



**NORTH MARIN
WATER DISTRICT**

**NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING**
August 2, 2016 – 7:00 p.m.
District Headquarters
999 Rush Creek Place
Novato, California

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Est. Time	Item	Subject
7:00 p.m.		CALL TO ORDER
	1.	APPROVE MINUTES FROM REGULAR MEETING , July 19, 2016
	2.	GENERAL MANAGER'S REPORT
	3.	OPEN TIME: (Please observe a three-minute time limit) This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	4.	STAFF/DIRECTORS REPORTS
	5.	CITY OF NOVATO GENERAL PLAN UPDATE PRESENTATION
	6.	PRELIMINARY FY 2015/16 FINANCIAL STATEMENT ACTION CALENDAR
	7.	Approve: Proposed Revisions to Employer Assisted Housing Program – Board Policy #42
	8.	Approve: Comments on PG&E Application for Temporary Variance of Minimum Flow Requirements (PVP)
		INFORMATION ITEMS
	9.	NBWRA Meeting Update – July 26, 2016
	10.	WAC/TAC Meeting - August 1, 2016
	11.	MISCELLANEOUS Disbursements Scrap Metal Receipts FY16 4 th Quarter Labor Cost Report Self-Insured Workers' Comp -4 th Quarter Status Report <u>News Articles:</u> Coastal Commission delays hearing on Marin Coastal Plan to October, possibly in Arcata Is the North Coast still in a drought?
	12.	CLOSED SESSION: Conference with Real Property Negotiator (Chris DeGabriele) regarding 8161 Redwood Blvd, Novato, CA (Government Code Section 54956.8)
8:30 p.m.	13.	ADJOURNMENT

All times are approximate and for reference only.

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

1

1 water right diversion amounts above 75,000 acre feet. Mr. DeGabriele noted that the Technical
2 Advisory Committee has met in Ad Hoc session to review a letter which is proposed to come from
3 the Water Advisory Committee once SCWA officially notifies the District of the withdrawal. He
4 informed the Board that the letter will state the Water Contractors understanding that the
5 Restructured Agreement remains valid and that the District should continue to rely on the delivery
6 entitlements therein for planning purposes and that SCWA will secure additional Water Rights in the
7 future when projected demands project that the need is timely.

8 Oceana Marin Homeowners Meeting

9 Mr. DeGabriele informed the Board that he and Mr. McIntyre attended the Oceana Marin
10 Homeowners meeting on Saturday July 16th. He stated that it was well attended and that they gave
11 customers an overview of last Fiscal Year performance and an update on the rate increase, Sewer
12 Connection Fee increase and the Master Plan. Mr. DeGabriele informed the Board that Mr.
13 McIntyre reviewed a plan to perform a vulnerability analysis and develop a hazard mitigation plan to
14 hopefully be eligible for FEMA funding for some of the work. He noted that Director Rodoni also
15 attended the meeting.

16 Self-Certification

17 Mr. DeGabriele advised the Board that the District received an inquiry from the State Water
18 Resources Control Board about the District's Self Certification of supply calculation. He stated that
19 the District has responded with additional information which has also been posted to the District's
20 website.

21 **OPEN TIME**

22 President Schoonover asked if anyone in the audience wished to bring up an item not on the
23 agenda and the following items were discussed:

24 Pari Danadoost addressed the Board as a 20-year North Marin Water District customer
25 complaining that even though she had paid her bill she had her water service disconnected two
26 times in the past month. Staff at the meeting were unaware of the circumstances and advised that
27 they would look into the situation and provide Ms. Danadoost a response on the following day.

28 Director Rodoni suggested Ms. Danadoost enroll in the automatic payment service offered
29 by the District.

30

1 **STAFF / DIRECTORS' REPORTS**

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

4 Director Fraites and Director Baker reported that the Grossi Dairy is again spreading manure
5 near Stafford Lake which will negatively affect water quality and asked what staff can do to prevent
6 such practice. Mr. DeGabriele replied that a complaint to the San Francisco Bay Area Regional
7 Water Quality Control Board will be pursued.

8 Ms. Young advised that she will be on vacation when the next Board meeting occurs and
9 that Engineering Secretary Eileen Mulliner will attend in her absence.

10 Mr. McIntyre asked that item #8 on tonight's agenda, Novato Chevrolet Fire Service Water
11 Agreement, be pulled from the consent calendar as the agreement included with the agenda packet
12 references only one APN yet the property encompasses two parcels and should reflect that fact. A
13 revised agreement has been prepared and is available for the Board to consider on the regular
14 Action Calendar.

15 **MONTHLY PROGRESS REPORT**

16 Mr. DeGabriele provided the Board with the July Monthly Progress Report. He stated that
17 water production in Novato from June 2015 through June 2016 is down 32% compared to same
18 period in 2013. He noted that the total Fiscal Year water production in Novato was the lowest
19 volume since 1978 and did not meet the estimated actual included in the prior meeting budget
20 presentations. Mr. DeGabriele informed the Board that Novato potable production is the District's
21 best estimate as Sonoma County Water Agency (SCWA) continues to have problems with their
22 metering of deliveries into Marin County. He advised the Board that staff is hopeful to have final
23 production numbers in September and that the information provided to the State Board shows the
24 SCWA metered information which staff believes to be incorrect, but indicates that in June 2016,
25 water production was up 42% from June 2013. He informed the Board that in West Marin water
26 production is down 30% from June 2015 through June 2016 compared to 2013. He stated that
27 Stafford Treatment Plant production for the fiscal year totals 1,850 AF about 80% of the fiscal year
28 goal for Stafford production and Recycled Water production in Novato this fiscal year totaled
29 140MG, slightly less than last fiscal year. Mr. DeGabriele advised the Board that Lake Mendocino
30 holds nearly 81,000AF, Lake Sonoma 229,000AF and Stafford Lake 3,000AF as of this date. He
31 noted that Novato rainfall for the fiscal year was 21.5", about 80% of average. He also advised the
32 Board that 91 customers were off for over 4 hours as a result of a broken valve and main on Center
33 Road last month. Mr. DeGabriele stated that complaints and service orders were down both for the

1 month of June and for the fiscal year and the quarterly report on customer service questionnaires
2 show about 40% of questionnaires are being returned and virtually all reflect good performance by
3 the District.

4 Mr. Bentley provided the Board with the Monthly Report of Investments show that the District
5 holds just over \$13M, earning 0.72% rate of return. He noted that North Marin's rate of return was
6 better than that reported by CalPERS for the multi-billion dollar California pension fund.

7 **CONSENT CALENDAR**

8 On the motion of Director Petterle, seconded by Director Fraites the Board approved the
9 following items on the consent calendar except item #8 - Novato Chevrolet Fire Service Water
10 Agreement, by the following vote:

11 AYES: Director Baker, Fraites, Petterle, Rodoni and Schoonover

12 NOES: None

13 **WATER SERVICE AGREEMENT – PETALUMA SELF STORAGE**

14 The Board approved a Water Service Agreement for the Petaluma Self-Storage facility
15 located at 2645 S. Petaluma Blvd. The District currently provides water service to this parcel through
16 a 1" meter set in 1984 for a truck stop and restaurant. Proposed facilities for this project include: 600
17 ft. of main extension, a 6" fire service, two fire hydrants and two 5/8" water services. Estimated cost
18 is \$106K. The Board approved Resolution 16-20 entitled: "Authorization of Execution of High
19 Pressure Outside District Boundaries Water Service Facilities Construction Agreement with 2645
20 Petaluma South Storage LLC."

21 **WATER SERVICE AGREEMENT – NOVATO THEATER RENOVATION**

22 The Board approved a Water Service Agreement for the Novato Theater Renovation at 924
23 Grant Ave. The existing 1.5" meter located at the back of the building on Scown Lane will be
24 removed and replaced with a new 1.5" meter and a 4" fire service on Grant Ave. New facilities
25 include: 30ft of main extension, 4" fire service at an estimated cost of just under \$70K. The Board
26 approved Resolution 16- 22 entitled: "Water Service Facilities Construction Agreement for Novato
27 Theater Restoration."

28 **RATIFICATION OF REGULATION 109 – OCEANA MARIN SEWAGE FACILITIES CONNECTION**
29 **CHARGE**

30 The Board approved Regulation 109 regarding the Sewage Facilities Connection Charge.
31 The current sewage connection charge is \$15,200. Effective October 16th, the charge will increase
32 to \$22,600 and effective July 1, 2017 the charge will increase to \$30,000.

33

1 **ACTION CALENDAR**

2 **WATER SERVICE AGREEMENT – NOVATO CHEVROLET FIRE STORAGE**

3 Mr. McIntyre asked that this item be removed from the Consent Calendar as the agreement
4 included with the agenda packet references only one APN yet the property encompasses two
5 parcels and should reflect that fact. He advised that the initial service to this property was
6 established in 1966, with a 1” meter and a 5/8” meter added in 1969 for irrigation. He informed the
7 Board that new water facilities include: 50ft of main extension, 6” fire service and the estimated cost
8 is just over \$41K.

9 On motion of Director Petterle, seconded by Director Fraites, the Board approved
10 authorization of the Water Service Agreement with Novato Chevrolet and Resolution 16-21 entitled:
11 “Authorization of Execution of Water Service Facilities Construction Agreement with Novato
12 Investments” by the following vote:

13 AYES: Director Baker, Fraites, Petterle, Rodoni and Schoonover

14 NOES: None

15 **REGULATION 1 – NEW SERVICE CONNECTIONS**

16 Mr. DeGabriele informed the Board that staff proposes revisions to Regulation 1 – New
17 Service Connections which clarifies provisions for Facilities Reserve Charge for Public Parks. He
18 stated that the revision clarifies that public parks must be owned, operated, maintained and
19 managed by a public agency to qualify for reduced Facilities Reserve Charge and further clarifies
20 that a community recreation facility that is not developed, constructed, operated or maintained with
21 public funds is not a public park.

22 On motion of Director Fraites, seconded by Director Petterle, the Board approved
23 Regulation 1 and Resolution 16-23 entitled: “Revision of North Marin Water District Regulation 1 –
24 New Service Connection” by the following vote:

25 AYES: Director Baker, Fraites, Petterle, Rodoni and Schoonover

26 NOES: None

27 **REQUEST FOR ARCHITECTURAL SPACE PLANNING AND CONCEPT PROPOSAL**

28 Mr. DeGabriele requested Board approval for staff to solicit architectural proposals for space
29 planning and concept design for the District Headquarters Facility Upgrade. He advised the Board
30 that staff will solicit proposals from area architects who have worked on similar public agency
31 projects (Novato Sanitary, Napa Sanitary, City of Santa Rosa, Alameda County Water District) and
32 select the architect not on cost but on qualifications based on their project approach, experience

1 with similar evaluations and the project manager/team experience. He stated that once an architect
2 is identified staff will negotiate a firm scope of work and come back to the Board for approval prior to
3 proceeding. He noted that staff is hopeful that the architects work will give staff a better idea of the
4 alternatives and costs to improve the headquarters facilities.

5 Director Rodoni asked that the District consider possible housing included with the District
6 Headquarters upgrade.

7 On motion of Director Fraites, seconded by Director Petterle, the Board authorized staff to
8 solicit architectural proposals for space planning and concept design for the District headquarters
9 facility upgrade by the following vote:

10 AYES: Director Baker, Fraites, Petterle, Rodoni and Schoonover

11 NOES: None

12 **PURCHASE OF HR RECRUITMENT LICENSE (NEOGOV)**

13 Mrs. Young requested approval from the Board to purchase a NEOGOV license and to enter
14 into a Service Agreement with NEOGOV for online services to post job openings, receive job
15 applications, track applicant status and online interview scheduling. She stated that NEOGOV has
16 been used by the City of Novato, West County Wastewater District, Alameda County Water District,
17 City of Benicia and City of Hercules among others. She stated that staff is hopeful that this online
18 approach will broaden the District's outreach and attract more and qualified applicants for future
19 District job openings.

20 On motion of Director Petterle, seconded by Director Rodoni, the Board authorized the
21 General Manager to enter into a Service Agreement with NEOGOV in the amount of \$8,803 by the
22 following vote:

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

24 NOES: None

25 **REVISE CHIEF ENGINEER JOB DESCRIPTION AND AUTHORIZE RECRUITMENT**

26 Mr. DeGabriele provided the Board with changes to the Chief Engineer job description and
27 asked that the Board approve recruitment for the position. He informed the Board that the final filing
28 date for the Chief Engineer will be September 30th with interviews by the Board and selection on
29 November 1st, this timing will enable the NEOGOV job posting to be in effect and attract
30 candidates.

1 Director Baker expressed concern about the residency requirement, requiring the Chief
2 Engineer to live within 10 miles of the District service territory within two years of employment and
3 about the change in the job description broadening education and professional registration of the
4 position beyond civil or mechanical engineering disciplines.

5 Mr. DeGabriele stated that he has discussed the change with Mr. McIntyre and believes that
6 the District should attempt to attract as many candidates as possible. He stated that the residency
7 requirement has previously been established by the Board and is required for the General Manager,
8 Auditor-Controller, District Secretary, Construction Superintendent and Maintenance Superintendent
9 and believes it is beneficial to the District.

10 Director Rodoni requested that the Employee Assisted Housing Policy be brought back to
11 the Board for review and possible reinstatement.

12 On motion of Director Petterle, seconded by Director Fraites, the Board approved the
13 changes to the Chief Engineer job description and authorized recruitment by the following vote:

14 AYES: Director Fraites, Petterle, Rodoni and Schoonover

15 NOES: Director Baker

16 **RMC WATER AND ENVIRONMENT (RMC) – GENERAL SERVICES AGREEMENT**

17 Mr. McIntyre requested the Board approve a General Consulting Services Agreement with
18 RMC Water and Environment (RMC) for an amount of \$50,000. He advised the Board that RMC has
19 been assisting the District with the Recycled Water Expansion and initially their effort will continue to
20 be for Recycled Water Engineering Support.

21 On motion of Director Petterle, seconded by Director Fraites, the Board authorized the
22 General Manager to execute a General Consulting Services Agreement between NMWD and RMC
23 with a not-to-exceed limit of \$50,000 by the following vote:

24 AYES: Director Baker, Fraites, Petterle, Rodoni and Schoonover

25 NOES: None

26 **RECYCLED WATER EXPANSION CENTRAL SERVICE AREA – CONSTRUCTION**
27 **MANAGEMENT SERVICES CONTRACT AWARD**

28 Mr. McIntyre requested that the Board approve the Construction Management Services for
29 the Recycled Water Expansion in the Central Service Area to Covello Group in the amount of
30 \$1,048,950. He stated that five firms submitted proposals and Covello was selected after interviews
31 with staff. He reminded the Board that Covello was the construction manager for the Recycled
32 Water North Service Area and completed the Phase 2 Recycled Water South Service Area

1 construction management. Mr. McIntyre introduced Gary Skrel and Construction Manager JD
2 Brosnan from Covello Group whom were in the audience. Mr. McIntyre informed the Board that the
3 Central Service Area estimated total project cost is \$14.8M, however, it's expected that additional
4 grant monies will temper the cost with a total District responsibility of just under \$9M.

5 Director Rodoni asked whether the executed contract can be cancelled if grant or loan
6 money is not received. Mr. McIntyre responded that the District can cancel the contract with a 30 day
7 notice.

8 On motion of Director Fraitres, seconded by Director Petterle, the Board authorized the
9 General Manager to execute an agreement between The Covello Group and the District for
10 construction management services on a time and expense basis with a not-to-exceed limit of
11 \$1,048,950 plus a \$105,000 contingency by the following vote:

12 AYES: Director Baker, Fraitres, Petterle, Rodoni and Schoonover

13 NOES: None

14 **INFORMATION ITEMS**

15 **BULK CHEMICAL PURCHASES**

16 Robert Clark updated the Board on bulk chemical purchases through the Bay Area Chemical
17 Consortium (BACC) advising that the District saved about \$9K on chemical purchases this year by
18 participating in the BACC.

19 **NBWA MEETING – JULY 8, 2016**

20 Director Baker advised that he attended the North Bay Watershed Association meeting on
21 July 8th.

22 **MISCELLANEOUS**

23 The Board received the following miscellaneous information: Disbursements, Fleet Fuel
24 Economy – Gasoline, Ltr. To DWR re AMI Funding, SWRCB Draft Drinking Water Fee Regulations
25 Ltr., California State Senate Ltr. Supporting Senate Bill 163, Oceana Marin Association General
26 Meeting Agenda, and David Guhin selected as Director of Planning and Economic Development.

27 The Board received the following news articles: NMWD raises rates, hopes for
28 improvements, How bad is water management in California? , and Stanford scientists find 'water
29 windfall' beneath California Central Valley

30

1 **ADJOURNMENT**

2 President Schoonover adjourned the meeting at 8:01 p.m.

3 Submitted by

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5

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8

Katie Young
District Secretary

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City of Novato lays out vision for its future



PHOTO COURTESY CITY OF NOVATO

Novato's General Plan 2035 emphasizes a pedestrian-friendly downtown.



CR

Cows graze on Mt. Burdell north of San Marin Drive.

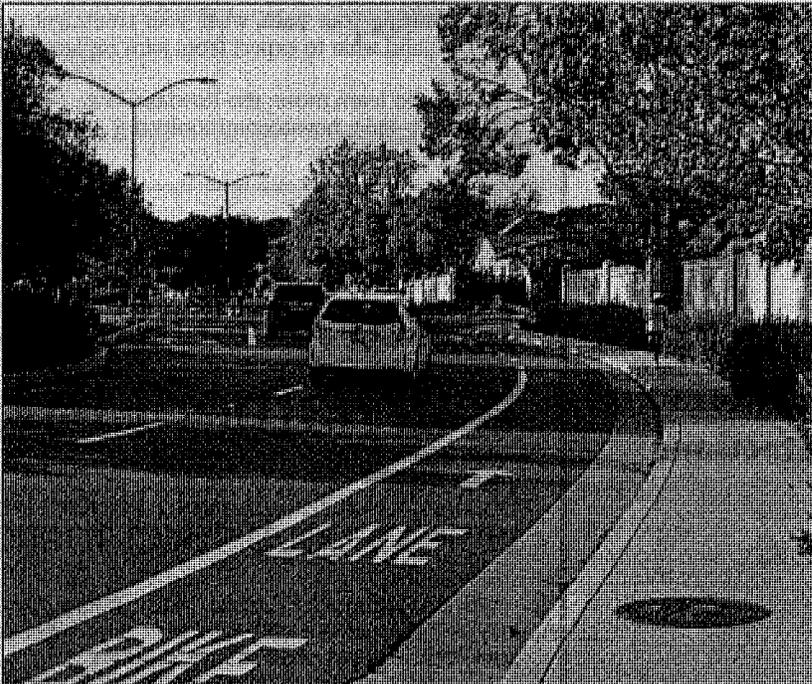


PHOTO COURTESY CITY OF NOVATO

The Plan calls for new and retrofitted roads to include bike lanes.

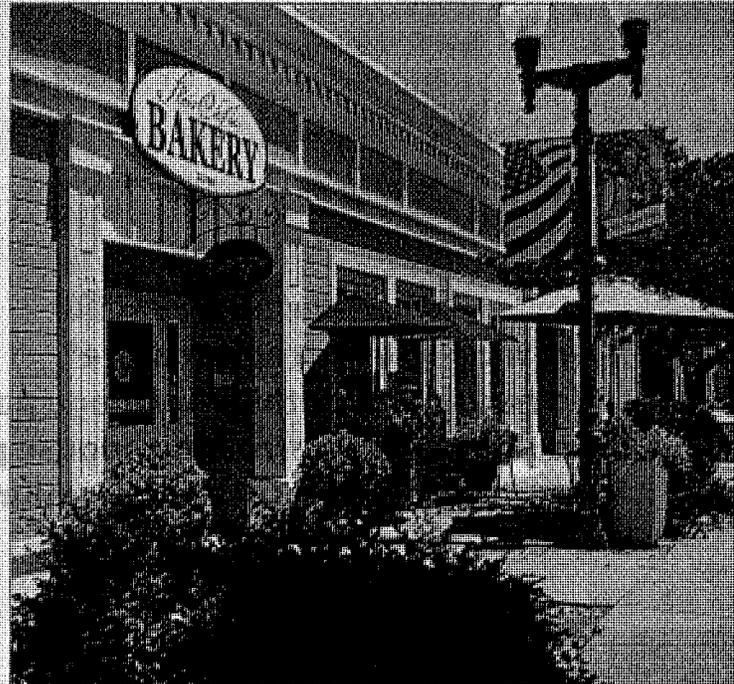


PHOTO COURTESY CITY OF NOVATO

The city plan improves access to healthy foods and promotes farmers markets.

TOWN TAKES LONG LOOK FORWARD TO PROSPERITY AS A GROWING, VIBRANT AND HEALTHY COMMUNITY

Contributed to *Mapinscope*

The City of Novato is updating its general plan, which lays out the community vision for the future of the city and creates a roadmap on how to get us there. It will guide city decisions that affect future jobs, housing, and growth in our community.

The general plan is a state-mandated document that addresses issues such as transportation, housing, open space, conservation, safety, and much more. As the current general plan was adopted in 1996, the city has grown and changed considerably, and the plan is due for an update.

We want to hear from as many Novato community members as possible in order to develop a general plan that accurately reflects the needs of a diverse and changing population and help to maintain the quality of life we all enjoy in Novato.

Novato's draft General Plan 2035 is organized for easy reference and identification of topics important to you. It identifies trends for future growth and development as well as focuses on four areas that have the best opportunity for development or redevelopment:

DOWNTOWN

Re-designate parcels on Redwood Boulevard between Vallejo and Olive Avenue to allow residential mixed-use and allow existing, but not future, auto-motive uses.

NORTHWEST QUADRANT NEIGHBORHOOD

(North of Grant and between First and Seventh streets)
Development of carefully-designed housing types, including single family and small-scale multi-family housing that complements the existing scale and architecture.

NORTH REDWOOD BOULEVARD CORRIDOR

(Between Olive Avenue and San Marin Drive)
A vibrant, pedestrian-oriented retail development with gathering places, restaurants and entertainment in place of the existing commercial and industrial uses.

NORTH, NORTH REDWOOD BOULEVARD CORRIDOR

(North of San Marin Drive)
Additional high-quality office buildings and research and development uses that could benefit from the new commuter rail station and service, SMART.

The General Plan affects you. It addresses future challenges and opportunities facing Novatoans, including:

AN AGING COMMUNITY

The number of senior residents is projected to increase to one-quarter of the Novato population. General Plan 2035 policies provide opportunities for group homes, residential care facilities, senior living facilities, and smaller homes for seniors wanting to downsize.

HIGH OBESITY RATES, LOWER ACTIVITY LEVELS

Policies encourage walking and biking to local services, by improving bicycle and pedestrian infrastructure, and expands parks, trails and recreational facilities. Also improves access to healthy foods and promotes local food production by supporting com-

LESS LAND AVAILABLE FOR DEVELOPMENT

General Plan 2035 focuses new growth on vacant properties that are adjacent to existing development and on properties that are not being used at their full potential. The Plan preserves the Urban Growth Boundary that prevents new development beyond the city limits and continues regulations that limit building on hillsides and ridgelines.

HIGH-PAYING JOBS TO OFFSET THE HIGH COST OF HOUSING

General Plan 2035 seeks to connect Novato to the Bay Area's booming high tech economy and create a hub for tech and life sciences companies around the Buck Institute and San Marin SMART station.

DOWNTOWN NOVATO'S UNTAPPED POTENTIAL

The Plan requires downtown redevelopment to be pedestrian-friendly and compatible with existing small storefronts, and it encourages outdoor dining and more retail uses on the street level.

A TRANSPORTATION NETWORK FOR ALL

General Plan 2035 requires new and retrofitted

roadways to include bike lanes and wide sidewalks when feasible, and encourages development near new SMART stations.

TEMPERATURES AND SEAS ARE RISING

The Plan includes policies to reduce greenhouse gas emissions by 20% by 2020 and 40% by 2035. The plan contains policies to reduce waste, conserve energy and water, expand the recycled water system, and shift to renewable energy sources and electric vehicles.

OPEN SPACES ARE NOVATO'S TREASURED PLACES

General Plan 2035 protects open space and wildlife habitat, protects and restores wetlands and riparian areas, and maintains tidal areas in their natural state. The plan also protects native trees and woodlands, and it proposes new requirements to encourage planting of native trees and maximize tree cover and growth.

MAINTAINING OUR INFRASTRUCTURE AND CITY SERVICES

The Plan provides policies to provide for roads, water, storm drainage, and utilities, as well as police and fire protection services. The Plan continues to require new development to pay impact fees that offset the additional burden they place on existing services and utilities.

HOW CAN YOU PARTICIPATE?

There are many ways to help shape Novato's General Plan 2035. The city is offering workshops, open houses, and neighborhood meetings from August through mid-October:

WORKSHOPS AT CITY HALL

Meeting-style format; get an overview of the General Plan, ask questions, and give your feedback.

OPEN HOUSES AT CITY HALL

Drop-in format; select General Plan topics of interest at staffed tables where you can get more information, ask questions, and provide feedback.

NEIGHBORHOOD MEETINGS THROUGHOUT NOVATO

Staff will host meetings within the community; get an overview of the General Plan, ask questions, and give your feedback.

Dates, times, and details, as well as the draft General Plan, can be found at novato.org/generalplan.

Can't join us? Comments can be submitted to Christine O'Rourke, General Plan Manager, at corourke@novato.org. A survey on Open Novato will also be available. Sign-up at novato.org/opennovato to get notified when the survey is posted.

6

NORTH MARIN WATER DISTRICT



FINANCIAL STATEMENT FISCAL YEAR 2015-16

Preliminary

June 2016

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

Memo

Financial Statement Memo..... 1

Basic Financial Statements

Statement of Net Position - All Districts..... 4

Sources and Uses of Funds Statement..... 8

Income Statement & Cash Flow - By Service Area..... 9

Supplementary Information

Detail Income Statement - Novato Water..... 10

Detail Income Statement - Recycled Water..... 14

Detail Income Statement - West Marin Water..... 16

Detail Income Statement - Oceana Marin Sewer..... 19

Connection Fee Analysis..... 21

Workers' Compensation & Conservation Incentive Rate Analysis..... 22

Equipment Expenditures..... 23

Overhead Analysis..... 24

Expenditures by Category..... 25

Vehicle Fleet Analysis..... 26

Water Conservation Expenditures..... 27

Capital Improvement Project Expenditures 28

Notes to Financial Statements 32

MEMORANDUM

To: Board of Directors
 From: David L. Bentley, Auditor-Controller
 Subj: Information – FY15/16 Preliminary June Financial Statement
t:\accountants\financials\stmtfy16\md&a0616.doc

July 29, 2016

FISCAL YEAR PERFORMANCE COMPARED TO THE ANNUAL BUDGET

CONSOLIDATED SUMMARY

Actual vs. Budget	<u>Jun-16</u>	<u>FYTD 15/16</u>	<u>FY15/16 Budget</u>	<u>FYTD / Budget %</u>
Operating Revenue	\$1,763,643	\$16,969,105	\$19,918,000	85%
Operating Expense	1,651,670	16,541,208	18,271,000	91%
Non-Operating Revenue / (Expense)	24,040	(325,828)	(523,000)	62%
Net Income / (Loss)	<u>\$136,015</u>	<u>\$102,069</u>	<u>\$1,124,000</u>	9%
Other Sources / (Uses)*	(171,999)	(1,257,733)	(2,299,000)	55%
Cash Increase / (Decrease)	<u>(\$35,984)</u>	<u>(\$1,155,665)</u>	<u>(\$1,175,000)</u>	98%

* See Page 8.

For the fiscal year the District generated a net income of \$102,069 and saw a net cash decrease of \$1,155,665. Operating Revenue came in 15% under budget and Operating Expense came in 9% under budget. Forty-three percent of the Capital Improvement Projects Budget was expended this fiscal year. The District's cash balance decreased \$35,984 during June. At June 30 Caltrans owed the District \$570,542 for the AEEP, and \$963,102 in loan and grant funds was owed the District for the Recycled Water Distribution System expansion to Central Novato.

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

NOVATO WATER

Year over Year Comparison

	<u>Jun-16</u>	<u>FYTD 15/16</u>	<u>FYTD 14/15</u>	<u>FY16 vs 15 Up/(Down)</u>
Operating Revenue	\$1,539,444	\$15,377,991	\$16,414,448	(6%)
Operating Expense	1,431,495	14,840,972	14,825,093	0%
Other Income / (Expense)	(22,402)	(219,573)	(313,011)	(30%)
Net Income / (Loss)	<u>\$85,547</u>	<u>\$317,445</u>	<u>\$1,276,344</u>	(75%)
Active Accounts	20,535	20,535	20,498	0%
Consumption (MG)	214	2,152	2,444	(12%)
Average Commodity Rate / 1,000 gal (net)	\$5.33	\$5.05	\$4.87	4%
Income / (Loss) / Active Account	\$4.17	\$15.46	\$62.27	(75%)
Income / (Loss) / 1,000 Gal	\$0.40	\$0.15	\$0.52	(72%)
Connection Fee Revenue	\$0	\$255,000	\$763,600	(67%)
Caltrans Capital Contribution	\$3,219,905	\$5,849,186	\$7,070,554	(17%)
MMWD AEEP Capital Contribution	\$0	\$245,000	\$245,000	0%
Developer 'In-Kind' Contributions	\$18,803	\$413,247	\$317,030	30%

Fiscal year consumption was 12% less than the prior year. Total operating revenue, which includes wheeling and other miscellaneous service charges, decreased 6% (\$1,036,457) from the prior year due to the consumption decrease offset by the June 1, 2016 5% rate increase. Total operating expense was 0% (\$15,879) more than last year.

The Stafford Treatment Plant produced 601 MG this fiscal year at a cost of \$3,517/MG¹ versus \$2,389/MG³ from SCWA. The budget for Stafford was 750 MG at a cost of \$2,780/MG.

Salary and benefit cost charged to Novato operations was 6% more than last year, while staff time (hours) charged to Novato operations was 3% more. Salary and benefit cost was \$5,873,768 which was 96% of the \$6,127,000 budget for Novato operations..

The fiscal year net income (which includes non-operating items such as interest revenue and expense) of \$317,445 compares to a budgeted net income for the year of \$1,356,000 and to a net income of \$1,276,344 for the prior year. \$4,471,574 (49%) of the Novato Water Capital Improvement Project Budget was spent versus \$14,417,541 (82%) for the prior year. \$255,000 in connection fees were collected (\$536,000 was budgeted). The Novato cash balance increased \$291,546 in June, and stood at \$10,725,432 at year end, compared to a budgeted projection of \$9,300,000.

NOVATO RECYCLED		FYTD	FYTD	FY16 vs 15
Year over Year Comparison	<u>Jun-16</u>	<u>15/16</u>	<u>14/15</u>	<u>Up/(Down)</u>
Operating Revenue	\$154,424	\$703,031	\$744,094	(6%)
Operating Expense	119,631	843,833	875,451	(4%)
Other Income / (Expense)	14,118	(197,635)	(239,491)	(17%)
Net Income / (Loss)	<u>\$48,911</u>	<u>(\$338,437)</u>	<u>(\$370,848)</u>	(9%)
Active Accounts	44	44	44	0%
Consumption (MG)	28.9	135.2	150.3	(10%)
Average Commodity Rate / 1,000 gal (net)	\$5.26	\$4.99	\$4.76	5%
Deer Island Production (MG)	0.0	6.2	1.0	519%
Novato Sanitary Production (MG)	17.2	89.1	98.0	(9%)
Las Gallinas Production (MG)	6.8	44.0	48.9	(10%)
Potable Water Input (MG)	0.0	8.0	6.9	16%

135.2 MG was delivered to RW customers this fiscal year, 10% less than the prior year. Operating revenue was 6% less than last year due to the consumption decrease offset by the June 1, 2016 7% commodity rate increase. Total operating expense was \$31,619 (4%) less than the prior year. The recycled water was produced at a cost of \$2,871/MG² versus \$2,389/MG³ from SCWA. The budgeted production cost of recycled water was \$2,862/MG.

