



**NORTH MARIN WATER DISTRICT**  
**AGENDA - REGULAR MEETING**  
 August 06, 2013 – 7:30 p.m.  
 District Headquarters  
 999 Rush Creek Place  
 Novato, California

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<b>Est. Time</b>	<b>Item</b>	<b>Subject</b>
7:30 p.m.		<b>CALL TO ORDER</b>
	1.	<b>APPROVE MINUTES FROM REGULAR MEETING</b> , July 16, 2013
	2.	<b>GENERAL MANAGER'S REPORT</b>
	3.	<b>OPEN TIME: (Please observe a three-minute time limit)</b>  This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	4.	<b>STAFF/DIRECTORS REPORTS</b>
	5.	<b>PRELIMINARY FY 2012/13 FINANCIAL STATEMENT</b>
		<b>CONSENT CALENDAR</b>  The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.
	6.	<b>Consent – Approve</b> Marin LAFCO Special District Alternate Member Election Ballot
	7.	<b>Consent – Approve</b> ACWA Region 1 Board Election
		<b>ACTION CALENDAR</b>
	8.	<b>Approve:</b> Lockbox Services
8:00 p.m.		<b>INFORMATION ITEMS</b>
	9.	WAC/TAC – August 5, 2013
	10.	<b>MISCELLANEOUS</b> Disbursements Scrap Metal Receipts FY13 4 <sup>th</sup> Quarter Labor Cost Report

All times are approximate and for reference only.  
 The Board of Directors may consider an item at a different time than set forth herein.

(Continued)

<b>Est. Time</b>	<b>Item</b>	<b>Subject</b>
		<u>News Articles:</u> Dry spring has some water watchers concerned about 'D word' in Marin Low water levels threaten Russian River businesses Graton tribe concerned over casino possibility Editorial: Good reason to save more water this year County approves coastal development policies Marin Agricultural Land Trust elects familiar face to its board Supes approve amended Local Coastal Plan MALT hails Ralph Grossi
11.	<b>CLOSED SESSION (3)</b>	
	A.	Conference with Real Property Negotiator (Chris DeGabriele, David Bentley & Ari Lauer) regarding 42 Spinosa Way, Novato, CA (Government Code Section 54956.8)
	B.	Conference with Legal Counsel - Existing Litigation Pursuant to subdivision (d)(1) of Section 54956.9 (Hendrix litigation)
	C.	Conference with Real Property Negotiators as allowed under Government Code 54956.8. Property: Interconnection Agreement between North Marin Water District and Marin Municipal Water District; District Negotiators: General Manager, Chief Engineer, and Counsel; Negotiating Party: Marin Municipal Water District; Under Negotiation: Price and Terms
8:30 p.m.	12.	<b>ADJOURNMENT</b>

1



1 **GENERAL MANAGER'S REPORT**

2 Fluoridation

3 Mr. DeGabriele informed the Board that he met with the Sonoma and Marin County Health  
4 Officers on June 27<sup>th</sup> to discuss fluoridation. He noted that the TAC members received the Draft  
5 Fluoridation Preliminary Engineering Design Report and are reviewing the report and preparing  
6 comments to give to the Sonoma County Health Officer.

7 Marin County Civil Grand Jury

8 Mr. DeGabriele informed the Board that last Thursday he provided the Marin County Civil  
9 Grand Jury with an overview of the District. He stated that there were several questions and there  
10 was an understanding of special district governance and the District's efforts to be efficient.

11 Santa Rosa Plain Groundwater Workshop

12 Mr. DeGabriele advised the Board that he attended the Santa Rosa Plain Groundwater  
13 Workshop last Thursday held by USGS, along with support from Sonoma County Water Agency,  
14 City of Windsor, City of Santa Rosa, City of Rohnert Park and City of Cotati. He stated that it was an  
15 interesting workshop and that there is a groundwater model to be released this fall to assist with  
16 potential aquifer storage and recovery in the future.

17 ACWA Meeting

18 Mr. DeGabriele informed the Board that he will be making a presentation at the ACWA  
19 Region 1 meeting and that he will primarily be speaking about the Sonoma Marin Saving Water  
20 Partnership and how it was formed, along with the local campaign to utilize and promote drinking tap  
21 water.

22 Oceana Marin HOA

23 Mr. DeGabriele informed the Board that he will be attending the Oceana Marin Homeowner's  
24 Association Meeting on Saturday to discuss activities from this past year, discuss future projects,  
25 and the sewer service charge increase.

26 **OPEN TIME**

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

29 **STAFF/DIRECTORS REPORTS**

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

1 District Secretary, Katie Young, invited the Board to attend an Emergency Response  
2 Training held by Sonoma County Water Agency for all Board of Directors and elected officials on  
3 September 27<sup>th</sup>. Mr. DeGabriele informed the Board that a staff member would be attending.

4 Director Petterle informed the Board that he will be on vacation at the next Board meeting on  
5 August 6<sup>th</sup>.

6 Director Baker informed the Board that he attended the North Bay Watershed Association  
7 meeting for President Fraites and there was a good presentation regarding flood control in Ross  
8 Valley.

9 **MONTHLY PROGRESS REPORT**

10 Mr. DeGabriele presented the Monthly Progress Report for June 2013, which also included  
11 the statistics for FY2012/13. He stated that for FY2012/13 water production was up 6% compared to  
12 last year and up 5% in West Marin. He noted that Stafford Treatment Plant finished the fiscal year  
13 with 755MG produced, hitting the budget goal. Mr. DeGabriele informed the Board that the Recycled  
14 Water Production in Novato was up 25% compared to one year ago and at the end of June, Stafford  
15 Lake was at 189ft, just under the average for June. He pointed out that David Bentley provided the  
16 Board with a colored chart showing Novato water production compared to prior years and noticed  
17 that even with increase water production this year the summer water production has fallen off in  
18 recent years. Mr. DeGabriele advised the Board that there was one injury in June bringing to a close  
19 the stellar safety performance over the past several years. He stated that the Complaints and  
20 Service Order for the fiscal year were up by 6% principally due to increased high bill complaints,  
21 most likely associated with the increased consumption and rate increases. Mr. DeGabriele said that  
22 the Consumer Service Questionnaire continues to show that the District is doing a good job, yet only  
23 14% of questionnaires sent out have been returned. David Bentley reviewed the Monthly Report of  
24 Investments, stating that there is just over \$10M in the District's treasury, earning 0.36% interest.

25 **CONSENT CALENDAR**

26 On motion of Director Petterle, seconded by Director Schoonover and unanimously carried,  
27 the following items were approved on the Consent Calendar:

28 **GROUP LIFE INSURANCE RENEWAL**

29 The District's current provider for Group Life Insurance is Unum at \$2.04/\$1,000 of payroll,  
30 which expires July 31, 2013. Staff asked McNeil Benefits Services in Novato to survey the current  
31 market pricing for renewal. Nine insurers provided a response. Mutual of Omaha came in with the  
32 lowest cost at \$2.04/\$1,000. Their proposal includes a two-year rate guarantee, and the annual cost

1 is within the amount budgeted. The Board authorized the Auditor-Controller to enter into a contract  
2 with Mutual of Omaha for the District's Group Life and Accidental Death and Dismemberment  
3 Insurance commencing August 1, 2013.

4 **UPDATE TO COUNTY OF MARIN RE; SEWER SERVICE TO INDIVIDUAL PROPERTIES IN OLD**  
5 **DILLON BEACH**

6 At the April 16, 2013 meeting, the Board suggested the District update its 1995 letter to the  
7 County regarding sewer service to individual properties in Old Dillon Beach. A draft letter update  
8 was reviewed by the Board at the June 4<sup>th</sup> meeting. The draft has been further modified to address  
9 board comments received at that meeting. The Board authorized sending the updated letter to the  
10 County of Marin.

11 **REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS**

12 The California Health and Safety Code requires that a report is prepared every 3 years by  
13 July 1<sup>st</sup> comparing the District's drinking water quality with public health goals adopted by California  
14 EPA's Office of Environmental Health Hazard Assessments and with the maximum contaminant  
15 level goals adopted by the USEPA. This report is intended to provide information to the public in  
16 addition to the Annual Water Quality Reports mailed to each customer. The Board accepted the  
17 report on Water Quality relative to public health goals.

18 **ACTION CALENDAR**

19 **UPDATED RETIREE MEDICAL ACTUARIAL VALUATION (GASB 45)**

20 David Bentley advised the Board that the District requested and received an updated  
21 actuarial valuation of its retiree health care liability prepared by certified actuary Lou Filliger in  
22 accordance with Standard 45 issued by the Governmental Accounting Standards Board. He stated  
23 that over the past three year period the District's actuarial liability increased \$711,602 to \$4.18M and  
24 the accrued liability grew \$529,072 to \$3.13M. Mr. Bentley informed the Board that the policy  
25 question that arises each year as the District reviews the liability is whether to deposit the \$3M  
26 designated cash reserve for retiree health benefits into a irrevocable trust, outside the District's  
27 control. He stated that depositing the funds into an irrevocable trust is a GASB 45 prerequisite to  
28 showing the \$3M as an offset to the retiree medical liability on the District's financial statement. He  
29 noted that failure to deposit the money into an irrevocable trust increases the District's required  
30 annual expense calculated under GASB 45 as if there was no money set-aside to pay the liability.

31 Mr. Bentley stated that staff recommends not placing the money in an irrevocable trust  
32 because the loss of control of \$3M in reserve funds could hamper the District's flexibility in dealing

1 with financial events that may arise in the future. Mr. Bentley advised the Board that the actuary  
2 estimates that only 20% of California public agencies have established an irrevocable trust to date.

