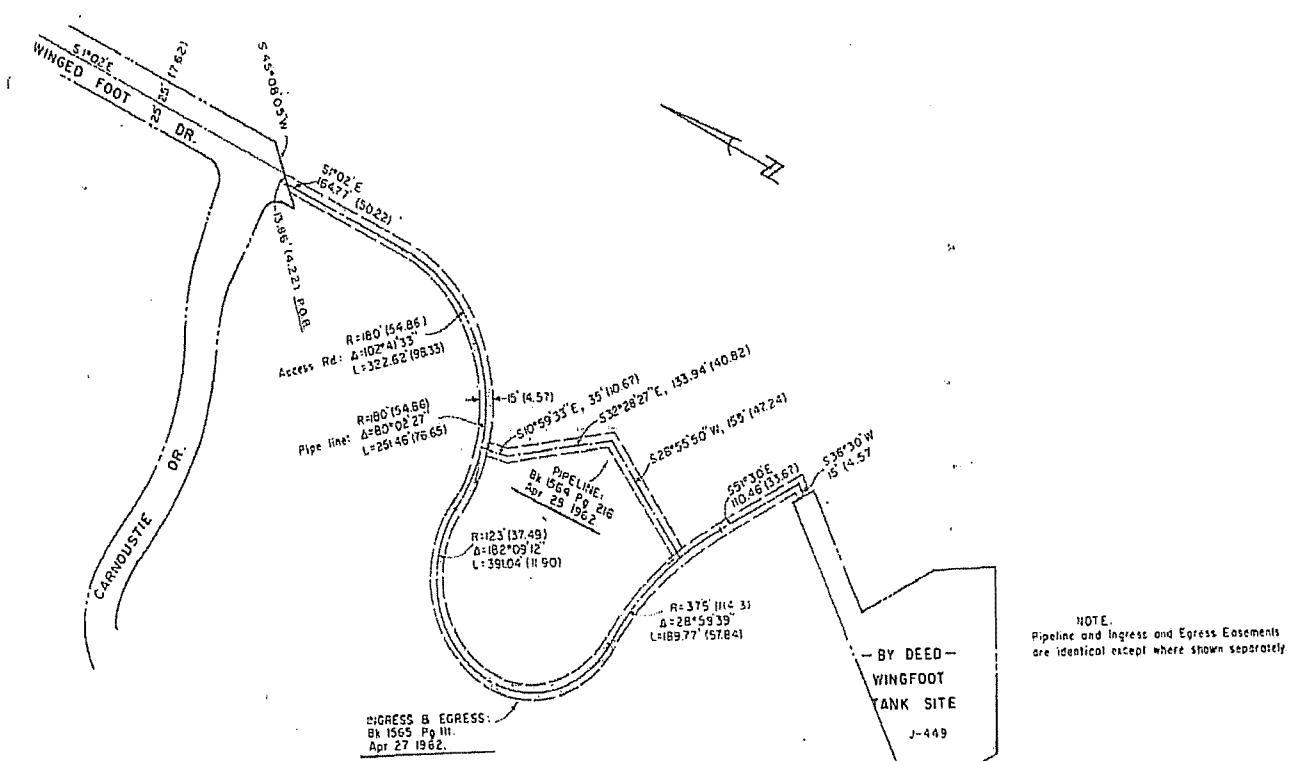
**4) Description of Maintenance Requirements –**

Verizon site technicians may visit the site two or three times a month. There will be routine maintenance performed on the radio equipment and the generator will need intermittent inspection and fueling. Unless there is a prolonged power outage the generator gets fueled about twice a year. The generator will self-test for approximately fifteen (15) minutes, once a week, at mid-day.

**5) Description of the Type and Frequency of Vehicles That Will Access the Site Both During Construction and Post-Construction Monitoring –**

During Construction, there may be six (6) to eight (8) weeks of daily access by full-size pick-up type vehicles. Also it is anticipated that there will be two (2) or three (3) visits with cement trucks and two (2) or three (3) visits with a small crane/boom truck for equipment and pole placement. There will also be a few visits with a box-truck type vehicle for equipment delivery. Post-Construction normal maintenance vehicles are Chevrolet Tahoes, or a full-size pick-up or equivalent. In addition, each facility is monitored 24 hours a day, electronically for intrusion and environmental disruption. The facility will also contain a sign identifying a 1-800 number to call in case of an emergency (manned 24 hours a day by Verizon employees) and identifying it as a Verizon facility. Verizon will be in compliance with all FCC regulations regarding signage at the facility.

**6) A Map Showing the Location of the Facility and the Access and Utility Route -**



NORTH MARIN COUNTY WATER DISTRICT EASEMENT MAP		
TITLE MARIN GOLF & COUNTRY CLUB Unit 4B. Pipeline, Egress, & Ingress to Winged Foot Tank		
SCALE 1" = 100'	COUNTY RECORDING DATA	JOB NO
DATE Mar 29 1994	DATE As Shown	
TAC MAP 1--24.25	SER NO As Shown	449
B N-24.25		SHEET 1 OF 2



## **7) A Description of the Public Benefit Associated with the Project -**

The need for wireless facilities is growing everyday. As America's largest and most reliable wireless network, Verizon Wireless is constantly adding new sites to improve coverage and increase capacity. Connectivity with phones and computers is an important community asset. It has been well documented that the general public receive security and emergency life saving benefits from wireless facilities. Stranded motorists, people that are lost, people suffering from illness, heart attack victims, stroke and accident victims have all received life saving assistance due to their wireless phones. This proposed facility will provide these important life saving benefits and improve such connectivity. In addition to the health and welfare of the public, commercial and residential users will also enjoy the ability to establish remote office locations and telecommute in their job functions. This avoids travel to and from work places which cuts down on congestive traffic and is helpful to the welfare of the individual as it also protects our environment.

Wireless expansion is truly a "community infrastructure" that benefits everyone. Since most emergency communications are initiated by the public on mobile devices the establishment of this site is important for public safety as well as personal communications.

When operational, the effects will be increased cellular service for the purposes of emergency and personal communications, access to Verizon Wireless' network of services including voice and data transfer, as well as internet access from PCs, laptops and mobile devices. These positive effects will be felt by the community as well as travelers along all roadways within the service area.

Verizon Wireless in cooperation with federal and state agencies to provide un-interrupted cellular communications during an emergency, are proposing the inclusion of an emergency, stand-by generator to their proposed facility at the Winged Foot Tank. The aftermath of 9/11, hurricane Katrina, and the "Great Northeast Power Blackout" of 2003 has prompted the federal government to encourage wireless communication providers to include an extended stand-by power source in order to maintain cellular service for the purpose of emergency communications during similar emergency situations. If a power outage is caused by an emergency situation it is in the best interest of public and local governments to keep wireless communications un-interrupted.