The fiscal year net loss of \$338,437 compares to a budgeted net loss for the year of \$315,000 and a net loss of \$370,848 for the prior year. \$920,067 (25%) of the Capital Improvement Project Budget was expended during the fiscal year. The Novato Recycled cash balance decreased \$337,074 in June, and stood at \$715,590 at month end, compared to a budgeted projection of \$1,567,000. At June 30 the SWRCB owed the District \$963,102 in loan and grant funds for the Recycled Water Distribution System expansion to Central Novato.

¹ Stafford production cost = TP op expense (\$1,233,943) + SRF loan interest (\$291,064) + plant depreciation (\$588,748) / 601 MG produced

² Recycled Water production cost = purchase water cost (\$192,693) + treatment expense (\$2,819) + Deer Island RW Facility SRF loan interest (\$67,709) + Deer Island plant depreciation (\$136,678) / 139.3 MG produced

³ SCWA production cost per MG = O&M charge (\$2,034) + debt service charge (\$104) + Russian River conservation charge (\$213) + Russian River projects charge (\$38)

WEST MARIN WATER

Year over Year Comparison	<u>Jun-16</u>	<u>FYTD 15/16</u>	<u>FYTD 14/15</u>	<u>FY16 vs 15 Up/(Down)</u>
Operating Revenue	\$53,445	\$692,162	\$735,772	(6%)
Operating Expense	87,518	649,631	630,865	3%
Other Income / (Expense)	28,941	26,716	13,087	104%
Net Income / (Loss)	<u>(\$5,132)</u>	<u>\$69,247</u>	<u>\$117,994</u>	(41%)
Active Accounts	780	780	778	0%
Consumption (MG)	3.6	56.6	64.3	(12%)
Average Commodity Rate / 1,000 gal (net)	\$10.62	\$9.12	\$8.74	4%
Income/ (Loss) / Active Account	(\$6.58)	\$88.78	\$151.66	(41%)
Income / (Loss) / 1,000 Gal	(\$1.43)	\$1.22	\$1.84	(33%)
Connection Fee Revenue	\$0	\$0	\$22,800	(100%)
Developer 'In-Kind' Contributions	\$0	\$15,841	\$20,302	-

Consumption for the fiscal year was 56.6 MG, 12% less than the prior year. Operating revenue of \$692,162 was \$43,610 (6%) less than last year primarily due to the consumption decrease offset by the 5% rate increase effective July 1, 2015.

Operating expenditures were \$649,631, 3% more than the previous year. The fiscal year net income of \$69,247 compares to a budgeted annual net income of \$74,000 and to a net income of \$117,994 for the prior year. \$225,001 (74%) of the Capital Improvement Project Budget was expended this fiscal year, and no connection fees were collected (\$23,000 was budgeted). The West Marin Water cash balance increased \$13,091 in June, and stood at \$1,127,965 at year end, compared to a budgeted projection of \$873,000.

OCEANA MARIN SEWER

Year over Year Comparison	<u>Jun-16</u>	<u>FYTD 15/16</u>	<u>FYTD 14/15</u>	<u>FY16 vs 15 Up/(Down)</u>
Operating Revenue	\$16,330	\$195,921	\$187,004	5%
Operating Expense	13,026	206,772	182,484	13%
Other Income / (Expense)	3,384	64,664	50,746	27%
Net Income / (Loss)	<u>\$6,688</u>	<u>\$53,813</u>	<u>\$55,266</u>	(3%)
Active Accounts	230	230	229	0%
Monthly Sewer Service Charge	\$71	\$71	\$68	4%
Income / (Loss) / Active Account	\$29.08	\$233.97	\$241.34	-
Connection Fee Revenue	\$0	\$23,690	\$15,200	56%

Operating revenue of \$195,921 was 5% more than the previous year due to the 5% rate increase effective July 1, 2015. Operating expenditures were 13% (\$24,288) higher than the previous year. The operating expenditure increase is due in part to grit chamber and grinder maintenance not done last fiscal year (\$5,628) and response to the force main break on Thanksgiving Day (\$6,294). The fiscal year net income of \$53,813 compares to a budgeted annual income of \$9,000 and to a net income of \$55,266 for the prior year. 22% of the Capital Improvement Project Budget was expended this fiscal year.

\$32,198 in connection and annexation fees were collected (\$15,000 was budgeted). The Oceana Marin cash balance decreased \$3,548 in June, and stood at \$463,115 at year end, compared to a budgeted projection of \$351,000.

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING JUNE 30, 2016**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
ASSETS					
Cash & Investments					
Unrestricted/Undesignated Cash	\$403,443	\$0	\$0	\$13,855	\$389,588
Restricted Cash (Note 1)					
Connection Fee Fund	\$114,868	\$0	\$0	\$109,263	\$5,605
Wohler Pipeline Financing Fund	402,328	402,328	0	0	0
Collector #6 Financing Fund	1,581,850	1,581,850	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	691,787	38,628	0	653,159	0
Deer Island RWF Replacement Fund	0	0	0	0	0
Capital Replacement & Expansion Fund	87,804	0	87,804	0	0
Tax Receipts Held in Marin Co Treasury	387	0	0	386	1
STP SRF Loan Fund-Marine Co Treasury	735,183	735,183	0	0	0
RWS North/South SRF Payment Fund	614,299	0	614,299	0	0
Designated Cash (Note 2)					
Liability Contingency Fund	922,285	823,400	0	98,885	0
Self-Insured Workers' Compensation Fund	716,297	671,654	13,488	23,234	7,921
Retiree Medical Benefits Fund	3,680,026	3,680,026	0	0	0
Maintenance Accrual Fund	2,789,407	2,789,407	0	0	0
Conservation Incentive Rate Fund	35,852	0	0	35,852	0
Operating Reserve Fund	223,332	0	0	163,332	60,000
Total Cash	\$13,029,145	\$10,722,475	\$715,590	\$1,127,965	\$463,115
Gain/(Loss) on MV of Investments	2,957	2,957	0	0	0
Market Value of Cash & Investments	\$13,032,102	\$10,725,432	\$715,590	\$1,127,965	\$463,115
Current Assets					
Net Receivables - Consumers	\$792,289	\$646,339	\$119,652	\$24,482	\$1,816
Accrued Water Sales	2,026,350	1,844,740	132,405	49,205	0
Accounts Receivable-Other	1,123,168	912,015	211,153	0	0
RWS Central Expansion SRF Loan Rec	500,813	0	500,813	0	0
RWS Central Expansion Grant Rec	462,289	0	462,289	0	0
Prepaid Expense	36,601	21,424	0	14,353	824
Reimbursable Small Jobs	672	672	0	0	0
Interest Receivable	18,021	18,021	0	0	0
Inventories	454,403	454,403	0	0	0
Deposits Receivable	25,600	25,600	0	0	0
Total Current Assets	\$5,440,207	\$3,923,214	\$1,426,313	\$88,041	\$2,640

4

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING JUNE 30, 2016**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Loans Receivable					
Employee Loans (Note 3)	\$934,200	\$934,200	\$0	\$0	\$0
Other Long Term Receivables (Note 4)	1,518,888	0	1,518,888	0	0
Loans Receivable	\$2,453,088	\$934,200	\$1,518,888	\$0	\$0
Property and Plant					
Land & Land Rights	\$1,473,091	\$1,368,872	\$0	\$103,411	\$808
Dam, Lake, & Source Facilities	5,574,033	5,081,621	0	492,412	0
Treatment Facilities	21,082,445	17,561,535	2,666,198	319,913	534,799
Storage Facilities	20,896,717	18,278,550	519,014	2,099,154	0
Transmission Facilities (16"+)	27,409,930	27,287,607	0	122,324	0
Distribution and Pumping Facilities	82,920,944	59,841,727	17,266,234	5,812,983	0
Sewer Mains, Pumps, & Laterals	1,186,758	0	0	0	1,186,758
Sub-Total	\$160,543,918	\$129,419,911	\$20,451,445	\$8,950,197	\$1,722,365
Less Accumulated Depreciation (Note 5)	(47,089,746)	(40,469,229)	(2,336,393)	(3,355,700)	(928,425)
Net Property and Plant	\$113,454,173	\$88,950,682	\$18,115,052	\$5,594,497	\$793,941
Buildings and Equipment (Note 6)					
Buildings	\$1,902,893	\$1,902,893	\$0	\$0	\$0
Office Equipment	705,998	705,998	0	0	0
Laboratory Equipment	253,593	253,593	0	0	0
Trucks & Automobiles	1,220,229	1,220,229	0	0	0
Construction Equipment	790,971	790,971	0	0	0
Tools, Shop Equipment	223,938	223,938	0	0	0
Sub-Total	\$5,097,622	\$5,097,622	\$0	\$0	\$0
Less Accumulated Depreciation (Note 5)	(3,787,710)	(3,787,710)	0	0	0
Net Buildings and Equipment	\$1,309,912	\$1,309,912	\$0	\$0	\$0
Construction In Progress					
Developer	\$533,573	\$516,025	\$0	\$12,712	\$4,835
District	2,183,829	786,703	1,171,285	217,194	8,647
Total Construction in Progress	\$2,717,402	\$1,302,727	\$1,171,285	\$229,907	\$13,483
Net Utility Plant	\$117,481,486	\$91,563,322	\$19,286,338	\$5,824,404	\$807,423
Deferred Outflow of Resources	\$757,200	\$757,200	\$0	\$0	\$0
TOTAL ASSETS	\$139,164,083	\$107,903,367	\$22,947,128	\$7,040,410	\$1,273,178

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING JUNE 30, 2016**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
LIABILITIES AND NET ASSETS					
Current Liabilities					
Trade Accounts Payable	\$1,952,868	\$1,919,407	\$32,047	\$0	\$1,414
Reimbursement Prog. Unclaimed Funds	1,680	1,680	0	0	0
Bond Debt Principal Payable-Current	22,000	0	0	22,000	0
Loan Debt Principal Payable-Current	1,026,376	400,176	623,719	2,481	0
Bank of Marin Principal Payable-Current	332,811	290,212	0	42,600	0
Bond/Loan Debt Interest Payable-Current	4,216	1,719	0	2,497	0
Accrued Interest Payable-SRF Loan	109,022	0	109,022	0	0
Deposits/Performance Bonds	191,724	172,074	0	17,650	2,000
Unemployment Insurance Reserve (Note 8)	23,400	23,400	0	0	0
Workers' Comp Future Claims Payable	95,244	88,577	2,476	3,143	1,048
Payroll Benefits (Note 9)	871,161	804,568	23,617	32,232	10,744
Due To Other Funds (Note 10)	0	0	0	0	0
Deferred Revenue	310,767	308,442	28	2,298	0
Total Current Liabilities	\$4,941,270	\$4,010,255	\$790,909	\$124,900	\$15,205
Restricted Liabilities					
Construction Advances	\$182,080	\$171,215	\$10,000	\$0	\$865
Total Restricted Liabilities	\$182,080	\$171,215	\$10,000	\$0	\$865
Long Term Liabilities (Note 7)					
Bonds Outstanding - PR6 (FmHA)	\$56,000	\$0	\$0	\$56,000	\$0
Bonds Outstanding - PRE1 (FmHA)	38,000	0	0	38,000	0
Drought Loan (EDA)	19,642	17,679	0	1,964	0
STP Rehab SRF Loan	11,228,774	11,228,774	0	0	0
RWF SRF Loan	2,404,935	0	2,404,935	0	0
RWS North/South Expansion SRF Loan	8,053,559	0	8,053,559	0	0
RWS Central Expansion SRF Loan	500,813	0	500,813	0	0
Bank of Marin Loan	6,256,783	5,455,915	0	800,868	0
Net Pension Liability @ 6/30/14	6,701,264	6,701,264	0	0	0
Retiree Health Benefits Payable	1,002,569	1,002,569	0	0	0
Total Long Term Liabilities	\$36,262,340	\$24,406,201	\$10,959,307	\$896,832	\$0
Deferred Inflow of Resources	2,182,010	2,182,010	0	0	0
TOTAL LIABILITIES	\$43,567,699	\$30,769,681	\$11,760,216	\$1,021,732	\$16,070

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING JUNE 30, 2016**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Net Assets					
Invested in Capital Assets					
Contributions in Aid of Construction	\$79,376,714	\$72,454,485	\$4,104,370	\$2,138,348	\$679,511
Grants in Aid of Construction	7,541,336	324,890	4,389,259	2,827,187	0
Connection Fees	32,858,951	26,052,847	5,083,111	1,246,098	476,895
Total Investment	\$119,777,000	\$98,832,221	\$13,576,740	\$6,211,633	\$1,156,406
Restricted Reserves					
Connection Fee Fund	(\$5,055,749)	(\$5,170,616)	\$0	\$109,263	\$5,604
Wohler Pipeline Financing Fund	402,328	402,328	0	0	0
Collector #6 Financing Fund	1,581,850	1,581,850	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	691,787	38,628	0	653,159	0
Deer Island RWF Replacement Fund	1,104,400	0	1,104,400	0	0
Capital Replacement & Expansion Fund	1,198,384	0	1,198,384	0	0
RWS North/South SRF Payment Fund	614,299	0	614,299	0	0
Designated Reserves					
Liability Contingency Fund	922,285	823,400	0	98,885	0
Maintenance Accrual Fund	4,215,681	4,215,681	0	0	0
Self-Insured Workers' Compensation Fund	621,052	583,076	11,012	20,091	6,873
Retiree Medical Benefits Fund	2,677,448	2,677,448	0	0	0
Conservation Incentive Rate Fund	35,852	0	0	35,852	0
Operating Reserve Fund	223,332	0	0	163,332	60,000
Earned Surplus - Prior Yrs	(33,219,016)	(28,216,106)	(3,646,310)	(1,332,284)	(24,316)
Net Income/(Loss)	102,069	317,445	(338,437)	69,247	53,813
Transfer (To)/From Reserves (see below)	(326,616)	1,048,333	(1,333,176)	(40,499)	(1,273)
Total Restricted & Designated	(\$24,180,616)	(\$21,698,535)	(\$2,389,828)	(\$192,955)	\$100,702
TOTAL NET POSITION	\$95,596,384	\$77,133,686	\$11,186,913	\$6,018,678	\$1,257,108
Transfer (To)/From Reserves					
Connection Fee	668,382	669,825	0	(1,413)	(30)
Maintenance Reserve	(100,000)	(100,000)	0	0	0
RWF Replacement Fund	(400,226)	0	(400,226)	0	0
Capital Replacement & Expansion Fund	(930,063)	0	(930,063)	0	0
Retiree Medical Insurance Fund	(33,795)	(33,795)	0	0	0
(Gain)/Loss Self-Insured WC Fund	(112,939)	(105,086)	(2,887)	(3,723)	(1,243)
Bank of Marin Project Fund	911,107	917,390	0	(6,283)	0
Conservation Incentive Rate Fund	5,589	0	0	5,589	0
Operating Reserve Fund	(34,670)	0	0	(34,670)	0
Total Transfer	(\$326,616)	\$1,048,333	(\$1,333,176)	(\$40,499)	(\$1,273)

**NORTH MARIN WATER DISTRICT
SOURCES AND USES OF FUNDS STATEMENT - ALL SERVICE AREAS COMBINED
FOR THE PERIOD ENDING JUNE 30, 2016**

	YTD Actual	Annual Budget	YTD/ Budget %	Prior YTD Actual
OPERATING REVENUE				
Water Sales	\$12,066,489	\$15,000,000	80%	\$13,180,021
Bimonthly Service Charge	4,331,899	4,335,000	100%	4,312,109
Sewer Service Charge	195,461	196,000	100%	186,864
Wheeling & Misc Service Charges	375,256	387,000	97%	402,325
TOTAL OPERATING REVENUE	\$16,969,105	\$19,918,000	85%	\$18,081,318
OPERATING EXPENDITURES				
Source of Supply	\$4,170,482	\$5,110,000	82%	\$4,624,655
Pumping	280,971	413,000	68%	352,007
Operations	793,384	695,000	114%	751,940
Water Treatment	2,089,397	2,130,000	98%	2,020,865
Sewer Service	133,656	136,000	98%	108,928
Transmission & Distribution	2,854,845	2,850,000	100%	2,727,168
Consumer Accounting	625,230	621,000	101%	588,579
Water Conservation	389,877	471,000	83%	478,360
General & Administrative	1,917,012	2,441,000	79%	1,677,665
Depreciation	3,286,353	3,404,000	97%	3,183,725
TOTAL OPERATING EXPENDITURES	\$16,541,208	\$18,271,000	91%	\$16,513,893
NET OPERATING INCOME (LOSS)	\$427,897	\$1,647,000	26%	\$1,567,425
NON-OPERATING REVENUE/(EXPENSE)				
Tax Proceeds	\$101,966	\$92,000	111%	\$94,398
Interest Revenue	125,078	125,000	100%	134,464
Miscellaneous Revenue	277,033	87,000	318%	196,784
Bond & Loan Interest Expense	(807,035)	(826,000)	98%	(847,951)
Miscellaneous Expense	(22,871)	(1,000)	2287%	(66,364)
TOTAL NON-OP REVENUE/(EXPENSE)	(\$325,828)	(\$523,000)	62%	(\$488,670)
NET INCOME/(LOSS)	\$102,069	\$1,124,000	9%	\$1,078,755
OTHER SOURCES/(USES) OF FUNDS				
Add Depreciation Expense	\$3,286,353	\$3,404,000	97%	\$3,183,725
Connection Fees	278,690	576,000	48%	801,600
Loan Proceeds	0	5,500,000	0%	0
Grant Proceeds	69,958	0	-	1,259,624
Caltrans AEEP Capital Contribution	5,849,186	2,740,000	213%	9,055,426
StoneTree RWF Loan Principal	206,155	206,000	100%	201,274
MMWD AEEP Capital Contribution	245,000	245,000	100%	245,000
Capital Disposal (15 Gustafson)	0	0	-	582,214
Capital Equipment Expenditures	(75,187)	(199,000)	38%	(196,220)
Capital Improvement Projects	(8,825,289)	(13,065,000)	68%	(15,996,693)
Bond & Loan Principal Payments	(1,721,903)	(1,706,000)	101%	(1,686,522)
Change in Working Capital	(570,697)	0	-	891,807
TOTAL OTHER SOURCES/(USES)	(\$1,257,733)	(\$2,299,000)	55%	(\$1,658,765)
CASH INCREASE/(DECREASE)	(\$1,155,665)	(\$1,175,000)	98%	(\$580,010)

**NORTH MARIN WATER DISTRICT
INCOME STATEMENT AND CASH FLOW BY SERVICE AREA
FOR THE PERIOD ENDING JUNE 30, 2016**

<u>SUMMARY INCOME STATEMENT</u>	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Operating Revenue	\$16,969,105	\$15,377,991	\$703,031	\$692,162	\$195,921
Operating Expense	16,541,208	14,840,972	843,833	649,631	206,772
OPERATING INCOME/(LOSS)	\$427,897	\$537,018	(\$140,802)	\$42,532	(\$10,851)
Non-Operating Revenue/(Expense)	(829,906)	(219,573)	(197,635)	26,715	64,665
NET INCOME/(LOSS)	\$102,069	\$317,445	(\$338,437)	\$69,247	\$53,813
CAPITAL CONTRIBUTIONS					
SCWA Prop 84 Water Conserv Grant	\$69,958	\$69,958	\$0	\$0	\$0
Developer In-Kind Contributions	433,923	413,247	0	15,841	4,835
Caltrans AEEP Capital Contributions	5,849,186	5,849,186	0	0	0
MMWD Capital Contribution	245,000	245,000	0	0	0
Connection Fees	278,690	255,000	0	0	23,690
FRC Transfer	0	(739,935)	739,935	0	0
CAPITAL CONTRIBUTIONS	\$6,876,758	\$6,092,457	\$739,935	\$15,841	\$28,525
CHANGE IN NET POSITION	\$6,978,827	\$6,409,902	\$401,499	\$85,087	\$82,339
Net Position June 30, 2015	88,155,268	70,723,784	10,323,125	5,933,590	1,174,769
Net Position June 30, 2016	<u>\$95,134,095</u>	<u>\$77,133,686</u>	<u>\$10,724,624</u>	<u>\$6,018,677</u>	<u>\$1,257,108</u>
CASH FLOW STATEMENT					
Net Income/(Loss)	\$102,069	\$317,445	(\$338,437)	\$69,247	\$53,813
Add Depreciation	3,286,353	2,577,081	472,040	189,039	48,193
Cash Generated From Operations	\$3,388,422	\$2,894,526	\$133,603	\$258,285	\$102,007
Other Sources (Uses) of Funds					
Connection Fee Revenue	\$278,690	\$255,000	\$0	\$0	\$23,690
Loan Proceeds	0	0	0	0	0
Capital Assets Acquisition	(8,900,475)	(7,746,760)	(920,066)	(225,001)	(8,647)
Caltrans AEEP Capital Contribution	5,849,186	5,849,186	0	0	0
StoneTree RWF Loan Principal Pmts	206,155	0	206,155	0	0
MMWD AEEP Capital Contribution	245,000	245,000	0	0	0
Principal Paid on Debt	(1,721,903)	(1,049,263)	(609,185)	(63,455)	0
Consumer Receivables Decr (Incr)	161,254	92,791	48,988	19,860	(386)
Construction Advances (Decr) Incr	(54,831)	(56,959)	10,000	(7,872)	0
Other Assets/Liabilities Decr (Incr)	924,491	916,721	476	5,686	1,607
Trade Accounts Payable (Decr) Incr	(1,601,610)	(1,585,753)	(16,500)	0	643
Connection Fee Transfer	0	(739,935)	739,935	0	0
Total Other Sources (Uses)	(\$4,544,086)	(\$3,750,013)	(\$540,197)	(\$270,782)	\$16,906
Net Cash Provided (Used)	(\$1,155,664)	(\$855,487)	(\$406,594)	(\$12,497)	\$118,913
MV Cash & Investments June 30, 2015	14,187,766	11,580,919	1,122,184	1,140,462	344,201
MV Cash & Investments June 30, 2016	<u>\$13,032,102</u>	<u>\$10,725,432</u>	<u>\$715,590</u>	<u>\$1,127,965</u>	<u>\$463,115</u>

**NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2016**

	JUNE 2016	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$1,144,394	\$10,940,317	80%	\$11,985,147
Bill Adjustments	(4,553)	(64,461)	70%	(82,790)
Bimonthly Service Charges	344,537	4,134,438	100%	4,116,559
Account Turn-on Charges	6,631	84,829	119%	71,671
New Account Charges	415	7,905	99%	8,035
Returned Check Charges	144	1,386	139%	1,229
Hydrant Meter Up/Down Charges	0	400	13%	1,200
Backflow Service Charges	10,398	130,688	100%	128,914
Lab Service-Outside Clients	4,589	34,203	78%	53,369
Wheeling Charges - MMWD	14,822	90,217	75%	119,144
Regulation 15 Forfeiture	18,068	18,068	903%	11,970
TOTAL OPERATING REVENUE	\$1,539,444	\$15,377,991	85%	\$16,414,448
TOTAL EXPENDITURES				
SOURCE OF SUPPLY				
Supervision & Engineering	\$1,303	\$10,249	54%	\$10,227
Operating Expense - Source	800	11,928	108%	11,044
Maint/Monitoring of Dam	7,500	32,196	64%	11,635
Maint of Lake & Intakes	0	5,107	30%	298
Maint of Structures	0	0	0%	0
Maint of Watershed	4,735	17,325	72%	15,118
Water Quality Surveillance	99	3,137	18%	7,467
Fishery Maint	0	1,192	30%	213
Erosion Control	0	0	0%	33
Purchased Water	221,973	3,879,429	82%	4,333,100
GASB68 Adjustment	0	0	-	1,414
SOURCE OF SUPPLY	\$236,411	\$3,960,565	81%	\$4,390,548
PUMPING				
Operating Expense - Pumping	\$0	\$0	0%	\$237
Maint of Structures & Grounds	369	26,104	67%	51,544
Maint of Pumping Equipment	402	13,507	19%	51,290
Electric Power	28,018	212,207	83%	213,909
GASB68 Adjustment	0	0	-	(277)
PUMPING	\$28,789	\$251,818	69%	\$316,702
OPERATIONS				
Supervision & Engineering	\$21,010	\$252,278	139%	\$232,643
Operating Expense - Operations	25,836	304,897	120%	244,900
Maintenance Expense	4,710	34,755	41%	37,667
Telemetry Equipment/Controls Maint	6,180	68,674	97%	86,544
Leased Lines	798	17,704	104%	17,986
GASB68 Adjustment	0	0	-	8,622
OPERATIONS	\$58,534	\$678,309	111%	\$628,362

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2016

	JUNE 2016	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER TREATMENT				
Supervision & Engineering	\$13,159	\$130,358	134%	\$112,434
Operating Expense - Water Treatment	39,851	303,132	105%	327,539
Purification Chemicals	223,884	378,562	89%	358,907
Sludge Disposal	7,900	90,043	103%	72,720
Maint of Structures & Grounds	15,107	68,351	85%	79,728
Maint of Purification Equipment	20,716	150,989	108%	104,290
Electric Power	12,855	113,223	84%	120,592
Water Quality Programs	11,894	122,676	126%	112,680
Laboratory Direct Labor	35,081	362,726	98%	357,697
Lab Service-Outside Clients	4,383	36,914	53%	55,882
Water Quality Supervision	6,390	76,792	104%	80,384
Laboratory Supplies & Expense	4,850	75,182	104%	65,025
Customer Water Quality	8,893	57,805	89%	44,889
Lab Cost Distributed	(1,796)	(26,880)	122%	(24,567)
GASB68 Adjustment	0	0	-	5,481
WATER TREATMENT	\$403,168	\$1,939,870	98%	\$1,873,680
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$43,702	\$543,257	112%	\$563,164
Maps & Records	10,608	110,877	80%	108,956
Operation of T&D System	12,536	119,335	71%	73,617
Facilities Location	11,799	106,477	122%	94,670
Safety: Construction & Engineering	7,236	57,985	94%	46,249
Customer Service Expense	16,005	174,947	101%	141,199
Flushing	0	50,416	84%	48,508
Storage Facilities Expense	14,461	131,233	107%	160,755
Cathodic Protection	170	18,833	78%	6,607
Maint of Valves/Regulators	27,343	189,372	91%	151,691
Maint of Mains	21,836	201,798	180%	133,460
Leak Detection - Mains	908	13,279	78%	16,438
Backflow Prevention Program	12,907	150,298	115%	156,590
Maint of Copper Services	5,796	130,863	73%	189,502
Maint of PB Service Lines	34,723	532,436	120%	432,820
Single Service Installations	(2,483)	11,220	-	12,691
Maint of Meters	10,679	100,402	76%	100,401
Detector Check Assembly Maint	3,589	54,586	73%	65,749
Maint of Hydrants	3,808	34,311	44%	25,655
GASB68 Adjustment	0	0	-	(230)
TRANSMISSION & DISTRIBUTION	\$235,623	\$2,731,926	101%	\$2,528,493
CONSUMER ACCOUNTING				
Meter Reading	\$11,655	\$156,557	90%	\$138,934
Collection Expense - Labor	2,433	30,757	93%	25,670
Collection Expense - Agency	132	1,948	65%	2,315
Billing & Consumer Accounting	25,152	277,312	108%	262,861
Contract Billing	1,520	17,160	90%	16,946
Stationery, Supplies & Postage	4,520	58,903	111%	60,032
Credit Card Fees	1,628	24,592	107%	23,893
Lock Box Service	912	10,944	99%	10,080
Uncollectable Accounts	2,344	15,382	103%	14,818
Office Equipment Expense	132	23,091	110%	16,743
Distributed to West Marin (4.1%)	(1,395)	(16,959)	113%	(16,233)
GASB68 Adjustment	0	0	-	6,196
CONSUMER ACCOUNTING	\$49,034	\$599,688	101%	\$562,254

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2016

	JUNE 2016	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER CONSERVATION				
Residential	\$20,056	\$319,063	92%	\$410,881
Commercial	100	3,711	15%	5,352
Public Outreach/Information	5,641	32,287	65%	34,148
Large Landscape	1,937	24,877	83%	10,747
GASB68 Adjustment	0	0	-	(727)
TOTAL WATER CONSERVATION	\$27,735	\$379,938	84%	\$460,400
GENERAL AND ADMINISTRATIVE				
Directors Fees	\$2,968	\$34,222	107%	\$30,400
Legal Fees	4,053	17,988	150%	9,956
Human Resources	1,637	24,172	76%	33,356
Auditing Fees	0	18,770	89%	18,380
Consulting Services/Studies	3,780	138,735	48%	107,015
General Office Salaries	110,978	1,273,067	87%	1,170,514
Safety: General District Wide	2,888	22,283	35%	12,087
Office Supplies	2,585	37,709	80%	36,877
Employee Events	0	10,143	85%	7,379
Other Administrative Expense	1,167	10,427	65%	13,390
Election Cost	0	250	0%	0
Dues & Subscriptions	115	59,271	104%	53,296
Vehicle Expense	676	8,112	101%	8,112
Meetings, Conferences & Training	3,508	139,858	76%	136,863
Recruitment Expense	173	864	43%	621
Gas & Electricity	3,138	33,211	107%	29,614
Telephone	604	7,285	121%	7,149
Water	286	1,962	98%	1,817
Buildings & Grounds Maint	3,025	63,344	124%	48,891
Office Equipment Expense	4,930	87,141	97%	97,868
Insurance Premiums & Claims	6,882	140,366	136%	102,073
Retiree Medical Benefits	13,348	168,935	97%	175,580
(Gain)/Loss on Overhead Charges	50,480	(89,967)	129%	(85,682)
G&A Applied to Other Operations (5.9%)	(9,308)	(126,679)	75%	(113,218)
G&A Applied to Construction	(28,722)	(359,689)	93%	(353,998)
GASB68 Adjustment	0	0	-	9,191
GENERAL & ADMINISTRATIVE	\$179,192	\$1,721,778	80%	\$1,557,531
Depreciation (Note 5)	213,009	2,577,081	95%	2,507,124
TOTAL OPERATING EXPENSE	\$1,431,495	\$14,840,972	90%	\$14,825,093
OPERATING INCOME/(LOSS)	\$107,949	\$537,018	31%	\$1,589,355

**NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2016**

	JUNE 2016	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest:				
General Funds	\$0	\$0	-	\$0
Wohler Pipeline Financing Fund	485	3,871	111%	3,142
Collector #6 Financing Fund	1,905	15,220	115%	12,354
Retiree Medical Insurance Fund	4,276	33,831	115%	26,586
Self-Insured Workers' Comp Fund	803	5,653	119%	3,853
Aqueduct Energy Efficiency Proj Fund	48	2,170	26%	24,743
Funds Held in County Treasury	0	698	15%	1,056
West Marin Water Advance (Note 11)	0	0	-	245
Total Interest Revenue	\$7,518	\$61,443	96%	\$71,978
Rents & Leases	4,834	66,582	91%	85,216
Other Non-Operating Revenue	40,112	85,192	852%	100,901
JM Pipe Claim Settlement	0	91,180	-	0
Gain/(Loss) on MV of Investments	3,327	(7,449)	-	1,088
NON-OPERATING REVENUE	\$55,791	\$296,948	202%	\$259,183
NON-OPERATING EXPENSE				
Bank of Marin AEEP Loan Interest Exp	\$16,837	\$202,098	95%	\$211,023
STP SRF Loan Interest Expense	22,733	291,064	98%	308,753
Drought Loan Interest Expense	154	1,719	86%	2,515
Other Non-Operating Expense *	38,470	21,639	108%	49,904
NON-OPERATING EXPENSE	\$78,194	\$516,521	97%	\$572,194
NET INCOME/(LOSS)	\$85,547	\$317,445	23%	\$1,276,344
 BEGINNING FUND EQUITY				
		\$70,723,784		\$67,238,946
NET INCOME/(LOSS)	85,547	317,445		1,276,344
CONTRIBUTED CAPITAL				
SCWA Prop 84 Water Conservation Grant	0	69,958	-	58,713
SCWA UFR Water Conservation Grant	0	0	-	23,000
Developer 'In-Kind' Contributions	18,803	413,247	-	317,030
Caltrans AEEP Capital Contribution	3,219,905	5,849,186	213%	7,070,554
MMWD AEEP Capital Contribution	0	245,000	100%	245,000
Connection Fees	0	255,000	48%	763,600
FRC Transfer to Recycled Water	(147,538)	(739,935)	103%	(688,916)
FRC Transfer to Recycled Water Prior Yr	0	0	-	(5,667,057)
ENDING FUND EQUITY		\$77,133,686		\$70,637,213

* Includes \$24,000 credit for Wild Horse Tank discharge fine charged twice to this account in FY15.