3 On motion of Director Petterle, seconded by Director Schoonover and unanimously carried  
4 the Board accepted the Updated Retiree Medical Liability GASB 45 Report.

5 **RESPONSE TO MARIN COUNTY CIVIL GRAND JURY REPORT ON MARIN'S RETIREMENT**  
6 **HEALTH CARE BENEFITS**

7 David Bentley informed the Board that the District received a request from the Marin County  
8 Civil Grand Jury regarding Marin's retirement health care benefits. He stated that there were ten  
9 findings and six recommendations made by the County. He noted that the District disagreed with all  
10 of the findings since they pertain to not only District benefits but other public agency benefits for  
11 which the District has no knowledge. Mr. Bentley stated that of the six recommendations the District  
12 has adopted four and produced a letter in response to the findings and recommendations.

13 Director Petterle stated that he liked the letter.

14 Mr. DeGabriele commended David Bentley on a job well done with the grand jury request,  
15 stating that the issue is complex and not easy to understand.

16 On motion of Director Petterle, seconded by Director Baker and unanimously carried, the  
17 Board approved the proposed response to the Marin County Civil Grand Jury Report.

18 **DETERMINATION OF NORTH MARIN AQUEDUCT WHEELING CHARGE**

19 Mr. DeGabriele reminded the Board that in August of last year, the District sent a letter to  
20 Marin Municipal regarding a wheeling charge for the use of the aqueduct. He stated that the  
21 District's legal counsel recommends making findings and setting the wheeling rate for water  
22 delivered through the North Marin Aqueduct. Mr. DeGabriele stated that a Resolution has been  
23 drafted and reviewed by legal counsel and recommends that the Board adopt the Resolution and set  
24 the wheeling charge at \$50AF. He noted that this Resolution may provide an alternate method to  
25 recoup District's expenses which directly benefit Marin Municipal.

26 Director Rodoni asked if the Resolution could be revised in the future.

27 Mr. DeGabriele stated that revising it would be possible in the future because the cost for  
28 delivery varies and as does the amount of being delivered.

29 On motion of Director Rodoni, seconded by Director Schoonover and unanimously carried,  
30 the Board adopted Resolution 13 -12 titled "North Marin Water District Making Certain Findings and



1 Setting the Wheeling Rate for Water Delivered to Marin Municipal Water District Through North  
2 Marin Water District's North Marin Aqueduct.”

3 **CONSULTING SERVICES AGREEMENT WITH PES ENVIRONMENTAL FOR GALLAGHER**  
4 **WELL AND PIPELINE PROJECT HYDROLOGIC DESIGN PLAN**

5 Mr. DeGabriele advised the Board that the Mitigated Negative Declaration for the Gallagher  
6 Well and Pipeline Project requires the District to develop a hydrologic design plan. He stated that  
7 the California Department of Fish and Wildlife will review and approve the plan which will identify  
8 how the District will maintain flow levels downstream of the Gallagher Wells. Mr. DeGabriele stated  
9 that staff solicited proposal from four environmental firms and received two proposals. He noted that  
10 PES Environmental was selected based on their project approach. He stated that the work will be  
11 performed on a time and materials basis and currently the estimated cost is \$43,810 with a not-to-  
12 exceed cost cap of \$46K. Mr. DeGabriele informed the Board of the other work and costs incurred  
13 including the auxiliary stream gauge installation (\$9K) and cleaning of the existing Gallagher Well  
14 (\$3,200). He advised the Board that there may be a budget augmentation needed and will apprise  
15 the Board at the midyear budget review whether one is needed. Mr. DeGabriele stated that PES  
16 Environmental participated in a site meeting with staff, USGS and California Fish and Wildlife and  
17 stated that it was a productive meeting with a good team.

18 On motion of Director Schoonover, seconded by Director Petterle and unanimously carried,  
19 the Board authorized staff to enter into a Consulting Services Agreement with PES Environmental  
20 for the Gallagher Well and Pipeline Project Hydrologic Design Plan.

21 **NMWD LETTER SUPPORTING THE COUNTY OF MARIN LOCAL COASTAL PROGRAM**  
22 **AMENDMENT**

23 Mr. DeGabriele stated that District staff has been providing information to the County of  
24 Marin since 2003 in support of an amendment to the Marin County Local Coastal Program. He noted  
25 in 2011, the District commented on the proposed amendment in regards to community sewer  
26 systems in Old Dillon Beach. Mr. DeGabriele informed the Board that on July 30<sup>th</sup>, the Marin County  
27 Board of Supervisors will hold a public hearing, and consider adopting a resolution submitting a set  
28 of amendments to the County's Local Coastal Program for certification. He stated that the District  
29 supports the proposed amendment and will be commenting on another element as well, establishing  
30 a wetland buffer, particularly in the case of the proposed NMWD Pt. Reyes Treatment Plant Solids  
31 Handling Facility.

1 Director Rodoni asked if the actual errors in the water supply write up include in the County's  
2 plan were corrected. Mr. DeGabriele stated that updated information has been provided to the  
3 County on two occasions and that he believes they are now corrected.

4 Director Rodoni asked if the 50ft wetland buffer would help the District. Mr. DeGabriele said it  
5 would help.

6 On motion of Director Baker, seconded by Director Petterle and unanimously carried, the  
7 Board authorized staff to send a letter of support to the County of Marin on the Local Coastal  
8 Program Amendment, including a request for flexibility in establishing a wetland buffer.

9 **INFORMATION ITEMS**

10 **BOARD REVIEW OF DISTRICT POLICIES #13 – BOARD OF DIRECTORS COMPENSTATION**  
11 **AND PROCEDURES**

12 Mr. DeGabriele stated that at the June 25th meeting, the Board reviewed District policy #13 –  
13 Board of Directors Compensation and Procedure. He stated that the Board of Directors requested  
14 additional information surveyed from other public agencies in the Bay Area regarding director  
15 compensation. Mr. DeGabriele advised the Board once they are in agreement regarding an increase  
16 in compensation for attendance at meetings staff will propose a further revision to the policy and  
17 recommend a public hearing to consider an ordinance enacting a revised policy.

18 Director Petterle suggested that a time be set to revisit this policy. Director Baker stated that  
19 he would like to think about the changes. Mr. DeGabriele suggested that the Board revisit this topic  
20 at the next Board of Directors workshop likely in January 2014.

21 **AUXILIARY DWELLING UNIT CONNECTION FEES**

22 Mr. DeGabriele stated that in October 2012, Bob Brown, City of Novato Director for  
23 Community Development, requested the District to reduce fees for auxiliary dwelling units to  
24 incentivize their development. He informed the Board that he asked David Bentley to review the  
25 basis for the Districts auxiliary dwelling unit connection fee. He noted that the analysis shows that  
26 the fee charge is reasonable and consistent with other dwelling units based on the water used in a  
27 typical single family dwelling unit. Mr. DeGabriele stated that in Novato, the District has 13,425  
28 single family dwelling units, 197 of them are single family dwelling with an auxiliary dwelling unit. He  
29 noted that a single family home in Novato typically uses 114,141 gallons per year and those with a  
30 second unit, use an additional 44,842 gallons. He stated that the second units metered separately,  
31 use 51,612 gallons per year. Mr. DeGabriele reminded the Board that currently the District charges  
32 \$11,200 as a facility reserve charge for second units and \$15,240 when served by a separate meter.  
33 Mr. DeGabriele concluded that after reviewing the analysis, he feels it is reasonable.

1 Bob Brown from the City of Novato and two members of the public, Laura Levine and Marc  
2 Laberdet urged the Board to reduce the FRC charge. Mr. Brown provided the Board with a table of  
3 typical fees for second dwelling units in Novato and a table with comparison of fees for second  
4 dwelling units charged by Marin Municipal Water District. Mr. Brown informed the Board that  
5 California allows second units to be considered affordable housing if demonstrated by survey that  
6 the rental amount charged meets affordable housing requirements. .

7 Director Petterle stated that he supports affordable housing but is conflicted on reducing the  
8 District fees because the money to construct facilities to serve new development has to come from  
9 somewhere. Director Rodoni suggested looking at data in the future to determine if the District is  
10 charging a fair rate and to get more current information of actual water use. Director Schoonover  
11 agreed with Director Rodoni and stated that the District needs to be careful because the subject is  
12 so complex. Director Baker stated that providing second units will be helpful for low income housing  
13 but the District would need to learn more about them before changing the connection fees.

#### 14 **LEVERONI CREEK BANK MONITORING REPORT**

15 Drew McIntyre provided the Board with an overview of the Leveroni Creek Bank repair  
16 project. He stated that the Board was apprised of the project close out at the March 19<sup>th</sup> meeting. He  
17 informed the Board that per permit conditions, San Francisco Bay Regional Water Quality Control  
18 Board and California Department of Fish and Wildlife require post construction annual monitoring  
19 reports for first, 3<sup>rd</sup> and 5<sup>th</sup> years. He stated that the first of the monitoring reports was submitted to  
20 the Regional Water Control Board on June 27, 2013 and it was concluded in the report that all  
21 elements of the stream bank repair and habitat improvement project are functioning and that the  
22 planted vegetation will continue to mature and provide additional bank stability and riparian habitat.  
23 Mr. McIntyre informed the Board that the next report is due at the end of December 2013.