Based upon the Radio Engineering findings and complaints from customers in the proposed coverage area, this proposed facility's use, as public utility service with enhanced capabilities, is clearly required by the public need.

There is a significant gap in existing wireless coverage, which will be corrected with as soon as the Verizon facility is on air, insuring coverage to the residents, businesses and visitors to the area.

Consumer services include Mobile Web on hand held devices, Internet service to the laptop through a PC card with antenna capabilities, and all text, picture and movie messaging.

In closing, we understand the Open Space District's adopted policies prohibit the use of open space for purposes other than the management, recreational use, and protection of open space. However, the policies also provide for an exception to allow otherwise unpermitted uses. An exception should be granted where no feasible alternative exists and where the general public benefit outweighs the anticipated encroachment for degradation of the open space area and that any exception is also subject to environmental assessment and public hearings. We believe that due to the lack of alternatives, the need for service and strong public benefit coupled with the site design and unique location of the NMWD parcel that this project qualifies for an exception.

Thank you for your time and consideration of our request.

Sincerely,

Peter Hilliard  
707.732.7227

1

1

FOR ACCESSIBLE  
MEETING INFORMATION  
CALL: (707) 543-3350  
ADD: (707) 543-3031



**WATER ADVISORY COMMITTEE  
AND  
TECHNICAL ADVISORY COMMITTEE**

**MONDAY, AUGUST 1, 2011**

**9:00AM**

Utilities Field Operations Training Center  
35 Stony Point Road, Santa Rosa, CA

*This is a combined WAC and TAC meeting.*

1. Check In
2. Public Comment
3. Recap from the May 2, 2011 WAC/TAC Meeting and Approval of Minutes
4. Recap from the July 11, 2011 TAC Meeting and Approval of Minutes
5. Water Supply Coordination Council
6. UWMP and Sonoma-Marín Saving Water Partnership Update
7. Biological Opinion Status Update
8. SCWA Water Supply/Transmission System Operations Status
9. Integrated Regional Water Management Plan(s) Update
10. Items for next agenda
11. Check Out

Minutes of Water Advisory Committee and Technical Advisory Committee  
35 Stony Point Road, Santa Rosa, California  
May 2, 2011

Attendees: Susan Gorin, City of Santa Rosa  
Gary Wysocky, City of Santa Rosa  
Miles Ferris, City of Santa Rosa  
Glen Wright, City of Santa Rosa  
Linda Reed, City of Santa Rosa  
Jennifer Burke, City of Santa Rosa  
Sandi Bliss, City of Santa Rosa  
Linda Hall, City of Santa Rosa  
Jake Mackenzie, City of Rohnert Park  
Darrin Jenkins, City of Rohnert Park  
Laurie Gallian, City of Sonoma  
Milenka Bates, City of Sonoma  
Toni Bertolero, City of Sonoma  
Mark Landman, City of Cotati  
Damien O'Bid, City of Cotati  
Dennis Rodoni, North Marin Water District  
Chris DeGabriele, North Marin Water District  
Mike Healy, City of Petaluma  
Remleh Scherzinger, City of Petaluma  
Pamela Tuft, City of Petaluma  
Robin Goble, Town of Windsor  
Debora Fudge, Town of Windsor  
Richard Burt, Town of Windsor  
Mike Ban, Marin Municipal Water District  
Mark Bramfitt, Valley of the Moon Water District  
Krishna Kumar, Valley of the Moon Water District  
Efren Carrillo, SCWA  
Mike McGuire, SCWA  
Grant Davis, SCWA  
Spencer Bader, SCWA  
Michael Gossman, SCWA  
Carrie Pollard, SCWA  
Michael Thompson, SCWA  
Ann DuBay, SCWA  
Erik Brown, SCWA  
David Manning, SCWA  
George Lincoln, SCWA

Public Attendees: Brenda Adelman, RRWPC  
J. Dietrich Stroeh, CSW/Stuber-Stroeh Engineering  
Bob Anderson, United Wine Growers  
Dawna Gallagher  
David Keller, FOER  
Tom Yarish, Friends of the Esteros  
Dawn Tuffler, Kennedy/Jenks  
Holly Kennedy, HDR  
Greg Koonce, InterFluve, Inc.  
Mark Hammer, HDR  
Gina Cuelis  
Natalie Bunamonte, Sonoma County Ag Commissioner's Office

1. Check-in  
WAC Chair Susan Gorin called the meeting to order at 9:01 a.m.
2. Public Comment  
None
3. Recap from March 7, 2011 WAC/TAC Meeting and Approval of Minutes  
Moved by Debora Fudge, Town of Windsor, seconded by Jake Mackenzie, City of Rohnert Park, carried unanimously to approve the minutes of the March 7, 2011 WAC/TAC meeting as submitted.
4. Recap from April 4, 2011 TAC Meeting and Approval of Minutes  
Moved by Miles Ferris, City of Santa Rosa, seconded by Milenka Bates, City of Sonoma, carried unanimously to approve the minutes of the April 4, 2011 TAC meeting as submitted.
5. UWMP Update and Approve Request for Regional Compliance with SBx7-7  
Chris DeGabriele, North Marin Water District, reported that water contractor staff have been working on Urban Water Management Plans which must be completed and submitted to the DWR by June 30, 2011 and include the SBx7-7 requirements. Discussion ensued regarding the merits of a regional/individual approach. Moved by Dennis Rodoni, seconded by Jake Mackenzie, to notify DWR that the water contractors and Marin Municipal have formed a regional alliance to comply with SBx7-7.
6. Water Supply Coordination Council  
The report from the Water Supply Coordination Council Meeting of April 11 included in the meeting packet was reviewed.
7. Biological Opinion Status including Dry Creek Pipeline Feasibility Study Update  
Ann DuBay, SCWA, reported updates on the Biological Opinion are published monthly. Links to the Fish Habitat Enhancement and the Pipeline Feasibility studies are on the SCWA website. CDs are available. Greg Koontz gave an overview of the Dry Creek Fish Habitat Enhancement Feasibility Study, and Holly Kennedy and Mark Hammer gave an overview of the Dry Creek Bypass Pipeline Project Feasibility Study.
8. Change Petition Status Update  
Grant Davis, SCWA, reported that SCWA has submitted a TUCP to the State Board and is awaiting an answer on the status of the petition. A response is expected later in the month. Pam Jeane will advise WAC/TAC when it is received and will report at the next TAC meeting as well.
9. Update on Frost Protection Requirements  
Efren Carrillo, SCWA Board, introduced Natalie Bunamonte who reported on the frost protection issues which are addressed in a county ordinance passed by the Board of Supervisors. Discussion followed regarding the implementation of the two phase schedule for compliance with the ordinance and the arising issues. Water contractors are not affected according to Supervisor Carrillo. Registration of 660 users is under way.
10. Integrated Regional Water Management Plan(s) Update  
Jake Mackenzie, City of Rohnert Park, attended a North Coast IRWMP meeting last Friday in Eureka and gave a report. A planning grant has been awarded to NCIRWMP in a statewide competitive process which will enable moving forward in preparing for the next round of Proposition 84 funding implementation. SCWA will continue to take the lead. A response for an additional grant applied for in January should be received this summer.  
Chris DeGabriele reported a planning grant was also awarded to the SF Bay Area IRWMP and a summary of the Bay Area process prepared by MMWD was included in the meeting packet.