**NOVATO RECYCLED WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2016**

	JUNE 2016	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Recycled Water Sales	\$152,234	\$674,309	88%	\$715,468
Bimonthly Service Charges	2,184	28,687	102%	28,611
Account Turn-on Charges	6	26	-	6
Returned Check Charges	0	9	-	9
TOTAL OPERATING REVENUE	\$154,424	\$703,031	89%	\$744,094
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Purchased Water - NSD	\$4,051	\$94,464	67%	\$92,208
Purchased Water - LGVSD	30,994	98,228	128%	120,037
SOURCE OF SUPPLY	\$35,045	\$192,693	89%	\$212,245
PUMPING				
Maint of Structures & Grounds	\$0	\$0	0%	\$91
Maint of Pumping Equipment	0	812	20%	2,731
Electric Power	307	2,179	73%	2,001
GASB68 Adjustment	0	0	-	(175)
PUMPING	\$307	\$2,990	37%	\$4,648
OPERATIONS				
Supervision & Engineering	\$1,164	\$7,126	59%	\$8,196
Operating Expense - Operations	4	6,380	160%	6,767
Potable Water Consumed	0	32,164	322%	35,023
Maintenance Expense	595	14,889	298%	0
Telemetry Equipment/Controls Maint	0	11,549	128%	13,500
Leased Lines	0	0	0%	0
Safety: Operations	0	0	0%	0
Maintenance of Telemetry Lines	0	0	0%	0
GASB68 Adjustment	0	0	-	562
OPERATIONS	\$1,763	\$72,107	108%	\$64,048
WATER TREATMENT				
Purification Chemicals	\$0	\$1,819	45%	\$250
Maint of Structures & Grounds	0	0	-	297
Maint of Purification Equipment	0	1,000	17%	1,831
Electric Power	0	0	0%	1,716
Laboratory Direct Labor	0	1,733	29%	1,067
Lab Expense Distributed from Novato	(8)	1,087	36%	659
GASB68 Adjustment	0	0	-	232
WATER TREATMENT	(\$8)	\$5,639	27%	\$6,053
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$1,588	\$8,864	68%	\$12,587
Maps & Records	0	423	-	1,443
Operation of T&D System	0	0	0%	64
Cathodic Protection	0	0	0%	0
Storage Facilities Expense	643	2,056	69%	6,039
Maint of Valves/Regulators	22	158	8%	801
Backflow Prevention Program	0	0	0%	0
Maint of Meters	0	1,695	170%	537
Maint of Mains	68	839	-	48,339
GASB68 Adjustment	0	0	-	(872)
TRANSMISSION & DISTRIBUTION	\$2,321	\$14,036	44%	\$68,939

**NOVATO RECYCLED WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2016**

	JUNE 2016	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
CONSUMER ACCOUNTING				
Distributed from Novato (3.6%)	\$67	\$819	82%	\$777
CONSUMER ACCOUNTING	\$67	\$819	82%	\$777
GENERAL AND ADMINISTRATIVE				
Consulting Services/Studies	\$37,411	\$37,411	125%	\$4,509
Distributed from Novato (1.6%)	3,387	46,098	79%	42,457
GASB68 Adjustment	0	0	-	102
GENERAL & ADMINISTRATIVE	\$40,798	\$83,509	144%	\$47,068
Depreciation (Note 5)	39,337	472,040	100%	471,674
TOTAL OPERATING EXPENSE	\$119,631	\$843,833	96%	\$875,451
OPERATING INCOME/(LOSS)	\$34,793	(\$140,802)	164%	(\$131,357)
NON-OPERATING REVENUE				
Interest:				
General Funds	\$0	\$0	0%	\$639
RWF Replacement Fund	188	2,842	-	4,226
Capital Repl & Exp Fund	326	2,607	-	921
Self-Insured Workers' Comp Fund	16	107	-	55
StoneTree RWF Loan	3,530	44,417	101%	49,296
Total Interest Revenue	\$4,059	\$49,973	93%	\$55,136
Other Non-Operating Revenue *	0	28,445	-	5,143
NON-OPERATING REVENUE	\$4,059	\$78,418	145%	\$60,279
NON-OPERATING EXPENSE				
RWF SRF Loan Interest Expense	\$5,313	\$67,709	100%	\$72,529
Expansion SRF Loan Interest Expense	19,587	208,344	98%	214,582
Other Non-Operating Expense	(34,958)	0	-	12,667
GASB68 Adjustment	0	0	-	(7)
NON-OPERATING EXPENSE	(\$10,058)	\$276,053	99%	\$299,770
NET INCOME/(LOSS)	\$48,911	(\$338,437)	108%	(\$370,848)
BEGINNING FUND EQUITY				
NET INCOME/(LOSS)	48,911	(338,437)		(370,848)
FRC Transfer from Novato	147,538	739,935	103%	688,916
RW Central Area Expansion Grant	462,289	462,289	-	23,000
FRC Transfer from Novato Prior Yr	0	0		(24,082)
ENDING FUND EQUITY		\$11,186,913		\$8,935,129

* Includes \$16,368 refund from Las Gallinas Valley Sanitary District for prior year capital repair costs, and \$12,077 to correct FY15 double posting of Hamilton Parkway Main repair cost.

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2016**

	JUNE 2016	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$38,323	\$526,511	86%	\$586,732
Bill Adjustments	(87)	(10,186)	-	(24,537)
Bimonthly Service Charges	14,065	168,775	101%	166,938
Account Turn-on Charges	202	1,329	133%	998
New Account Charges	35	210	21%	215
Returned Check Charges	0	27	-	54
Backflow Service Charges	908	5,498	110%	5,371
TOTAL OPERATING REVENUE	\$53,445	\$692,162	88%	\$735,772
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Supervision & Engineering	\$94	\$419	-	\$0
Operating Expense	213	6,180	88%	4,368
Maint of Structures	0	7,619	63%	7,525
Water Quality Surveillance	0	3,007	60%	2,215
Purchased Water - MMWD	0	0	-	6,651
GASB Adjustment	0	0	-	1,103
SOURCE OF SUPPLY	\$307	\$17,225	72%	\$21,862
PUMPING				
Maint of Structures and Grounds	\$0	\$4,326	33%	\$7,988
Maint of Pumping Equip	0	4,825	48%	7,146
Electric Power	2,402	17,011	113%	13,083
GASB68 Adjustment	0	0	-	2,441
PUMPING	\$2,402	\$26,163	69%	\$30,657
OPERATIONS				
Supervision & Engineering	\$801	\$11,854	132%	\$7,915
Operating Expense	747	13,995	108%	31,604
Maint of Telemetry Equipment	1,540	10,861	60%	18,295
Leased Lines	424	6,258	104%	5,119
GASB68 Adjustment	0	0	-	(3,403)
OPERATIONS	\$3,512	\$42,968	93%	\$59,531
WATER TREATMENT				
Supervision & Engineering	\$309	\$4,744	68%	\$4,291
Operating Expense	1,947	25,860	144%	23,541
Purification Chemicals	0	2,059	41%	2,767
Maint of Structures & Grounds	0	1,520	152%	2,350
Maint of Purification Equipment	3,218	11,233	66%	5,788
Electric Power	2,182	22,489	83%	23,693
Laboratory Direct Labor	3,146	37,360	125%	35,355
Laboratory Services	560	3,900	98%	8,294
Water Quality Supervision	0	6,394	160%	5,464
Customer Water Quality	514	4,888	98%	6,084
Lab Expense Distributed from Novato	1,820	23,441	147%	21,841
GASB68 Adjustment	0	0	-	1,665
WATER TREATMENT	\$13,696	\$143,888	107%	\$141,132

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2016**

	JUNE 2016	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$546	\$7,289	46%	\$14,075
Maps & Records	0	757	11%	3,004
Facilities Location - USA	194	5,476	110%	2,708
Customer Service Expense	457	7,359	49%	16,871
Flushing	0	0	0%	6,956
Storage Facilities Expense	732	20,391	97%	19,950
Cathodic Protection	0	1,596	32%	383
Maint of Valves	0	1,427	24%	13,234
Valve Operation Program	0	0	0%	0
Maint of Mains	0	19,831	397%	1,956
Water Quality Maintenance	0	551	-	0
Maint of Backflow Devices	0	853	85%	484
Backflow Dev Inspection/Survey	0	3,546	59%	66
Maint of Copper Services	1,810	17,629	353%	5,104
Maint of PB Service Lines	9,768	18,541	169%	27,255
Maint of Meters	970	3,638	182%	2,076
Detector Check Assembly Maint	0	0	0%	2,290
Maint of Hydrants	0	0	0%	6,378
Hydrant Operation	0	0	0%	0
Single Service Installation	0	0	-	4,005
GASB68 Adjustment	0	0	-	2,941
TRANSMISSION & DISTRIBUTION	\$14,476	\$108,883	91%	\$129,737
CONSUMER ACCOUNTING				
Meter Reading	\$630	\$7,560	69%	\$7,454
Collection Expense - Labor	0	295	15%	1,145
Uncollectable Accounts	0	273	-	952
Distributed from Novato (3.6%)	1,188	14,464	111%	13,707
GASB68 Adjustment	0	0	-	200
CONSUMER ACCOUNTING	\$1,818	\$22,592	87%	\$23,457
WATER CONSERVATION				
Water Conservation Program	\$2,335	\$9,939	47%	\$18,603
GASB68 Adjustment	0	0	-	(643)
TOTAL WATER CONSERVATION	\$2,335	\$9,939	47%	\$17,960
GENERAL AND ADMINISTRATIVE				
Consulting Services/Studies	\$29,018	\$29,018	50%	\$0
Distributed from Novato (3.2%)	4,402	59,916	74%	51,463
GENERAL & ADMINISTRATIVE	\$33,420	\$88,933	64%	\$51,463
Depreciation (Note 5)	15,551	189,039	105%	155,067
TOTAL OPERATING EXPENSE	\$87,518	\$649,631	89%	\$630,865
OPERATING INCOME/(LOSS)	(\$34,072)	\$42,532	76%	\$104,907

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2016**

	JUNE 2016	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest - General Funds	\$218	\$1,726	-	\$257
Interest - FRC	133	1,413	71%	1,223
Interest - Self-Insured WC Fund	28	195	-	0
Interest - Bank of Marin Project Fund	787	6,283	209%	3,274
Interest - CIR Fund	60	408	-	273
Rents & Leases	0	3,927	98%	3,941
Tax Proceeds - OL-2 G.O. Bond	81	284	-	661
Tax Proceeds - PR-2 Tax Allocation	2,647	49,072	109%	45,378
Other Non-Operating Revenue	0	102	-	(7)
NON-OPERATING REVENUE	\$3,954	\$63,412	117%	\$55,000
NON-OPERATING EXPENSE				
Bank of Marin Loan Interest Expense	\$2,471	\$29,666	102%	\$30,899
OL-2 G.O. Bond Interest Expense	0	0	-	99
PRE-1 Revenue Bond Interest Exp	75	2,912	97%	3,463
PR-6 Revenue Bond Interest Exp	275	3,300	94%	3,750
Drought Loan Interest Expense	20	222	56%	340
Interest-Advance from Novato (Note 11)	0	0	-	245
Other Non-Operating Expense	(27,828)	596	-	656
GASB68 Adjustment	0	0	-	2,462
NON-OPERATING EXPENSE	(\$24,987)	\$36,697	102%	\$41,913
NET INCOME/(LOSS)	(\$5,132)	\$69,247	94%	\$117,994
BEGINNING FUND EQUITY				
NET INCOME/(LOSS)	(5,132)	69,247		117,994
CONTRIBUTED CAPITAL				
Prop 50 Gallagher Well Pipeline Grant	0	0	-	1,177,912
Developer 'In-Kind' Contributions	0	15,841	-	20,302
Connection Fees	0	0	0%	22,800
PRIOR YEAR ADJUSTMENTS (Note 11c)	0	0		(22,099)
ENDING FUND EQUITY		\$6,018,678		\$5,483,078

**OCEANA MARIN SEWER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2016**

	JUNE 2016	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Sewer Service Charges	\$16,330	\$195,461	100%	\$186,864
Inspection Fees	0	460	-	140
TOTAL OPERATING REVENUE	\$16,330	\$195,921	100%	\$187,004
OPERATING EXPENSE				
SEWAGE COLLECTION				
Supervision & Engineering	\$1,036	\$11,845	91%	\$11,072
Inspection	0	0	0%	244
Maps & Records	0	0	-	14
Operating Expense	388	6,933	99%	5,894
Facilities Location	0	1,871	187%	2,277
Maint of Telemetry Equipment	0	3,004	150%	5,952
Maint of Lift Stations	2,380	12,406	177%	1,677
Maint of Manholes	0	0	0%	0
Maint of Sewer Mains	0	8,619	172%	0
Electric Power	942	10,565	117%	9,208
GASB68 Adjustment	0	0	-	(158)
SEWAGE COLLECTION	\$4,746	\$55,241	113%	\$36,179
SEWAGE TREATMENT				
Operating Expense	\$1,071	\$30,002	103%	\$34,771
Treatment Supplies & Expense	0	0	0%	0
Maint of Structures	0	71	4%	9
Maint of Equipment	0	4,347	54%	2,025
Laboratory Direct Labor	0	3,747	62%	3,347
Lab Expense Distributed from Novato	(17)	2,351	118%	2,067
Electric Power	412	5,246	75%	6,814
GASB68 Adjustment	0	0	-	(3,307)
SEWAGE TREATMENT	\$1,467	\$45,765	82%	\$45,727
SEWAGE DISPOSAL				
Operating Expense	\$1,030	\$12,228	136%	\$14,887
Maint of Pump Stations	0	6,064	67%	1,050
Maint of Storage Ponds	0	2,567	64%	2,086
Maint of Irrigation Field	0	11,791	131%	8,284
GASB68 Adjustment	0	0	-	714
SEWAGE DISPOSAL	\$1,030	\$32,650	105%	\$27,022
CONSUMER ACCOUNTING				
Collection Expense - County of Marin	\$0	\$456	-	\$342
Distributed from Novato (0.5%)	\$139	\$1,675	84%	\$1,749
CONSUMER ACCOUNTING	\$139	\$2,131	107%	\$2,091
GENERAL AND ADMINISTRATIVE				
Consulting Services/Studies	\$0	\$0	0%	\$28,234
Distributed from Novato (1.0%)	1,518	20,665	71%	19,299
Liability Insurance	177	2,127	106%	2,306
GENERAL AND ADMINISTRATIVE	\$1,696	\$22,792	50%	\$21,604
Depreciation (Note 5)	3,949	48,193	93%	49,860
TOTAL OPERATING EXPENSE	\$13,026	\$206,772	88%	\$182,484
OPERATING INCOME/(LOSS)	\$3,304	(\$10,851)	27%	\$4,520

**OCEANA MARIN SEWER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING JUNE 30, 2016**

	JUNE 2016	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<u>NON-OPERATING REVENUE</u>				
Rents & Leases	\$0	\$500	-	\$500
Interest - Connection Fee Reserve	7	30	-	0
Interest - General Funds	547	3,541	177%	2,278
Interest - Self Insured WC Fund	10	67	-	45
Tax Proceeds - OM-1/OM-3 Tax Alloc	2,821	52,609	112%	48,360
Annexation Fees	0	8,508	-	0
Other Non-Operating Revenue	0	46	-	0
NON-OPERATING REVENUE	\$3,384	\$65,300	133%	\$51,183
<u>NON-OPERATING EXPENSE</u>				
Other Non-Operating Expense	\$0	\$636	-	\$808
GASB68 Adjustment	0	0	-	(371)
NON-OPERATING EXPENSE	\$0	\$636	-	\$437
NET INCOME/(LOSS)	\$6,688	\$53,813	598%	\$55,266
<u>BEGINNING FUND EQUITY</u>				
NET INCOME/(LOSS)	6,688	53,813		55,266
CONTRIBUTED CAPITAL				
Contribution in Aid of Construction	4	4,835	-	0
Connection Fees	0	23,690	158%	15,200
ENDING FUND EQUITY		\$1,257,108		\$1,144,484

**NORTH MARIN WATER DISTRICT
CONNECTION FEE ANALYSIS
FOR THE PERIOD ENDING JUNE 30, 2016**

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

CONNECTION FEE FUND	TOTAL	NOVATO WATER	WEST MARIN WATER	OCEANA MARIN SEWER
Connection Fee Cash Balance 6/30/15	\$176,345	\$0	\$176,345	\$0
Add: funds borrowed to subsidize operations	(\$3,856,760)	(\$3,838,645)	\$0	(\$18,115)
Connection Fee Reserve Balance 6/30/15	(\$3,680,415)	(\$3,838,645)	\$176,345	(\$18,115)
Add: Connection Fees Collected FYTD	278,690	255,000	0	23,690
Interest Earned	1,443	0	1,413	30
Prior Period Adjustment	166,354	166,354		
Subtotal	(\$3,233,929)	(\$3,417,291)	\$177,758	\$5,604
Less: Fees Expended FYTD	947,447	878,952	68,495	0
Fees transferred to RWS FYTD (Note 14)	806,664	806,664	0	0
Connection Fee Reserve Balance 6/30/16	(\$4,988,040)	(\$5,102,907)	\$109,263	\$5,604
Less: Funds borrowed to subsidize operations	(5,102,907)	(5,102,907)	0	0
CONNECTION FEE CASH BALANCE 6/30/16	\$114,867	\$0	\$109,263	\$5,604

FY16 CONNECTION FEE EXPENDITURES	TOTAL EXPENDITURE	% FUNDED BY CONNECTION FEES¹	TOTAL FROM CONNECTION FEES
Novato Water			
Zone A Pressure Improvements	\$206,222	50%	\$103,111
Bank of Marin AEEP Debt Service	482,042	25%	120,510
Tank Access Hatch/Level Alarms	44,281	25%	9,875
STP Rehab SRF Loan Debt Service	1,044,474	25%	261,119
Lynwood PS Motor Control Center Replace	9,742	25%	1,163
Sunset Tank C12 Mixing System	118,150	25%	29,066
Radio Read Meter Retrofit	52,481	25%	13,077
Dam Concrete Spillway Repair	58,077	25%	14,519
Water Conservation Expenditures	326,512	100%	326,512
	\$2,341,982		\$878,952
Recycled Water			
NBWRA Grant Program Administration	\$102,842	100%	\$102,842
RW Expansion North Area Debt Service	281,892	100%	281,892
RW Expansion South Area Debt Service	332,407	100%	332,407
RW Expansion Central Area Local Share	66,729	100%	66,729
RWF SRF Loan Debt Service ²	273,367	8%	22,795
	\$1,057,236		\$806,664
West Marin Water			
Bank of Marin Debt Service	\$70,759	25%	\$17,690
Upsize 4" Pipe from Bear Valley Tank	145,709	25%	35,324
Pt Reyes Tank #2 & #3 Seismic Piping	74,330	25%	15,482
	\$290,798		\$68,495

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

² \$250,572 of the \$273,367 Annual Debt Service Reimbursed by Stone Tree Golf Club.

**NORTH MARIN WATER DISTRICT
ANALYSIS OF WORKER'S COMP, CONNECTION FEE AND CIR FUNDS
FOR THE PERIOD ENDING JUNE 30, 2016**

	TOTAL	NOVATO WATER	WEST MARIN WATER	OCEANA MARIN SEWER	RECYCLED WATER
<u>WORKERS' COMPENSATION FUND</u>					
WC Cash Balance 6/30/15	\$566,834	\$532,786	\$18,152	\$6,299	\$9,597
Less: Projected Prior FY Claims Liability	58,721	54,796	1,784	669	1,472
WC Reserve Balance 6/30/15	\$508,113	\$477,990	\$16,368	\$5,630	\$8,125
Add: WC Expense Charged to Operations FYTD	212,135	197,286	7,000	2,333	5,516
Interest Earned	6,022	5,653	195	67	107
Subtotal	\$726,270	\$680,929	\$23,563	\$8,030	\$13,748
Less: Claims Expense Paid	35,809	33,303	1,182	394	931
Excess Insurance Premium	57,408	53,389	1,894	631	1,493
Administration Fees	12,000	11,160	396	132	312
WC Reserve Balance 6/30/16	\$621,052	\$583,076	\$20,091	\$6,873	\$11,012
Add: Projected Claims Liability	95,244	88,577	3,143	1,048	2,476
WC CASH BALANCE 6/30/16	<u>\$716,297</u>	<u>\$671,654</u>	<u>\$23,234</u>	<u>\$7,921</u>	<u>\$13,488</u>
<u>CONSERVATION INCENTIVE RATE FUND</u>					
CIR Cash Balance 6/30/15	\$41,441	\$0	\$41,441		
Add funds borrowed to subsidize operations	0	0	0		
CIR Reserve Balance 6/30/15	\$41,441	\$0	\$41,441		
Add: CIR Charges Billed FYTD	57,063	49,811	7,252		
Regulation 15 Forfeitures	18,068	18,068	0		
Interest Earned	408	0	408		
Subtotal	\$116,980	\$67,879	\$49,101		
Less: CIR Funds Expended FYTD ¹	62,793	52,854	9,939		
Bill Adjustments	18,336	15,025	3,311		
CIR Reserve Balance 6/30/16	\$35,852	\$0	\$35,852		
Less funds borrowed to subsidize operations	0	0	0		
CIR CASH BALANCE 6/30/16	<u>\$35,852</u>	<u>\$0</u>	<u>\$35,852</u>		

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

**NORTH MARIN WATER DISTRICT
EQUIPMENT EXPENDITURES
PERIOD ENDING JUNE 30, 2016**

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	JUNE 2016	FYTD TOTAL	FY 15/16 BUDGET	(OVER) UNDER	Notes
1 CONSTRUCTION					
a. Fittings & Hose for Emergency Hose Trailer		\$0	\$6,000	\$6,000	1
	\$0	\$0	\$6,000	\$6,000	
2 ENGINEERING					
a. Large Format Color Printer		\$0	\$12,000	\$12,000	1
	\$0	\$0	\$12,000	\$12,000	
3 OPERATIONS/MAINTENANCE					
a. Tire Balancer		\$0	\$6,000	\$6,000	1
b. Light & Heavy Duty Scanners & Software ²		13,958	0	(13,958)	
c. STP Manganese Analyzer	12,416	12,416	0	(12,416)	1
	\$12,416	\$26,374	\$6,000	(\$20,374)	
4 VEHICLE & ROLLING EQUIPMENT EXPENDITURES					
a. 4 X 4 Backhoe (Diesel)		\$0	\$125,000	\$125,000	1
b. Mini Pickup w/Tool Box & Radio		23,796	25,000	1,204	1
c. Ford Escape	25,017	25,017	25,000	(17)	1
	\$25,017	\$48,812	\$175,000	\$126,188	
TOTAL EQUIPMENT EXPENDITURES	\$37,433	\$75,187	\$199,000	\$123,813	

Notes:

- (1) Replacement item.
(2) Funds provided by combining unused budget from the Emergency Hose Trailer (\$6,000), Tire Balancer (\$6,000), and Large Format Color Printer (\$2,341), none of which will be purchased.

**NORTH MARIN WATER DISTRICT
OVERHEAD ACCOUNT ANALYSIS
FOR PERIOD ENDING JUNE 30, 2016**

	<u>YEAR TO DATE ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
<u>Material Handling</u>				
Material Overhead Recovered (15%)	\$53,092	\$111,000	48%	\$50,050
Labor	\$68,963	\$90,000	77%	\$89,814
Materials, Supplies & Expense	10,536	10,000	105%	17,456
Correction to Inventory Counts	6,238	0	-	(7,918)
Write-down of Obsolete Inventory	0	0	-	26,622
Depreciation	10,560	11,000	96%	3,746
	<u>\$96,297</u>	<u>\$111,000</u>	87%	<u>\$129,720</u>
Net Material Handling Gain / (Loss)	<u>(\$43,204)</u>	<u>\$0</u>	-	<u>(\$79,670)</u>
<u>Construction Supplies</u>				
Const Supplies Overhead Recovered (10%)	\$266,980	\$305,000	88%	\$237,241
Labor	\$75,281	\$114,000	66%	\$84,705
Materials, Supplies & Expense	85,905	90,000	95%	90,525
Small Tools	21,843	24,000	91%	17,154
Depreciation	3,439	4,000	86%	4,281
	<u>\$186,467</u>	<u>\$232,000</u>	80%	<u>\$196,665</u>
Net Constr Supplies Gain / (Loss)	<u>\$80,513</u>	<u>\$73,000</u>	110%	<u>\$40,576</u>
<u>Vehicle & Equipment</u>				
Vehicle & Equipment Recovered ¹	\$389,330	\$320,000	122%	\$380,799
Labor	\$53,834	\$104,000	52%	\$56,509
Materials, Supplies & Expense	81,954	67,000	122%	67,401
Fuel	69,928	88,000	79%	96,965
Depreciation	125,950	135,000	93%	116,633
	<u>\$331,666</u>	<u>\$394,000</u>	84%	<u>\$337,508</u>
Net Vehicle & Equip Gain / (Loss)	<u>\$57,665</u>	<u>(\$74,000)</u>	-78%	<u>\$43,291</u>
<u>Payroll</u>				
Overheaded Payroll Recovered	\$7,240,838	\$7,714,000	94%	\$7,019,974
Salary Including Leave Time	\$4,835,824	\$5,082,000	95%	\$4,638,294
Employer FICA & Medicare Tax	367,590	378,000	97%	352,047
Insurance ²	877,671	1,003,000	88%	888,643
Worker's Compensation	137,677	119,000	116%	163,760
Retiree Medical Accrual	77,812	79,000	98%	98,692
CalPERS Retirement	912,598	982,000	93%	836,146
Unreconciled Difference	(86,848)			(39,093)
	<u>\$7,122,323</u>	<u>\$7,643,000</u>	93%	<u>\$6,938,489</u>
Net Payroll Gain / (Loss)	<u>\$118,514</u>	<u>\$71,000</u> ³		<u>\$81,485</u>
Total Overhead Gain / (Loss)	<u>\$213,487</u>	<u>\$70,000</u>	305%	<u>\$85,682</u>

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

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

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

**NORTH MARIN WATER DISTRICT
EXPENDITURES BY CATEGORY
FOR PERIOD ENDING JUNE 30, 2016**

OPERATING EXPENSE		Novato	Recycled	West Marin	Oceana Marin	YTD Total	Annual Budget	YTD Budget %	Prior YTD Actual	% Change
1	Salaries & Benefits	\$5,873,768	\$44,072	\$208,458	\$70,222	\$6,196,521	\$6,466,000	96%	\$5,869,386	5 %
2	Water Purchases	3,879,429	192,693	0	0	4,072,121	4,927,000	83%	4,545,345	-10 %
3	Depreciation	2,577,081	472,040	189,039	48,193	3,286,353	3,404,000	97%	3,183,725	3 %
4	Materials, Services & Supplies	1,324,304	40,207	55,051	37,501	1,457,064	1,675,000	87%	1,536,517	-5 %
5	Electric Power	325,429	2,179	39,501	15,811	382,919	449,000	85%	391,015	-2 %
6	Chemicals	378,562	1,819	2,059	0	382,440	436,000	88%	361,924	5 %
7	Consulting Services/Studies	138,735	37,411	29,018	0	205,163	393,000	52%	107,015	91 %
8	Vehicles and Equipment (Distrib)	258,965	2,313	16,121	5,970	283,368	260,000	109%	263,684	7 %
9	Tools & Supplies (Distrib)	212,504	3,095	11,164	4,608	231,371	179,000	129%	196,292	17 %
10	Retiree Medical Expenses	168,935	0	0	0	168,935	174,000	97%	175,580	-3 %
12	Insurance & Claims	140,366	0	0	2,127	142,492	105,000	136%	104,379	36 %
11	Water Conservation Rebates	86,457	0	1,400	0	87,857	160,000	55%	95,467	-7 %
13	Office Supplies & Postage	96,612	0	0	0	96,612	100,000	97%	120,802	-20 %
14	Overhead Charges (Gain)/Loss	(89,967)	0	0	0	(89,967)	(70,000)	129%	(85,682)	5 %
15	Distributed Costs (Lab,G&A,ConsAcctg)	(530,206)	48,004	97,822	22,340	(362,041)	(387,000)	94%	(356,065)	1 %
16	Total Operating Expense	\$14,840,972	\$843,833	\$649,631	\$206,772	\$16,541,208	\$18,271,000	91%	\$16,509,384	0 %
17	Interest Expense & Other	516,521	276,053	36,697	636	829,906	949,000	87%	6,656,745	-87 %
18	Total Expense	\$15,357,493	\$1,119,885	\$686,328	\$207,408	\$17,371,114	\$19,220,000	90%	\$23,166,129	-25 %
<u>Warehouse, Shop & Yard</u>										
19	Salaries & Benefits	\$198,078	\$0	\$0	\$0	\$198,078	\$308,000	64%	\$231,028	-14 %
20	Materials, Services & Supplies	416,351	0	0	0	416,351	441,000	94%	291,815	42 %
21	Distributed Costs	(614,429)	0	0	0	(614,429)	(749,000)	82%	(522,842)	17 %
22	Total W/H, Shop & Yard	\$0	\$0	\$0	\$0	\$0	\$0	-	\$0	-
<u>District Capital Outlay</u>										
23	Salaries & Benefits	\$325,991	\$339,704	\$78,879	\$6,210	\$750,783	\$831,000	90%	\$775,515	-3 %
24	Equipment Expenditures	100,427	0	0	0	100,427	199,000	50%	196,220	-48 %
25	Debt Principal Payments	1,049,263	609,185	63,455	0	1,721,903	1,706,000	101%	1,686,523	2 %
26	Materials, Services & Supplies	4,102,643	580,362	146,123	2,437	4,831,566	12,234,000	39%	15,221,179	-68 %
27	Total District Capital Outlay	\$5,578,324	\$1,529,251	\$288,457	\$8,647	\$7,404,679	\$14,970,000	49%	\$17,879,436	-58 %
<u>Developer Funded Projects</u>										
28	Salaries & Benefits	\$192,540	\$0	\$5,322	\$3,527	\$201,388	\$209,000	96%	\$162,818	23 %
29	Materials, Services & Supplies	227,986	0	10,519	1,309	239,814	98,000	245%	180,078	33 %
30	Total Developer Projects	\$420,526	\$0	\$15,841	\$4,835	\$441,202	\$307,000	144%	\$342,896	28 %
31	Total	\$21,356,343	\$2,649,136	\$990,625	\$220,890	\$25,216,995	\$34,497,000	73%	\$41,388,461	-39 %