#### 24 **RESIDENTIAL CONSUMPTION & TIER-RATE STATUS REPORT**

25 David Bentley provided the Board with an update on the residential consumption and tier  
26 rate status. He stated that for the typical single family residential customer, consumption is 107,600  
27 gallons, up 500 gallons from a year ago. He stated that the Conservation Incentive Rate (CIR) has  
28 been effective in reducing consumption by 70% in that tier since implementation. Mr. Bentley  
29 advised the Board that since implementation of the Conservation Incentive Tier Rate (CITR)  
30 demand has fallen 24% in that tier making both the CIR and CITR effective tools in reducing water  
31 demand among high-use residential customers. Mr. Bentley advised the Board that the analysis  
32 shows that currently 75% of customers never cross the tier rate threshold whereas, prior to  
33 enactment of the tier rates, 63% of those customers were below the tier rate threshold.

1 Director Rodoni asked if there was a concern about the gallon per day usage and  
2 maintaining the goals to sell water.

3 Mr. DeGabriele stated that the District is on target to meet the 20 by 2020 goal and that  
4 Recycled Water expansion will help reduce total potable water consumption.

5 **TECHNICAL ADVISORY COMMITTEE MEETING – JULY 1, 2013**

6 Mr. DeGabriele informed the Board that at the July 1st TAC meeting the water supply  
7 conditions were reported to be 4,000 AF above the Lake Medocino critical storage curve. He stated  
8 that the Russian River in stream flows will likely not be reduced any further because of these  
9 conditions. He informed the Board that there was a “Beat the Heat Day” where additional radio ads  
10 were placed asking people not to irrigate that day. Mr. DeGabriele stated that the Water Contractors  
11 are working well together and meeting every two weeks to stay on top of the water supply situation.

12 **MISCELLANEOUS**

13 The Board received the following miscellaneous items: Disbursements, Statement of  
14 Auditing Standards No. 114 Letter, Equipment Inventory Summary, 2014 Medical Plan Cost  
15 Increase, and Self-Insured Workers' Compensation – 4th Quarter Status Report.

16 The Board also received the following news articles: Late rains “impressive”, Wonders of  
17 Water, and Dry Creek tribe eyes Petaluma site for housing, sports.

18 **ADJOURNMENT**

19 President Fraites adjourned the meeting at 10:07 p.m.

20 Submitted by

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22  
23  
24  
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Katie Young  
District Secretary

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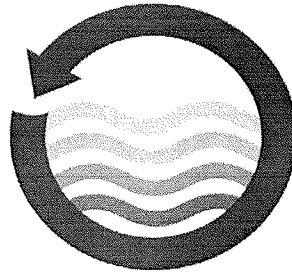
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# **NORTH MARIN WATER DISTRICT**



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

**Preliminary**

**June 2013**

**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, Workers' Comp & Conservation Incentive Rate Analysis..... 21

Equipment Expenditures..... 22

Overhead Analysis..... 23

Expenditures by Category..... 24

Vehicle Fleet Analysis..... 25

Water Conservation Expenditures..... 26

Capital Improvement Project Expenditures ..... 27

Notes to Financial Statements ..... 31

**MEMORANDUM**

To: Board of Directors  
 From: David L. Bentley, Auditor-Controller  
 Subj: Information – FY12/13 Preliminary June Financial Statement  
t:\accountants\financials\stmfy13\md&a0613.doc

August 2, 2013

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

**CONSOLIDATED SUMMARY**

<b>Actual vs. Budget</b>	<u>Jun-13</u>	<u>FY12/13 YTD Actual</u>	<u>FY12/13 Budget</u>	<u>FYTD / Budget %</u>
Operating Revenue	\$2,432,486	\$18,182,690	\$16,678,000	109%
Operating Expense	\$1,554,651	\$15,931,015	\$15,403,000	103%
Non-Operating Revenue/(Expense)	\$240,969	(\$196,589)	(\$35,000)	562%
Net Income/(Loss)	\$1,118,805	\$2,055,086	\$1,240,000	166%
Other Sources/(Uses) <sup>1</sup>	(\$1,456,848)	(\$2,533,960)	(\$497,000)	510%
Cash Increase/(Decrease)	(\$338,043)	(\$478,875)	\$743,000	-

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

For the fiscal year the District generated a net income of \$2,055,086 and saw a net cash decrease of \$478,875. Operating Revenue came in at 109% of budget, and Operating Expense at 103% of budget. 92% of the Capital Improvement Projects Budget was expended during the year. The cash decrease is due primarily to the SWRCB's protracted review period in providing SRF loan funding for District outlays to complete the Recycled Water System Expansion.

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

**NOVATO WATER**

<b>Year over Year Comparison</b>	<u>Jun-13</u>	<u>FYTD 12/13</u>	<u>FYTD 11/12</u>	<u>FY13 vs 12 Up/(Down)</u>
Operating Revenue	\$2,269,814	\$16,997,558	\$14,418,213	18%
Operating Expense	\$1,384,434	\$14,784,202	\$14,321,115	3%
Other Income / (Expense)	\$241,123	\$45,242	(\$356,902)	-
Net Income / (Loss)	\$1,126,502	\$2,258,598	(\$259,804)	-
Active Accounts	20,492	20,492	20,490	0%
Consumption (MG)	404	3,018	2,820	7%
Average Commodity Rate/1,000 gal (net)	\$4.64	\$4.32	\$4.05	7%
Income / (Loss) / Active Account	\$54.97	\$110.22	(\$12.68)	-
Income / (Loss) / 1,000 Gal	\$2.79	\$0.75	(\$0.09)	-
Connection Fee Revenue	\$0	\$0	\$0	-
Developer 'In-Kind' Contributions	\$0	\$871,450	\$969,080	(10%)

Consumption was 7% more than the prior year. Total operating revenue, which includes wheeling and other miscellaneous service charges, increased 18% (\$2,579,345) primarily due to the 11% rate increase commencing June 1, 2012 coupled with the consumption increase. Total operating expense was 3% (\$463,086) more than last year.

The Stafford Treatment Plant started operation on January 22 and produced 755 MG this fiscal year at a cost of \$2,782/MG<sup>1</sup> versus \$2,203/MG<sup>3</sup> from SCWA. The budget for Stafford was 750 MG at a cost of \$2,717/MG.

Salary and benefit cost charged to Novato operations was about the same as last year. Staff time (hours) charged to Novato operations was 5% less than last year. Salary and benefit cost was \$5,253,996, which was 98% of the \$5,336,000 budget for Novato operations.

The fiscal year net income (which includes non-operating items such as interest revenue and expense) of \$2,258,598 compares to a budgeted net income for the year of \$787,000 and to a net loss of \$259,804 for the prior year. \$1,365,564 (44%) of the Novato Water Capital Improvement Project Budget was spent versus \$1,347,151 (32%) for the prior year. \$871,450 in connection fees were collected, which was 101% of budget. The Novato cash balance decreased \$820,657 during the year, and stood at \$8,512,467 at year end, compared to a budgeted projection of \$10,630,000 at June 30, 2013. The Recycled Water System owed \$4.8 million to Novato Water at fiscal year-end.

<b>NOVATO RECYCLED</b>		FYTD	FYTD	FY13 vs 12
<b>Year over Year Comparison</b>	<u>Jun-13</u>	<u>12/13</u>	<u>11/12</u>	<u>Up/(Down)</u>
Operating Revenue	\$39,446	\$268,498	\$222,337	21%
Operating Expense	\$96,364	\$408,448	\$304,654	34%
Other Income / (Expense)	(\$26,082)	(\$316,510)	(\$44,129)	617%
Net Income / (Loss)	<u>(\$83,000)</u>	<u>(\$456,460)</u>	<u>(\$126,446)</u>	261%
Active Accounts	17	17	2	750%
Consumption (MG)	9.6	64.1	56.2	14%
Average Commodity Rate/1,000 gal (net)	\$3.97	\$4.06	\$3.89	4%
Deer Island Production (MG)	0.0	33.7	46.1	(27%)
Novato Sanitary Production (MG)	15.3	36.7	0.0	-
Las Gallinas Production (MG)	6.8	12.3	0.0	-
Potable Water Input (MG)	0.7	3.5	0.0	-

64.1 MG was delivered to RW consumers during the fiscal year. Operating revenue was up 21% due primarily to the 7% commodity rate increase coupled with the 14% consumption increase. Total operating expense was \$103,794 (34%) more than last year, due primarily to the startup of two new distribution systems in north and south Novato. The recycled water was produced at a cost of \$5,226/MG<sup>2</sup> versus \$2,203/MG<sup>3</sup> from SCWA. The budgeted production cost of recycled water was \$6,981/MG.

The fiscal year net loss of \$456,460 compares to a budgeted net loss for the year of \$256,000 and a net loss of \$126,446 for the prior year. \$6,847,498 (124%) of the Improvement Project Budget was expended during the fiscal year.

To date, \$15,270,213 has been expended on the North/South Area Expansion Projects. \$4,755,410 has been borrowed from Novato Water for the expansion pending receipt of additional Grant & SRF Loan funds. To date, \$2,569,285 in Grant funds and \$6,370,225 in SRF Loan funds have been received. Another \$6.3 million in grant and/or loan funding is anticipated to be received in FY14.