11. SB34 California Water Resource Investment Act of 2011 (Public Goods Charge)  
Chris DeGabriele, NMWD, reported on SB34. He distributed a summary of SB34 written by Paul Helliker, MMWD. This bill is an attempt to raise about \$5 billion statewide immediately from water suppliers throughout California. Chris recommends opposing this bill.

12. Items for next agenda

**TAC – June 4**

Urban Water Mgmt. Plan

Water Agency update of operations

**WAC – August 1**

Presentation of Long Range Financial Plan

13. Check out

The next regular TAC meeting will be held June 6, 2011. The next regular WAC/TAC meeting will be held August 1, 2011.

Chair Gorin adjourned the meeting at 11:40a.m.

Draft Minutes of Technical Advisory Committee  
35 Stony Point Road, Santa Rosa, California  
July 11, 2011

Attendees:

- Glen Wright, City of Santa Rosa
- Jennifer Burke, City of Santa Rosa
- Linda Hall, City of Santa Rosa
- Damien O'Bid, City of Cotati
- Darrin Jenkins, City of Rohnert Park
- Toni Bertolero, City of Sonoma
- Drew McIntyre, North Marin Water District
- Chris DeGabriele, North Marin Water District
- Remleh Scherzinger, City of Petaluma
- Richard Burt, Town of Windsor
- Craig Scott, Town of Windsor
- Krishna Kumar, Valley of the Moon Water District
- Grant Davis, SCWA
- Spencer Bader, SCWA
- Jay Jasperse, SCWA
- Pam Jeane, SCWA
- Carrie Pollard, SCWA
- Mike Thompson, SCWA
- Ann DuBay, SCWA
- Michael Gossman, SCWA
- Scot Carpenter, SCWA
- Jim Flessner, SCWA

Public Attendees:

- Brenda Adelman, RRWPC
- Bob Anderson, United Wine Growers
- David Keller, FOER

1. Check-in

TAC Chair Chris DeGabriele called the meeting to order at 9:05 a.m.

2. Public Comment

David Keller inquired if contractors will be providing documentation to the State Water Resources Control Board regarding the proposed frost protection regulations. Chris DeGabriele advised that he had reviewed the available documentation, spoken with the SCWA and folks in Sacramento familiar with the proposed regulation. He believes it is likely that the state board will adopt the regulations. Frost protection is not specifically included as a beneficial use in the SCWA water rights, and the Water Contractors don't

hold any Russian River water rights. Chris feels the Water Contractors do not need to comment as he is most certain it will be adopted.

3. Recap from June 6, 2011 TAC Meeting and Approval of Minutes

Glen Wright moved to approve the minutes as published, seconded by Remleh Scherzinger; motion passed.

4. L/R/T2 Program Update

The SCWA started the Local Supply/Recycled Water/Tier 2 Water Conservation Program (L/R/T2) in 2001 when the Impairment MOU was adopted. The plan was to collect \$13M over 10 years on the purchased water rate and distribute it back to the Water Contractors for approved L/R/T2 projects based on an agreed upon allocation. Approximately \$10M has been collected so far, with \$8 million expended. The Agency is checking records to confirm the amount and confirm that Santa Rosa, Rohnert Park, Sonoma, Cotati and Marin Municipal have not received their full allocation. The TAC agreed that all contractors should be made whole over time, not necessarily in one year, and that L/R/T2 funding be available during the next budget cycle. It will be limited to those Water Contractors who have not received full funding. Santa Rosa will not have a project until 2013-14 so will not need funding now. Program will be pursued this fall.

5. SCWA Water Supply/Transmission System Operations Status

A report was given by Scott Carpenter regarding the Sonoma booster station (SBS). He detailed the emergency at the station over the July 4 holiday weekend. The recommendation to install new electrical equipment and redundancy electrical power at the booster station to be able to handle future electrical load was made. There are current plans to upgrade the emergency generator to be able to run the entire booster station and facility as only one pump at a time can be run with the current emergency generator at this time. The TAC recommended an alternative to consider connection to a portable emergency generator.

6. 2011 TUCP Status

The Water Agency submitted its proposed 2011 Water Quality Monitoring Plan to the State Water Resources Control Board on June 29. This plan is required by Provision 8 of the 2011 Temporary Urgency Change order. The plan is posted to the website.

7. Biological Opinion Status Update

Pam Jeane reviewed the status update which was distributed.



8. Items for next agenda

**WAC/TAC – August 1**

Items are yet to be determined.

**TAC – September 12**

Items are yet to be determined.

9. Check out

The next regular WAC/TAC meeting will be held August 1, 2011. The next regular TAC meeting will be held September 12, 2011.

Meeting adjourned at 10: 00am.

# Water Supply Coordination Council

## MEETING AGENDA

Tuesday, July 19, 2011

10:00am – 11:00am

Board Caucus Room

(Councilmember Gorin call in number is 565-3761)

- 1) Review summary of last meeting (April 11)
- 2) August 1<sup>st</sup> WAC/TAC meeting
- 3) July 11<sup>th</sup> TAC Meeting
- 4) UWMP Update
- 5) SBx7-7
- 6) Long Range Financial Planning Coordination
- 7) Water Supply Strategy Action Plan Update
- 8) Schedule Next Meeting
- 9) Other

Summary  
July 19, 2011  
Water Supply Coordination Council Meeting

The WSCC is intended to coordinate activities of the Agency, WAC/TAC and other parties as necessary and to report on same pursuant to the Sonoma County Water Agency's September 15, 2009 Resolution #09-0871 to commence and continue development of new water supply projects, plans and strategies to meet the reasonably expected future water demands for the agency's water contractors. The WSCC makes no policy decisions. This WSCC summary is intended to disclose WSCC discussions with the WAC/TAC and other interested parties.

Attendees: Efren Carrillo, Grant Davis, Jay Jasperse, Susan Gorin (via telephone), Mark Bramfitt, Jake Mackenzie, Chris DeGabriele

1. Review Draft Summary of Last Meeting (April 11, 2011)

The summary of the April 11, 2011 meeting was reviewed.

2. August 1<sup>st</sup> WAC/TAC Meeting

A draft agenda for the Water Advisory Committee and the Technical Advisory Committee meeting scheduled for August 1<sup>st</sup> was reviewed. The parties noted that Jay Jasperse, Pam Jeane and Chris DeGabriele will not be in attendance at the August 1<sup>st</sup> meeting. Susan Gorin may not be in attendance; and if not, Mark Bramfitt will chair the meeting.