**NORTH MARIN WATER DISTRICT
VEHICLE FLEET ANALYSIS
FOR PERIOD ENDING JUNE 30, 2016**

Fiscal Year to Date							Vehicle Cost per Mile					
Year	Description	Veh#	Assigned	Mileage	Expense ¹	Recovery ²	Gain/(Loss)	Mileage	Life to Date	FY16	FY15	FY14
1	1999 Dodge Ram 1500	32	STP	1,206	\$1,461	\$1,215	(\$246)	82,688	\$0.44	\$1.21	\$0.39	\$0.66
2	2002 Chev K1500 4x4	47	LeBrun	6,699	\$2,801	\$2,822	\$20	119,249	\$0.36	\$0.42	\$0.53	\$0.71
3	2003 Dodge Dakota 4x4	49	Stompe	5,793	\$1,886	\$2,877	\$991	93,404	\$0.41	\$0.33	\$0.38	\$0.60
4	2003 Chev C1500	51	Pool	3,222	\$1,025	\$1,800	\$776	122,273	\$0.39	\$0.32	\$0.55	\$0.51
5	2004 Chev C1500	53	STP	4,739	\$3,159	\$4,227	\$1,068	119,953	\$0.46	\$0.67	\$0.40	\$1.52
6	2004 Chev C1500 Xtra Cab	54	Pool	1,383	\$5,078	\$654	(\$4,424)	93,468	\$0.45	\$3.67	\$0.39	\$0.62
7	2005 Honda Civic Hybrid	56	Engineering	2,390	\$1,049	\$1,008	(\$42)	75,891	\$0.24	\$0.44	\$0.29	\$0.42
8	2005 Honda Civic Hybrid	57	Clark	14,576	\$2,921	\$5,267	\$2,346	68,497	\$0.24	\$0.20	\$0.58	\$0.16
9	2005 Ford Ranger	58	Pool	10,479	\$3,451	\$6,564	\$3,113	125,935	\$0.44	\$0.33	\$0.42	\$0.64
10	2005 Ford Ranger	59	Bynum	8,947	\$3,497	\$8,685	\$5,188	118,584	\$0.46	\$0.39	\$0.65	\$0.34
11	2006 Chev Colorado	501	Pool	8,712	\$3,515	\$7,312	\$3,797	135,602	\$0.38	\$0.40	\$0.42	\$0.41
12	2007 Chev K2500 4x4	502	Corda, Joe	9,796	\$6,518	\$18,311	\$11,794	88,371	\$0.54	\$0.67	\$0.50	\$0.52
13	2007 Chev Colorado	504	Frazer	12,161	\$4,242	\$14,875	\$10,633	48,148	\$0.44	\$0.35	\$0.71	\$0.72
14	2008 Ford F250 4x4	505	Cilia	7,798	\$4,356	\$14,322	\$9,966	84,854	\$0.70	\$0.56	\$0.62	\$0.91
15	2008 Ford F250 4x4	506	STP	9,126	\$5,230	\$6,941	\$1,711	57,601	\$0.79	\$0.57	\$0.96	\$0.52
16	2008 Chev Colorado 4x4	509	Engineering	6,214	\$2,537	\$4,851	\$2,314	92,866	\$0.34	\$0.41	\$0.33	\$0.41
17	2009 Toyota Prius Hybrid	510	Engineering	3,510	\$1,413	\$2,045	\$632	94,735	\$0.20	\$0.40	\$0.35	\$0.15
18	2010 Ford F150 4x4	511	STP	9,461	\$5,145	\$7,166	\$2,021	61,583	\$0.48	\$0.54	\$0.41	\$0.68
19	2010 Ford F150	512	Kurfirst	9,843	\$7,330	\$14,945	\$7,615	85,944	\$0.49	\$0.74	\$0.36	\$0.59
20	2010 Ford F150	513	On-Call	4,006	\$2,781	\$5,536	\$2,754	53,293	\$0.44	\$0.69	\$0.41	\$0.61
21	2012 Ford F250	515	Reed	10,719	\$5,044	\$21,168	\$16,124	36,439	\$0.61	\$0.47	\$0.66	\$0.65
22	2012 Ford F250	516	Castellucci	1,976	\$4,821	\$16,891	\$12,070	36,230	\$0.53	\$2.44	\$0.48	\$0.64
23	2014 Ford F150	517	Grisso	2,194	\$1,449	\$4,895	\$3,446	6,174	\$0.45	\$0.66	\$0.33	\$0.26
24	2015 Ford F250 4x4	518	Kehoe, Chris	18,085	\$6,798	\$20,730	\$13,932	36,004	\$0.38	\$0.38	\$0.37	\$0.91
25	2015 Ford Escape 4X4	520	Arendell	14,620	\$4,480	\$12,007	\$7,527	15,240	\$0.30	\$0.31	\$0.16	-
26	2015 Ford F150 4X4	521	Lemos	12,346	\$4,488	\$5,993	\$1,505	12,428	\$0.37	\$0.36	\$1.95	-
27	2016 Nissan Frontier	522	Roberto	3,435	\$1,381	\$4,672	\$3,292	3,435	\$0.40	-	-	-
28	2017 Ford Escape 4X4	523	Lab	385	\$49	\$314	\$265	3,435	\$0.01	-	-	-
Total 3/4 Ton & Under				203,821	97,904	218,091	120,187	1,968,889	\$0.43	\$0.48	\$0.46	\$0.56
1	1999 Ford F350 W/Svc Body	19	Pool	1,354	\$3,280	\$2,530	(\$750)	131,752	\$0.77	\$2.42	\$1.05	\$2.97
2	2002 Int'l 5 Yd Dump	44	Construction	4,406	\$6,669	\$15,593	\$8,924	93,590	\$1.60	\$1.51	\$1.49	\$2.21
3	1999 Ford F550 3-Yd Dump ³	52	Construction	3,718	\$4,276	\$9,724	\$5,448	85,276	\$0.96	\$1.15	\$1.22	\$1.34
4	2006 Int'l 4300 Crew	503	Breit	4,237	\$9,264	\$18,128	\$8,864	34,870	\$2.56	\$2.19	\$2.69	\$2.20
5	2008 Ford F350 4x4	507	Latanyshyn	15,020	\$10,912	\$16,192	\$5,280	101,251	\$0.79	\$0.73	\$0.63	\$0.73
6	2009 Peterbilt 335 Crew	508	Ortiz	3,346	\$4,529	\$19,698	\$15,169	25,617	\$1.92	\$1.35	\$1.98	\$2.20
7	2012 Int'l 5 Yd Dump	514	Rupp	5,203	\$5,997	\$15,271	\$9,274	24,021	\$1.48	\$1.15	\$1.24	\$1.45
8	2015 Int'l 5 Yd Dump	519	Sjoblom	7,096	\$5,523	\$14,509	\$8,986	15,674	\$0.94	\$0.78	\$1.14	\$0.64
Total 1 Ton & Over				44,380	\$50,449	\$111,645	\$61,195	512,051	\$1.18	\$1.14	\$1.24	\$1.53

¹ Expense amount shown excludes depreciation (approximately \$100,000 for FY16).

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

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

**NORTH MARIN WATER DISTRICT
WATER CONSERVATION PROGRAM DETAIL
FOR PERIOD ENDING JUNE 30, 2016**

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Description		COST THRU JUNE 2015	JUNE 2016	FYTD TOTAL	FY 15/16 BUDGET	(OVER) UNDER	TOTAL COST		
NOVATO									
a. Residential									
1-7700-01	1-7700-26	1	Cash for Grass	\$315,464	\$3,771	\$63,013	\$58,000	(\$5,013)	\$378,477
1-7700-02	1-7700-27	2	Landscape Efficiency Rebates	21,118	253	1,549	7,000	5,451	22,667
1-7700-03		3	Fixtures Purchases	40,911	0	3,704	5,000	1,296	44,615
1-7700-06	1-7700-28	4	Washing Machine Rebates	336,990	530	6,756	20,000	13,244	343,746
1-7700-07		5	Demonstration Garden Improvements	54,377	0	39	1,000	961	54,416
1-7700-11	1-7700-29	6	Toilet Rebate SF	937,388	2,085	27,558	34,000	6,442	964,946
1-7700-12	1-7700-30	7	Toilet Rebate MF	18,173	0	0	4,000	4,000	18,173
1-7700-13		8	Residential Audits	293,840	461	22,240	50,000	27,760	316,080
1-7700-15		9	High Efficiency Toilet Distribution	238,006	0	4,171	0	(4,171)	242,177
1-7700-16		10	Water Waste Ordinance Monitoring	63,736	1,741	21,841	10,000	(11,841)	85,577
1-7700-17	1-7700-31	11	Swimming Pool Cover Rebate	1,589	334	1,408	2,000	592	2,997
1-7700-19	1-7700-32	12	ET Controller Rebate	28,777	0	1,608	8,000	6,392	30,385
1-7700-08		13	Administration	1,183,497	9,524	127,884	131,000	3,116	1,311,381
1-7700-20		14	New Development Wtr Cons Program	58,716	1,214	14,802	8,000	(6,802)	73,518
1-7700-21	1-7700-33	15	Demand Offset Rebate Program	2,425	19	371	2,000	1,629	2,796
1-7700-23		16	Grant Administration	1,838	0	476	1,000	524	2,314
1-7700-24	1-7700-34	17	Hot Water Recirculation Rebate	1,466	0	461	4,000	3,539	1,927
1-7700-25		18	Residential Fill Station	44,872	126	21,182	0	(21,182)	66,054
b. Commercial									
1-7701-02	1-7701-05	1	Toilet Rebate Program	66,709	0	252	10,000	9,748	66,961
1-7701-03	1-7701-04	2	Commercial Audits	12,431	100	3,459	15,000	11,541	15,890
c. Public Outreach/Information									
1-8672-16		1	Fall Newsletter	47,396	0	8,374	8,000	(374)	55,770
1-8672-17		2	Spring Newsletter	64,749	4,941	10,130	9,000	(1,130)	74,879
1-8672-18		3	Summer Newsletter	20,290	0	0	7,000	7,000	20,290
1-7700-04		4	Public Outreach / H ₂ O Fair	104,786	0	6,106	10,000	3,894	110,892
1-7700-05		5	Marketing	142,169	700	7,677	16,000	8,323	149,846
1-7700-22		6	Public Outreach/Leadership Novato	11,098	0	0	0	0	11,098
d. Large Landscape									
1-8653-02		1	Large Landscape Audits	84,516	0	4,912	10,000	5,089	89,428
1-7702-01		2	Large Landscape Budgets	33,093	215	3,087	3,000	(87)	36,180
1-7702-02	1-7702-04	3	Large Landscape Irrig Efficiency Rebates	14,460	0	0	8,000	8,000	14,460
1-8653-01		4	CIMIS Station Maintenance	18,653	0	0	2,000	2,000	18,653
1-7702-03		6	Administration-Large Landscape	24,105	1,722	16,879	7,000	(9,879)	40,984
TOTAL NOVATO WATER CONSERVATION				\$4,287,638	\$27,735	\$379,938	\$450,000	\$70,062	\$4,667,575
WEST MARIN WATER									
2-5166-00		a.	Water Conservation Program	\$71,641	\$2,335	\$9,939	\$22,000	\$12,061	\$81,580
TOTAL WATER CONSERVATION EXPENDITURES¹				\$71,641	\$2,335	\$9,939	\$22,000	\$12,061	\$81,580

¹FY16 total excludes \$317,000 (7,810 AF x \$40.53) paid to SCWA for water conservation services provided to NMWD.

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING JUNE 30, 2016**

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Description		COST THRU JUNE 2015	JUNE 2016	FYTD TOTAL	FY 15/16 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
1 PIPELINE REPLACEMENTS/ADDITIONS							
a. Main/Pipeline Replacements							
1-7067-20	1 So Novato Blvd-Rowland to Sunset (12"CI @ 1,000')	\$253,409	\$851	\$214,482	\$400,000	\$185,518	\$467,891
b. Main/Pipeline Additions							
1-7145-00	1 Zone A Pressure Improvements - Ignacio	113,325	153,448	206,222	150,000	(56,222)	319,548
1-7150-00	2 San Mateo 24" Inlet/Outlet	15,291	0	0	150,000	150,000	15,291
c. PB Service Line Replacements							
	1 Replace PB in Sync w/City Paving (30 Svcs)	0	0	0	70,000	70,000	0
1-7123-19	2 Grandview Ave (18 Svcs)	0	0	40,224	0	(40,224)	40,224
d. Relocations to Sync w/City & County CIP							
	1 Other Relocations	0	0	0	80,000	80,000	0
TOTAL PIPELINE REPLACEMENTS/ADDITIONS		\$382,025	\$154,300	\$460,929	\$850,000	\$389,072	\$842,954
e. Aqueduct Replacements & Enhancements							
1-7118-01	1 MSN B1-Utility Agreement Costs ³	\$266,635	\$342	(\$5,390)	\$4,890,000	\$4,895,390	\$261,245
1-7118-02	2 MSN B2-Utility Agreement Costs ³	35,183	(503)	25,670	0	(25,670)	60,853
1-7118-03	3 MSN B3-Utility Agreement Costs ³	8,332,160	18,759	2,620,653	0	(2,620,653)	10,952,813
1-7118-04	4 AEEP Permit/Design/Construction ⁴	5,674,419	1,022	919,083	0	(919,083)	6,593,502
1-7118-05	5 AEEP Legal Challenge/Litigation ⁴	10,679	0	0	0	0	10,679
1-7118-07	6 MSN B1-Co-Op Agreement Costs ³	421,623	0	6,090	0	(6,090)	427,713
1-7118-10	7 MSN B2/Gunn Ln-Utility Agreement Costs ³	40,958	0	856	0	(856)	41,814
1-7118-17	8 AEEP B1 Betterment & Depreciation Cost ⁴	411,164	0	0	0	0	411,164
1-7118-18	9 AEEP B2 Betterment & Depreciation Cost ⁴	765	0	0	0	0	765
1-7118-21	10 AEEP-Reach B Tree Removal ⁴	19,600	0	0	0	0	19,600
	11 AEEP Costs Not Funded by Caltrans ⁴	0	1,307	1,307	0	(1,307)	1,307
TOTAL AQUEDUCT REPLACEMENTS AND ENHANCEMENTS		\$15,213,186	\$20,928	\$3,568,270	\$4,890,000	\$1,321,730	\$18,781,455
2 SYSTEM IMPROVEMENTS							
1-7008-12	a. RTU Upgrades	\$0	\$0	\$15,579	\$15,000	(\$579)	\$15,579
1-8677-20	b. Flushing Taps at Dead-Ends (12 biennially)	0	1,783	34,808	50,000	15,192	34,808
1-7007-10	c. Detector Check Assembly Repair/Repl (~14/yr)	0	0	0	190,000	190,000	0
1-7090-02	d. Anode Installations (150/yr)	19,011	29	20,987	30,000	9,013	39,998
1-7132-02	e. Radio Expansion Telemetry Upgrades	0	0	23,935	25,000	1,065	23,935
1-7054-05	f. Inaccurate High Use Meter Replacement	4,542	168	9,720	10,000	280	14,262
1-7137-01	g. Backflow Device Upgrade-BMK-FY16 (15 Svcs)	0	2,742	14,527	30,000	15,473	14,527
1-7146-00	h. Tank Access Hatch/Level Alarms (15 sites)	54,744	0	44,281	35,000	(9,281)	99,025
1-7157-00	i. Automate Zone Valve-Slowdown Ct	0	0	1,112	50,000	48,888	1,112
1-7158-00	j. Radio Read Meter Retrofit (Pilot Study/Install)	0	36,084	88,565	500,000	411,435	88,565
TOTAL SYSTEM IMPROVEMENTS		\$78,296	\$40,806	\$253,516	\$935,000	\$681,484	\$331,813

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING JUNE 30, 2016**

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Description	COST THRU JUNE 2015	JUNE 2016	FYTD TOTAL	FY 15/16 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
3 BUILDINGS, YARD, & S.T.P. IMPROVEMENTS						
a. Administration Building						
1-6501-43 1 Electronic Document Management System	\$0	\$0	\$0	\$150,000	\$150,000	\$0
1-6501-44 2 Office/Yard Building Refurbish	0	0	0	1,500,000	1,500,000	0
1-6501-45 3 Office HVAC	0	0	25,240	0	(25,240)	25,240
1-6501-46 4 Office Emergency Generator	0	0	0	150,000	150,000	0
b. Stafford Treatment Plant						
1-6600-69 1 Stafford Dam Concrete Spillway Repair	75,346	56,865	58,077	50,000	(8,077)	133,423
1-6600-70 2 Watershed Erosion Control	46,154	0	13,243	25,000	11,757	59,397
1-6600-82 3 STP Emergency Power Generator	0	0	0	150,000	150,000	0
TOTAL BUILDING, YARD, & STP IMPROVEMENTS	\$121,500	\$56,865	\$96,560	\$2,025,000	\$1,928,440	\$218,061
4 STORAGE TANKS & PUMP STATIONS						
a. Hydro pneumatic Tank Repairs						
	\$0	\$0	\$0	\$60,000	\$60,000	\$0
1-6112-24 b. Lynwood Pump Station Motor Control Center	106,813	(12,653)	(2,911)	120,000	122,911	103,902
1-6222-23 c. Sunset Tank C12 Mixing System	23,240	300	95,210	90,000	(5,210)	118,450
1-6141-00 d. Crest P.S.(Design/Const)/Reloc School Rd P.S.	28,039	0	0	70,000	70,000	28,039
TOTAL STORAGE TANKS & PUMP STATIONS	\$158,092	(\$12,353)	\$92,299	\$340,000	\$247,701	\$250,391
5 RECYCLED WATER						
5-7127-00 a. NBWRA Grant Program Administration	\$971,398	\$28,590	\$102,842	\$80,000	(\$22,842)	\$1,074,240
5-6058-10 b. Expansion to Central Area ¹	212,607	52,697	724,579	3,500,000	2,775,421	937,185
5-6058-15 c. RW Central Right of Way Costs	0	19,084	59,768	0	(59,768)	59,768
5-6058-20 d. RW Central Private Onsite Retrofit	0	0	6,961	0	(6,961)	6,961
5-6058-25 e. RW Central Public Onsite Retrofit ¹	0	203	25,486	0	(25,486)	25,486
5-6058-30 f. RW Exp-Central-East Side Const	0	12	12	0	(12)	12
5-6058-40 g. RW Exp-Central-West Side Const	0	420	420	0	(420)	0
5-6058-40 h. Other Recycled Water Expenditures	0	0	0	100,000	100,000	0
TOTAL RECYCLED WATER	\$1,184,005	\$101,006	\$920,067	\$3,680,000	\$2,759,933	\$2,103,652
6 WEST MARIN WATER SYSTEM						
System Improvements:						
2-7153-00 a. Upsize 4" Pipe from Bear Valley Tanks	\$33,406	\$1,000	\$113,303	\$100,000	(\$13,303)	\$146,709
2-6257-20 b. PR Tank #2 & 3 Seismic Piping Upgrade	47,641	541	40,135	30,000	(10,135)	87,776
2-6263-20 c. Replace PRE Tank #4A (25K Gal w/82K Gal)	22,328	8,111	16,853	50,000	33,147	39,181
2-8650.xx d. PB Replace in Sync w/County Paving	0	0	0	50,000	50,000	0
2-7160-00 e. Green Sand Filter Media Replace	0	0	0	75,000	75,000	0
2-6602-23 f. Replace Pump in Well #2	5,894	1,401	54,711	0	(54,711)	60,605
TOTAL WEST MARIN WATER SYSTEM	\$109,269	\$11,053	\$225,001	\$305,000	\$79,999	\$334,270
7 OCEANA MARIN SEWER SYSTEM						
8-8672-28 a. Infiltration Repair	\$0	\$0	\$0	\$40,000	\$40,000	\$0
8-7159-00 b. Force Main Improvements	0	3,236	5,770	0	(5,770)	5,770
8-7167-00 c. OM Dosing Siphon Repairs	0	2,877	2,877	0	(2,877)	2,877
TOTAL OCEANA MARIN SEWER SYSTEM	\$0	\$6,113	\$8,647	\$40,000	\$31,353	\$8,647
TOTAL PROJECT EXPENDITURES	\$17,246,374	\$378,716	\$5,625,289	\$13,065,000	\$7,439,711	\$22,871,244

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING JUNE 30, 2016**

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Description	COST THRU JUNE 2015	JUNE 2016	FYTD TOTAL	FY 15/16 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
8 LESS FUNDED BY GRANTS, LOANS & REIMBURSEMENTS						
(Accrued)/Deferred						
a. RW Expansion - Central Service Area SRF Loan ¹	(\$212,607)	(\$53,332)	(\$750,496)	\$0	\$750,496	(\$963,103)
b. MSN Aqueduct Caltrans Reimb-Segment B1-B3 ²	(927,124)	259,948	354,816	0	(354,816)	(572,308)
c. AEEP Segment B1-B3 ⁴	883,374	(1,022)	(844,746)	(1,873,000)	(1,028,254)	38,628
d. MSN Aqueduct Caltrans Reimb-Segment B2 Gunn Dr ²	0	0	(856)	0	856	(856)
e. AEEP- B1 Construction ²	3,376	0	0	0	0	3,376
f. Radio Read Meter Retrofit (Pilot Study/Install)	0	(36,084)	(88,565)	0	88,565	(88,565)
g. Office/Yard Building Refurbish	0	0	0	0	0	0
FUNDING BY OTHERS (ACCRUED)/DEFERRED	(\$252,981)	\$169,510	(\$1,329,848)	(\$1,873,000)	(\$543,152)	(\$1,582,828)
Received						
a. RW Expansion - Central Service Area SRF Loan ¹	\$0	\$0	\$0	(\$3,500,000)	(\$3,500,000)	\$0
b. MSN Aqueduct Caltrans Reimb-Segment B1-B3 ²	(7,566,263)	(278,547)	(3,002,695)	(2,740,000)	262,695	(10,568,958)
c. AEEP Segment B1-B3 ⁴	(7,123,441)	0	47,796	0	(47,796)	(7,075,645)
d. MSN Aqueduct Caltrans Reimb-Segment B2 Gunn Dr ²	(40,958)	0	0	0	0	(40,958)
e. AEEP- B1 Construction ²	(421,545)	0	0	0	0	(421,545)
f. Radio Read Meter Retrofit (Pilot Study/Install)	0	0	0	(500,000)	(500,000)	0
g. Office/Yard Building Refurbish	0	0	0	(1,500,000)	(1,500,000)	0
FUNDING BY OTHERS RECEIVED	(\$15,152,207)	(\$278,547)	(\$2,954,899)	(\$8,240,000)	(\$5,285,101)	(\$18,107,106)
NET PROJECT EXPENDITURES	\$1,841,186	\$269,680	\$1,340,543	\$2,952,000	\$1,611,458	\$3,181,310

30

CIP SUMMARY-GROSS EXPENDITURES:	Current Month	FYTD Total	FY 15/16 Budget	FYTD/ Budget%
Novato Water Capital Projects	\$260,544	\$4,471,574	\$9,040,000	49%
Novato Recycled Water Capital Projects	101,006	920,067	3,680,000	25%
West Marin Water Capital Projects	11,053	225,001	305,000	74%
Oceana Marin Sewer Capital Projects	6,113	8,647	40,000	22%
Gross Capital Improvement Project Outlays	\$378,716	\$5,625,289	\$13,065,000	43%

CIP SUMMARY-NET EXPENDITURES:	Current Month	FYTD Total	FY 15/16 Budget	FYTD/ Budget%
Novato Water Capital Projects	\$240,924	\$937,324	\$2,427,000	39%
Novato Recycled Water Capital Projects	47,674	169,571	180,000	94%
West Marin Water Capital Projects	11,053	225,001	305,000	74%
Oceana Marin Sewer Capital Projects	6,113	8,647	40,000	22%
Net Capital Improvement Project Outlays	\$305,764	\$1,340,543	\$2,952,000	45%

Notes to Capital Improvement Projects Schedule:

- (1) The \$14.8M RW Expansion Cost for the Central Service Area will be funded by a Federal Title XVI Grant of \$2.75M, a \$3.3M State Grant, a \$6.6M 1% interest rate State Revolving Fund Loan, and a \$2.2M Local Contribution.
- (2) Funding includes a \$7M Bank Loan plus reimbursement from Caltrans for 100% of costs charged to jobs 1.7118.01-1.7118.03, 1.7118.07 & 1.7118.10.
- (3) Funding provided 100% by Caltrans.
- (4) Funding provided 100% by NMWD.
- (5) Funding provided 100% by Ghilotti Brothers as a deductive change order.

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING JUNE 30, 2016**

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Description	COST THRU JUNE 2015	JUNE 2016	FYTD TOTAL	FY 15/16 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
CONSULTING SERVICES/STUDIES						
1-7140-00 a. Stafford Dam Emergency Action Plan	\$64,214	\$0	\$32,664	\$40,000	\$7,336	\$96,878
1-6600-81 b. STP Taste & Odor Consultant	19,628	0	27,471	15,000	(12,471)	47,099
1-4048-00 c. Hydropneumatic Tank Inspections	0	0	0	50,000	50,000	0
1-4050-00 d. 2015 Urban Water Management Plan	10,797	4,852	28,486	10,000	(18,486)	39,283
1-4054-00 e. Insured Property Valuation Assessment	0	(26,950)	40,167	40,000	(167)	40,167
1-7126-00 f. Local Water Supply Enhancement Study	0	0	0	100,000	100,000	0
1-7060-00 g. Retiree Health Liability Actuarial Update	9,000	0	4,000	5,000	1,000	13,000
1-4055-00 h. Stafford Lake Sanitary Survey	0	118	118	30,000	29,882	118
1-4056-00 i. Novato Creek Steelhead Recovery	0	0	5,829	0	(5,829)	5,829
1-4055-00 j. Stafford Lake Watershed Sanitary Survey	0	0	0	0	0	0
5-4053-00 k. NMWD/NSD Central Srvc Area Expansion Study	0	800	17,116	30,000	12,885	17,116
5-4045-00 l. Recycled Water Engineering Report Update	4,509	1,653	20,295	0	(20,295)	24,804
2-4051-00 m. Gallagher Well #2 Hydrogeologic Study	0	1,190	29,018	58,000	28,982	29,018
8-4046-00 n. Oceana Marin Master Plan Update	28,234	0	0	15,000	15,000	28,234
	<u>\$136,383</u>	<u>(\$18,337)</u>	<u>\$205,163</u>	<u>\$393,000</u>	<u>\$187,838</u>	<u>\$341,545</u>

North Marin Water District Financial Statement Notes

Note 1 - Restricted Cash

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

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

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

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

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

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

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

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

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

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

Note 2 - Designated Cash

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

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

Retiree Medical Benefits Fund: NMWD pays the cost of health insurance for retirees between the ages of 55 and 65 and spouse under any group plan offered by CalPERS. The retiree must be at least 55 and have a minimum of 12 years of NMWD service at the date of retirement. NMWD's contribution toward the chosen plan is capped in the same manner as all other NMWD employees in the same class. Coverage terminates for the spouse when the spouse becomes eligible for Medicare, or for both the retiree and spouse when the retiree becomes eligible for Medicare. When the retiree or spouse becomes eligible for Medicare, NMWD pays up to the couple annuitant rate, which is capped at \$3,830 per year (\$319/month). In August 2003, NMWD transferred \$2.55 million (\$2.3 million for current retirees plus \$250,000 for future retirees) from unrestricted cash into a reserve to fund this obligation. In 2010 the Board directed staff to add \$1,500 per employee annually as a payroll overhead to accrue and accelerate amortization of this liability. In 2015 an Actuarial Analysis calculated NMWD's total actuarial liability at \$5.6 million. This reserve fund earns interest monthly, and currently has a balance of \$3.5 million. Accounting Standards require that the \$5.6M reserve be fully funded in 20 years.

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

Maintenance Accrual Fund: Established in FY91 to provide a source of maintenance money for replacement of treatment, storage, transmission and distribution facilities as they wear out. The annual contribution from operating reserves was initially \$200,000. Net polybutylene claim settlement proceeds

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

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

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

Note 3 – Employee Loans

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

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 no employee loans outstanding.

Note 4 – Other Long Term Receivables

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

Note 5 – Depreciation

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

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

Note 6 - Capitalization Policy

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

Note 7 – Bond & Loan

Servicing Schedule for Fiscal Year 2015-2016

Service Area	Description	Issue Date	Rate	Original Amount	Payment Due	Final Pmt	FY16		6/30/16 Outstanding Balance
							Interest Expense	Principal Paid	
1 Novato	EDA Loan	1977	5.0%	\$351,770	7/1	7/1/17	\$1,719	\$15,909	\$34,384
2 Novato	SRF Loan - STP	2004	2.39%	\$16,528,850	7/1 & 1/1	7/1/29	\$291,064	\$753,410	\$11,612,245
3 Novato	Bank Loan Marin	2011	3.54%	\$7,000,000	27 th /mo	10/27/31	\$202,098	\$279,944	\$5,702,962
Novato Total							\$494,881	\$1,049,263	\$17,349,591
4 RW TP	SRF Loan	2006	2.4%	\$4,302,560	6/19	6/19/27	\$67,709	\$205,658	\$2,615,529
5 RW North	SRF Loans (4)	2013	2.6%	\$4,375,605	Varies	Varies	\$99,530	\$180,310	\$3,726,692
6 RW South	SRF Loans (3)	2013	2.2%	\$5,359,858	Varies	Varies	\$108,814	\$223,217	\$4,737,899
Recycled Water Total							\$276,053	\$609,185	\$11,080,120
7 Point Reyes	EDA Loan	1977	5.0%	\$46,000	7/1	7/1/17	\$222	\$2,362	\$4,443
8 PRE	PRE-1 Revenue	1980	5.0%	\$240,000	10/1 & 4/1	4/1/20	\$2,913	\$11,000	\$51,000
9 Point Reyes	PR-6 Revenue	1981	5.0%	\$217,800	7/1 & 1/1	7/1/21	\$3,300	\$9,000	\$57,000
10 WM Water	Bank Loan Marin	2012	3.54%	\$1,000,000	27 th /mo	10/27/31	\$29,666	\$41,093	\$843,497
West Marin Water Total							\$36,101	\$63,455	\$955,940
FY16 Total							\$807,035	\$1,721,903	\$29,385,651

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

4. In August 2006 the California State Department of Water Resources approved a 2.4% 20-year loan of \$4,264,545 for construction of the Deer Island Recycled Water Facility. With the addition of \$38,015 in Construction Period Interest, the loan principal totaled \$4,302,560. The project was completed in June 2007, and the first payment was made June 19, 2008.
5. In July 2011 the California State Department of Water Resources approved a series of four 2.6% 20-year loans which totaled \$4,375,605 for the Recycled Water North Service Area Expansion Project. The projects were completed on October 31, 2012, and the first payment was made in November of 2012.
6. In March 2012 the California State Department of Water Resources approved a series of three 2.2% 20-year loans totaling \$5,361,952 for the Recycled Water South Service Area Expansion Project. The projects were completed on September 4, 2013, and the first payment was made in December of 2013.
7. In 1977 the Federal Economic Development Administration issued a 40-year 5% loan of \$46,000 to assist in the funding emergency West Marin Water system projects, including temporary diversions from Bear Valley Creek and Lagunitas Creek in response to the drought.
8. The Paradise Ranch Estates private water system was created by David Adams and Sons in 1952 to provide water to 85 homes in the PRE subdivision located north of Inverness Park. Problems with water quality and quantity developed and in 1969 the Marin County Health Department issued a boil-water order to all customers of the company. In 1972 the County declared a moratorium on issuance of building permits. A suit by property owners resulted in an agreement reached in Marin Superior Court in late 1978 directing Adams to finance a District feasibility study for the takeover of the system. This culminated in formation of Improvement District PRE-1 and an election authorizing issue of \$240,000 of 5% 40-year revenue bonds, which, in conjunction with a \$720,000 Farmers Home Administration grant, financed system rehabilitation. Service was provided from the Point Reyes System by installation of an additional well, expansion of the treatment plant, and a 6-inch pipeline connection at the Inverness Park pump station extending 1.6 miles along Sir Francis Drake Boulevard to the newly reconstructed Paradise Ranch Estates distribution system. On 4/22/80 the USDA purchased the revenue bond issue in its entirety.
9. In 1981 work commenced on rehabilitating the Point Reyes Inverness Park water system. 18,865 feet of pipeline was either replaced or installed, a 300,000-gallon tank was added in Point Reyes Station and a 100,000-gallon tank was added in Inverness Park. Total cost of these improvements was \$820,015. A 72% grant combined with a \$217,800 5% 40-year revenue bond acquired 8/28/81 by the Farmers Home Administration financed the project.
10. In June 2012 the Board authorized reallocating \$1 million of the Bank of Marin loan to West Marin Water to repay Novato Water \$223,000 owed for loans to fund Long Range Improvement Projects and the remainder to fund the Solids Handling Facility at the Point Reyes Water Treatment Plant. See note to loan 3 above.