<sup>1</sup> Stafford production cost = op expense (\$1,227,516) + SRF loan interest (\$343,511) + plant depreciation (\$529,550) / 755 MG produced  
<sup>2</sup> Recycled Water production cost = op expense (\$234,206) + SRF loan interest (\$81,527) + plant depreciation (\$115,919) / 82.6 MG produced  
<sup>3</sup> SCWA production cost per MG = O&M charge (\$1,727) + debt service charge (\$194) + Russian River conservation charge (\$221) + Russian River projects charge (\$61)

**WEST MARIN WATER**

**Year over Year Comparison**

	Jun-13	FYTD 12/13	FYTD 11/12	FY13 vs 12 Up/(Down)
Operating Revenue	\$110,060	\$758,642	\$637,872	19%
Operating Expense	\$54,940	\$545,482	\$533,117	2%
Other Income / (Expense)	(\$5)	\$10,578	\$40,933	(74%)
Net Income / (Loss)	<u>\$55,116</u>	<u>\$223,739</u>	<u>\$145,688</u>	54%
Active Accounts	776	776	777	(0%)
Consumption (MG)	12.0	80.8	74.3	9%
Average Commodity Rate/1,000 gal (net)	\$8.12	\$7.61	\$6.97	9%
Income/ (Loss) / Active Account	\$71.03	\$288.32	\$187.50	54%
Income / (Loss) / 1,000 Gal	\$4.59	\$2.77	\$1.96	41%
Connection Fee Revenue	\$0	\$4,900	\$36,600	(87%)
Developer 'In-Kind' Contributions	\$0	(\$1,451)	\$53,803	-

Water consumption was 80.8 MG during the fiscal year, up 9% from the previous year. Operating revenue of \$758,642 was \$120,770 (19%) more than last year due primarily to the 9% rate increase effective 8/1/12 coupled with the consumption increase.

Operating expenditures were \$545,482, up 2% from the previous year. The fiscal year net income of \$223,739 compares to a budgeted annual net income of \$123,000 and to a net income of \$145,688 for the prior year. \$380,323 (57%) of the Capital Improvement Project Budget was spent during the fiscal year, and \$4,900 in connection fees were collected (\$46,000 was budgeted). The Solids Handling Facility project (\$183,261 expended to-date) is funded by a Bank of Marin loan (75%) and FRC Funds (25%). West Marin Water ended the year with a cash balance of \$702,112, compared to a budgeted projection of \$420,000 at June 30, 2013.

**OCEANA MARIN SEWER**

**Year over Year Comparison**

	Jun-13	FYTD 12/13	FYTD 11/12	FY13 vs 12 Up/(Down)
Operating Revenue	\$13,166	\$157,992	\$157,311	0%
Operating Expense	\$19,127	\$192,884	\$178,574	8%
Other Income / (Expense)	\$22,259	\$64,101	\$44,663	44%
Net Income / (Loss)	<u>\$16,298</u>	<u>\$29,209</u>	<u>\$23,401</u>	25%
Active Accounts	227	227	227	0%
Monthly Sewer Service Charge	\$58	\$58	\$58	0%
Income / (Loss) / Active Account	\$71.80	\$128.68	\$103.09	-
Connection Fee Revenue	\$0	\$0	\$0	-

Operating revenue of \$157,992 was about the same as the previous year. Operating expenditures were \$14,311 (8%) more than last year due primarily to replacement of the disposal field flow meter (\$4,239), replacement of the radiator in the generator (\$4,449), and replacement of the siphon dosage tank (\$4,115). The fiscal year net income of \$29,209 compares to a budgeted annual income of \$36,000 and to a net income of \$23,401 for the prior year. \$221,836 (69%) of the Capital Improvement Project Budget was expended.

No connection fees were collected, but \$19,249 in annexation fees were received in June. \$221,836 (69%) of the Capital Improvement Project Budget was expended. Oceana Marin ended the year with a cash balance of \$193,203, compared to a budgeted projection of \$108,000 at June 30, 2013.

**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET POSITION  
FOR THE PERIOD ENDING JUNE 30, 2013**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
<b>ASSETS</b>					
<b>Cash &amp; Investments</b>					
Unrestricted/Undesignated Cash	\$129,621	\$0	\$0	\$0	\$129,621
<b>Restricted Cash</b> (Note 1)					
Connection Fee Fund	\$166,140	\$0	\$0	\$166,140	\$0
Wohler Pipeline Financing Fund	403,671	403,671	0	0	0
Collector #6 Financing Fund	1,573,788	1,573,788	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	3,426,779	2,926,466	0	500,313	0
Retiree Medical Benefits Fund	3,188,966	3,188,966	0	0	0
RWF Replacement Fund	0	0	0	0	0
Tax Receipts Held in Marin Co Treasury	6,706	0	0	5,660	1,046
STP SRF Loan Fund-Marine Co Treasury	419,576	419,576	0	0	0
RWS North/South SRF Payment Fund	622,735	0	622,735	0	0
<b>Designated Cash</b> (Note 2)					
Liability Contingency Fund	0	0	0	0	0
Self-Insured Workers' Compensation Fund	2,536	0	0	0	2,536
Drought Contingency Fund	0	0	0	0	0
Maintenance Accrual Fund	0	0	0	0	0
Conservation Incentive Rate Fund	0	0	0	0	0
Operating Reserve Fund	60,000	0	0	0	60,000
<b>Total Cash</b>	<b>\$10,030,518</b>	<b>\$8,512,467</b>	<b>\$622,735</b>	<b>\$702,112</b>	<b>\$193,203</b>
Gain/(Loss) on MV of Investments	2,468	2,468	0	0	0
<b>Market Value of Cash &amp; Investments</b>	<b>\$10,032,985</b>	<b>\$8,514,935</b>	<b>\$622,735</b>	<b>\$702,112</b>	<b>\$193,203</b>
<b>Current Assets</b>					
Net Receivables - Consumers	\$3,359,493	\$3,091,944	\$115,614	\$150,197	\$1,738
Accounts Receivable - Other	1,628,473	701,632	925,842	0	1,000
State Revolving Fund Receivable	3,331,049	0	3,331,049	0	0
Provision for Pension Related Debt (Note 13)	2,153,624	2,153,624	0	0	0
Prepaid Expense	9,312	8,295	0	0	1,017
Reimbursable Small Jobs	13,285	5,453	0	7,832	0
Interest Receivable	9,751	9,751	0	0	0
Inventories	609,237	609,237	0	0	0
Deposits Receivable	24,000	24,000	0	0	0
<b>Total Current Assets</b>	<b>\$11,138,224</b>	<b>\$6,603,936</b>	<b>\$4,372,504</b>	<b>\$158,029</b>	<b>\$3,755</b>

**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET POSITION  
FOR THE PERIOD ENDING JUNE 30, 2013**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
<b>Loans Receivable</b>					
Employee Loans (Note 3)	\$1,443,913	\$1,443,913	\$0	\$0	\$0
Housing Loan Impairment (Note 3)	(110,000)	(110,000)	0	0	0
Due From Other Funds	4,755,410	4,755,410	0	0	0
Other Long Term Receivables	2,369,033	0	2,369,033	0	0
<b>Loans Receivable</b>	<b>\$8,458,355</b>	<b>\$6,089,322</b>	<b>\$2,369,033</b>	<b>\$0</b>	<b>\$0</b>
<b>Property and Plant</b>					
Land & Land Rights	\$1,473,591	\$1,369,372	\$0	\$103,411	\$808
Dam, Lake, & Source Facilities	5,294,920	5,065,476	0	229,444	0
Treatment Facilities	21,060,233	17,561,535	2,666,198	319,913	512,587
Storage Facilities	18,396,517	16,466,506	43,014	1,886,996	0
Transmission Facilities	5,489,830	5,367,506	0	122,324	0
Distribution Facilities	68,062,385	55,496,734	8,432,236	4,133,415	0
Sewer Mains, Pumps, & Laterals	917,452	0	0	0	917,452
<b>Sub-Total</b>	<b>\$120,694,927</b>	<b>\$101,327,129</b>	<b>\$11,141,448</b>	<b>\$6,795,503</b>	<b>\$1,430,848</b>
Less Accumulated Depreciation (Note 5)	(38,295,798)	(33,743,548)	(922,058)	(2,856,845)	(773,347)
<b>Net Property and Plant</b>	<b>\$82,399,129</b>	<b>\$67,583,581</b>	<b>\$10,219,390</b>	<b>\$3,938,658</b>	<b>\$657,501</b>
<b>Buildings and Equipment</b>					
Buildings	\$1,905,340	\$1,905,340	\$0	\$0	\$0
Office Equipment	666,325	666,325	0	0	0
Laboratory Equipment	300,004	300,004	0	0	0
Trucks & Automobiles	1,151,035	1,151,035	0	0	0
Construction Equipment	734,817	718,439	16,378	0	0
Tools, Shop Equipment	196,436	196,436	0	0	0
<b>Sub-Total</b>	<b>\$4,953,958</b>	<b>\$4,937,580</b>	<b>\$16,378</b>	<b>\$0</b>	<b>\$0</b>
Less Accumulated Depreciation	(3,351,830)	(3,345,279)	(6,551)	0	0
<b>Net Buildings and Equipment</b>	<b>\$1,602,128</b>	<b>\$1,592,301</b>	<b>\$9,827</b>	<b>\$0</b>	<b>\$0</b>
<b>Construction In Progress</b>					
Developer	\$970,313	\$965,313	\$0	\$0	\$5,000
District	11,310,196	1,696,799	8,804,787	576,537	232,074
<b>Total Construction in Progress</b>	<b>\$12,280,510</b>	<b>\$2,662,112</b>	<b>\$8,804,787</b>	<b>\$576,537</b>	<b>\$237,074</b>
<b>Net Utility Plant</b>	<b>\$96,281,767</b>	<b>\$71,837,994</b>	<b>\$19,034,003</b>	<b>\$4,515,195</b>	<b>\$894,574</b>
<b>TOTAL ASSETS</b>	<b>\$125,911,331</b>	<b>\$93,046,187</b>	<b>\$26,398,275</b>	<b>\$5,375,336</b>	<b>\$1,091,532</b>