The parties agreed upon a WAC/TAC agenda to be distributed. It was noted that additional work is on-going to firm-up the projects identified in the UWMP's to be reflected in the Long Range Financial Plan (LRFP) and that the Water Supply Strategies Action Plan update may influence the LRFP. For these reasons, the LRFP and Water Supply Strategies Action Plan Update will not be on the August 1 WAC/TAC agenda. It was also noted that certification of the Estuary Project EIR will be considered at the August 16 SCWA Board meeting.

3. July 11 TAC Meeting

Chris DeGabriele reported on the July 11 TAC meeting.

4. Urban Water Management Plan Update

Plans have been submitted by the Water Contractors and Sonoma County Water Agency to DWR.

5. SBX7-7

Nothing new to report.

6. Long Range Financial Plan Coordination

See discussion under item 2.

7. Water Supply Action Plan Update

See discussion under item 2.

8. Schedule next meeting.

The next meeting will be scheduled in October prior to the November WAC/TAC meeting. Date and time to be determined.

12

## DISBURSEMENTS - DATED JULY 20, 2011

Date Prepared:7/19/11

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	Aberegg, Michael	Drafting Services: Stafford Outlet Tower Rehab Project (Balance Remaining on Contract \$18,932)	\$1,045.00
2	Ackerman, Gerald	Retiree Exp Reimb (Monthly Health Ins)	90.69
3	Advanced Reproduction Center	Plans & Specs for Recycled Water Expansion North-Segment 3 (10 sets)	806.86
4	Arnheiter, Janice	Refund Overpayment on Closed Account	78.51
5	Basic Chemical Solutions	Sodium Hydroxide (1,000 gals)	3,615.69
6	Bay Area Barricade Service	7" Traffic Cone Collars (20)	125.93
7	Bradbery, Ronald	Retiree Exp Reimb (Monthly Health Ins)	90.69
8	Bundesen, Gerald	Retiree Exp Reimb (Monthly Health Ins)	704.96
9	Butti, Lou	Retiree Exp Reimb (Monthly Health Ins)	704.96
10	Cagwin & Dorward	Refund Security Deposit on Hyd Meter Less Final Bill	1,028.84
11	California Water Service	May/June Water Service (OM) (0 Ccf)	125.05
12	CDW-Government	Enclosure for Wireless Switch in Warehouse	300.79
13	Clay, Gary	Novato "Toilet Rebate" Program	300.00
14	Cleveland, Roland	Refund Overpayment on Closed Account	21.78
15	CPI International	Colitag Test Kits (2) & Colitag Comparator (Lab)	233.00

Seq	Payable To	For	Amount
16	CSW/Stuber-Stroeh Engineering	Prog Pymt #4: Reservoir Hill Tank Rehabilitation (\$5,242) (Balance Remaining on Contract \$13,193), Plum Tank Access Easement (\$1,700), Lea Drive Piping Revisions (\$1,066), So Novato Blvd Main Rehabilitation (\$601) & Pt Reyes Tank Piping Revisions (\$3,148) (Balance Remaining on Contract \$18,314)	11,758.13
17	DeBiasio, Robert	Novato "Washer Rebate" Program	75.00
18	Derby, Richard	Retiree Exp Reimb (Monthly Health Ins)	90.69
19	Diggs, James	Retiree Exp Reimb (Monthly Health Ins)	704.96
20	Eberhart Software Consulting	ABRA HR Software Consulting/Training-6/10	38.27
21	Electrical Equipment	Pump Motor Starter Coil for PRE PS #2	79.28
22	Environmental Express	Filters (1,000) (Lab)	291.79
23	Eyler, John	Retiree Exp Reimb (Monthly Health Ins)	90.69
24	Charles Z. Fedak	Prog Pymt #2: Financial Statement Audit FY11 (Balance Remaining on Contract \$15,900)	9,760.00
25	Fisher Scientific	Glassware Rack (Lab)	173.92
26	Fuller, Anna	Novato "Washer Rebate" Program	75.00
27	Garcia, Alma	Refund Overpayment on Closed Account	61.41
28	GE Sensing	Replacement Portable Flow Meter Kit (FY11 Budget \$10,000)	8,408.21
29	Golden Gate Petroleum	Gasoline (\$3.66/gal) & Diesel (\$3.84/gal)	2,828.12
30	Grainger	9" Cable Ties (300), Alarm Dialer for Phillips Assoc to Receive Alarms from SCADA (\$395), Banding Clamps for Strapping Items to Pallet, Expansion Joint (\$307) & Full Face Flange Gaskets (2)	808.50
31		Cafeteria Plan - Child Care Reimbursement	208.33


Seq	Payable To	For	Amount
32	Groeniger	Tube Nuts (5)	61.52
33	Hardy Diagnostics	Agar (Lab)	81.06
34	Hayes, Carol	Novato "Washer Rebate" Program	75.00
35	HydroScience Engineers	Engineering Services: Design & Prepare Specifications for Pt Reyes TP Solids Handling Addition (Balance Remaining on Contract \$19,750)	4,700.00
36	Johnstone, Daniel	Retiree Exp Reimb (Monthly Health Ins)	90.69
37		Cafeteria Plan - Uninsured Medical Reimbursement	60.00
38	Kemira Water Solutions	Ferric Chloride (9.20 tons)	7,173.93
39	LeBlanc, Susan	Refund Alternative Compliance Reg 15 Deposit	945.00
40	Legge, Barbara	Novato "Toilet Rebate" Program	75.00
41	Linscott Engineering	Refund Security Deposit on Hyd Meter Less Final Bill	550.08
42	Maltby Electric	Generator Plug Assembly & Adapter	635.98
43	Matchette, Tim	Retiree Exp Reimb (Monthly Health Ins)	192.87
44	McAghon, Andrew	15 cu yd Box for Carbon Loads @ STP (9 loads)	3,240.00
45	McMaster-Carr Supply	Pipe Fittings	49.77
46	Nelson, John O.	Retiree Exp Reimb (Monthly Health Ins)	90.69
47	Neopost USA	Ink Cartridge for Mailing Machine	314.25
48	Novato Lock	Dead Bolt Lock (Crest Tank Instrument Enclosure)	74.46
49	Novato Chevrolet	Windshield Washer Pump ('06 Chevy Colorado)	37.41
50	NTU Technologies	Polymer (1,800 lbs)	2,628.00