Note 8 – Unemployment Insurance Reserve

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

Note 9 – Payroll Benefits

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

Note 10 - Interest Policy on Inter-District Loans

In the event an improvement district expends all of its Undesignated Funds, it shall borrow funds from that improvement district's Board Designated Fund reserves to meet ongoing requirements. In the event an

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

No interest shall be paid by an improvement district on funds borrowed from that improvement district's Board Designated Fund reserves. Interest on loans from the Novato Improvement District shall be paid by the recipient district to the Novato district based upon the outstanding loan balance at the close of the previous accounting period. Interest shall be calculated at the higher of: 1. The weighted average interest rate of Novato improvement district debt (2.77% at 6/30/15); or 2. The average interest rate earned on the District treasury since the close of the previous accounting period; plus \$50 per month.

Note 11 – Budget Augmentations

Note 12 – Prior Period Adjustment

Note 13 – Explanation of Financial Statement Components

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

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

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

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

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

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

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

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

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

	Expansion Local Share			SRF RWF Expansion			Total	Transfer Executed
	North	South	Central	NBWRA	Loan	SRF Loan		
FY07				\$29,725			\$29,725	
FY08				\$50,478	\$22,795		\$73,273	
FY09				\$150,455	\$22,795		\$173,250	
FY10	\$133,659			\$75,198	\$22,795		\$231,652	\$133,659
FY11				\$133,319	\$22,795		\$156,114	
FY12	\$233,478	\$265,500		\$115,883	\$22,795		\$637,656	
FY13				\$315,023	\$22,795	\$464,572	\$802,390	\$1,970,400
FY14	\$236,291	\$723,525	\$4,024	\$63,035	\$22,795	\$500,529	\$1,550,200	\$1,550,200
FY15		\$17,563	(\$4,024)	\$38,283	\$22,795	\$614,299	\$688,916	\$688,916
FY16	\$0	\$0	\$66,729	\$102,842	\$22,795	\$614,299	\$806,664	\$806,664
	\$603,428	\$1,006,589	\$66,729	\$1,074,241	\$205,154	\$2,193,699	\$5,149,840	\$5,149,840

Note 15 –Debt Service Coverage Ratio

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

	FY12	FY13	FY14	FY15	FY16
Net Income/(Loss)	(\$217,163)	\$2,036,943	\$3,815,820	\$1,050,523	\$102,069
Depreciation	\$2,726,598	\$2,784,648	\$3,128,302	\$3,183,725	\$3,286,353
Interest Expense	\$654,484	\$778,762	\$830,830	\$847,951	\$807,035
Connection Fees	\$1,005,680	\$876,350	\$152,800	\$801,600	\$278,690
Total Available For Debt Service	\$4,169,599	\$6,476,703	\$7,927,751	\$5,883,799	\$4,474,146
Annual Debt Service	\$1,770,894	\$2,118,314	\$2,448,968	\$2,534,473	\$2,528,938
Debt Service Coverage Ratio	2.35	3.06	3.24	2.32	1.77

Bank of Marin Debt Service

Coverage Calculation ¹	FY12	FY13	FY14	FY15	FY16
Change in Net Assets ²		\$5,035,889	\$1,999,996	\$5,051,394	\$6,978,827
Interest Expense		\$778,762	\$830,830	\$847,951	\$807,035
Depreciation & Amortization		\$2,784,670	\$3,128,302	\$3,183,725	\$3,286,353
Total Available for Debt Service		\$11,598,266	\$5,959,128	\$10,269,919	\$11,072,214
Bank of Marin Annual Debt Service		\$552,800	\$552,800	\$552,800	\$552,800
Bank of Marin Coverage Ratio		20.98	10.78	18.58	20.03

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

² See page 9

Note 15 – Deferred Inflow and Deferred Outflow of Resources

Deferred Inflow of Resources is the net difference between projected and actual earnings on pension plan investments, which for FY14 was \$2,182,010 and is recognized in FY15. Deferred Outflow of Resources is the fiscal year 2015 pension expense (\$669,066) adjusted by the change in employer's proportion of differences between the employer's contributions and the employer's proportionate share of contributions from the CalPERS Actuarial Report (\$88,134) for a total of \$757,200 at June 30, 2015

7

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Proposed Revisions to Employer Assisted Housing Program - Board Policy #42
T:\acl\word\personnel\housing assistance\program revisions.docx

July 29, 2016

RECOMMENDED ACTION: Approve**FINANCIAL IMPACT: Reduced Financial Risk to the District****Background**

In 1992 the District adopted an Employer Assisted Housing Program (Attachment A) with the goal of increasing the number of employees available to respond rapidly to emergencies affecting the operation of the District. At that time only 16% of District employees lived within NMWD's Service Territory (12% in Novato), and 75% of employees lived outside Marin County. Today, 38% of employees live within NMWD's Service Territory (all in Novato), and 55% live outside Marin County (30% in Petaluma). A graphical history of the success of the Program is included as included as Attachment B.

The District has dedicated \$1.5 million of its Liability Contingency Fund to assist employees in purchasing a home within the service territory. Since inception, 13 loans have been made. Eight have been repaid and the District has received a weighted average rate of return of 3.6% on its investment, in addition to the primary benefit of enhancing the District's emergency response capability. Five loans totaling \$934,000 remain outstanding (See detail on Attachments C & D).

In April 2013 the Program was suspended, as there remained only \$58,000 in the fund. Since that time, three loans have been repaid, and an employee sold the condominium acquired with Program assistance, repaid the District, and then purchased the District-owned home on Gustafson with Program assistance. These transactions bring the balance now available for employee assistance to \$566,000.

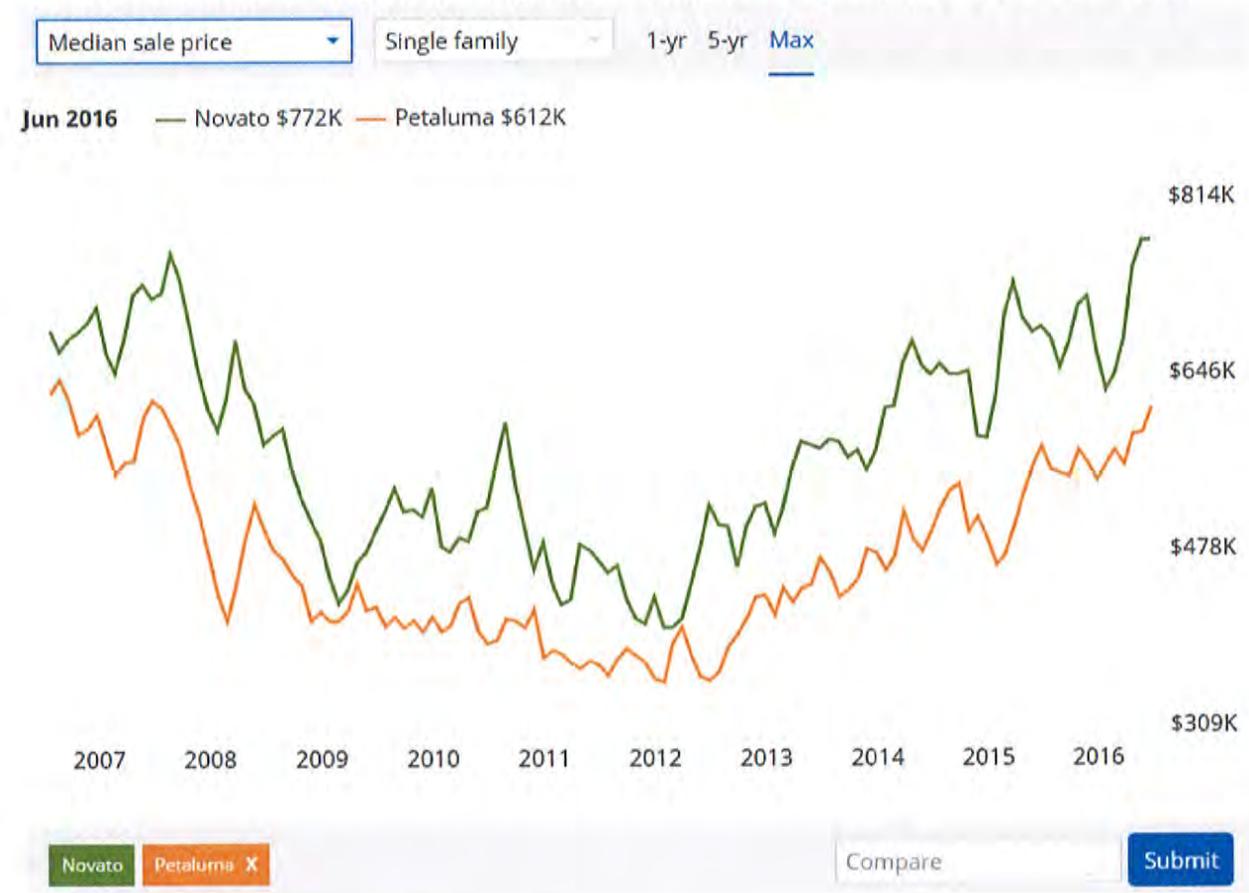
When the Program was suspended, the Board asked staff to recommend revisions as might be appropriate to consider if/when the program was resumed. Three recommendations are proposed herein for consideration, each of which is designed to reduce District risk in the event of a future housing market downturn:

1. Reduce the maximum loan amount;
2. Revise the minimum down-payment requirement based on a sliding scale;
3. Require an additional employee investment if equity falls below the required minimum.

Reduce the Maximum Loan Amount

Staff recommends that the maximum District loan amount be reduced from \$300,000 to \$250,000. The District loan is intended to bridge the gap between the median home price in Novato and the median home price in Petaluma, where the largest group of District employees resided prior to enactment of Program, mainly due to the housing cost differential. Over the past ten years, as shown the chart below, that differential has ranged from a low of \$7,000 to a high of \$237,000. In June 2016 the differential was \$160,000. A reduction in the maximum loan amount to \$250,000 will still bridge the gap between Novato and Sonoma County home prices, will allow more participation in the program, and will reduce the District's risk undertaken in any single loan.

Novato Single-Family Home Sale Price Compared to Petaluma – 10 Year History¹



¹ Source: <http://www.zillow.com/novato-ca/home-values/>

Revise the Minimum Down-Payment Requirement Based On a Sliding Scale

The program now requires a 5% minimum down-payment, regardless of the purchase price of the home. In the event of a market downturn, a 5% equity stake can be quickly lost. For a young employee looking to purchase a starter home, 5% is appropriate. For a more seasoned employee that receives a higher salary and desires a more upscale home, it is appropriate to increase the down payment requirement. Seasoned employees have often owned a home previously and can bring some equity to the purchase. Staff therefore proposes a sliding scale as follows:

Home Purchase Price	Minimum Down Payment
< = \$600,000	5%
\$600,001 - \$700,000	6%
\$700,001 - \$800,000	7%
\$800,001 - \$900,000	8%
\$900,001 - \$1,000,000	9%
\$1,000,001 +	10%

Require an Additional Employee Investment if Equity Falls Below the Required Minimum

So that the employee shares in the risk of a market downturn, staff proposes that in the event the employee’s home equity falls below the minimum down payment amount required at the time of purchase, the employee shall be subject to a payroll deduction of 5% of their base salary as a loan repayment amount until such time as the equity in their home is restored to the minimum down payment amount required at the time of purchase. The impact to the employee is relatively modest, as shown below on the District’s lowest paid, highest paid, and median classifications.

Classification	Beginning Monthly Salary	5% Monthly Payroll Deduction
Laborer	\$3,878	\$194
Distrib & TP Operator	\$5,828	\$291
Chief Engineer	\$10,332	\$517

It should be noted that when a home is sold, the calculation of the appreciation accrued since purchase includes a credit to the employee of interest calculated at 10% per year, as required by law. Thus the employee’s down payment and any additional investment in the property is well protected.

If the Board finds these proposed revisions to the Employer Assisted Housing Program acceptable, Staff will work with legal counsel to modify the Program language accordingly.

Recommendation:

- 1) Resume the Employer Assisted Housing Program;
- 2) Modify the Program as described above.

NORTH MARIN WATER DISTRICT

POLICY: EMPLOYER ASSISTED HOUSING PROGRAM FOR EMPLOYEES OF NORTH MARIN WATER DISTRICT

BOARD POLICY NUMBER: 42

Original Date: 1992
Last Revised: 8/5/08
Last Reviewed: 06/18/13

1. Objective of Program. NMWD may make loans to full-time regular employees for the purpose of purchase of a home located within the District service territory that will enable the employee to respond rapidly to emergencies affecting the operation of the District.

2. Source of Funding. Loans granted under this program will be funded from the District's Liability Contingency Reserve Fund. The cumulative principal amount of all outstanding loans may not exceed One Million Five Hundred Thousand Dollars.

3. District Control of Assistance. Whether to provide financial assistance in any specific home purchase and the amount, terms and conditions of loans are within the discretion of the Board of Directors. Such assistance is voluntary on the part of the District, is not a matter of right of any employee and is at all times subject to the availability and allocation of District funds. If the District determines at any time that it is not beneficial to the District to continue this program, it may be terminated. In the event the program is revised or terminated, existing loans outstanding will remain in effect in accordance with the terms and conditions of the promissory note previously executed.

4. Loan Conditions.

A. Loans shall be made for the sole purpose of paying a part of the purchase price of the fee title to a dwelling with-in the District service territory. "Dwelling," means a single-family residence or condominium unit that shall be the principal residence of the employee.

B. For market rate housing, the loan shall be evidenced by the promissory note of the employee secured by a second deed of trust on the property. For below market rate "workforce" housing such as Meadow Park in Novato, the loan shall be evidenced by the promissory note of the employee secured by a deed of trust on the property that will be subordinate to the interests of the primary lender and of the Redevelopment Agency of the City

of Novato or the City of Novato. The District's interest under the deed of trust shall be insured by a title company acceptable to the District at the expense of the employee.

C. The employee shall enter into an agreement with the District to participate when requested by the District in the District's standby duty, and when within ten miles of the District headquarters, carry a pager or cellular phone at all times and be available to respond to emergencies upon call.

5. Terms of Note, Market Rate Housing.

A. Amount. The principal amount of the loan shall be determined by the District and shall not exceed any of the following:

- (1) \$300,000;
- (2) 50% of the purchase price or appraised value of the property as the District shall elect, appraisals to be made at the employee's expense by an appraiser approved by the District;
- (3) The difference between the purchase price (or appraised value as the District shall elect) less the employee's down payment and the amount owing on the first deed of trust.

B. Interest. The interest owed on the note may be calculated using either of the two following methods at the employee's discretion:

- (1) The interest owed on the note shall be contingent upon and directly proportional to the appreciation in value occurring on the property. In the event there is no appreciation, no interest will be due. Appreciation is defined as the difference between the purchase price and the sale price (net of broker's commission and County transfer tax, if any) of the property. The District may, at its option, use the appraised value of the property to calculate the appreciation. Said appraisal shall be made at the employee's expense by an appraiser approved by the District.
- (2) The interest owed on the note shall be the amount of interest revenue foregone by the District on the note amount over the period of the loan based on the District's investment portfolio yield

as reported in the Auditor-Controller's Monthly Report of Investments. Said amount of interest revenue foregone shall be solely determined by the District.

C. Maturity. The principal amount of the note and interest thereon shall be due and payable in full upon the first of the following events to occur:

- (1) The sale or rental of the property secured thereby.
- (2) One hundred sixty (160) days after the employee ceases to be a full-time resident of the property.
- (3) One hundred sixty (160) days after receipt of notice of, and failure to cure, breach of any provisions of the promissory note.
- (4) One hundred sixty (160) days after the date of termination of the employee's full-time employment.
- (5) The employee, in the judgment of the District, fails to satisfactorily carry out the terms of the agreement noted in Section 4(c).
- (6) Refinancing of the first deed of trust with cash out.
- (7) Fifteen years from the date of the note.

D. Employee Down payment. The employee shall make a down payment equal to a minimum of 5% of the purchase price of the property.

E. Sale or Refinancing. Upon sale or refinancing of the property the District shall be entitled to the return of its original loan amount plus interest calculated using either of the two following methods at the employee's discretion.

- (1) Fifty percent of the appreciation, less one percent of the appreciation for each percent that the employee's down-payment exceeds five percent. In no event shall the District be entitled to less than 25% of the appreciation.
- (2) The amount of interest revenue foregone by the District on the note amount over the period of the loan based on the District's investment portfolio yield as reported in the Auditor-Controller's

Monthly Report of Investments. Said amount of interest revenue foregone shall be solely determined by the District.

6. Terms of Note, Below Market Rate Workforce Housing

A. Amount. The principal amount of the loan shall be determined by the District and shall not exceed any of the following:

- (1) \$150,000
- (2) 40% of the purchase price of the property;

B. Interest. The interest owed on the note shall be contingent upon and directly proportional to the appreciation in value occurring on the property. In the event there is no appreciation, no interest will be due. Appreciation is defined as the difference between the purchase price and the sale price (net of broker's commission and County transfer tax, if any) of the property. The District may, at its option, use the value of the property at maturity for Below Market Rate Workforce Housing set by the Redevelopment Agency of the City of Novato, the City of Novato, or County of Marin to calculate said appreciation.

- (1) The obligation to pay contingent deferred interest is subject to a superior right of the employee, upon termination of the loan, to receive repayment of money paid by the employee for purchase of the security property, including down payment, installment payment of mortgage principal, escrow fees, transfer taxes, recording fees, brokerage commissions, and similar costs of acquisition actually paid by the employee, and money paid by the employee for capital improvements to the security property, plus not less than the legal rate of interest on those cash payments.
- (2) The amount of contingent deferred interest shall not exceed that percentage of the appreciation in appraised fair market value of the security property that equals the District's proportionate share of the total initial equity in the security property. The amount of the total initial equity and of the District's share of the initial equity shall be agreed upon by the employee and the District at the time of executing the shared appreciation loan, and shall include the District's cash investment, the amount of fees waived by the

District (if any), and the value of in-kind contributions made by or on behalf of the District (if any). Funds borrowed by the employee, the repayment of which is secured by the security property, shall not be included in the calculation of total initial equity of the employee.

C. Maturity. The principal amount of the note and interest thereon shall be due and payable in full upon the first of the following events to occur:

- (1) The sale or rental of the property secured thereby.
- (2) Thirty (30) days after the employee ceases to be a full-time resident of the property.
- (3) Thirty (30) days after receipt of notice of, and failure to cure, breach of any provisions of the promissory note.
- (4) Thirty (30) days after the date of termination of the employee's full-time employment.
- (5) The employee, in the judgment of the District, fails to satisfactorily carry out the terms of the agreement noted in Section 4(c).
- (6) Refinancing of the first or second deed of trust with cash out.
- (7) Fifteen years from the date of the note.

D. Appreciation Distribution. Upon sale or refinancing of the property, due to the subordinate position of the District loan, the District's right to share in the appreciation is subject to the superior right of the superior public agency lender (i.e., the Redevelopment Agency of the City of Novato or the City of Novato in the case of Meadow Park) and the borrower, as defined in the loan documents for the said superior public agency loan. Subject to these limitations, the District shall be entitled to the return of its original loan amount plus a percentage of the appreciation, proportionate to the share of the original loan amount pursuant to 6. B. above to the original purchase price of the property.

7. Application for Loans. Employees and prospective employees may request loans for housing assistance. Loans may be made to the applicants who the District determines to be the most valuable for meeting typical emergencies experienced by the District in operating its water and wastewater systems. In making final selections for employee housing loans it shall

be the goal of ultimately achieving assemblage of the ideal integrated emergency response force comprised of the skills and/or positions shown in Table 1. It is planned that an initial goal be achieved within five years of the date this revised program is first adopted and the ultimate goal within fifteen to twenty years.

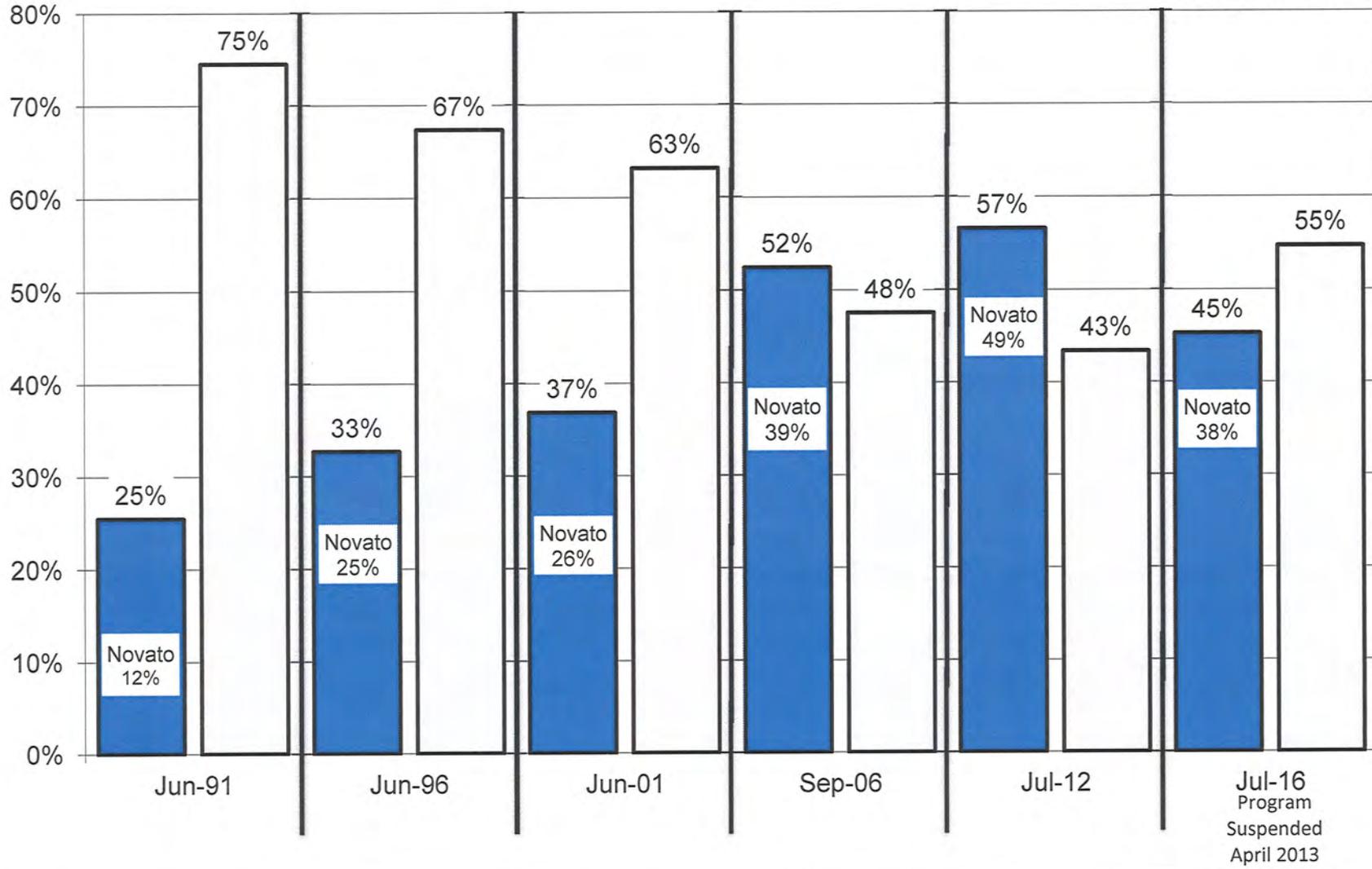
8. Capital Improvements by Employee. If the employee wishes to make capital improvements to the property costing in excess of five thousand dollars, written approval by the District's General Manager must be obtained in advance. Capital improvements for Below Market Rate Workforce Housing at Meadow Park must be pre-approved by the Redevelopment Agency of the City of Novato or the City of Novato. If the District approves the capital improvement, the amount expended by the employee, evidenced by receipts, will be reimbursed to the employee at the time the note is repaid in full to the District. Said reimbursement amount shall be deducted from the appreciation amount prior to the distribution of appreciation as specified in Sections 5.E and 6.D.

NMWD Employee Residence by County - History

Employer Housing Assistance Program adopted 1992

- Marin County
- Sonoma/Other

% of Employees



Employer Assisted Housing Loans Repaid

7/28/16

t:\ac\excel\personnel\housing\[housing loans outstanding.xlsx]housing loans repaid

	Loan				Purchase	1st Deed of	Down	District	Repmt	
	Date	Job Title	Employee	Property Address	Price	Trust	Payment	Loan	Date	Total Repaid
1	11/1/92	Accounting Manager	O'Reilly	1139 7th St	\$339,000	\$278,000	\$11,000	\$50,000	8/30/94	\$56,428
2	9/1/97	Accounting Manager	O'Reilly	84 Margarita Ct	\$149,000	\$133,000	\$4,000	\$12,000	4/20/98	\$12,516
3	4/1/00	Chief Engineer	McIntyre	58 Shields Lane	\$340,000	\$210,800	\$17,000	\$112,000	5/23/08	\$153,947
4	12/1/02	Facilities Maint Mgr	Rizvi	29 San Domingo Way	\$660,000	\$407,000	\$33,000	\$220,000	5/13/04	\$232,640
5	9/1/07	Pipeworker	Castellucci	4 Cielo Lane, Apt 5C	\$280,000	\$117,846	\$2,800	\$140,000	3/31/15	\$144,352
6	7/1/08	Field Service Rep	Venegas	16 Arbor Circle	\$475,000	\$280,000	\$70,000	\$125,000	4/2/15	\$133,695
7	10/1/08	Pipeworker	Wayne	15 Gustafson Ct	\$520,000	\$301,395	\$26,020	\$192,585	3/31/15	\$204,987 *
8	10/1/06	Pipeworker	Reed	809 Wilson Avenue	\$615,000	\$284,750	\$30,250	\$300,000	10/28/15	\$300,000
					<u>\$3,378,000</u>	<u>\$2,012,791</u>	<u>\$194,070</u>	<u>\$1,151,585</u>		<u>\$1,238,565</u>

* Property was abandoned by employee, then purchased by District, rented for a year, and sold.

Employer Assisted Housing Loans Outstanding

7/13/16

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	Date	Classification	Address	Purchase Price	District 2nd	District 2nd at Risk ¹
1	8/1/04	Auditor-Controller	1159 Santolina Drive	\$801,000	\$250,000	\$0
2	9/1/04	Heavy Equip Operator	328 Captain Nurse Circle ²	\$196,000	\$39,200	\$0
3	11/1/07	Assist Wtr Distrib/TP Oper	5 Illes Court ²	\$399,000	\$150,000	\$0
4	6/1/10	Water Quality Supervisor	204 Grande Vista	\$490,000	\$245,000	\$0
5	3/31/15	Pipeworker	15 Gustafson Court	\$580,000	\$250,000	\$0
				\$2,466,000	\$934,200	\$0

¹ District 2nd less estimated market value plus the amortized 1st deed of trust - rounded to nearest thousand.

² Deed Restricted Workforce/Affordable Housing

8

MEMORANDUM

To: Board of Directors July 29, 2016
From: Chris DeGabriele, General Manager WD
Subj: Pacific Gas & Electric Company's Application for Temporary Variance of Minimum Flows
in Eel River and East Branch Russian River
t:\gm\2016 misc\bod memo re pge variance.doc

RECOMMENDED ACTION: Authorize Filing Comments with FERC

FINANCIAL IMPACT: None at this time

On July 6, 2016 PG&E filed an Application with the Federal Energy Regulatory Commission (FERC) for Temporary Variance of Minimum Flow Requirements in the Eel River below Scott Dam and in the East Branch of the Russian River (Attachment 1). PG&E explains that Lake Pillsbury only filled to 80% this year due to: 1) dry spring conditions, 2) the April 1, 2016 closure schedule of the Scott Dam spillway gates for dam safety purposes, and 3) minimum and supplemental flow releases. Therefore, in order to conserve water resources, insure that adequate water is available for minimum flow releases and regular water deliveries later in the year, and to avoid Lake Pillsbury bank sluffing and water turbidity, PG&E proposes the reduced minimum flow releases. Specifically PG&E proposes to reduce flows in the Eel River below Scott Dam from the required 60 cubic feet per second (cfs) normal year requirement to the 20cfs critical year requirement. PG&E would also reduce minimum flows in the East Branch Russian River from the 75cfs normal year requirement to the 25cfs dry year requirement and possibly down to the 5cfs critical year requirement depending on Lake Pillsbury storage conditions. In conjunction with the proposed variance, the licensee proposes to provide no more than 50cfs to the Potter Valley Irrigation District (PVID).

PG&E also proposes to establish a Potter Valley drought working group comprised of California Department of Fish and Wildlife, National Marine Fisheries Service, State Water Resources Control Board, PVID, Cal Trout, Friends of the Eel River, Round Valley Indian Tribes and Sonoma County Water Agency, which would meet twice monthly during the variance to determine appropriate release levels within the framework of the proposed variance. PG&E requests that once a flow is established, that a 24-hour average flow be used as compliance. Finally, PG&E proposes to file monthly compliance reports with FERC and to provide bi-monthly email reports to the resource agencies and stakeholders.

While FERC has solicited comments on the proposal it has also approved same for a period of 30 days (Attachment 2) and will likely continue that approval for an undetermined time period once comments are received.