51

**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET POSITION  
FOR THE PERIOD ENDING JUNE 30, 2013**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
<b>LIABILITIES AND NET ASSETS</b>					
<b>Current Liabilities</b>					
Trade Accounts Payable	\$1,501,611	\$1,280,342	\$215,758	\$0	\$5,512
Reimbursement Prog. Unclaimed Funds	14,210	14,210	0	0	0
Bond Debt Principal Payable-Current	13,731	0	0	13,731	0
Loan Debt Principal Payable-Current	544,298	371,530	170,623	2,145	0
Bank of Marin Principal Payable-Current	300,267	261,833	0	38,434	0
Bond/Loan Debt Interest Payable-Current	5,755	3,984	0	1,771	0
Accrued Interest Payable-SRF Loan	48,451	617	47,835	0	0
Deposits/Performance Bonds	134,987	113,099	0	20,388	1,500
Unemployment Insurance Reserve (Note 8)	25,277	25,277	0	0	0
Deferred Compensation	50	50	0	0	0
Workers' Comp Future Claims Payable	22,476	21,285	247	697	247
Payroll Benefits (Note 9)	780,119	736,728	8,623	25,662	9,106
Due To Other Funds	4,755,410	0	4,755,410	0	0
Deferred Revenue	43,302	41,908	938	456	0
<b>Total Current Liabilities</b>	<b>\$8,189,945</b>	<b>\$2,870,863</b>	<b>\$5,199,433</b>	<b>\$103,284</b>	<b>\$16,365</b>
<b>Restricted Liabilities</b>					
Construction Advances	\$303,440	\$303,440	\$0	\$0	\$0
<b>Total Restricted Liabilities</b>	<b>\$303,440</b>	<b>\$303,440</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Long Term Liabilities (Note 7)</b>					
Bonds Outstanding - PR6 (FmHA)	\$84,000	\$0	\$0	\$84,000	\$0
Bonds Outstanding - OL2 (NMWD)	3,921	0	0	3,921	0
Bonds Outstanding - PRE1 (FmHA)	72,000	0	0	72,000	0
Drought Loan (EDA)	74,491	65,435	0	9,056	0
STP Rehab SRF Loan	13,462,734	13,462,734	0	0	0
RWF SRF Loan	3,022,026	0	3,022,026	0	0
RWS North/South Expansion SRF Loan	9,622,001	0	9,622,001	0	0
Bank of Marin Loan	7,221,520	6,297,098	0	924,422	0
Pension Related Debt (Note 13)	2,153,624	2,153,624	0	0	0
Retiree Health Benefits Payable	586,209	586,209	0	0	0
<b>Total Long Term Liabilities</b>	<b>\$36,302,525</b>	<b>\$22,565,100</b>	<b>\$12,644,027</b>	<b>\$1,093,398</b>	<b>\$0</b>
<b>TOTAL LIABILITIES</b>	<b>\$44,795,910</b>	<b>\$25,739,403</b>	<b>\$17,843,460</b>	<b>\$1,196,682</b>	<b>\$16,365</b>



**NORTH MARIN WATER DISTRICT  
STATEMENT OF NET POSITION  
FOR THE PERIOD ENDING JUNE 30, 2013**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
<b>Net Assets</b>					
<b>Invested in Capital Assets</b>					
Contributions in Aid of Construction	\$62,325,241	\$55,449,228	\$4,104,370	\$2,096,967	\$674,676
Grants in Aid of Construction	5,269,561	114,420	3,771,926	1,383,215	0
Connection Fees (Note 15)	29,494,873	25,784,576	2,104,059	1,140,309	465,928
<b>Total Investment</b>	<b>\$97,089,675</b>	<b>\$81,348,224</b>	<b>\$9,980,355</b>	<b>\$4,620,492</b>	<b>\$1,140,604</b>
<b>Restricted Reserves</b>					
Connection Fee Fund	\$113,392	\$0	\$0	\$166,140	(\$52,748)
Wohler Pipeline Financing Fund	403,671	403,671	0	0	0
Collector #6 Financing Fund	1,573,788	1,573,788	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	6,532,718	5,885,798	0	646,920	0
Retiree Medical Benefits Fund	2,602,757	2,602,757	0	0	0
RWF Replacement Fund	161,661	0	161,661	0	0
RWS North/South SRF Payment Fund	622,735	0	622,735	0	0
<b>Designated Reserves</b>					
Liability Contingency Fund	414,700	315,815	0	98,885	0
Maintenance Accrual Fund	3,915,681	3,915,681	0	0	0
Self-Insured Workers' Compensation Fund	193,585	182,394	2,288	6,614	2,289
Conservation Incentive Rate Fund	55,912	0	0	55,912	0
Operating Reserve Fund	60,000	0	0	0	60,000
Earned Surplus - Prior Yrs	(34,546,400)	(30,301,499)	(2,358,751)	(1,784,342)	(101,809)
Net Income/(Loss)	2,055,086	2,258,598	(456,460)	223,739	29,209
FRC Transfer Prior Year	0	(1,168,010)	1,168,010	0	0
Transfer (To)/From Reserves (see below)	(163,540)	289,566	(565,023)	114,294	(2,378)
<b>Total Restricted &amp; Designated</b>	<b>(\$15,974,254)</b>	<b>(\$14,041,441)</b>	<b>(\$1,425,540)</b>	<b>(\$441,837)</b>	<b>(\$65,436)</b>
<b>TOTAL NET POSITION</b>	<b>\$81,115,421</b>	<b>\$67,306,784</b>	<b>\$8,554,815</b>	<b>\$4,178,654</b>	<b>\$1,075,167</b>
<b>Transfer (To)/From Reserves</b>					
Wohler Pipeline Financing	(\$3,273)	(\$3,273)	\$0	\$0	\$0
Collector #6 Financing	163,031	163,031	0	0	0
Connection Fee	(11,437)	(10,942)	0	(406)	(89)
Liability Reserve	0	16,000	0	(16,000)	0
Maintenance Reserve	(100,000)	(100,000)	0	0	0
Retiree Medical Insurance Fund	(11,737)	(11,737)	0	0	0
(Gain)/Loss Self-Insured WC Fund	(87,118)	(75,927)	(2,288)	(6,614)	(2,289)
Bank of Marin Project Fund	450,014	312,414	0	137,599	0
RWS North/South SRF Payment Fund	(622,735)	0	(622,735)	0	0
Conservation Incentive Rate Fund	(285)	0	0	(285)	0
<b>Total Transfer</b>	<b>(\$163,540)</b>	<b>\$289,566</b>	<b>(\$565,023)</b>	<b>\$114,294</b>	<b>(\$2,378)</b>

**NORTH MARIN WATER DISTRICT**  
**SOURCES AND USES OF FUNDS STATEMENT - ALL SERVICE AREAS COMBINED**  
**FOR PERIOD ENDING JUNE 30, 2013**

	YTD Actual	Annual Budget	YTD/ Budget %	Prior YTD Actual
<b>OPERATING REVENUE</b>				
Water Sales	\$13,913,086	\$12,442,000	112%	\$12,156,765
Bimonthly Service Charge	3,630,425	3,630,000	100%	2,860,631
Sewer Service Charge	157,992	158,000	100%	157,311
Wheeling & Misc Service Charges	481,187	448,000	107%	261,027
<b>TOTAL OPERATING REVENUE</b>	<b>\$18,182,690</b>	<b>\$16,678,000</b>	<b>109%</b>	<b>\$15,435,733</b>
<b>OPERATING EXPENDITURES</b>				
Source of Supply	\$5,332,560	\$4,557,000	117%	5,150,182
Pumping	351,816	378,000	93%	304,075
Operations	716,780	575,000	125%	708,570
Water Treatment	1,986,904	1,925,000	103%	1,747,166
Sewer Service	127,903	108,000	118%	112,801
Transmission & Distribution	2,353,705	2,668,000	88%	2,373,132
Consumer Accounting	552,202	570,000	97%	580,534
Water Conservation	272,107	404,000	67%	272,336
General & Administrative	1,452,368	1,499,000	97%	1,362,065
Depreciation Expense	2,784,670	2,719,000	102%	2,726,598
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$15,931,015</b>	<b>\$15,403,000</b>	<b>103%</b>	<b>\$15,337,460</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$2,251,675</b>	<b>\$1,275,000</b>	<b>177%</b>	<b>\$98,273</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>				
Tax Proceeds	\$90,336	\$95,000	95%	\$101,559
Interest Revenue	96,683	128,000	76%	109,194
Miscellaneous Revenue	450,062	137,000	329%	137,578
Bond & Loan Interest Expense	(778,896)	(828,000)	94%	(654,484)
Miscellaneous Expense	(54,774)	(20,000)	274%	(9,283)
<b>TOTAL NON-OP REVENUE/(EXPENSE)</b>	<b>(\$196,589)</b>	<b>(\$488,000)</b>	<b>40%</b>	<b>(\$315,436)</b>
<b>NET INCOME/(LOSS)</b>	<b>\$2,055,086</b>	<b>\$787,000</b>	<b>261%</b>	<b>(\$217,163)</b>
<b>OTHER SOURCES/(USES) OF FUNDS</b>				
Connection Fees	\$876,350	\$921,000	95%	\$1,005,680
Loan Proceeds	4,265,184	4,819,000	89%	10,105,041
Grant Proceeds	1,761,450	2,041,000	86%	1,548,002
Stone Tree RWF Loan Principal	191,861	192,000	100%	187,321
Add Depreciation Expense	2,784,670	2,719,000	102%	2,726,598
Capital Equipment Expenditures	(190,069)	(233,000)	82%	(186,744)
Capital Improvement Projects	(8,815,721)	(9,622,000)	92%	(8,519,911)
Bond & Loan Principal Payments	(1,339,418)	(1,334,000)	100%	(1,116,410)
Change in Working Capital	(2,068,268)	0	-	603,007
<b>TOTAL OTHER SOURCES/(USES)</b>	<b>(\$2,533,960)</b>	<b>(\$497,000)</b>	<b>510%</b>	<b>\$6,352,584</b>
<b>CASH INCREASE/(DECREASE)</b>	<b>(\$478,875)</b>	<b>\$290,000</b>	<b>-</b>	<b>\$6,135,421</b>