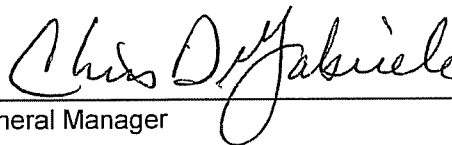
Seq	Payable To	For	Amount
51	Oblites, Alison	Novato "Cash for Grass" Program	1,000.00
52	Pace Supply	Brass Nipples (6) & Meter Spuds (9)	235.70
53	NMWD Petty Cash	Petty Cash Reimbursement: Safety Bucks, Lab Supplies, Safety Snacks, DMV Print Out, Bridge Toll, Bagels for Inventory Count, Mileage & Bubble Mailer	88.28
54	Peyton, Sharon	Novato "Toilet Rebate" Program	300.00
55	Poiani, Pete	Retiree Exp Reimb (Monthly Health Ins)	90.69
56	Pollard Water	Adapters (8)	195.21
57	Preferred Alliance	Pre-Employment Drug Screen (Lemos & Williams)	84.00
58	Roy's Sewer Service	Pumped & Cleaned Dosing Tank @ Oceana Marin	500.00
59	Sacramento Flow Control	Backflow Devices (Bel Main Keys)	317.55
60	Saxena, Sanjay	Novato "Washer Rebate" Program	50.00
61	Silverstein, Roberta	Novato "Rainwater Harvesting Rebate" Program	37.50
62	Smail, Catherine	Retiree Exp Reimb (Monthly Health Ins)	90.69
63	Sonosky, Norma	Retiree Exp Reimb (Monthly Health Ins)	90.69
64	SST Insurance Brokers	1st Quarterly Pymt: Property, E&O & Fidelity Bond	21,192.50
65	Staples Advantage	Flash Drives (2) (Kessler)	65.68
66	The Transmitter Shop	Spare Tank Level Transmitters (3) (for RTU Upgrades)	2,062.00
67	United Parcel Service	Delivery Service: Ret'd Defective Camera (\$7) & Sent Signed Agreement-RW North (\$6)	12.47



Seq	Payable To	For	Amount
68	Univar	Caustic Soda (12.42 tons)	8,011.87
69	US Concrete Precast Group	24 Grade Rings (2)	59.67
70	Velloza, Richard	Retiree Exp Reimb (Monthly Health Ins)	90.69
71	Watersavers Irrigation	Irrigation Supplies for Crest Tank	362.71
72		Vision Reimbursement	60.00
		<b>TOTAL DISBURSEMENTS</b>	<b><u>\$100,798.66</u></b>

The foregoing payroll and accounts payable vouchers totaling \$100,798.66 are hereby approved and authorized for payment.


7/18/11  
 \_\_\_\_\_  
 Auditor-Controller Date


7/18/2011  
 \_\_\_\_\_  
 General Manager Date

## DISBURSEMENTS - DATED JULY 27, 2011

Date Prepared: 7/26/11

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 7/15	\$120,910.73
EFT*	Bank of the West	Federal & FICA Taxes PPE 7/15	45,616.98
1*	Marin County Clerk	Environmental Fees to File Notice of Determination for the Aqueduct Energy Efficiency Project	2,889.25
2	Advanced Reproduction Center	Plans & Specs for Recycled Water Expansion North Segment 3 (30 sets)	2,095.79
3	Allied Heating & Air Condition	Quarterly Maintenance on HVAC System (6/1/11-8/31/11)	350.00
4	All Star Rents	Propane for Forklift @ STP (23 gal)	72.62
5	AquaMetrics	Large Landscape Audit (Village Marin Meadows)	2,300.00
6	AT&T	Telephone Charges: Leased Lines	62.76
7	AT&T	Telephone Charges: Local (\$7) & Minimum (\$134)	141.56
8	Basic Chemical Solutions	Sodium Hypochlorite (200 gals)	771.14
9	Bay Area Barricade Service	Signs: Right & Left Lane Closed Ahead (2 ea) (\$211), Hard Hat Liners (6) (\$84), Flag Stand Brace (\$123) & Grey Paint	434.91
10	CAD Masters	Install 2012 AutoCad Civil 3D & Raster Design on 8 Computers in Eng Dept	1,000.00
11	State of California	State Tax & SDI PPE 7/15	9,227.93
12	Calif Contractors Supplies	Titanium Step Drill Bits (3)	191.84
13	Charter Peterbilt	Weather Stripping	48.96

Seq	Payable To	For	Amount
14	Core Utilities	Consulting Services: June IT Support Services (\$5,000), Water Rate Model (\$225), WebSite (\$75), Large Landscape Database (\$125) & Oceana Marin Remote SCADA Screens (\$4,850)	10,275.00
15	Covello Group	Prog Pymt #2: Recycled Water Pipeline Expansion (Balance Remaining on Contract \$531,845)	12,839.75
16		Cafeteria Plan - Uninsured Medical Reimbursement	128.50
17	De Wolf, K.	Refund Security Deposit on Hyd Meter Less Final Bill	426.44
18	Environmental Science Assoc	Prog Pymt #7: NMWD - SRF Environmental Support Services-North (Balance Remaining on Contract \$21,544)	1,108.75
19	Ferguson Enterprises	4"-12" Valve Tapping System (Budget \$48,000)	47,241.18
20		Vision Reimbursement	307.02
21	Golden Gate Petroleum	Diesel (3.95/gal)	1,976.43
22	Groeniger	Bushings (8), Brass Couplings (10) (\$42), Bell Reducers (6), Galv Caps (2), Nipples (18) (\$401), Tee, Hydrants (6) (\$6,299), Ells (2) (\$145) & Rubber Ring Gaskets (10)	7,037.76
23	Hach	Sulfite Reagent Pillows (100) (\$68), Ammonia Electrode Solution (Lab) & Electrolyte (\$76) (STP)	162.35
24		Vision Reimbursement	189.97
25	HydroScience Engineers	Engineering Services: Design & Prepare Specifications for Pt Reyes TP Solids Handling Addition (Balance Remaining on Contract \$14,050)	5,700.00
26	InfoSend	June Processing Fee for Water Bills (\$1,447) & Postage (\$3,610)	5,057.28
27	Journey Ford/Lincoln	Wheel Hub Rotor (\$145), Oil Seals, Brake Pads (\$50) ('05 Ford Ranger) & Hub Caps (2)	223.71