Under PG&E’s proposal minimum flows in the east branch Russian River will be substantially decreased resulting in significant reduction in diversion through the Potter Valley power house and into the East Fork Russian River and Lake Mendocino. The most recent Russian River hydrologic status report prepared by SCWA indicates that cumulative inflow into Lake Pillsbury from October 1, 2015 through July 21, 2016 is 448,678 acre feet (AF), well above the normal year threshold of 160,000AF. Yet Lake Pillsbury storage remains at a paltry 37,435 acre feet (Attachment 3). The table below shows a comparison of the Lake Pillsbury cumulative inflow with Lake Pillsbury storage for the period October 1 through July 21 during water years 2013 through 2016, indicating that PG&E has inconsistently managed Lake Pillsbury water supply necessitating these reduced minimum flows through the Potter Valley Project into the East Fork of the Russian River and subsequently to Lake Mendocino. Lake Mendocino storage is important for water releases into the upper Russian River during the fall of each year for protection of threatened and endangered anadromous species.

Recent Water Year Lake Pillsbury Inflow & Lake Pillsbury/Mendocino Storage				
Water Year	Lake Pillsbury Cumulative Inflow*	Lake Pillsbury Storage**	Lake Mendocino Storage**	Ukiah Rainfall
	(Acre Feet)	(Acre Feet)	(Acre Feet)	(Inches)
2013	255,122	38,622	52,805	29.05
2014	113,101	52,209	41,041	18.83
2015	178,659	26,058	49,709	26.72
2016	448,678	37,435	79,950	36.68*

Note: * Water Year data from October 1 thru July 21 of following year.
 ** Lake storage as of July 21.

The full impacts of PG&E’s reduced minimum flow proposal on SCWA and NMWD are not currently known. Adverse effects may arise either through curtailment of available water supply or necessary increased financial obligations to pay for mitigation measures associated with the flow regime proposed and potential limited amount of water available for upper Russian River fisheries.

Accordingly staff requests authorization to submit comments to FERC on the PG&E proposal. NMWD last commented on PVP issues in the late 1990’s/early 2000’s as the minimum flow schedules were undergoing revisions in compliance with the Eel River Biological

Opinion. At that time NMWD intervened in the proceedings through our legal counsel Bold & Polisner. Currently all comments to FERC are filed electronically and staff propose to work with legal counsel on the most expedient and cost effective means to do so.

RECOMMENDED ACTION:

Board authorize staff to submit comments to FERC on the PG&E proposal to reduce minimum flows in the East Branch Russian River.

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Pacific Gas and Electric Company

Project No. 77-282

NOTICE OF APPLICATION ACCEPTED FOR FILING, SOLICITING COMMENTS,
MOTIONS TO INTERVENE, AND PROTESTS

(July 15, 2016)

Take notice that the following hydroelectric application has been filed with the Commission and is available for public inspection:

- a. Type of Application: Application for Temporary Variance of Minimum Flow Requirements
- b. Project No.: 77-282
- c. Date Filed: July 6, 2016
- d. Applicant: Pacific Gas and Electric Company (licensee)
- e. Name of Project: Potter Valley Project
- f. Location: Eel River and East Fork Russian River in Lake and Mendocino Counties, California
- g. Filed Pursuant to: Federal Power Act, 16 USC 791(a)-825(r).
- h. Applicant Contact: Ms. Elizabeth Rossi, Senior License Coordinator, Pacific Gas and Electric Company, Mail Code: N13E, P.O. Box 770000, San Francisco, CA 94177, Phone: (415) 973-2032
- i. FERC Contact: Mr. John Aedo, (415) 369-3335, or john.aedo@ferc.gov
- j. Deadline for filing comments, motions to intervene, protests, and recommendations is **30 days from the issuance date of this notice by the Commission (August 15, 2016)**. The Commission strongly encourages electronic filing. Please file motions to intervene, protests, comments, or recommendations using the Commission's eFiling system at <http://www.ferc.gov/docs-filing/efiling.asp>. Commenters can submit brief comments up to 6,000 characters, without prior registration, using the eComment system at

<http://www.ferc.gov/docs-filing/ecomment.asp>. You must include your name and contact information at the end of your comments. For assistance, please contact FERC Online Support at FERCOnlineSupport@ferc.gov, (866) 208-3676 (toll free), or (202) 502-8659 (TTY). In lieu of electronic filing, please send a paper copy to: Secretary, Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426. Please include the project number (**P-77-282**) on any comments, motions to intervene, protests, or recommendations filed.

k. Description of Request: The licensee requests a temporary variance of the minimum flow requirements in the Eel River below Scott Dam and the East Branch of the Russian River. The licensee explains that Lake Pillsbury only filled to 80 percent this year due to dry spring conditions; the April 1, 2016 closure schedule of the spillway gates for dam safety purposes; and minimum and supplemental flow releases. Therefore, in order to conserve water resources, ensure that adequate water is available for minimum flow releases and regular water deliveries later in the year, and avoid Lake Pillsbury bank sloughing and water turbidity, the licensee proposes to reduce minimum flow releases at the project. Specifically, the licensee proposes to reduce flows in the Eel River below Scott Dam from the required 60 cubic feet per second (cfs) normal year requirement to the 20 cfs critical year requirement. The licensee would also reduce minimum flows in the East Branch Russian River from the 75 cfs normal year requirement to the 25 cfs dry year requirement, and possibly the 5 cfs critical year requirement, depending on storage conditions and in consultation with the resource agencies and stakeholders. In conjunction with the proposed variance, the licensee proposes to provide no more than 50 cfs to the Potter Valley Irrigation District (PVID) through the East Branch Russian River.

The licensee also proposes to establish a Potter Valley Drought Working Group, comprised of the resource agencies and stakeholders, which would meet twice monthly during the variance to determine appropriate release levels within the framework of the proposed variance. The licensee requests that once a flow is established, that a 24-hour average flow be used as the compliance criteria for the corresponding compliance point. Finally, the licensee proposes to file monthly compliance reports with the Commission, and to provide bi-monthly email reports to the resource agencies and stakeholders.

l. Locations of the Application: A copy of the application is available for inspection and reproduction at the Commission's Public Reference Room, located at 888 First Street, NE, Room 2A, Washington, DC 20426, or by calling (202) 502-8371. This filing may also be viewed on the Commission's website at <http://www.ferc.gov/docs-filing/elibrary.asp>. Enter the docket number excluding the last three digits in the docket number field to access the document. You may also register online at <http://www.ferc.gov/docs-filing/esubscription.asp> to be notified via email of new filings and issuances related to this or other pending projects. For assistance, call 1-866-208-3676 or e-mail FERCOnlineSupport@ferc.gov, for TTY, call (202) 502-8659. A copy is also available for inspection and reproduction at the address in item (h) above.

m. Individuals desiring to be included on the Commission's mailing list should so indicate by writing to the Secretary of the Commission.

n. Comments, Protests, or Motions to Intervene: Anyone may submit comments, a protest, or a motion to intervene in accordance with the requirements of Rules of Practice and Procedure, 18 CFR 385.210, .211, .214. In determining the appropriate action to take, the Commission will consider all protests or other comments filed, but only those who file a motion to intervene in accordance with the Commission's Rules may become a party to the proceeding. Any comments, protests, or motions to intervene must be received on or before the specified comment date for the particular application.

o. Filing and Service of Responsive Documents: Any filing must (1) bear in all capital letters the title "COMMENTS", "PROTEST", or "MOTION TO INTERVENE" as applicable; (2) set forth in the heading the name of the applicant and the project number of the application to which the filing responds; (3) furnish the name, address, and telephone number of the person protesting or intervening; and (4) otherwise comply with the requirements of 18 CFR 385.2001 through 385.2005. All comments, motions to intervene, or protests must set forth their evidentiary basis and otherwise comply with the requirements of 18 CFR 4.34(b). All comments, motions to intervene, or protests should relate to project works which are the subject of proposed action. Agencies may obtain copies of the application directly from the applicant. A copy of any protest or motion to intervene must be served upon each representative of the applicant specified in the particular application. If an intervener files comments or documents with the Commission relating to the merits of an issue that may affect the responsibilities of a particular resource agency, they must also serve a copy of the document on that resource agency. A copy of all other filings in reference to this application must be accompanied by proof of service on all persons listed in the service list prepared by the Commission in this proceeding, in accordance with 18 CFR 4.34(b) and 385.2010.

Kimberly D. Bose,
Secretary.

156 FERC ¶ 62,042
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Pacific Gas and Electric Company

Project No. 77-282

ORDER GRANTING TEMPORARY VARIANCE OF MINIMUM FLOW
REQUIREMENTS UNDER APPENDIX A OF THE JANUARY 28, 2004 ORDER
AMENDING LICENSE

(Issued July 15, 2016)

1. On July 6, 2016, Pacific Gas and Electric Company (licensee) filed a request with the Federal Energy Regulatory Commission (Commission) for a temporary variance of the minimum flow requirements of its license for the Potter Valley Project No. 77. The project is located on the Eel River and East Fork Russian River in Lake and Mendocino counties, California.

BACKGROUND AND LICENSE REQUIREMENTS

2. Ordering paragraph (C) of the Commission's January 28, 2004 Order Amending License¹ requires the licensee to implement a complex minimum flow regime contained in the National Marine Fisheries Service's (NMFS) November 29, 2002 Reasonable and Prudent Alternative (RPA), and found in the Appendix A of the order. Among the requirements of the RPA, the license is required to meet minimum flow requirements at three locations, based on water year types. Specifically, the licensee is required to meet minimum flows at: the Eel River below Cape Horn Dam; the Eel River below Scott Dam; and the East Branch of the Russian River.

LICENSEE'S REQUEST

3. The licensee requests a variance from the minimum flow requirements of the RPA at two minimum flow compliance points and a modified compliance criteria at all three minimum flow compliance locations. The licensee explains that due to dry conditions during the spring; Lake Pillsbury did not fill after the spillway gates were closed on April 1, 2016, as part of its California Department of Water Resources Division of Safety of Dams (DSOD) operating requirements. Normally, the licensee requests an early gate closure from DSOD prior to April 1 to allow for additional storage. However, based on

¹ See 106 FERC ¶ 61,065. Order Amending License (issued January 28, 2004).

high levels of expected precipitation in April and May, the licensee did not request an early gate closure, and precipitation levels during these months were below normal water year conditions, thus resulting in storage levels peaking at 80 percent. The lower storage levels, along with: a 2,500 acre foot block water release requested by the resource agencies under the RPA; additional releases in June for five days to bring the project powerhouse on-line; and minimum flow releases all contributed to lake levels reaching 56 percent of capacity on July 1, 2016. The licensee projects that under current conditions, the lake would reach a critical operating level of 10,000 acre-feet (13 percent storage) in October 2016, when the reservoir is subject to bank sloughing, causing turbidity downstream and the possibility of blocking the low level outlet.

4. In order to conserve water and prolong the timeline for reaching critical operating levels, the licensee proposes to operate under critical year flow requirements in the Eel River below Scott Dam and under the dry year flow requirements in the East Branch Russian River, with additional flexibility based on watershed conditions, and in consultation with a Drought Working Group,² which would meet bi-monthly during the variance to determine appropriate releases within the framework of the proposed variance. Specifically, the licensee would reduce flows at Scott Dam from the 60 cubic feet per second (cfs) normal year requirement to the 20 cfs critical year requirement. The licensee would also reduce flows in the East Branch Russian River from the 75 cfs normal year requirement to the 25 cfs dry year requirement, with an allowable reduction to the critically dry year 5 cfs requirement in consultation with the Drought Working Group. In addition, the licensee requests that all three proposed actions determine compliance using a 24-hour average, instead of an instantaneous value for minimum flow. In conjunction with the proposed variance, the licensee proposes to provide no more than 50 cfs to the Potter Valley Irrigation District (PVID) through the East Branch Russian River. The licensee would also provide a fall migration pulse flow below Cape Horn Dam after October 31, 2016 to encourage Chinook salmon upstream migration. Finally, the licensee proposes to file monthly compliance reports with the Commission and provide bi-monthly email reports to the Drought Working Group. The licensee requests the above temporary variance until Lake Pillsbury storage exceeds 27,000-acre feet, following October 1, 2016.

² The Drought Working Group would consist of representatives from the California Department of Fish and Wildlife (CDFW), California Trout, Friends of the Eel River, National Marine Fisheries Service (NMFS), Potter Valley Irrigation District (PVID), Round Valley Indian Tribes (Tribes), Sonoma County Water Agency (SCWA), and the California State Water Resources Control Board (State Water Board).

5. The licensee provided an analysis of potential effects to aquatic resources from the proposed variance. The licensee states that due to the unchanged flows in the Eel River below Cape Horn Dam, it does not anticipate any impact to juvenile salmon or steelhead in this reach. The licensee further states that its proposed fall pulse release would encourage upstream salmon migration and that the overall variance would ensure essential flow releases in the Eel River through the end of the year. Finally, the licensee states that the reduction in flows in the East Branch Russian River is likely to reduce habitat for stocked rainbow trout and other aquatic species in this reach, resulting in reduced angling opportunities.

AGENCY CONSULTATION

6. The licensee developed its proposal in conjunction with the aforementioned Drought Working Group. By emails dated July 5, 2016, the CDFW, PVID, NMFS, and State Water Board concurred with the proposed variance. On the same date, SCWA and the Tribes stated that they did not oppose the variance. PVID further stated that the licensee consider all water rights holders in its future variance discussions. The State Water Board also reiterated its request for additional information on low level operation constraints, and recommendations to improve low reservoir level operations. In response, the licensee stated that it would conduct a more detailed analysis to determine if 10,000 acre-feet is the appropriate minimum elevation.

DISCUSSION AND CONCLUSIONS

7. The licensee is requesting a variance to the minimum flow requirements at the project due to low water storage conditions in Lake Pillsbury. Approval of the licensee's request would ensure that adequate storage is available to maintain flows in the Eel and East Branch Russian Rivers and meet water commitments, while avoiding potential negative impacts to the Lake Pillsbury outlet works and reservoir bed. While the licensee's rationale for the variance is prudent, we are concerned about the potential for similar future variance requests; especially when winter precipitation was high during the winter and drought conditions in the project area seem to have improved significantly.³ As highlighted above, several variables contributed to the currently low reservoir storage levels, including: DSOD operating requirements, inaccurate forecast models, block water

³ The July 12, 2016 U.S. Drought monitor reports that conditions in the project are classified as that of a "D-1-moderate drought," while conditions during the same period last year were classified as "D-3-extreme drought" (<http://droughtmonitor.unl.edu/Home/StateDroughtMonitor.aspx?CA>), accessed Jul 14, 2016.

releases, minimum flow requirements, and additional releases to reinstate powerhouse operations. Therefore, the licensee should conduct an analysis on the above (and any other applicable) variables to determine the feasibility of modifying project operations to ensure that future flow variances are not necessary when adequate reservoir inflows were available. The analysis should also further investigate the two July 5, 2016 data requests from the State Water Board to: determine the current low level operation constraints at Lake Pillsbury (beyond operator recommendations) that support a low reservoir elevation level, and make recommendations to improve current low level operation constraints at Lake Pillsbury. This report should be filed no later than 30 days following the end of the temporary variance period, but may also be included with any of the licensee's monthly monitoring reports.

8. In addition to our concern for similar future variances, there would be a reduction in water and available habitat for aquatic organisms in the Eel River between Scott Dam and Cape Horn Dam. There would likely also be a potential increase in water temperatures throughout the Eel River (including below Cape Horn Dam) through decreased flows. Similar negative impacts would be expected to occur in East Branch Russian River through reduced flows and possible increased water temperatures. While the proposed flow reductions would be within the previously established flow regimes of the RPA and preserve an adequate supply of water for release later in the season, the licensee is reminded that it should continue to be vigilant of any adverse effects to aquatic resources during the temporary variance and to alert the resource agencies and the Commission of any adverse impacts observed or reported to the licensee.

9. Finally, the licensee proposes to keep the Commission apprised of water conditions by filing a monthly water report. Although no date was provided for filing these reports, they should be filed with the Commission within 15 days of the conclusion of the prior month's monitoring.

10. Given the diminishing water storage projections and support from the resource agencies and stakeholders, a temporary variance of the minimum flow requirement should be approved. However, the licensee's request for a temporary variance should be granted for a limited period, until the public has an opportunity to review and comment on the licensee's proposal. Therefore, we are concurrently issuing a 30-day public notice period regarding the licensee's temporary variance request.

11. The licensee's proposed temporary variance should be approved through August 19, 2016. This time frame will allow a 30-day comment period and subsequent Commission action, without an interruption in the temporary operating requirements. Based on comments received and the available data at that time, we will take action, as warranted, on an extension of the licensee's proposal beyond August 19, 2016. We also

reserve our authority to modify the current, or any future temporary variance based on information received, or as updated conditions may warrant.

The Director orders:

(A) Pacific Gas and Electric Company's (licensee) request for a temporary variance of the minimum flow requirements of Appendix A of the Commission's January 28, 2004 Order Amending License for the Potter Valley Project No. 77, filed with the Federal Energy Regulatory Commission (Commission) on July 6, 2016, is approved through August 19, 2016, as modified in ordering paragraphs (B) through (D).

(B) The licensee must conduct an analysis on current dam safety operational protocols, precipitation forecast models, minimum flow requirements, and supplemental flows releases and determine the feasibility of modifying project operations to ensure that future flow variances are not necessary when adequate reservoir inflows were previously available. The analysis must also incorporate the two July 5, 2016 data requests from the California State Water Resources Control Board to: determine the current low level operation constraints at Lake Pillsbury (beyond operator recommendations) that support a low reservoir elevation level; and make recommendations to improve current low level operation constraints at Lake Pillsbury. This report must be filed no later than 30 days following the end of the temporary variance period, but may also be included with any of the licensee's monthly monitoring reports.

(C) The licensee must file its monthly flow reports with the Commission within 15 days of the conclusion of monitoring for the prior month.

(D) The Commission reserves its authority to modify this order based on any new information received and as conditions may warrant.

(E) This order constitutes final agency action. Any party may file a request for rehearing of this order within 30 days from the date of its issuance, as provided in section 313(a) of the Federal Power Act, 16 U.S.C. § 8251 (2006), and the Commission's regulations at 18 C.F.R. § 385.713 (2015). The filing of a request for rehearing does not operate as a stay of the effective date of this order, or of any other date specified in this order. The licensee's failure to file a request for rehearing shall constitute acceptance of this order.

Thomas J. LoVullo
Chief, Aquatic Resources Branch
Division of Hydropower Administration
and Compliance

Potter Valley Project

PVP Diversion (cfs)	July 21, 2016	70
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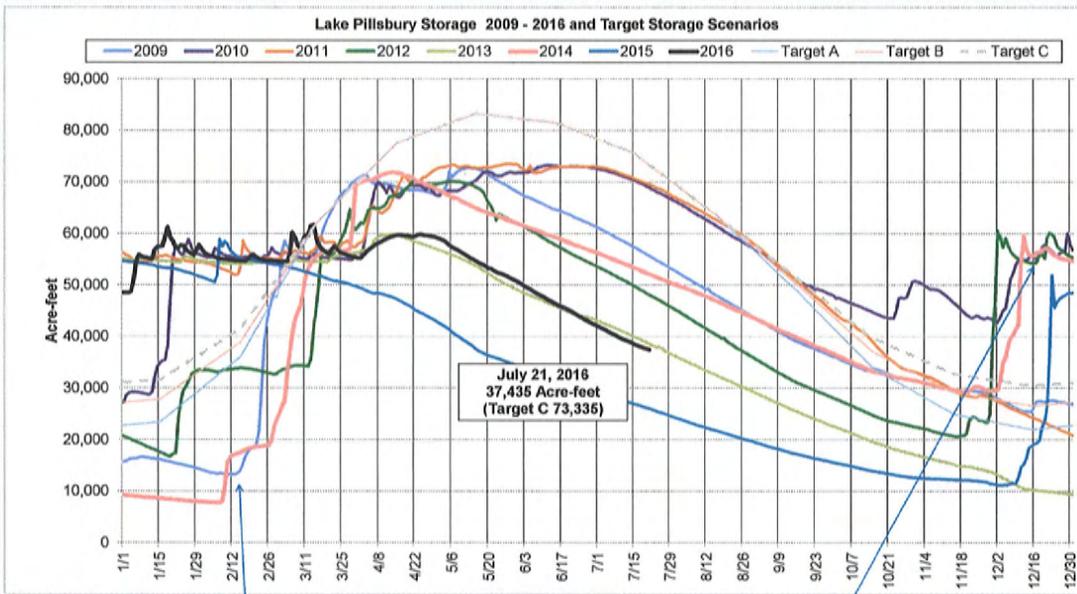
Lake Pillsbury



Lake Pillsbury April 5, 2016 (Source: Lake Pillsbury Resort)

Parameter	Date Range	Cumulative	Daily Average
Inflow* (acre-feet)	October 1, 2015 - July 21, 2016	448,678	1,626
	Last 7 days	247	35

*Inflow calculation based on criteria established in D1610



Scott Dam at Lake Pillsbury
Feb 10, 2014 (Source: Lake Pillsbury Resort)



December 15, 2014 (Source: Lake Pillsbury Resort)

9

MEMORANDUM

To: Board of Directors
From: Chris DeGabriele, General Manager 
Subject: North Bay Water Reuse Authority Board Meeting – July 26, 2016
R:\Folders by Job No\7000.jobs\7127\Board Memos\7127 NBRWA Update 7_26_16.doc

July 29, 2016

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None

Supplemental information is provided as follows using item numbers referenced in the attached meeting agenda and draft minutes (Attachment 1). A complete agenda packet is available via www.nbwra.org.

2. Roll Call

NMWD Board was represented by Director Baker. The General Manager attended this meeting as the Chief Engineer/AGM was on vacation

7. Financial Report for the Period Ending June 30, 2016

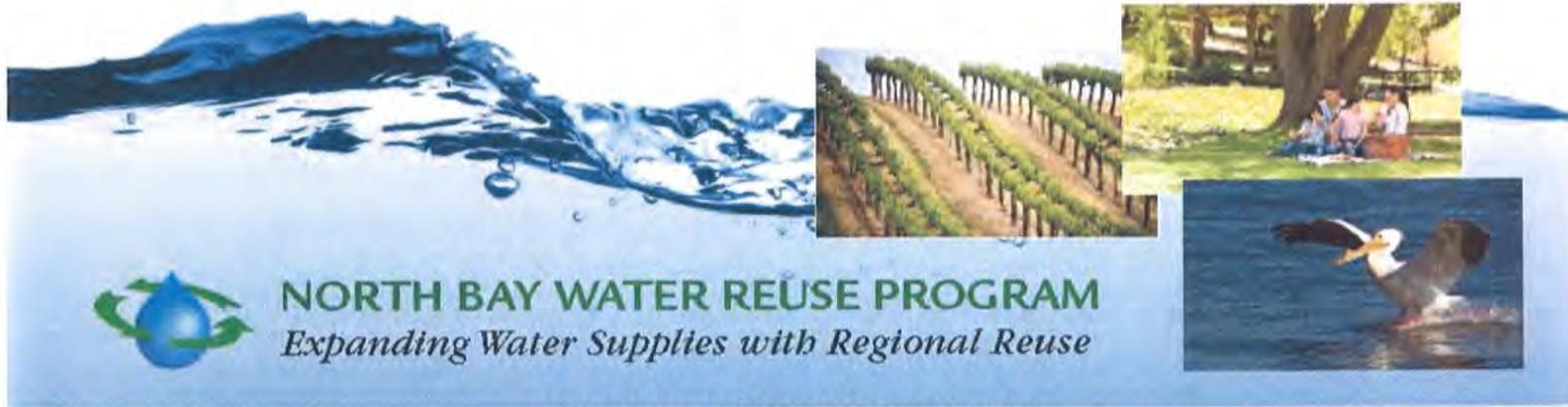
The program manager reports that all budgeted items are tracking normally for the FY15/16 budget.

8. Program Development, Federal, and State Advocacy Reports

At the state level, the legislature reconvenes next week. SB163 (Hertzberg) is expected to reappear and leadership of the Senate Natural Resources & Water and the Assembly Environmental Safety & Toxics committee will be new. Federally, Congress recesses in October and the Delta Water movement interests will seek a compromise prior to winter rains. NBWRA leadership expects another trip to Washington D.C. in September.

12. Update and Recommendations from Governance Task Force

As a follow up to ongoing discussion on NBWRA long term viability, Chair Rabbitt discussed that the option of hiring an outside facilitator is no longer being considered. He did make an impassioned plea to find more partners and more projects to maximize authorized Title XVI USBR funding. Right now the project list is ~\$25M short. The Board, by split vote, froze work on the EIR/EIS for 6 months, took control over consultant management from the TAC and will investigate options for moving forward with an expanded Phase 2 program.



NORTH BAY WATER REUSE PROGRAM
Expanding Water Supplies with Regional Reuse

BOARD OF DIRECTORS MEETING

AGENDA

Tuesday, July 26, 2016

1:30 PM

City of Petaluma Ellis Creek Water Recycling Facility
3890 Cypress Drive, Petaluma, 94954

Consultants unable to attend in person may call in: Phone: +1 (602) 567-4030 Access code: 1980; <https://conferencing.brwnccald.com/conference/1980>

1. Call to Order (1 minute)

2. Roll Call (1 minutes)

3. Public Comment (3 minutes)

(Any member of the public may address the Board at the commencement of the meeting on any matter within the jurisdiction of the Board. This should not relate to any item on the agenda. It is the policy of the Authority that each person addressing the Board limit their presentation to three minutes. Any member of the public desiring to provide comments to the Board on an agenda item should do so at the time the item is considered. It is the policy of the Authority that oral comments be limited to three minutes per individual or ten minutes for an organization. Speaker's cards will be available in the Boardroom and are to be completed prior to speaking.)

4. Introductions (2 minutes)

Action
Pages 3 - 5

5. Board Meeting Minutes of April 25, 2016 (1 minute)

(The Board will consider approving the minutes from the April 25, 2016 Board meeting.)

Information
Pages 6 - 12

6. Report from the Program Manager (2 minutes)

6.a Consultant Progress Reports

(The Board will review the Report from the Program Manager and Consultant Progress Reports.)

Information
Pages 13 - 25

7. Financial Report for the Period Ending June 30, 2016 (5 minutes)

(The Board will review the financial report for the period ending March 31, 2016.)

Information
Pages 26 - 38

8. Program Development, Federal, and State Advocacy Status Reports (10 minutes)

(The Board will be updated on the status of Program Development, Federal Advocacy, and State Advocacy.)

**North Bay Water Reuse Authority • c/o Sonoma County Water Agency • 404 Aviation Boulevard, Santa Rosa, CA 95403
 707-235-8965 • NBWRA.org**

**North Bay Water Reuse Authority
Board of Directors Meeting
Minutes
April 25, 2016**

1. Call to Order

Chair Rabbitt called the meeting to order at 9:42 a.m. on Monday, April 25, 2016 at the Novato City Hall Council Chambers, 901 Sherman Avenue, Novato, CA 94945. Consultants and others who were unable to attend participated via telephone, 1 (602) 567-4030, passcode 1980; <https://conferencing.brwncaid.com/conference/1980>.

2. Roll Call

PRESENT:	David Rabbitt, Chair	Sonoma County Water Agency
	Bill Long, Vice Chair	Novato Sanitary District
	Keith Caldwell	Napa County
	Rabi Elias	Las Gallinas Valley Sanitary District
	Jack Gibson	Marin Municipal Water District
	David Glass	City of Petaluma
	Susan Gorin	Sonoma Valley County Sanitation District
	John Schoonover	North Marin Water District
	Jill Techel	Napa Sanitation District

ABSENT: City of American Canyon, Marin County

OTHERS

PRESENT:	Chuck Weir, Program Manager	Weir Technical Services
	Kevin Booker	Sonoma County Water Agency
	Ginger Bryant	Bryant & Associates
	Grant Davis	Sonoma County Water Agency
	Ryan Grisso	North Marin Water District
	Tim Healy	Napa Sanitation District
	Pam Jeane	Sonoma Valley County Sanitation District
	Sandeep Karkal	Novato Sanitary District
	Susan McGuire	Las Gallinas Valley Sanitary District
	Mark Millan	Data Instincts
	Phillip Miller	Napa County
	Pilar Oñate-Quintana	The Oñate Group (by telephone)
	Larry Russell	Marin Municipal Water District
	Mike Savage	Brown and Caldwell
	Brad Sherwood	Sonoma County Water Agency
	Jake Spaulding	Sonoma County Water Agency
	Dawn Taffler	Kennedy Jenks Consultants (by telephone)
	Leah Walker	City of Petaluma

3. Public Comments

There were no comments from the public

Ginger Bryant provided an update on Program Development and Federal Advocacy, including efforts to include RIFIA loans and WaterSMART grants in a Western Water Bill.

Pilar Oñate-Quintana discussed State Advocacy noted water and wastewater agency opposition to SB163, Hertzberg, which would require 50% of treated wastewater to be used for beneficial reuse by 2026 and 100% by 2036. She recommended that NBWRA send a letter of opposition that will support the points made by CASA and WateReuse. Director Caldwell asked where local legislators stood on SB163 and was informed that they were not yet fully aware of the issues. She also noted that in terms of the State budget that it was likely the remaining Prop 1 water recycling funds will be appropriated to the State Water Board this year.

10. Outreach Program Update.

Mark Millan discussed the following: Coordination with the team on Chair Rabbitt’s presentation for the NBWA Conference April 22, 2016, Coordination with the team and Napa SD regarding press information for their Recycled Water Expansion Ribbon Cutting Celebration May 2, 2016, and preparation of materials for this week’s Washington D.C. meetings.

11. Engineering, Environmental, and Public Involvement Services Report

Mike Savage gave an update on the production and comment schedule for the chapters in the Feasibility Study Report.

12. Comments from Chair and Board Members

Chair Rabbitt thanked everyone for their efforts to date. He discussed the Governance Task force and noted they were looking at an outside facilitator to assist in the process. He noted that money is available and that they would try to keep costs low. He mentioned David Gardiner as a possible facilitator.

13. Adjournment

Chair Rabbitt adjourned the meeting at 10:44 a.m. The next meeting will be Monday, July 25, 2016 at 9:30 a.m. at Novato City Hall Council Chambers.

Minutes approved by the Board _____.