**NORTH MARIN WATER DISTRICT  
INCOME STATEMENT AND CASH FLOW BY SERVICE AREA  
FOR PERIOD ENDING JUNE 30, 2013**

<u>SUMMARY INCOME STATEMENT</u>	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Operating Revenue	\$18,182,690	\$16,997,558	\$268,498	\$758,642	\$157,992
Operating Expense	15,931,015	14,784,202	408,448	545,482	192,884
<b>OPERATING INCOME/(LOSS)</b>	<b>\$2,251,675</b>	<b>\$2,213,356</b>	<b>(\$139,950)</b>	<b>\$213,161</b>	<b>(\$34,892)</b>
Non-Operating Revenue/(Expense)	(\$196,589)	\$45,242	(\$316,510)	\$10,578	\$64,101
<b>NET INCOME/(LOSS)</b>	<b>\$2,055,086</b>	<b>\$2,258,598</b>	<b>(\$456,460)</b>	<b>\$223,739</b>	<b>\$29,209</b>
<b>CAPITAL CONTRIBUTIONS</b>					
Developer In-Kind Contributions	\$361,145	\$357,596	\$0	(\$1,451)	\$5,000
Connection Fees	876,350	871,450	0	4,900	0
FRC Transfer	0	(802,390)	802,390	0	0
Capital Grants	1,761,450	0	1,761,450	0	0
<b>CAPITAL CONTRIBUTIONS</b>	<b>\$2,998,945</b>	<b>\$426,656</b>	<b>\$2,563,841</b>	<b>\$3,449</b>	<b>\$5,000</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$5,054,031</b>	<b>\$1,517,244</b>	<b>\$3,275,390</b>	<b>\$227,187</b>	<b>\$34,209</b>
Net Assets July 1, 2012	76,061,390	65,789,541	5,279,425	3,951,466	1,040,958
Net Assets June 30, 2013	<u>\$81,115,421</u>	<u>\$67,306,785</u>	<u>\$8,554,815</u>	<u>\$4,178,653</u>	<u>\$1,075,167</u>
<b>CASH FLOW STATEMENT</b>					
Net Income/(Loss)	\$2,055,086	\$2,258,598	(\$456,460)	\$223,739	\$29,209
Add Depreciation	2,784,670	2,417,054	174,242	148,654	44,720
<b>Cash Generated From Operations</b>	<b>\$4,839,755</b>	<b>\$4,675,652</b>	<b>(\$282,218)</b>	<b>\$372,393</b>	<b>\$73,929</b>
<b>Other Sources (Uses) of Funds</b>					
Consumer Receivables Decr (Incr)	(\$279,970)	(\$266,068)	\$21,407	(\$36,324)	\$1,016
Capital Assets Acquisition	(9,005,790)	(1,556,132)	(6,847,498)	(380,323)	(221,835)
Construction Advances (Decr) Incr	222,443	238,637	0	(16,194)	0
Other Assets/Liabilities Decr (Incr)	(357,745)	(1,288,068)	924,385	(498)	6,436
Trade Accounts Payable (Decr) Incr	(1,652,996)	(257,030)	(1,386,251)	0	(9,714)
Loan Proceeds	4,265,184	0	4,265,184	0	0
Grant Proceeds	1,761,450	0	1,761,450	0	0
Connection Fee Revenue	876,350	871,450	0	4,900	0
Connection Fee Transfer	0	(802,390)	802,390	0	0
Stone Tree RWF Loan Principal Pmts	191,861	0	191,861	0	0
Principal Paid on Debt	(1,339,418)	(968,366)	(296,315)	(74,737)	0
Interdistrict Loan Due To (From)	0	(1,468,340)	1,468,340	0	0
<b>Total Other Sources (Uses)</b>	<b>(\$5,318,630)</b>	<b>(\$5,496,309)</b>	<b>\$904,953</b>	<b>(\$503,176)</b>	<b>(\$224,098)</b>
<b>Net Cash Provided (Used)</b>	<b>(\$478,875)</b>	<b>(\$820,657)</b>	<b>\$622,735</b>	<b>(\$130,783)</b>	<b>(\$150,169)</b>
<b>Cash Balance July 1, 2012</b>	<b>10,509,392</b>	<b>9,333,125</b>	<b>0</b>	<b>832,895</b>	<b>343,372</b>
<b>Cash Balance June 30, 2013</b>	<b><u>\$10,030,518</u></b>	<b><u>\$8,512,467</u></b>	<b><u>\$622,735</u></b>	<b><u>\$702,112</u></b>	<b><u>\$193,203</u></b>

**NOVATO WATER  
 DETAIL INCOME STATEMENT  
 FOR PERIOD ENDING JUNE 30, 2013**

	JUNE 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>OPERATING REVENUE</b>				
Water Sales	\$1,879,582	\$13,142,285	113%	\$11,478,729
Bill Adjustments	(3,141)	(104,567)	-	(58,770)
Bimonthly Service Charges	342,712	3,484,241	99%	2,741,700
Account Turn-on Charges	4,604	73,579	99%	74,282
New Account Charges	565	8,855	98%	9,255
Returned Check Charges	72	1,323	66%	1,611
Hydrant Meter Up/Down Charges	800	4,260	107%	4,620
Backflow Service Charges	9,814	103,839	106%	75,145
Lab Service-Outside Clients	3,605	30,503	-	16,745
Wheeling Charges - MMWD	31,202	251,980	100%	58,802
Regulation 15 Forfeiture	0	1,260	21%	16,095
<b>TOTAL OPERATING REVENUE</b>	<b>\$2,269,814</b>	<b>\$16,997,558</b>	<b>109%</b>	<b>\$14,418,213</b>
<b>OPERATING EXPENSE</b>				
<b>SOURCE OF SUPPLY</b>				
Supervision & Engineering	\$1,248	\$9,103	61%	\$9,064
Operating Expense - Source	924	6,821	62%	11,488
Maint/Monitoring of Dam	(2,254)	38,295	137%	25,716
Maint of Lake & Intakes	0	13,804	115%	8,409
Maint of Structures	0	0	0%	0
Maint of Watershed	3,000	5,880	23%	830
Water Quality Surveillance	488	12,776	106%	16,385
Fishery Maint	310	677	17%	1,968
Erosion Control	0	17,525	292%	7,358
Purchased Water (Note 4)	375,735	5,135,330	118%	5,047,469
<b>SOURCE OF SUPPLY</b>	<b>\$379,452</b>	<b>\$5,240,210</b>	<b>117%</b>	<b>\$5,128,687</b>
<b>PUMPING</b>				
Operating Expense - Pumping	\$0	\$0	0%	\$0
Maint of Structures & Grounds	865	24,115	65%	29,042
Maint of Pumping Equipment	2,404	35,637	57%	50,797
Electric Power	31,298	263,471	114%	204,927
<b>PUMPING</b>	<b>\$34,568</b>	<b>\$323,223</b>	<b>96%</b>	<b>\$284,766</b>
<b>OPERATIONS</b>				
Supervision & Engineering	\$15,051	\$187,986	131%	\$185,838
Operating Expense - Operations	18,433	264,400	133%	255,272
Maintenance Expense	7,615	101,036	110%	105,545
Telemetry Equipment/Controls Maint	10,114	44,349	65%	67,936
Leased Lines	2,363	17,921	85%	18,930
<b>OPERATIONS</b>	<b>\$53,576</b>	<b>\$615,691</b>	<b>118%</b>	<b>\$633,521</b>