Seq	Payable To	For	Amount
28		Cafeteria Plan - Uninsured Medical Reimbursement	48.65
29	Lab Safety Supply	Disinfectant (1 gal) (\$73), Nitrile Gloves (\$157) & Bottle Brushes (11) (\$73) (Lab)	303.96
30	Maltby Electric	Junction Box for Generator Plug (\$65), Junction Box for Generator Plug Connection (\$259) (Budget \$900), Generator Plug (\$328) & 2" Plastic Bushings (12)	658.82
31	Marin County Recorder	April Photocopy of Official Records (1)	4.00
32	McLellan, WK	Misc Paving: Sunset Parkway (\$14,474) & Novato Area (\$3,174) (442 S.F.)	17,648.15
33	MegaPath	DSL Internet Service (7/12/11 - 8/11/11)	142.30
34	Miller Pacific Engineering	Geotechnical Services: Crest Rd Water Tank (Balance Remaining on Contract \$24,321)	2,659.70
35	Novato Disposal Service	June Trash Removal	403.40
36	Novato Sanitary District	Reimbursement for NSD Temp Employees Hrs (PPE 5/31, 6/15 & 6/30)	11,819.85
37	NTU Technologies	Polymer (2,200 lbs)	6,028.00
38	Nute Engineering	Engineering Services: Hamilton Area Recycled Water Project (\$89,752) (Balance Remaining on Contract \$104,576) & Oceana Marin Cross-Country Sewer Line Rehab (Balance Remaining on Contract \$13,510)	94,361.36
39	Office Depot Business Service	Copy Paper (190 reams)	734.06
40	Pace Supply	Meter Spuds (31)	244.44
41	Parkinson Accounting Systems	June Accounting Software Support	1,365.00
42	Paso Robles Tank	Prog Pymt #12: Crest Water Tank Project (Total Pymts \$689,829 Less Retention)	18,789.92
43	PERS Retirement System	Pension Contribution PPE 7/15	37,477.94

Seq	Payable To	For	Amount
44	Pacific Gas & Electric	Power: Bldgs/Yard (\$2,955), Rectifier/Controls (\$293), Pumping (\$28,049), Treatment (\$12,851) & Other (\$135)	44,283.86
45	Point Reyes Light	Display Ad: Ordinance #25 for Oceana Marin	144.00
46	Point Reyes Prop Mgmt Assn	July HOA Dues (25 Giacomini Rd)	118.91
47	Protection Engineering	Zinc Anodes (200) (4lbs)	4,537.52
48	Roberts & Brune	Nipples (12), Meter Boxes (10) (\$269), Box Lids (18) (\$1,055), Bushings (5), Corp Stops (4) (\$746), Angle Meter Stops (46) (\$2,451), Couplings (30) (\$518) & Hand Valves (5) (\$292)	5,447.96
49	Sacramento Flow Control	Backflow Devices for Bel Marin Keys (23)	4,628.25
50	Sonoma County Water Agency	June Contract Water	363,426.22
51	Staples Business Advantage	Quarterly Office Supply Order: Pens w/Chain (4), Dust-off (6 10oz) (\$45), Laminated Pouches (100) (\$50), Legal Pads (24), Address Labels (3,000), Post-it Notes (48), Pens (108) (\$118) & Franklin Covey Refill Pages (\$29) (Clark)	326.88
52		Cafeteria Plan - Uninsured Medical Reimbursement	12.99
53	Township Building Services	June Janitorial Services	1,714.00
54	Ultra Scientific	Reference Samples (Lab)	135.66
55	Verizon California	Telephone Charges: Leased Lines (\$616) & Minimum (\$27)	643.38
56	Volvo Construction Equipment	Replacement Air Compressor (Budget \$20,000)	16,671.38
57	VWR International	Tape (\$137), Filter Glass (100) (\$69), Detergent (1 gal) (\$70), Pipette Tips (1,000) (\$45), pH Probe (\$402) & Chlorine Reagent (7) (\$105) (Lab)	828.05
58	White & Prescott	Engineering Services: Heidrun Meadery (Balance Remaining on Contract \$7,845)	760.00

Seq	Payable To	For	Amount
59	Wiley Price & Radulovich	Consulting Services: Sonoma County Civil Grand Jury Info Request & SB931 (Use of Consultants) (\$270) & Temp Distrib & TP Operator (\$81)	351.00
60	Winzler & Kelly	Engineering Services: Aqueduct Relocation (Balance Remaining on Contract \$48,959)	27,562.92
61	Zenith Instant Printing	Water Smart Survey Forms (200)	83.24
<b>TOTAL DISBURSEMENTS</b>			<b><u>\$943,154.38</u></b>

The foregoing payroll and accounts payable vouchers totaling \$943,154.38 are hereby approved and authorized for payment.

  
Auditor-Controller

7/26/11

Date

  
DREW MCINTYRE  
FOR General Manager

7/26/11

Date

**MEMORANDUM**

To: Board of Directors  
From: Nancy Williamson, Senior Accountant  
Subject: June 2011 Equipment Auction Report  
t:\finance\memos\bod memo vehicle auction 0611.doc

July 29, 2011

**INFORMATION ONLY:** Auction of surplus equipment  
**FINANCIAL IMPACT:** \$11,232 income received

The following equipment was sold at auction by 1<sup>st</sup> Capitol Auction on June 24, 2011, and payment was received July 11, 2011.

<u>Equip. No.</u>	<u>Description</u>	<u>Miles</u>	<u>Est Value</u>	<u>Net Received<sup>1</sup></u>
#9A	1991 Trail King Tilt Deck Trailer		\$2,000	\$2,592
#10	1971 Chevy Flat Bed Truck	112,000+	\$1,000	\$768
#63	1992 Ingersoll-Rand 185 Air Compressor		\$1,500	\$1,536
#65	1986 Caterpillar Generator with Trailer		\$5,000	\$3,552
	1990 Auto Crane		<u>\$500</u>	<u>\$2,784</u>
		Total	<u>\$10,000</u>	<u>\$11,232</u>

<sup>1</sup>Net of Capitol Auction's 4% commission.

## MEMORANDUM

To: Board of Directors  
From: David L. Bentley, Auditor-Controller  
Subj: Residential Consumption 20-Year History  
t:\aclword\memo\12\sf residential consumption.docx

July 29, 2011

**RECOMMENDED ACTION:** Information

**FINANCIAL IMPACT:** Reduced Water Sales Revenue and Purchased Water Cost

As shown on the attached charts, water consumption by the median single-family detached home in Novato was down again last fiscal year, while in West Marin median use stabilized. In Novato, FY11 median consumption was 100,000 gallons, the lowest since we began accumulating consumption data in 1986. Novato's FY11 consumption continues the downward trend that began seven years ago. Note also that the spread between the mean and median consumption has fallen from 22,000 gallons in FY03 (the year before the first tier rate was enacted) to 10,000 gallons last year. This narrowing between the mean and median reflects the success of the District's tier-rate structure and water conservation programs in reining-in high-demand residential customers. The median FY11 single-family residential demand in Novato was down 27% from the FY97 peak.

In West Marin, FY11 median consumption was 55,000 gallons, the same as the prior year, and remains at the lowest level since we began keeping consumption records. The median FY11 single-family residential West Marin demand was down 29% from the FY01 peak.