Charles V. Weir
Program Manager

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10



**WATER ADVISORY COMMITTEE
AND
TECHNICAL ADVISORY COMMITTEE**

MONDAY, AUGUST 1, 2016

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, 2016 WAC/TAC Meeting and Approval of Minutes
4. Recap from the June 6, 2016 TAC Meeting and Approval of Minutes
5. Water Supply Coordination Council
6. Water Supply Conditions and Temporary Urgency Change Order
7. Sonoma Marin Saving Water Partnership
 - a. Water Production Relative to 2013 Benchmark
 - b. Water Supply Reliability Self Certification
 - c. "Take it from the Tap"
8. Sustainable Groundwater Management Act Update
9. Biological Opinion Status Update
 - a. Fish Habitat Flows and Water Rights Project DEIR
10. Integrated Regional Water Management Plan(s) Update
11. Items for Next Agenda
12. Check Out

Draft Minutes of Water Advisory Committee and Technical Advisory Committee
35 Stony Point Road, Santa Rosa, California
May 2, 2016

Attendees: Tom Schwedhelm, City of Santa Rosa
Linda Reed, City of Santa Rosa
Jennifer Burke, City of Santa Rosa
Rocky Vogler, City of Santa Rosa
Colin Close, City of Santa Rosa
Amy Brennan, City of Santa Rosa
Mark Millan, Town of Windsor
Jim Smith, Town of Windsor
Elizabeth Cargay, Town of Windsor
Susan Harvey, City of Cotati
Craig Scott, City of Cotati
Mark Heneveld, Valley of the Moon Water District
Laurie Gallian, City of Sonoma
Dan Takasugi, City of Sonoma
Jake Mackenzie, City of Rohnert Park
Mary Grace Pawson, City of Rohnert Park
Mike Healy, City of Petaluma
Leale Walker, City of Petaluma
Rick Fraites, North Marin Water District
Jack Baker, North Marin Water District
Chris DeGabriele, North Marin Water District
Jack Gibson, Marin Municipal Water District
Larry Russell, Marin Municipal Water District
Mike Ban, Marin Municipal Water District
Efren Carrillo, Board of Supervisors
Michael Thompson, SCWA
Carrie Pollard, SCWA
Ann DuBay, SCWA
Brad Sherwood, SCWA
Lynne Rosselli, SCWA

Public Attendees: Brenda Adelman, RRWPC
Dietrich Stroeh, Stuber-Stroeh Engineering Group
David Keller, Friend of the Eel River
Jim Downey, Penngrove/Kenwood Water District
Margaret DiGenova, California American Water
Evan Jacobs, California American Water
John Rosenfeld
Bob Anderson, United Winegrowers
Suzanne Smith, SCRCPA
Lauren Casey, SCRCPA

1. Check-in
Mike Healy, WAC Chair, called the meeting to order at 9:06 a.m.
2. Public Comments
None

3. Recap from the April 4, 2016 WAC/TAC Meeting and Approval of Minutes
Moved by Susan Harvey, City of Cotati, seconded by Laurie Gallian, City of Sonoma, to approve the minutes of the April 4, 2016 WAC/TAC meeting; unanimously approved.
4. RCPA Presentation – Climate Action 2020 and Beyond
Lauren Casey, Sonoma County Regional Climate Protection Agency, gave a presentation on the climate action plan for 2020 (CAP). The CAP builds on previous commitments to reduce greenhouse gas emissions for all Sonoma County Communities. A draft EIR is now in circulation for comment. GHG reduction potential in the water conveyance and wastewater treatment sector amount to 3% of the CAP goal to be achieved by increasing participation in existing efforts (i.e. SBx 7-7, water conservation for existing buildings, greywater, green energy) and new construction water conservation. Bob Anderson, of United Winegrowers, distributed his analysis of per capita GHG reductions needed to meet the CAP in each of the respective Sonoma County Communities.
5. PWRPA Energy Contract
Mike Thompson, Sonoma County Water Agency, summarized the PWRPA energy contract and resulting cost savings.
6. Sonoma Marin Saving Water Partnership
 - a. Water Production Relative to 2013 Benchmark
Chris DeGabriele from the North Marin Water District, discussed his handout on the monthly water use relative to 2013 benchmark.
 - b. SWRCB Emergency Urban Water Conservation Regulations
No report.
 - c. “Take it from the Tap”
Jennifer Burke, City of Santa Rosa, stated that May 18th is the official kick off of the “Take it from the Tap” campaign.
 - d. Eco Friendly Garden Tour
Carrie Pollard, Sonoma County Water Agency, talked about the garden tour that took place on Saturday, April 29th.
7. Water Supply Conditions and Temporary Urgency Change Order
Mike Thompson, Sonoma County Water Agency, reported on the water storage in Lake Mendocino and Lake Sonoma. With regard to the temporary urgency change order, the petition was submitted in April and the order, for lower instream flows to comply with BO requirements is expected soon.
8. Biological Opinion Status Update

Mike Thompson, Sonoma County Water Agency, reviewed the handout and reported on the Dry Creek Habitat Enhancement Project, easement agreements with land owners, fish monitoring, and fish habitat flows.

9. Integrated Regional Water Management Plan(s) Update

Efren Carrillo talked about the North Coast Research Partnership celebrating 10 years.

They are looking at the next 10 years regarding funding and additional partnerships.

Brad Sherwood talked about the Bay Area Integrated Regional Water Management Plan.

10. Items for next TAC Agenda on June 6

Sonoma Marin Saving Water Partnership

Water Supply Conditions

Biological Opinion Status Update

11. Check Out

Next TAC meeting is June 6

Next WAC TAC meeting is August 1

Meeting was adjourned at 9:57 a.m.

Draft Minutes of Technical Advisory Committee
35 Stony Point Road, Santa Rosa, California
June 6, 2016

Attendees: Jennifer Burke, City of Santa Rosa
Linda Reed, City of Santa Rosa
Linda Hall, City of Santa Rosa
Toni Bertolero, Town of Windsor
Paul Piazza, Town of Windsor
Elizabeth Cargay, Town of Windsor
Mary Grace Pawson, City of Rohnert Park
Mark Bautista, City of Rohnert Park
Mike Healy, City of Petaluma
Kent Carothers, City of Petaluma
Craig Scott, City of Cotati
Dan Takasugi, City of Sonoma
Dan Muelrath, Valley of the Moon Water District
Chris DeGabriele, North Marin Water District
Drew McIntyre, North Marin Water District
Mike Ban, Marin Municipal Water District
Grant Davis, SCWA
Pam Jeane, SCWA
Carrie Pollard, SCWA
Ann DuBay, SCWA
Don Seymour, SCWA
Jessica Martini Lamb

Public Attendees: Brenda Adelman, RRWPC
David Keller, FOER
J. Dietrich Stroeh
Margaret DiGenova, California American Water

1. Check-in
Chair Chris DeGabriele called the meeting to order at 9:08 a.m.
2. Public Comment
None
3. Water Supply Conditions and Temporary Urgency Change Order
Grant Davis, SCWA, reported that Lake Sonoma is at 98.4% of capacity, and Lake Mendocino is at 98% of capacity. Mendocino outflow is being adjusted to maintain minimum stream flows. The Water Quality monitoring plan is being finalized, with the final plan due the end of June. Weekly reports are being submitted to SRWCB. Comments followed from the public. Concern has been expressed about toxic algae. On June 15 a meeting will be held by the RWQCB and the Sonoma County Department of Health regarding the algae. Sampling continues to monitor the issue.

4. Sonoma Marin Saving Water Partnership

a. Water Production Relative to 2013 Benchmark

Chris DeGabriele, North Marin Water District reviewed the report emailed to the committee members.

b. SWRCB Emergency Urban Water Conservation Regulations

Revisions have been made to conservation regulations. Self-regulation is being allowed. Water restrictions can be lifted, but water conservation efforts will continue. The current Emergency Regulation is in place through January 2017 and SWRCB will determine if restrictions will continue after that date.

5. Biological Opinion Status Update

Pam Jeane, SCWA, reviewed the report available to attendees at the meeting. Questions followed from the committee.

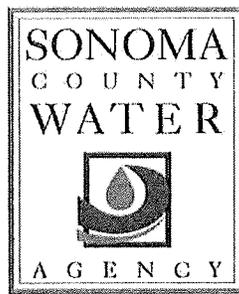
6. Items for Next Agenda

Water Supply Conditions and Temporary Urgency Change Order
Sonoma Marin Saving Water Partnership
Biological Opinion Status Update

7. Check Out

Next TAC meeting scheduled for July 11, 2016 is cancelled.
Next WAC/TAC meeting is August 1, 2016

Meeting was adjourned at 9:28a.m.



August 1, 2016 WAC
Agenda Item 9.a.

CF/42-0-9.1 SWRCB Modifying the Minimum
Instream Flow Requirements (Applications
12919A, 15736, 15737 and 19351) (ID 2441)

July 22, 2016

Dear WAC and TAC Members:

During the late 1990's, the Sonoma County Water Agency (Water Agency) was pursuing the Water Supply and Transmission System Project (WSTSP). If the WSTSP had been approved and the necessary WSTSP facilities had been constructed, then the Water Agency could have increased its diversions of water from the Russian River at its Wohler and Mirabel Intake Facilities from the currently authorized instantaneous limit of 180 cubic-feet per second (cfs) and annual limit of 75,000 acre-feet per year (af/yr) up to new limits of 252 cfs and 101,000 af/yr.

In 1999, the Water Agency filed with the State Water Resources Control Board (SWRCB) petitions to change its water right permits and an application for a new water right permit for the additional diversions that would have occurred with the WSTSP. These petitions also asked the SWRCB to extend the 1999 deadline in the Water Agency's permits for applying water to beneficial use to 2020.

Since 2000, the Water Agency and its contractors have taken numerous water conservation actions and developed additional recycled water and groundwater supplies. As a result, they have not had to incur the very substantial expenses that would have been necessary to construct the proposed WSTSP facilities. Demands on the water transmission system currently are well below the 180 cfs and 75,000 af/yr limits, and demands are not projected to reach these limits until about 2035.

In September 2008, the National Marine Fisheries Service (NMFS) issued the *Biological Opinion for Water Supply, Flood Control Operations, and Channel Maintenance conducted by the U.S. Army Corps of Engineers, the Sonoma County Water Agency, and the Mendocino County Russian River Flood Control and Water Conservation Improvement District in the Russian River Watershed* (Biological Opinion). Among other things, the Biological Opinion directs the Water Agency to seek permanent changes to the Water Agency's water right permits such that minimum stream flows will be reduced in the mainstem Russian River and Dry Creek to promote goals of enhancing salmonid rearing habitat. In 2009, the Water Agency filed petitions to modify the minimum instream flow requirements in its water right permits, as required by the Biological Opinion.

Because the Water Agency and its contractors have decided not to pursue construction of the WSTSP facilities at this time or in the foreseeable future, and because the Water Agency's projected Russian River diversions will remain below the 180 cfs and 75,000 af/yr limits until about 2035, it no longer is appropriate for the Water Agency to pursue the 1999 water right change petitions and application. Also, discussions among representatives of the Water Agency, NMFS and the California Department of Fish

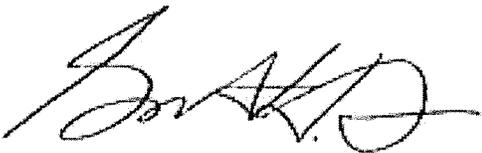
and Wildlife, as well as analyses conducted by the Water Agency, have resulted in new proposed minimum instream flow requirements and a new hydrologic index.

For these reasons, the Water Agency has prepared new water right change petitions that will request the SWRCB to change the beneficial-use deadline in the Water Agency's permits to 2040, the minimum instream flow requirements in the permits to the new proposed requirements, and the method by which the water supply conditions in the watershed are characterized with a new hydrologic index. When the Water Agency files these petitions, it will ask the SWRCB to cancel the 1999 petitions and application and the 2009 petition.

On February 2, 2010, the Water Agency adopted Resolution No. 10-0085 , which, among other things, directed Sonoma County Counsel and the Water Agency's General Manager to give at least 15 days' advance notice to members of the Water Advisory Committee and the Technical Advisory Committee before the Water Agency withdraws or modifies the 1999 water right application and petitions. This letter provides that notice. As required by the resolution, County Counsel and the Water Agency will designate appropriate staff to meet with you or your staff to discuss this plan, if you so request.

The Water Agency will continue to meet its obligations under the Restructured Agreement for Water Supply. Specifically, the Water Agency will continue to work with all of you and the Water Agency's other customers to develop updated water demand estimates every five years, as required when the Water Agency prepares its Urban Water Management Plans, and the Water Agency will continue to use its best efforts to obtain, perfect and maintain the appropriative rights that are necessary so that the Water Agency can meet its delivery obligations provided for in the agreement.

Sincerely,



Grant Davis
General Manager

c: Sonoma County Water Agency Board of Directors
P. Jeane, J. Jasperse – Sonoma County Water Agency
C. O'Donnell, A. Brand - Sonoma County Counsel
Alan Lilly - Bartkiewicz, Kronick & Shanahan



Russian River Biological Opinion Update – August 2016

The Sonoma County Water Agency is continually planning and implementing the Russian River Biological Opinion requirements. The following project updates provide a brief synopsis of current work. For more detailed information about these activities, please visit www.sonomacountywater.org.

Fish Flow Project

On July 19, the Water Agency Board of Directors directed staff to release the Environmental Impact Report for the Fish Habitat Flows and Water Rights Project on August 19. Open House workshops will be held on August 22 (Cloverdale Veterans Hall, 4-8 p.m.) and on August 24 (Monte Rio Community Center, 4-8 p.m.). A public hearing is scheduled for September 13, Supervisors Chambers, 3 p.m.

Dry Creek Habitat Enhancement Project

- Miles 2 and 3: Site preparation is complete and construction is underway on 0.6 miles of creek downstream of the Truett Hurst Winery and construction is expected to start soon on a 0.3 mile reach downstream of the Westside Road Bridge. Water Agency Staff are working with property owners to finalize designs and right-of-way agreements for remaining Mile 2 and 3 sites planned for construction in 2017.
- Miles 4-6: Planning, preliminary field investigation and design are under way for Miles 4 - 6.
- The US Army Corps is using information from Mile 2-6 to complete two feasibility studies that should pave the way for federal funding. The first Army Corps study under the Continuing Authorities Program (CAP) will help complete Miles 2 and 3. A draft CAP study was recently completed and recommends Army Corps construction of reach 4a (total length 0.4 miles) at a total federal cost of \$3.28 million. The second Army Corps effort for Mile 4-6 planning, called a General Investigation (GI) Ecosystem Restoration study, has less funding restrictions and should be completed by 2018.

Fish Monitoring

Water Agency biologists began removing traps to capture downstream migrating juvenile salmonids. Currently, only one trap remains in Dry Creek at the Westside Road Bridge. The downstream migrant trapping season typically extends through early summer. Monitoring also is underway in the estuary, including monthly seining.

Mirabel Screen and Fish Ladder Replacement

Major construction activities are nearing completion. The new screens and viewing windows are in place; the sheet piles have been removed; testing is underway on the new screens; and interpretive signs are being designed for the viewing gallery. In early July, the inflatable dam was raised for the first time in two years. No problems were detected, and the dam is operating normally. The project will be officially complete sometime in the fall.

Russian River Estuary Management Project

- The 2016 Lagoon Management Period began on May 15. The 2016 Lagoon Management Plan is similar to previous years, with the exception of monitoring of harbor seals and other pinnipeds. This year, the Water Agency, Stewards of the Coast and Redwoods and volunteers will focus

monitoring at the Jenner overlook, and not monitor other haul-out locations when the estuary is closed unless an outlet channel is successfully in place for more than 3 weeks. Prior-year monitoring found that very few pinnipeds use the other haul-out locations.

- So far this management season, the mouth of the Russian River has closed three times:
 - May 31: An outlet channel was implemented on June 7, but scoured open later that day.
 - June 15: An outlet channel was implemented on June 27, which scoured open that evening.
 - July 1: The estuary self-breached on July 12.
- During the past two years, studies were conducted to determine if and how the historic Goat Rock State Park jetty impacts the formation of the barrier beach and lagoon water surface elevation. Comments have been received on the draft report, and a final report will be released in the fall.

Interim Flow Changes

The Water Agency filed a Temporary Urgency Change Petition (TUCP) with the State Water Board in order to comply with the Biological Opinion flow requirements. The State Water Board issued a TUC order in May. The order is currently being implemented.

Public Outreach, Reporting & Legislation

- The Dry Creek Update will be distributed in early August.
- The focus in August/September is on outreach for the Fish Flow DEIR, including publicizing the availability of the document, community workshops and hearing.



Inflatable dam raised, with new fish screens, ladder and viewing gallery.

State Water Resources Control Board Conservation Standard Tracking for the Sonoma-Marín Saving Water Partnership

Table 1: Monthly Water Use Relative to 2013 Benchmark

Water Retailer	June 2016 (Gallons)	2013 Benchmark (Gallons)	Relative to 2013 Benchmark	Conservation Standard	June 2016 GPCD*
Cal Am				25%	
Cotati	34,149,185	31,868,228	-7%	20%	156
Marin Municipal	798,481,583	924,117,905	14%	20%	141
North Marin	506,303,960	357,000,000	-42%	24%	275
Petaluma	263,808,970	314,982,234	16%	16%	142
Rohnert Park	143,798,046	158,000,000	9%	16%	110
Santa Rosa	659,540,608	655,669,334	-1%	16%	127
Sonoma	78,858,972	75,705,062	-4%	28%	227
Valley of the Moon	94,319,864	102,353,192	8%	20%	132
Windsor	113,993,759	138,875,923	18%	16%	138
SMSWP Total	2,693,254,947	2,790,490,878	3%	19%	148

* GPCD is provided as information only

Table 2: Aggregate June 2015 to Current Month Relative to 2013 Benchmark

Water Retailer	Aggregate June 2015 to Date (Gallons)	2013 Benchmark (Gallons)	Relative to 2013 Benchmark	Conservation Standard
Cal Am	232,918,236	309,018,000	25%	25%
Cotati	280,558,062	359,837,259	22%	20%
Marin Municipal	8,003,386,078	10,055,797,847	20%	20%
North Marin	2,740,030,063	3,611,000,000	24%	24%
Petaluma	2,673,656,333	3,506,965,527	24%	16%
Rohnert Park	1,513,558,344	1,826,000,000	17%	16%
Santa Rosa	5,896,716,547	7,766,856,765	24%	16%
Sonoma	606,570,268	823,492,704	26%	28%
Valley of the Moon	826,002,799	1,146,684,206	28%	20%
Windsor	1,076,866,519	1,412,851,382	24%	16%
SMSWP Total	16,221,145,453	21,300,248,788	24%	19%

11

DISBURSEMENTS - DATED JULY 28, 2016

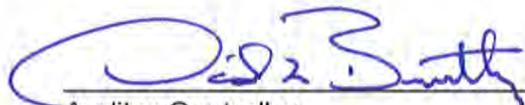
Date Prepared 7/26/16

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 7/15/16	\$128,175.59
EFT*	US Bank	Federal & FICA Taxes PPE 7/15/16	57,380.78
EFT*	State of California	State Taxes & SDI PPE 7/15/16	10,340.41
EFT*	CalPERS	Pension Contribution PPE 7/15/16	33,091.77
1	Adibi, Maryam	Refund Overpayment on Closed Account	67.64
2	Alpha Analytical Laboratories	Lab Testing	144.00
3	Applied Spectrometry	Manganese Analyzer (STP)	12,415.25
4	Athens Administrators	May Bill Review Fees	45.67
5	AT&T	Leased Lines	66.58
6	Bastogne	Refund Overpayment on Closed Account	45.00
7	Arthur J. Gallagher	FY17 Property, Excess Liability, Public Officials Errors & Omissions, Employee Fidelity & Auto Physical Damage (\$12,026 Reimbursed by MCFCWCD)	149,141.00
8	Golden Gate petroleum	Gas (\$2.48/gal) & Diesel (\$2.21/gal)	1,882.94
9	Grainger	Swing Check Valve, Sump Pump (\$222), PVC Union, PVC Pipe (20' of 1.25"), US & CA Flags (\$105), Filter Media Pads (50), Fluorescent Light Bulbs (36) (\$111), Pressure Transducers (2) (\$363) & Wire Connectors (2) (\$77)	993.40
10	Home Depot	Gap Filler (12-16oz cans)	58.20
11	John's Dairy Equipment	Chlorine Tablets (STP) (250 lbs.)	355.89
12		Vision Reimbursement	108.72
13	Lucchesi, Matthew	Exp Reimb: Safety Boots	200.00

Seq	Payable To	For	Amount
14	Marin Color Service	Paint (1 gal) (Warehouse)	37.78
15	Miller Pacific Engineering	Prog Pymt#3: Recycled Water Central Service Area (Balance Remaining on Contract \$28,024)	3,165.00
16	MSI Litho	Replacement Payment - Vendor Changed ACH	337.13
17	Pace Supply	Nipple, Reducer Solvent Weld (2), Solvent Pipes (20), Coupling & Welding Elbow (\$87)	200.36
18	Parkinson Accounting Systems	Annual Custom Software Maintenance Fee (Budget \$5,990)	5,817.75
19		Cafeteria Plan: Uninsured Medical Reimbursement	420.00
20	SPG Solar	June Energy Delivered Under the Solar Services Agreement	12,837.48
21	State Water Resources Control Board	D2 Certification Renewal (Foster) (12/16-12/19) (Budget \$80)	60.00
22	State Water Resources Control	Clean Drinking Water State Revolving Fund Loan Principal & Interest RW South-Phase 2	100,232.68
23	Township Building	June Janitorial Services	1,822.84
24	UC Regents	Sponsorship of 2016 Marin Master Gardener's "Garden Walk" Program	300.00
		TOTAL DISBURSEMENTS	<u>\$517,621.02</u>

The foregoing payroll and accounts payable vouchers totaling \$517,621.02 are hereby approved and authorized for payment.


 Auditor-Controller

7/25/16
 Date


 General Manager

7/26/2016
 Date

DISBURSEMENTS - DATED JULY 21, 2016

Date Prepared 7/19/16

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:

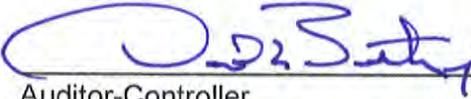
Seq	Payable To	For	Amount
1	All Star Rents	Mower Rental for Dam Face & Around Parking Lot (STP)	\$280.57
2	Alpha Analytical Labs	Lab Testing	18.00
3	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt 57 of 240)	46,066.67
4	Bondanza, Joe	Novato "Washer" Rebate Program	50.00
5	Borges & Mahoney	pH Probe & Electrode (STP)	456.77
6	Building Supply Center	Material for Service Line Leak Temp Repair	12.64
7	California State Lands Commission	Application for City of Novato Lease Amendment (RW Exp Central Area)	196.15
8	California State Disbursement	Wage Assignment Order PPE 7/15/16	175.75
9	CalPERS	Annual Lump Sum Prepayment Option (Classic \$461,749 & New Members \$18)	461,767.00
10	Cinquini & Passarino	Prog Pymt#2: Surveying Services: PRE Tank 4A (Balance Remaining on Contract \$3,810)	5,994.00
11	Clipper Direct	Commuter Benefit Program (1)	173.00
12	Comcast	July Office Internet Connection	151.16
13	Diggs, James	Retiree Exp Reimb (July Health Ins)	306.09
14	Downtown Ford Sales	2017 Ford Escape- 4WD (Budget \$25,000)	25,016.80
15	ERS Industrial Services	Filter Inspection (STP)	3,130.00
16	Evoqua Water Technologies	Service on Deionization System (Lab)	230.38
17	Fisher Scientific	Precision Coliform Water Baths (Lab)	2,051.05
18	Frontier Communications	Leased Lines (10)	1,490.65

Seq	Payable To	For	Amount
19	Golden Gate Petroleum	Gasoline (\$2.41/gal)	721.78
20	Grainger	Test Gas for Atmosphere Monitors (4) (\$218), Manhole Ladder (10') (\$244) & Digging Bar	505.71
21	Groeniger	Angle Meter Stop (120) (\$5,285), Gaskets (4), 3" ARV Crispin (\$902), Nuts (60) & Gaskets (6)	6,376.34
22	Idexx Laboratories	Colilert Comparator (Lab)	16.30
23	Kessler, Sue	Retiree Exp Reimb (July Health Ins)	315.28
24	Krause, Arlene	Refund Overpayment on Closed Account	100.00
25	Lincoln Life	Deferred Compensation PPE 7/15/16	12,752.78
26	Maltby Electric	Conduit Elbows (55)	127.02
27	McLellan, WK	Misc Paving (\$4,806) & Compaction Testing	5,051.08
28	Mello, John	Retiree Exp Reimb (July Health Ins)	949.78
29	Moore, Doug	Retiree Exp Reimb (July Health Ins)	949.78
30	Nationwide Retirement Solution	Deferred Compensation PPE 7/15/16	1,250.00
31	NTU Technologies	Anionic Polymer Emulsion (9,200 lbs) (STP)	13,340.00
32	Pacchetti, John	Novato "Pool Cover" Rebate Program	42.50
33	PG&E	Power: Bldgs/Yard (\$4,455), Rectifier/Controls (\$453), Pumping (\$34,274), Treatment (\$117) & Other (\$97)	39,395.21
34	Point Reyes Light	Legal Notices: Public Hearing for O.M. Rate & Connection Fee Increase (\$333) & W.M. Public Hearing Water Rates (\$522)	855.00
35	Rasmussen, Tina	Novato "Washer" Rebate Program	50.00
36	Red Wing Shoe Store	Safety Boots (Reed, Roberto & Rupp)	504.03
37		Cafeteria Plan: Childcare Reimbursement	208.33
38	Reliable Crane and Rigging	Crane & Rigging Service to Install Vault @ Frosty Lane (Zone A Pressure Improvements)	4,042.00

Seq	Payable To	For	Amount
39	Sage Software	Annual Software Maintenance Fee (Sage 100c Advanced) (\$5,373) & Payroll Subscription	6,372.89
40	Sequoia Safety Supply	Safety Vest (McDonough)	11.88
41	Shirrell Consulting Services	Dental Insurance Administration Fee	299.45
42	Sierra Chemical	Chlorine (2 tons) (STP)	1,176.69
43	Sonoma County Water Agency	District Allocation of FY17 North Bay Water Reuse Authority Budget	28,590.00
44	Stafford, Vernon	Retiree Exp Reimb (July Health Ins)	315.28
45	Staples Business Advantage	Copy Paper (60 Reams)	221.78
46	Strahm Communications	Design & Print Novato Water Quality Report (750) (\$1,226) & W.M. Water Quality Report (100) (\$392)	1,618.57
47	Syar Industries	Asphalt (6 tons)	682.43
48	TelePacific Communications	June Telephone Charges	604.42
49	Thatcher of California	Ferric Chloride (10 tons) (STP)	4,636.72
50	Tsui, Gigi	Refund of Deposit/ New Development/ WC Restriction- Novato	1,000.00
51	Ultra Scientific	Mineral Samples (Lab)	73.45
52	US Bank	June Safekeeping Fee - Treasury Securities	165.25
53	U.S. Bank	Fruit Arrangement for Hospitalized Employee (\$58), Business Lunch (\$65) (DeGabriele), Birthday Lunches (\$118), Parking for Bayworks Mtg (\$17) (DeGabriele), Facebook Ad for E/M Tech Position (\$9), Books for HR Class (\$149) (Young), Adaptors for IT (\$42), Printer & Drum (Accounting & Cons Billing) (\$278), Memory Card Reader (\$25) (STP), Parts for Data Logger (\$70), Valve Turning Machine Part (\$124), Regist for ACWA Tour (\$25) (Bentley) & Ledger Binder Sheets (100) (\$14)	992.88

Seq	Payable To	For	Amount
54	Wack, John and Teri	Novato "Washer" Rebate Program	50.00
55	Winner's	Cookies for All Employee Meeting (60)	47.50
TOTAL DISBURSEMENTS			<u>47.50</u>
			<u>\$681,978.79</u>

The foregoing payroll and accounts payable vouchers totaling \$681,978.79 are hereby approved and authorized for payment.

 7/18/16
 Auditor-Controller Date

 7/18/2016
 General Manager Date

MEMORANDUM

To: Board of Directors
 From: Dianne Landeros, Accounting/HR Supervisor
 Subject: Information: Scrap Metal Receipts
t:\finance\memos\bod scrap metal receipts fy16.doc

July 29, 2016

RECOMMENDED ACTION: None
FINANCIAL IMPACT: \$6,742 Receipts

Periodically, staff sells scrap aluminum, copper, iron, and brass to recyclers of metal materials. The following table shows what scrap metals were sold last fiscal year ended June 30, 2016 and the amount the District received for them.

Date	Description	Amount Received
7/31/15	<i>Steel Mill Supply of Napa</i> 17,930 lbs. Iron ⁴ (\$0.03/lb)	\$448.25
10/26/15	<i>Steel Mill Supply of Napa</i> 870 lbs. Copper ¹ (\$1.65/lb) 768 lbs. Brass ² (\$1.20/lb) 1,284 lbs. Dirty Brass ³ (\$0.75/lb) 92 lbs. Dirty Stainless Steel ⁶ (\$0.10/lb) 430 lbs. Mixed Insulated Wire (\$0.25/lb) 168 lbs. Stainless Steel ⁷ (\$0.30/lb)	\$3,487.20
1/7/16	<i>Steel Mill Supply of Napa</i> 82 lbs. Insulated Wire (\$0.40/lb) 744 lbs. Dirty Brass ³ (\$0.60/lb) 348 lbs. Copper ¹ (\$1.40/lb)	\$966.40
6/17/16	<i>Steel Mill Supply of Napa</i> 846 lbs. Copper ¹ (\$1.40/lb) 214 lbs. Brass ² (\$0.90/lb) 924 lbs. Dirty Brass ³ (\$0.41/lb) 164 lbs. Iron/Brass Elbows (\$0.04/lb) 60 lbs. Dirty Stainless Steel ⁶ (\$0.05/lb) 178 lbs. Mixed Insulated Wire (\$0.40/lb) 168 lbs. Stainless Steel ⁷ (\$0.30/lb)	\$1,839.70
TOTAL FY16		\$6,741.55

¹Copper was comprised of used pipe pieces pulled from the ground and short pieces of new pipe.

²Brass was comprised of old water meters.

³Dirty brass was old check valves.

⁴Iron was old metal scrap iron, pipe, valves, fittings, brake rotors, fire service lids, truck bed

⁵Soldered fittings

⁶Bolts

⁷Old, damaged repair clamps

MEMORANDUM

To: Board of Directors
From: Nancy Williamson, Senior Accountant
Subj: Information – FY16 4th Quarter Labor Cost Report
t:\aclword\memo\16\4th qtr labor cost rpt.doc

July 29, 2016

RECOMMENDED ACTION: Information Only
FINANCIAL IMPACT: None

Total labor cost increased \$289,572 (4.1%) from the prior year. Attached in graphical format is a five-year comparative summary of total labor cost (Attachment A), overtime cost (Attachment B) and temporary employee cost (Attachment C) expended during each fiscal year. Also attached is a summary of total labor cost vs. budget (Attachment D), which shows that labor cost came in 6.3% under budget for the fiscal year-to-date, due primarily to the decision to leave the Chief Engineer position vacant through the fiscal year, and have those duties performed by the newly created Assistant GM/Chief Engineer Position.