**NOVATO WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2013**

	JUNE 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>WATER TREATMENT</b>				
Supervision & Engineering	\$8,604	\$112,612	163%	\$100,916
Operating Expense - Water Treatment	30,941	308,279	113%	206,957
Purification Chemicals	104,621	400,627	94%	253,797
Sludge Disposal	11,898	103,196	124%	100,861
Maint of Structures & Grounds	7,752	52,242	64%	82,839
Maint of Purification Equipment	13,734	137,793	104%	136,782
Electric Power	12,736	112,767	104%	114,184
Water Quality Programs	9,166	95,516	222%	92,847
Laboratory Direct Labor	23,850	322,850	99%	330,633
Lab Service-Outside Clients	3,772	36,224	259%	19,090
Water Quality Supervision	3,377	62,417	74%	59,949
Laboratory Supplies & Expense	4,347	61,269	106%	49,427
Customer Water Quality	8,963	48,713	83%	41,252
Lab Cost Distributed	(1,270)	(24,088)	105%	(25,072)
<b>WATER TREATMENT</b>	<b>\$242,492</b>	<b>\$1,830,417</b>	<b>106%</b>	<b>\$1,564,460</b>
<b>TRANSMISSION &amp; DISTRIBUTION</b>				
Supervision & Engineering	\$48,694	\$440,805	90%	\$423,813
Maps & Records	13,535	106,669	81%	96,058
Operation of T&D System	8,167	139,849	108%	148,849
Facilities Location	7,147	81,798	234%	73,299
Safety: Construction & Engineering	4,113	40,322	70%	31,720
Customer Service Expense	11,862	167,565	102%	153,538
Flushing	0	30,955	155%	71,553
Storage Facilities Expense	9,560	74,465	53%	124,546
Cathodic Protection	1,113	13,378	96%	16,018
Maint of Valves/Regulators	2,921	117,299	46%	132,239
Maint of Mains	850	86,906	56%	49,922
Backflow Prevention Program	10,287	102,338	116%	84,714
Maint of Copper Services	16,884	173,413	86%	188,749
Maint of PB Service Lines	41,778	483,006	128%	443,509
Single Service Installations	(2,565)	2,467	-	1,949
Maint of Meters	9,355	93,360	59%	135,900
Detector Check Assembly Maint	68	7,581	13%	38,361
Maint of Hydrants	1,447	28,531	48%	33,980
<b>TRANSMISSION &amp; DISTRIBUTION</b>	<b>\$185,214</b>	<b>\$2,190,707</b>	<b>86%</b>	<b>\$2,248,716</b>
<b>CONSUMER ACCOUNTING</b>				
Meter Reading	\$12,856	\$149,455	111%	\$141,687
Collection Expense - Labor	1,799	28,346	94%	27,148
Collection Expense - Agency	165	2,229	111%	1,755
Billing & Consumer Accounting	18,558	247,897	92%	282,702
Contract Billing	1,442	18,110	95%	18,231
Stationery, Supplies & Postage	5,144	64,497	96%	63,359
Uncollectable Accounts	1,628	23,230	83%	26,685
Office Equipment Expense	1,228	8,290	138%	8,690
Distributed to West Marin (3.7%)	(1,086)	(13,961)	93%	(15,726)
<b>CONSUMER ACCOUNTING</b>	<b>\$41,735</b>	<b>\$528,094</b>	<b>97%</b>	<b>\$554,530</b>

**NOVATO WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2013**

	JUNE 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>WATER CONSERVATION</b>				
Residential	\$32,636	\$222,637	75%	\$213,884
Commercial	400	1,169	5%	1,414
Public Outreach/Information	3,784	28,477	57%	41,251
Large Landscape	1,292	13,966	52%	13,780
<b>TOTAL WATER CONSERVATION</b>	<b>\$38,112</b>	<b>\$266,250</b>	<b>67%</b>	<b>\$270,328</b>
<b>GENERAL AND ADMINISTRATIVE</b>				
Directors Fees	\$2,500	\$15,400	103%	\$15,000
Legal Fees	3,701	10,112	92%	7,098
Human Resources	1,274	35,001	121%	20,853
Auditing Fees	0	20,600	98%	28,900
Consultants	10,533	53,327	121%	34,731
General Office Salaries	89,473	1,198,186	101%	1,235,343
Safety: General District Wide	1,959	16,024	114%	17,341
Office Supplies	12,970	37,232	74%	22,743
Employee Events	101	6,204	78%	5,931
Other Administrative Expense	652	18,150	113%	17,254
Election Cost	0	0	-	250
Dues & Subscriptions	(90)	45,607	91%	49,260
Vehicle Expense	676	8,112	101%	8,118
Meetings, Conferences & Training	13,371	112,402	73%	97,626
Recruitment Expense	198	916	46%	1,007
Gas & Electricity	2,745	28,116	108%	21,727
Telephone	458	3,276	82%	3,240
Water	326	1,603	160%	1,205
Buildings & Grounds Maint	2,708	41,194	121%	36,438
Office Equipment Expense	8,962	82,349	95%	89,291
Insurance Premiums & Claims	6,058	76,473	76%	113,556
Retiree Medical Benefits	4,670	166,699	97%	160,725
Expensed Equipment Purchases	0	0	-	3,383
(Gain)/Loss on Self-Ins Workers' Comp	(7,575)	(108,516)	217%	(74,645)
(Gain)/Loss on Overhead Charges	53,085	(26,263)	18%	(223,138)
G&A Applied to Other Operations (6.3%)	(6,897)	(77,443)	87%	(101,630)
Expensed Improvement Projects	(68)	0	-	0
G&A Applied to Construction	(32,805)	(392,205)	118%	(327,881)
<b>GENERAL &amp; ADMINISTRATIVE</b>	<b>\$168,986</b>	<b>\$1,372,556</b>	<b>97%</b>	<b>\$1,263,726</b>
<b>Depreciation</b> (Note 5)	<b>240,300</b>	<b>2,417,054</b>	<b>102%</b>	<b>2,372,380</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$1,384,434</b>	<b>\$14,784,202</b>	<b>103%</b>	<b>\$14,321,115</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>\$885,380</b>	<b>\$2,213,356</b>	<b>171%</b>	<b>\$97,098</b>

**NOVATO WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2013**

	JUNE 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>NON-OPERATING REVENUE</b>				
Interest:				
General Funds	\$103	\$1,787	179%	\$141
Facility Reserve Charge Fund	259	1,720	43%	4,870
Wohler Pipeline Financing Fund	147	1,491	75%	2,455
Collector #6 Financing Fund	687	6,742	96%	10,299
Retiree Medical Insurance Fund	1,390	12,849	107%	11,827
Self-Insured Workers' Comp Fund	0	0	-	33
Aqueduct Energy Efficiency Proj Fund	1,490	9,426	39%	14,841
Recycled Water Advance (Note 10)	11,556	176,340	2204%	8,376
West Marin Water Advance (Note 10)	0	0	0%	5,918
<b>Total Interest Revenue</b>	<b>\$15,632</b>	<b>\$210,356</b>	<b>351%</b>	<b>\$58,759</b>
Rents & Leases	3,877	67,433	102%	65,281
Other Non-Operating Revenue	281,058	366,465	547%	59,968
Gain/(Loss) on MV of Investments	(3,828)	(9,493)	-	7,487
<b>NON-OPERATING REVENUE</b>	<b>\$296,739</b>	<b>\$634,760</b>	<b>329%</b>	<b>\$191,495</b>
<b>NON-OPERATING EXPENSE</b>				
Bank of Marin AEEP Loan Interest Exp	\$18,752	\$226,510	98%	\$179,493
STP SRF Loan Interest Expense	28,423	343,511	99%	359,366
Drought Loan Interest Expense	332	3,984	80%	4,852
Other Non-Operating Expense	8,109	15,513	78%	4,685
<b>NON-OPERATING EXPENSE</b>	<b>\$55,616</b>	<b>\$589,518</b>	<b>98%</b>	<b>\$548,397</b>
<b>NET INCOME/(LOSS)</b>	<b>\$1,126,502</b>	<b>\$2,258,598</b>	<b>255%</b>	<b>(\$259,804)</b>
<b>BEGINNING FUND EQUITY</b>				
NET INCOME/(LOSS)	1,126,502	2,258,598		\$65,458,806 (259,804)
<b>CONTRIBUTED CAPITAL</b>				
Developer 'In-Kind' Contributions	62,000	357,596	-	593,495
Connection Fees	0	871,450	101%	969,080
FRC Transfer to Recycled Water	(424,535)	(802,390)	0%	0
FRC Transfer to Recycled Water Prior Yr	0	(1,168,010)	0%	(215,881)
<b>ENDING FUND EQUITY</b>		<b>\$67,306,785</b>		<b>\$66,545,696</b>

**NOVATO RECYCLED WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2013**

	JUNE 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>OPERATING REVENUE</b>				
Recycled Water Sales	\$38,113	\$262,239	103%	\$218,588
Bill Adjustments	0	(1,752)	-	0
Bimonthly Service Charges	1,250	7,501	125%	3,347
Account Turn-on Charges	0	6	-	0
Backflow Service Charges	84	504	-	402
<b>TOTAL OPERATING REVENUE</b>	<b>\$39,446</b>	<b>\$268,498</b>	<b>103%</b>	<b>\$222,337</b>
<b>OPERATING EXPENSE</b>				
<b>SOURCE OF SUPPLY</b>				
Purchased Water - NSD	\$33,513	\$33,513	82%	\$0
Purchased Water - LGVSD	36,676	36,676	204%	0
<b>SOURCE OF SUPPLY</b>	<b>\$70,189</b>	<b>\$70,189</b>	<b>119%</b>	<b>\$0</b>
<b>PUMPING</b>				
Maint of Structures & Grounds	\$0	\$0	-	\$555
Maint of Pumping Equipment	0	238	12%	528
Electric Power	160	160	-	0
<b>PUMPING</b>	<b>\$160</b>	<b>\$398</b>	<b>20%</b>	<b>\$1,084</b>
<b>OPERATIONS</b>				
Supervision & Engineering	\$750	\$18,028	451%	\$8,448
Operating Expense - Operations	121	8,026	134%	16,799
Potable Water Consumed	5,983	37,952	-	16,037
Maintenance Expense	0	0	0%	353
Telemetry Equipment/Controls Maint	0	2,617	29%	3,803
<b>OPERATIONS</b>	<b>\$6,855</b>	<b>\$66,623</b>	<b>303%</b>	<b>\$45,440</b>
<b>WATER TREATMENT</b>				
Purification Chemicals	(\$9,095)	\$11,998	40%	\$21,844
Maint of Structures & Grounds	0	0	-	342
Maint of Purification Equipment	434	2,597	65%	4,216
Electric Power	2,055	8,000	200%	8,115
Laboratory Direct Labor	0	13,011	43%	24,611
Lab Expense Distributed from Novato	43	7,262	56%	12,372
<b>WATER TREATMENT</b>	<b>(\$6,563)</b>	<b>\$42,868</b>	<b>53%</b>	<b>\$71,501</b>
<b>TRANSMISSION &amp; DISTRIBUTION</b>				
Supervision & Engineering	\$0	\$5,578	37%	\$2,614
Maps & Records	0	9	-	0
Operation of T&D System	0	6,304	630%	57
Storage Facilities Expense	0	17,327	-	1,392
Maint of Valves/Regulators	320	468	-	0
Backflow Prevention Program	0	0	0%	0
Maint of Meters	0	0	-	260
Maint of Mains	63	8,589	-	0
<b>TRANSMISSION &amp; DISTRIBUTION</b>	<b>\$383</b>	<b>\$38,276</b>	<b>142%</b>	<b>\$4,323</b>
<b>GENERAL AND ADMINISTRATIVE</b>				
Distributed from Novato (1.1%)	\$1,412	\$15,852	88%	\$19,342
<b>GENERAL &amp; ADMINISTRATIVE</b>	<b>\$1,412</b>	<b>\$15,852</b>	<b>88%</b>	<b>\$19,342</b>
Depreciation (Note 5)	23,928	174,242	106%	162,965
<b>TOTAL OPERATING EXPENSE</b>	<b>\$96,364</b>	<b>\$408,448</b>	<b>109%</b>	<b>\$304,654</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>(\$56,918)</b>	<b>(\$139,950)</b>	<b>124%</b>	<b>(\$82,317)</b>