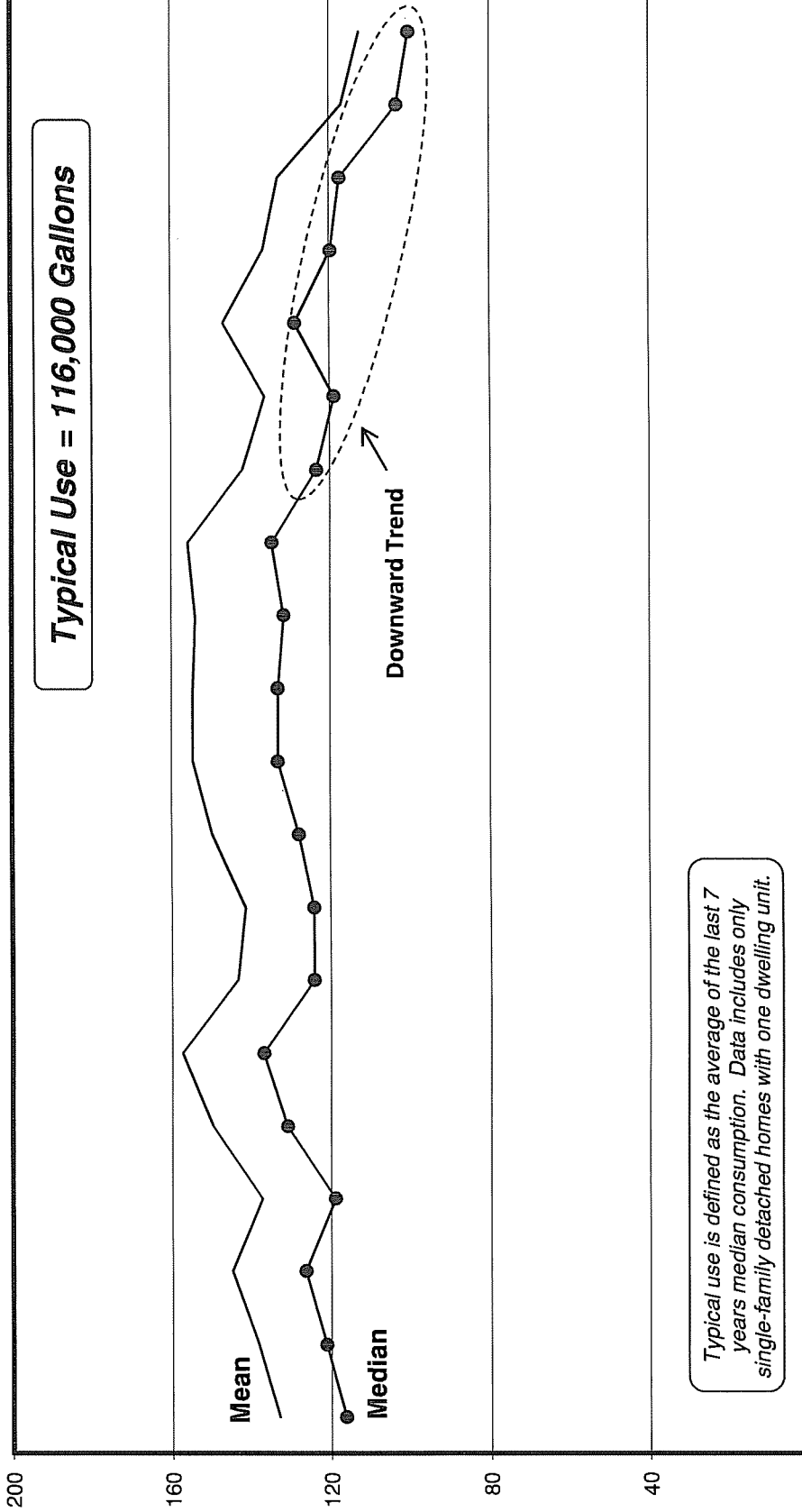
These consumption volumes are used to calculate total annual water cost, for both North Marin and the water agencies we compare rates with. For smoothing purposes the average of the past seven years median consumption is used to calculate "typical" single-family residential consumption. For Novato, typical consumption is now 116,000 gallons, down 5,000 gallons from one year ago. This reduction in water use effectively reduces the annual water cost for the typical Novato customer by 3%.

For West Marin, typical consumption is now 63,000 gallons, down 2,000 gallons from the prior year. This reduction in water use effectively reduces the annual water cost for the typical NMWD West Marin customer by 2%.



## Novato Residential Consumption Mean & Median Annual Water Use 20-Year History

1,000  
Gallons



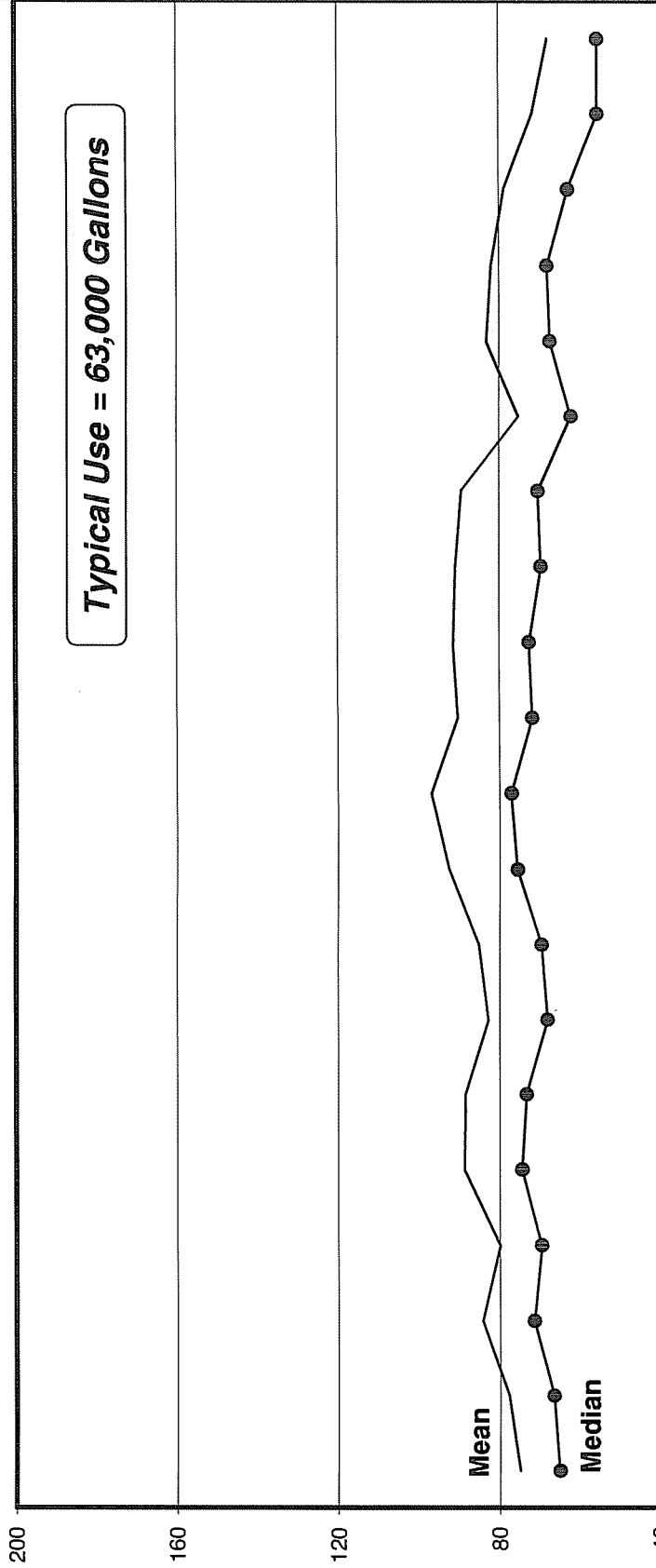
Typical use is defined as the average of the last 7 years median consumption. Data includes only single-family detached homes with one dwelling unit.