Department	Increase / (Decrease) in Labor Cost vs prior FY	% Change
Administration	\$234,929	13.2%
Engineering	(\$106,062)	(7.8%)
Operations/Maint	\$57,859	2.3%
Construction/Maint	\$102,846	7.7%
Net Increase/(Decrease)	\$289,572	4.1%

Comment on Change from Prior Year

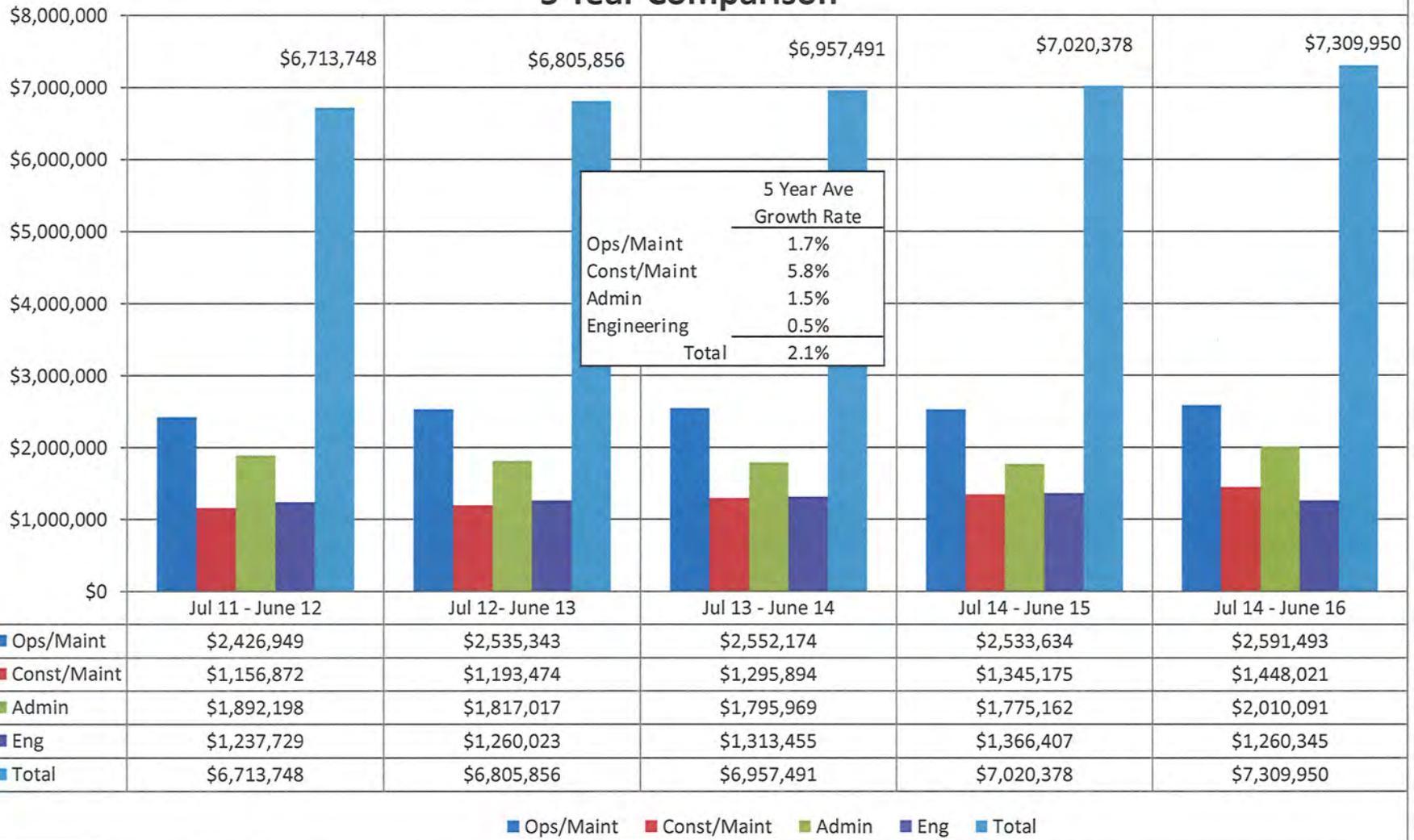
Administration: Labor Cost increased \$234,929, or 13.2%. The increase is primarily due to the addition of Shawn Kane to the Storekeeper position as of April 1, 2015, replacing an Engineering Department employee who had been performing those duties, and Chris Frazer to the Field Service Representative position at May 18, 2015, replacing a FSR who was out on disability during the prior year period, 8 step/spot adjustment increases and the 2.16% labor cost increase effective October 1 of 2015.

Engineering: Labor Cost decreased \$106,062, or 7.8%. The decrease is primarily due to the retirement of John Mello at June 30, 2015 and that position remaining vacant. The decrease is offset by the aforesaid 2.16% labor cost increase and the salary increase and promotion of Drew McIntyre to the newly created Assistant General Manager/Chief Engineer position.

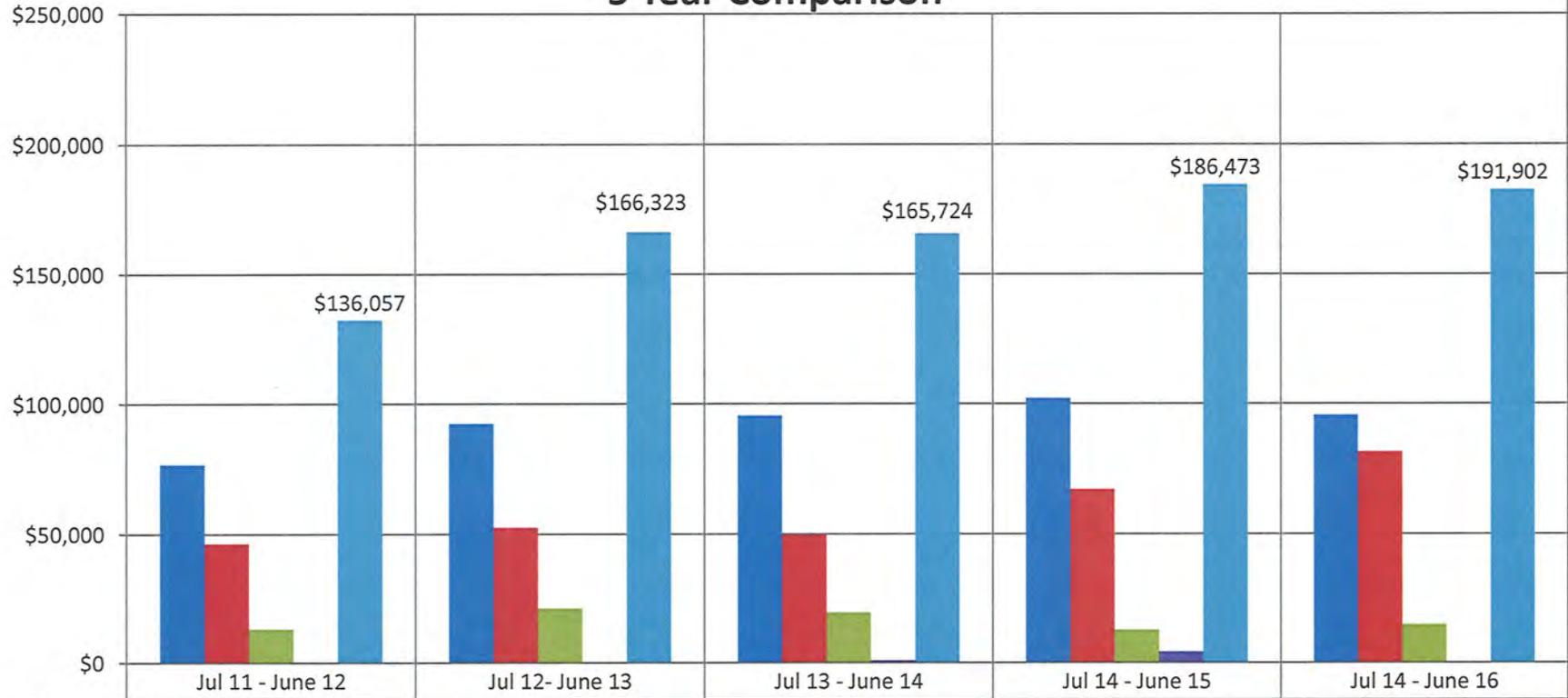
Operations/Maintenance: Labor Cost increased \$57,859, or 2.3%. The increase was primarily due to the addition of David Ladd to the Operations/Maintenance Program Assistant I position on October 19, 2015, Roy Foster and Benjamin Steele to the Assistant Distribution/TP Operator positions on February 16, 2016, 7 step increases, and the 2.16% labor cost increase. The increase was offset by the retirement of Vernon Stafford, Senior TP Operator on December 31, 2015.

Construction/Maintenance: Labor Cost increased \$102,846, or 7.7%. The increase was due to the addition of laborers Nicholas Barrilleaux on September 1, 2015 and Kyle Bergstrom on January 11, 2016 to the crew, 10 step-increases and the 2.16% labor cost increase.

Total Labor Cost NMWD Fiscal Year through June 5 Year Comparison



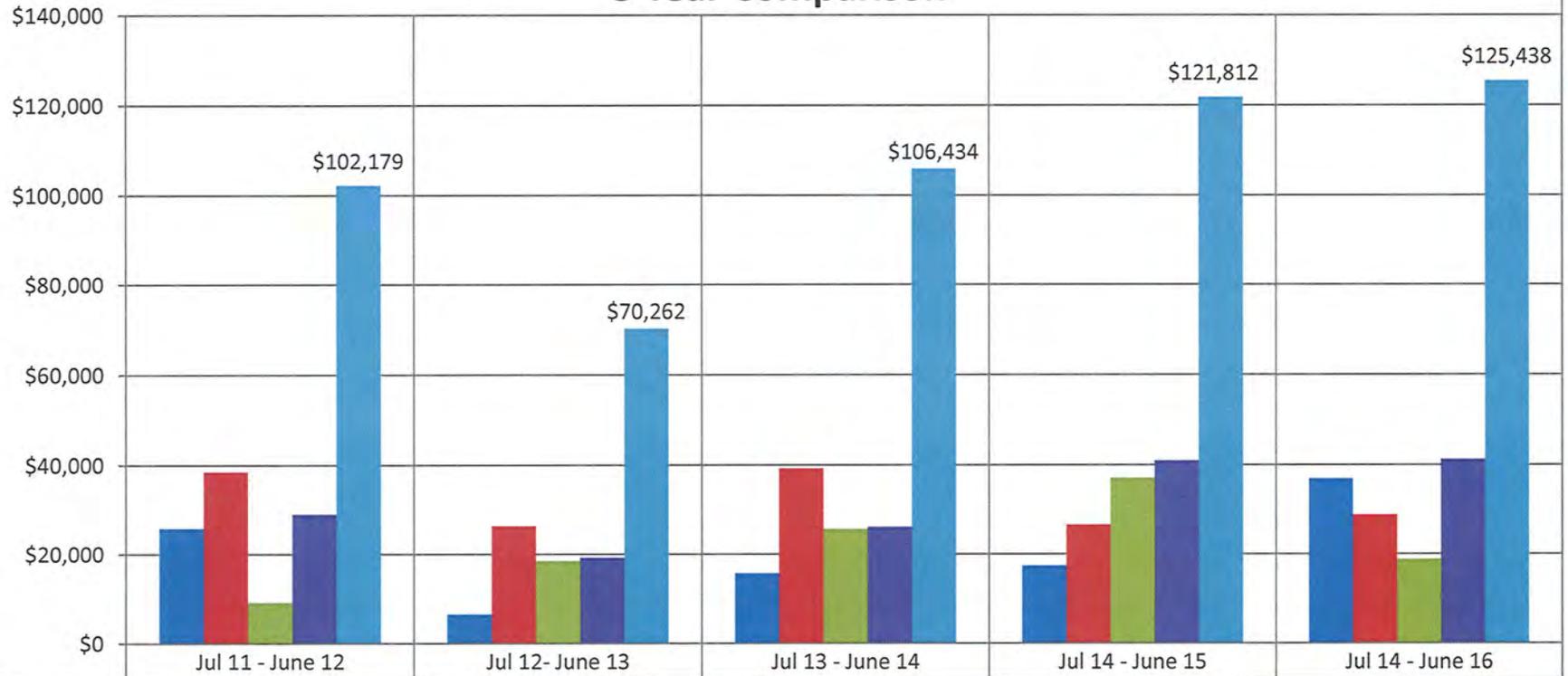
Overtime Cost NMWD Fiscal Year through June 5 Year Comparison



Ops/Maint	\$76,622	\$92,415	\$95,519	\$102,158	\$95,680
Const/Maint	\$46,281	\$52,549	\$49,747	\$67,105	\$81,353
Admin	\$13,155	\$21,141	\$19,549	\$12,857	\$14,870
Eng		\$219	\$910	\$4,353	
Total	\$136,057	\$166,323	\$165,724	\$186,473	\$191,902

■ Ops/Maint
 ■ Const/Maint
 ■ Admin
 ■ Eng
 ■ Total

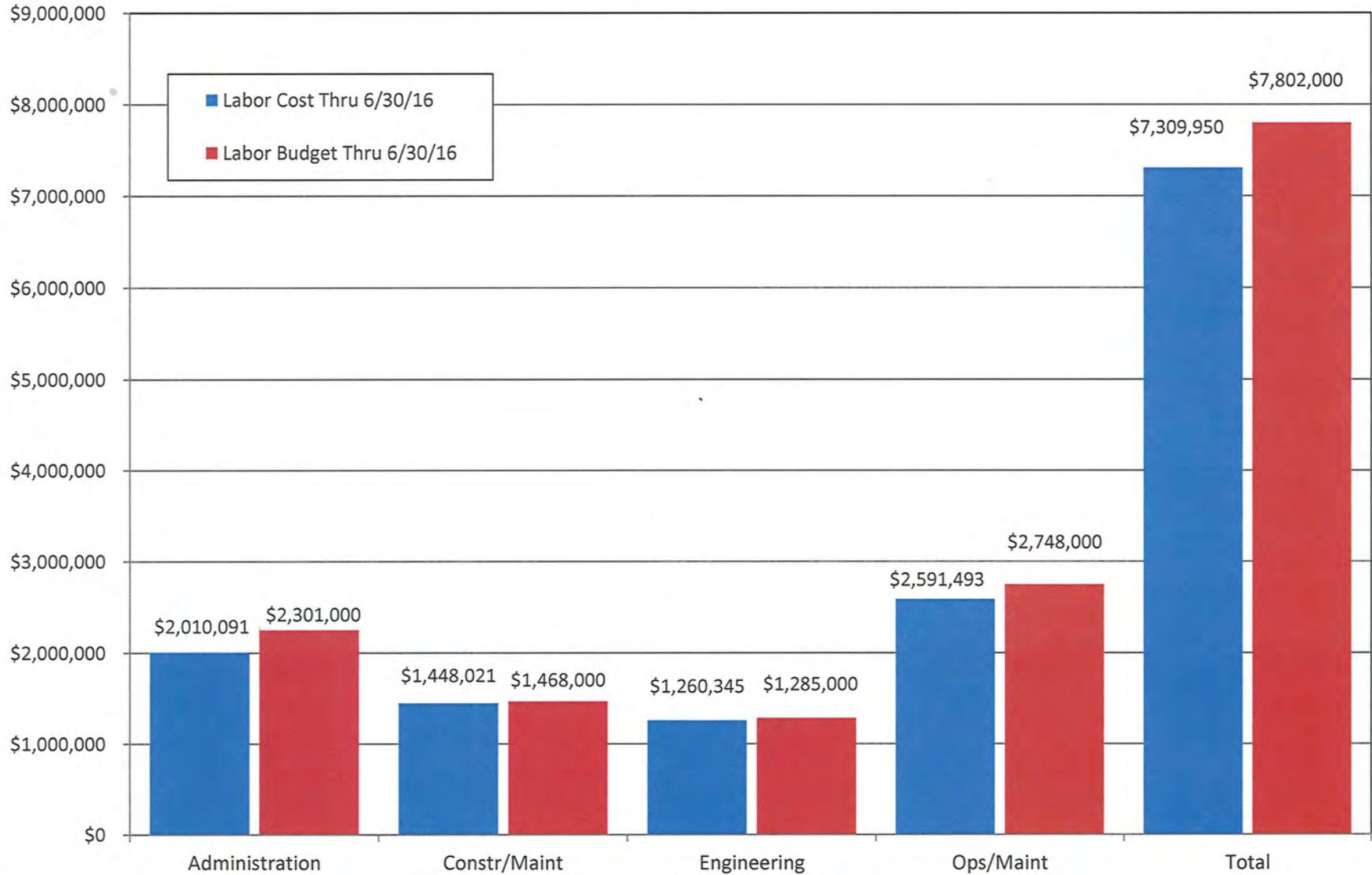
Temporary Employee Cost NMWD Fiscal Year through June 5 Year Comparison



Ops/Maint	\$25,766	\$6,462	\$15,645	\$17,322	\$36,872
Const/Maint	\$38,419	\$26,257	\$39,109	\$26,538	\$28,730
Admin	\$9,119	\$18,405	\$25,620	\$37,065	\$18,722
Eng	\$28,875	\$19,139	\$26,061	\$40,887	\$41,115
Total	\$102,179	\$70,262	\$106,434	\$121,812	\$125,438

■ Ops/Maint
 ■ Const/Maint
 ■ Admin
 ■ Eng
 ■ Total

Total Labor Cost vs. Budget NMWD Fiscal Year through June



MEMORANDUM

To: Board of Directors

July 29, 2016

From: David L. Bentley, Auditor-Controller

Subj: Self-Insured Workers' Comp – 4th Quarter Status Report

t:\aclword\personnel\wclself ins status 0616.docx

RECOMMENDED ACTION: None

FINANCIAL IMPACT: Cumulative Savings of \$716,297

The District returned to self-insuring its workers compensation liability effective July 1, 2011, after the low-cost proposal for first-dollar workers' compensation coverage increased 20% over the prior year, to \$159,331. The avoided-cost since returning to self-insurance is calculated at \$609,599. When the Reserve for Future Medical (which is the estimated cost to fully resolve open claims) is added, the total cash outlay avoided to date, including interest earned on the cost avoided, is \$716,297. This cash is set-aside in a reserve for future claims.

In FY16, the District incurred four claims, two of which are closed. Attached are charts showing a 10-year history of annual claims cost (average \$36,000 per year) and 10-year history of claims frequency (average 9 claims per year).

	FY12	FY13	FY14	FY15	FY16	Cumulative
Premium Avoided	\$159,331 ¹	\$170,574 ²	\$311,764 ³	\$203,722 ⁴	\$212,135 ⁵	\$1,057,526
Self-Insurance Cost						
Medical/Indemnity Cost	(10,237)	(20,131)	(81,733)	(1,324)	(4,279)	(117,704)
Third Party Administration	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(60,000)
Excess Insurance Premium	(45,546)	(47,762)	(49,276)	(50,708)	(54,462)	(247,754)
Legal/Miscellaneous	0	0	(17,490)	(1,048)	(2,946)	(22,469)
Net Cost Avoided	\$91,548	\$90,681	\$150,280	\$138,642	\$138,448	\$609,599
Reserve for Future Medical	0	0	79,951	0	15,293	95,244
Total Cash Outlay Avoided	\$91,548	\$90,681	\$230,231	\$138,642	\$153,741	\$704,844
Interest on Cost Avoided	36	9	1,433	3,953	6,022	11,453
Annual Savings	\$91,584	\$90,690	\$231,664	\$142,595	\$159,763	\$716,297

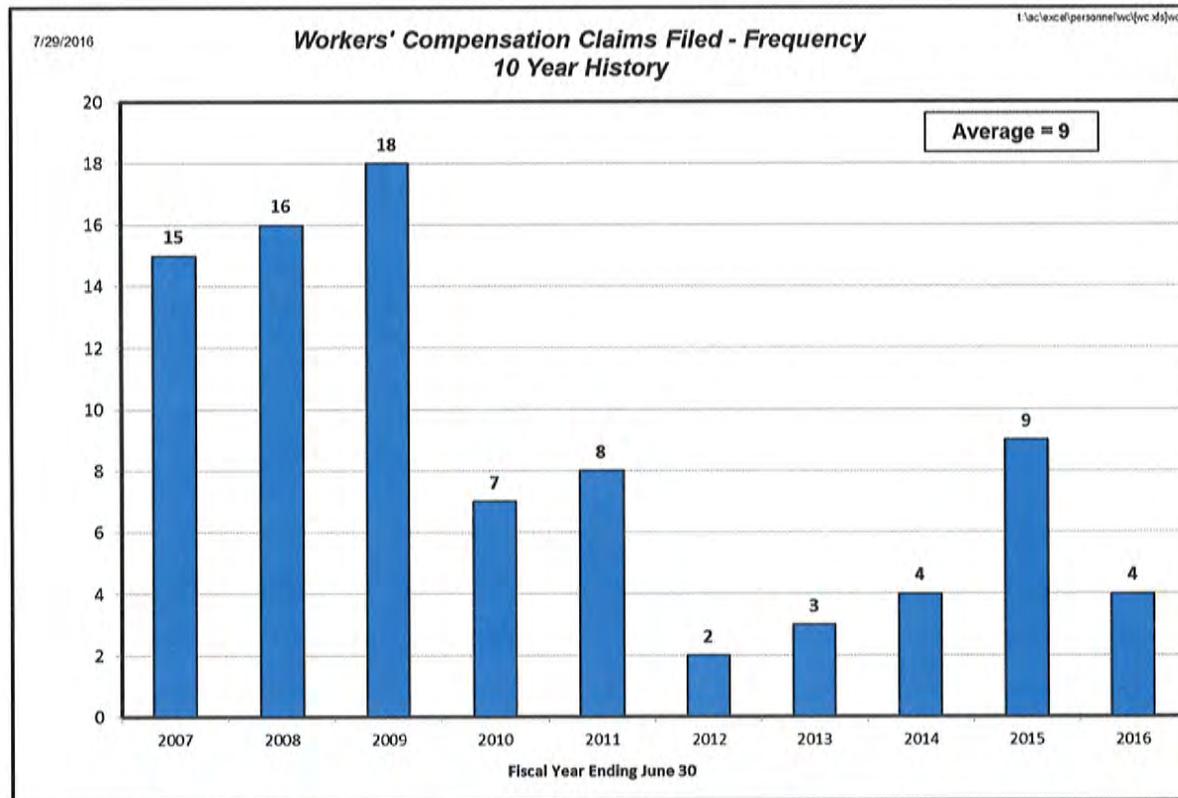
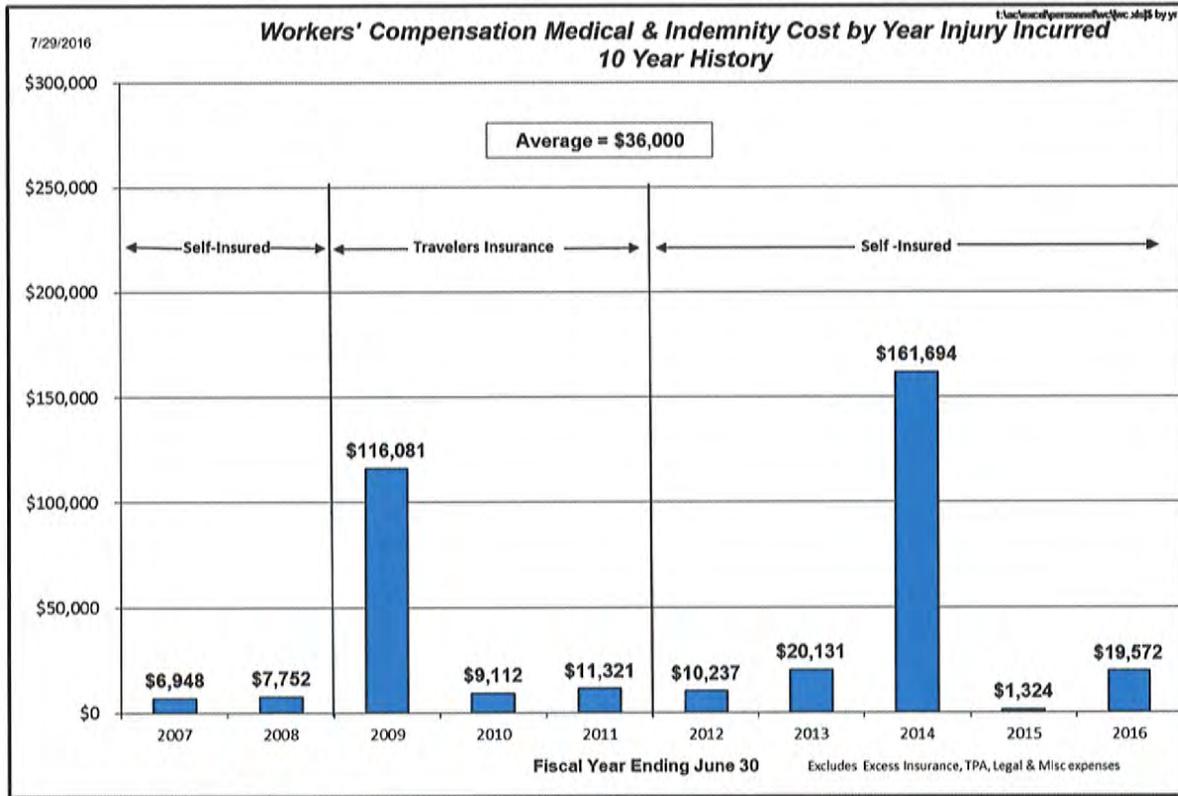
¹ Travelers Insurance proposed an annual premium of \$159,331.

² Unable to obtain a quote. Annual premium of \$170,574 was based on a 6.5% industry average increase estimated by broker.

³ Chartis Insurance was the low cost proposal with an annual premium of \$311,764.

⁴ Alaska National Insurance Company was the low cost proposal with an annual premium of \$203,722.

⁵ New York Marine and General Insurance Company was the low cost proposal with an annual premium of \$212,135.



BOD MSC
File

Chris DeGabriele

From: Local Coastal Program Amendment <camarin@public.govdelivery.com>
Sent: Monday, July 25, 2016 3:24 PM
To: Chris DeGabriele
Subject: Coastal Commission delays hearing on Marin Coastal Plan to October, possibly in Arcata

News and Announcements

Posted July 25, 2016 *UPDATE!*

Coastal Commission delays hearing on Marin Coastal Plan to October, possibly in Arcata.

Coastal Commission requests additional information prior to starting review

The California Coastal Commission staff has published a Notice of the intent to request the Commission extend the time limit to act on Marin County's Local Coastal Plan Amendments (LCPAs). CCC staff have informed the County that the hearing on the LCPAs themselves will not occur in August in Santa Cruz, as the County had hoped, but will likely be scheduled for October, 2016 at a location to be determined in Mendocino, Humboldt or Del Norte Counties. The Commission's website currently shows its October 5-7, 2016 meeting in Arcata, Humboldt County

(<http://www.coastal.ca.gov/meetings/mtgdates.html>), although the County has been informed the October meeting may change to another location within Mendocino or Del Norte counties.

The CCC Notice does advise that people wishing to testify on the matter of delaying the hearing may appear at the Commission's August hearing in Santa Cruz, or may present their concerns by letter to the Commission on or before that hearing date.

The Commission holds monthly meetings rotating among the six administrative Districts dividing the state with the intent of providing opportunities for maximum public involvement in its hearing.

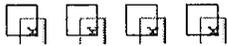
On April 19, 2016, after seven years of community input, the Marin County Board of Supervisors adopted extensive amendments to the Local Coastal Program (LCPA) which has been little changed since its initial adoption in 1983. The LCPA cannot go into effect without the certification of the Coastal Commission.

The LCPA benefited greatly from extensive participation from a diverse array of interested and affected citizens and groups such as the Marin County Farm Bureau, Marin Conservation League, Seadrift Homeowner's Association, Stinson Beach Village Association, West Marin Environmental Action Committee, Resource Conservation District, Point Reyes Village Association and East Shore Planning Group, and many, many other organizations and individuals. The plan that emerged contains innovative and effective provisions to protect agricultural lands and support farm families that have been stewards of those lands in some cases for more than 150 years. Other new provisions assure the conservation of coastal resources including

habitat, water resources, scenic views and community character, as well as dealing with the growing challenge of protecting lives, natural resources and the built environment from oncoming sea level rise. All of the documents related to the LCPA are available at the www.MarinLCP.org website.



Not all events are sponsored by the County of Marin. County of Marin sponsored events are required to be accessible. If you are an individual with a disability and require an accommodation to participate in a County sponsored event, please call (415) 473-4381 (voice), (415) 473-3232 (TTY), or dial 711 for CRS or email Disability Access at least five work days in advance. Documents in alternative formats are available upon request.



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This email was sent to cdegabriele@nmwd.com using GovDelivery, on behalf of: County of Marin



Is the North Coast still in a drought?

GUY KOVNER

THE PRESS DEMOCRAT | July 27, 2016, 9:17PM | Updated 1 hour ago.

To Teri Cownie, a school bus driver, the message on the electronic sign over Highway 101 in Santa Rosa doesn't make sense. Like the 700-some signs like it statewide, it periodically advises motorists: "Severe Drought. Limit Outdoor Watering."

"I was like, what?" said Cownie, a West End resident who uses buckets from the shower to water her plants. "Seems to me there were downpours of rain. There was so much (in early March) that Guerneville was put on alert for possible flooding."

There was no flood, but the area's more than 30 inches of rain nearly topped off the two major reservoirs that provide water to 600,000 people in Sonoma and Marin counties.

So when Cownie says she is "confused about the continuing drought," well, she should be.

Whether Santa Rosa and the rest of the Russian River watershed are still in a drought appears to depend on whom one asks.

"Our region is not facing drought conditions at this moment," said Brad Sherwood, a Sonoma County Water Agency spokesman.

Thanks to two large atmospheric river events in December and February, plus other sustained storms, the reservoirs — Lake Sonoma west of Healdsburg and Lake Mendocino near Ukiah — filled up during the rainy season, he said.

On Wednesday, Lake Sonoma was at 93 percent of water supply capacity, compared with 79 percent at the same time last year. The much smaller Lake Mendocino was at 98 percent of targeted water supply, compared with 61 percent last year.

Sherwood said his children saw the drought message on the freeway sign last weekend and he told them it did not exactly apply here.

Jennifer Burke, deputy director of water resources for Santa Rosa, said the highway

messages were initially helpful in encouraging the public to conserve water.

Now, she said, "we're not under the same drought conditions as the rest of the state. We're very lucky in this region."

Santa Rosa and five other Sonoma County water suppliers are awaiting official confirmation that they are no longer subject to state-mandated water conservation standards, based on findings that Lake Sonoma holds enough water to sustain their customers for three more potentially dry years.

But Max Gomberg, climate and conservation manager for the State Water Resources Control Board, doesn't buy the notion that one wet winter dissolves a dry spell now in its fifth year.

"We're not out of the drought, even though things are much better than they were last year, particularly on the North Coast," he said.

There's no telling what the next year or two may bring, with climate change in the works, Gomberg said. "It's happening now."

Cal Fire Capt. Amy Head said the state is "clearly still in a drought," noting the North Bay's abundant rainfall produced a bumper crop of wildland grass that is now dead, dry and "ready to burn."

"Sonoma County residents should still be concerned," she said.

No major wildfires have erupted yet in Northern California, Head said, "but it's only July," and everyone remembers the monster blazes that scorched more than 170,000 acres in Lake County last year.

Caltrans started posting drought messages on electronic highway signs in 2014, and doesn't tailor the wording to the specifics of a given area, said Bob Haus, a transportation agency spokesman.

"Officially, the state is still in a drought," he said. "You have to have a clear and simple message."

But if you want to get technical about it, only 60 percent of California is in a severe, extreme or exceptional drought (the three driest categories), and mostly in Central and Southern California, according to the most recent United States Drought Monitor.

Most of the North Coast from Marin County to the Oregon border, including virtually all of Sonoma County, is classified as abnormally dry, the mildest of the monitor's five categories.

Joanie G. Stevens of Ukiah, who identifies herself as a "water saver since the drought in the 1970s," said she's not confused about whether the region is still in a drought.

"Nothing has changed except we had one winter with a fairly normal amount of rain," she said in an email.

"People say there is no drought because they don't want to think about their use of water or change their habits."

Local water officials are not disputing the state's contention that conservation remains a top priority.

"We're still asking everyone to use water wisely," Sherwood said, acknowledging the forecast of a potential La Niña, portending a possibly drier than average winter ahead.

Burke noted that Santa Rosa water customers, as of June, have reduced consumption by a cumulative 25 percent this year, compared with 2013.

And a sign next to the empty pond in Juilliard Park, advising "We turned the water off because there's a drought on," is about to come down.

The pond was drained because it was leaking during the drought, and it will be refilled as soon as major repairs are completed, said Adriane Mertens, a Recreation and Parks official.

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12