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
— Mean	133	138	145	137	150	157	143	141	150	155	155	154	156	142	136	147	137	133	117	113
—●— Median	116	121	126	119	131	137	124	124	128	133	133	132	135	123	119	129	120	117	103	100

Fiscal Year Ending

**West Marin Service Area Residential Consumption**  
**Includes Point Reyes Station, Olema, Inverness Park, Bear Valley & Paradise Ranch Estates**  
**Mean & Median Annual Water Use**  
**20-Year History**

1,000 Gallons



Typical use is defined as the average of the last 7 years median consumption. Data includes only single-family detached homes with one dwelling unit.

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
— Mean	75	78	84	80	89	88	83	85	93	97	90	91	91	89	75	83	82	79	72	68
—●— Median	65	67	71	70	74	73	68	70	76	77	72	73	70	70	62	67	68	63	55	55

Fiscal Year Ending



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## Novato Advance > News

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### Algebra Academy adds up for students

Print Page

By Bruce Meadows, Marinscope Contributor

Published: Wednesday, July 27, 2011 1:58 PM PDT

Learning math is one thing — applying it to the real world is something else.

Herculean as it may sound, that's the goal of the North Bay Leadership Council's Algebra Academy set to hold a three-week program starting Aug. 1 in Novato.

The academy will include English-learning students from Novato middle schools, as selected by their teachers based on performance as well as need.

The first two hours of the 8 a.m.-noon program each day will be devoted to teaching, with longtime San Jose Middle School instructor Cheyl Griffin as the teacher.

After two hours of instruction, the 25-30 students will visit various sponsor businesses, the stated goal "to help jump-start students' interest in and knowledge of algebra as well as other math and science-related topics," an effort designed to "connect the dots for them on why learning algebra is a linchpin for college and career readiness."

Griffin, who has taught math in Novato for 22 years, said visiting businesses each day "will enable me to show the students just how important math, and specifically algebra, is in doing the work at these businesses."

According to NBLC's Cynthia Murray, a former Marin County supervisor, former council member and former mayor of Novato, students will get a chance to meet employees at various businesses "and get them excited about math."

The first week, students will spend two days at the North Marin Water District, then two days at the Novato Sanitary District. The fifth day, Redwood Credit Union representatives will provide instruction on financial literacy.

The second week, the class will spend five days at Infineon Raceway near Sonoma, and the third week will be at the Buck Institute in Novato.

Students will meet with scientists, engineers, financial experts, designers, and other professionals who will share how they use math and science in their work and showcase careers that require these skills. Students will also be able to tour the worksites and participate in real work experiences.

There is no cost to students, who receive a notebook and backpack as well as lunch from the participating business each day.

Schools and the NBLC share some costs such as transportation and the council pays for the teacher, according to Murray, adding that grant money also helps fund the program.

"These kids are giving up three weeks of their summer," said Murray, council president and CEO who has been with the group the past six years. "We'd like to grow this program in Marin County and include more kids in the future."

Following completion of the three-week academy, students and their parents will take part in a graduation ceremony, with Novato's mayor as well as a keynote speaker expected to participate.

Murray said the plan is to track participating students to see how many move on in math in college and beyond

The NBLC is an employer-led public policy advocacy organization "committed to providing leadership in ways to make the North Bay sustainable, prosperous and innovative."

The council, which recently celebrated its 20th anniversary, includes 40 leading employers in the region with members representing a wide variety of businesses, non-profits and educational institutions.

The Novato academy is modeled on the successful Mike Hauser Algebra Academy, run by the Santa Rosa Chamber of Commerce and enjoying its fourth year in Santa Rosa.

The Hauser program started in 2008 and doubled in size to 60 students the second year of existence. Academy sponsors have included Agilent Technologies, JDS Uniphase, Medtronic Cardiovascular and Pacific Gas & Electric as well as the Sonoma County Office of Education and Piner-Olivet, Roseland and Santa Rosa City School districts.

"The academies have been very popular in Santa Rosa and the kids and teachers love them, so we anticipate a similar response in Novato," said Murray. "We hope the kids will talk it up because we really do want to grow this program."

Griffin, the math department chair at San Jose Middle School, appears to be a logical choice as instructor, noting that "Algebra is my specialty and I love the opportunity of showing kids how it can be used in real life."

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## POINT REYES LIGHT July 21, 2011

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& Mining, 14 Village Ct., San Rafael, CA 94903, 02: PGE, M Graphic, 14 Village Ct., San Rafael, CA 94903, 03: PG&M, 14 Village Ct., San Rafael, CA 94903. This business is conducted by an individual: Petr Kadera, 14 Village Ct., San Rafael, CA 94903. This statement was filed with the County Clerk of Marin County on July 15, 2011, signed: O. Lobato, Deputy. Published in the Point Reyes Light July 21, 28, August 4, 11, 2011.

The following person(s) is (are) doing business as: 01: The Midnight Kitchen, 28 Latham St., San Rafael, CA 94901, 02: A Midnight Kitchen, 28 Latham St., San Rafael, CA 94901, 03: Sopazzi's, 28 Latham St., San Rafael, CA 94901. This business is conducted by an individual: Armida Scopazzi, 28 Latham St., San Rafael, CA 94901. This statement was filed with the County Clerk of Marin County on June 30, 2011, signed, J. Mannion, Deputy. Published in the Point Reyes Light July 21, 28, August 4, 11, 2011.

**Fictitious Business Name Statement**  
File No. 127124

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Summary of Ordinance 25 adopted by North Marin Water District Board of Directors on July 5, 2011 as follows:

Ordinance of the Board of Directors of North Marin Water District Electing to Have Oceana Marin Sewer Service Charges Collected on the Tax Roll of the County of Marin, State of California commencing Fiscal Year 2011-12.

This Ordinance revises Section c. of Regulation 109, Oceana Marin Sewer Service - Rates and Charges to read, "For Fiscal Year 2011-12 a sewer service rate of \$693 per equivalent unit per year shall be paid by the owner of the land served."

The annual sewer service charge, pursuant to Section 5473 of the Health and Safety Code of the State of California, will be collected on the tax roll of the County of Marin.

*Published in the Point Reyes Light July 21 and August 11, 2011*