**NOVATO RECYCLED WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2013**

	JUNE 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>NON-OPERATING REVENUE</b>				
Interest:				
RWF Replacement Fund	\$0	\$0	-	\$90
Stone Tree RWF Loan	4,733	58,711	100%	63,252
<b>Total Interest Revenue</b>	<b>\$4,733</b>	<b>\$58,711</b>	<b>100%</b>	<b>\$63,342</b>
Other Non-Operating Revenue	0	0	-	0
<b>NON-OPERATING REVENUE</b>	<b>\$4,733</b>	<b>\$58,711</b>	<b>100%</b>	<b>\$63,342</b>
<b>NON-OPERATING EXPENSE</b>				
RWF SRF Loan Interest Expense	\$6,354	\$81,527	99%	\$86,322
Expansion SRF Loan Interest Expense	12,905	79,307	66%	12,158
Other Non-Operating Expense	0	38,047	-	616
Interest-Advance from Novato (Note 10)	11,556	176,340	-	8,376
<b>NON-OPERATING EXPENSE</b>	<b>\$30,815</b>	<b>\$375,221</b>	<b>186%</b>	<b>\$107,471</b>
<b>NET INCOME/(LOSS)</b>	<b>(\$83,000)</b>	<b>(\$456,460)</b>	<b>178%</b>	<b>(\$126,446)</b>
<b>BEGINNING FUND EQUITY</b>		\$5,279,424		\$5,051,917
NET INCOME/(LOSS)	(83,000)	(456,460)		(126,446)
State Prop 50 Grant	0	0	-	0
IRWMP Prop 84 Grant	0	529,432	272%	0
Water Smart Grant	(17,615)	1,206,682	185%	0
Federal ARRA Grant	0	25,337	2%	1,548,002
FRC Transfer from Novato	424,535	802,390	-	0
FRC Transfer from Novato Prior Yr	0	1,168,010		0
<b>ENDING FUND EQUITY</b>		<b>\$8,554,814</b>		<b>\$6,473,472</b>

**WEST MARIN WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2013**

	JUNE 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>OPERATING REVENUE</b>				
Water Sales	\$97,455	\$628,122	115%	\$528,395
Bill Adjustments	0	(13,242)	-	(10,178)
Bimonthly Service Charges	11,730	138,684	122%	115,584
Account Turn-on Charges	168	958	106%	872
New Account Charges	45	225	113%	195
Returned Check Charges	0	63	-	36
Backflow Service Charges	661	3,832	98%	2,968
<b>TOTAL OPERATING REVENUE</b>	<b>\$110,060</b>	<b>\$758,642</b>	<b>114%</b>	<b>\$637,872</b>
<b>OPERATING EXPENSE</b>				
<b>SOURCE OF SUPPLY</b>				
Operating Expense	\$260	\$14,618	292%	\$14,020
Maint of Structures	0	7,543	24%	7,475
Water Quality Surveillance	0	0	0%	0
<b>SOURCE OF SUPPLY</b>	<b>\$260</b>	<b>\$22,161</b>	<b>60%</b>	<b>\$21,495</b>
<b>PUMPING</b>				
Operating Labor	\$0	\$0	0%	\$0
Maint of Structures and Grounds	259	7,792	71%	2,027
Maint of Pumping Equip	0	4,401	37%	2,397
Electric Power	1,793	16,002	107%	13,802
<b>PUMPING</b>	<b>\$2,053</b>	<b>\$28,195</b>	<b>72%</b>	<b>\$18,226</b>
<b>OPERATIONS</b>				
Supervision & Engineering	\$480	\$4,816	161%	\$3,570
Operating Expense	747	13,304	222%	10,549
Maint of Telemetry Lines	(8)	0	-	0
Maint of Telemetry Equipment	3,615	11,267	70%	10,647
Leased Lines	495	5,079	102%	4,843
<b>OPERATIONS</b>	<b>\$5,329</b>	<b>\$34,466</b>	<b>115%</b>	<b>\$29,609</b>
<b>WATER TREATMENT</b>				
Supervision & Engineering	\$447	\$5,371	90%	\$4,763
Operating Expense	200	6,576	51%	12,659
Purification Chemicals	9,095	9,245	185%	6,198
Maint of Structures & Grounds	0	139	14%	0
Maint of Purification Equipment	612	7,617	45%	15,979
Electric Power	2,957	25,394	98%	20,512
Laboratory Direct Labor	1,884	30,061	137%	24,699
Laboratory Services	0	2,750	69%	2,725
Water Quality Supervision	94	5,313	177%	4,230
Customer Water Quality	1,903	4,491	90%	7,024
Lab Expense Distributed from Novato	1,144	16,664	167%	12,416
<b>WATER TREATMENT</b>	<b>\$18,337</b>	<b>\$113,619</b>	<b>101%</b>	<b>\$111,205</b>

**WEST MARIN WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2013**

	JUNE 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>TRANSMISSION &amp; DISTRIBUTION</b>				
Supervision & Engineering	\$1,582	\$18,430	132%	\$17,172
Maps & Records	497	6,114	204%	2,621
Operating Expense	0	473	-	186
Facilities Location - USA	0	2,446	61%	2,369
Customer Service Expense	966	13,207	73%	15,750
Flushing	0	5,639	188%	6,141
Storage Facilities Expense	2,410	20,310	127%	27,160
Cathodic Protection	0	1,344	-	2,116
Maint of Valves	0	6,527	109%	1,388
Valve Operation Program	0	115	2%	3,429
Maint of Mains	0	434	9%	406
Water Quality Maintenance	0	725	-	0
Maint of Backflow Devices	0	0	0%	0
Backflow Dev Inspection/Survey	541	1,698	28%	5,705
Maint of Copper Services	0	7,205	144%	7,211
Maint of PB Service Lines	1,686	34,996	318%	21,051
Maint of Meters	231	3,398	170%	1,755
Detector Check Assembly Maint	0	0	0%	1,783
Maint of Hydrants	0	0	0%	132
Hydrant Operation	0	0	0%	3,163
Single Service Installation	0	1,660	-	555
<b>TRANSMISSION &amp; DISTRIBUTION</b>	<b>\$7,912</b>	<b>\$124,721</b>	<b>119%</b>	<b>\$120,093</b>
<b>CONSUMER ACCOUNTING</b>				
Meter Reading	\$1,688	\$7,987	73%	\$7,875
Collection Expense - Labor	80	1,089	54%	1,077
Uncollectable Accounts	0	618	-	872
Distributed from Novato (3.6%)	954	12,253	94%	13,543
<b>CONSUMER ACCOUNTING</b>	<b>\$2,722</b>	<b>\$21,947</b>	<b>84%</b>	<b>\$23,367</b>
<b>WATER CONSERVATION</b>				
Water Conservation Program	\$1,763	\$5,857	146%	\$2,008
<b>TOTAL WATER CONSERVATION</b>	<b>\$1,763</b>	<b>\$5,857</b>	<b>146%</b>	<b>\$2,008</b>
<b>GENERAL AND ADMINISTRATIVE</b>				
Distributed from Novato (3.1%)	\$4,084	\$45,861	90%	\$56,945
<b>GENERAL &amp; ADMINISTRATIVE</b>	<b>\$4,084</b>	<b>\$45,861</b>	<b>90%</b>	<b>\$56,945</b>
Depreciation (Note 5)	12,481	148,654	97%	150,169
<b>TOTAL OPERATING EXPENSE</b>	<b>\$54,940</b>	<b>\$545,482</b>	<b>98%</b>	<b>\$533,117</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>\$55,121</b>	<b>\$213,161</b>	<b>196%</b>	<b>\$104,755</b>

**WEST MARIN WATER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2013**

	JUNE 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>NON-OPERATING REVENUE</b>				
Interest - General Funds	\$13	\$27	-	\$0
Interest - FRC	\$82	\$406	-	\$0
Interest - Bank of Marin Project Fund	207	2,803	47%	0
Rents & Leases	0	3,917	98%	3,424
Tax Proceeds - PR-3 G.O. Bond	47	349	-	13,938
Tax Proceeds - OL-2 G.O. Bond	(89)	4,211	105%	3,757
Tax Proceeds - PR-2 Tax Allocation	2,749	41,522	92%	40,598
Annexation Fees	0	0	-	723
Conservation Incentive Rate Fund	0	1	-	0
Other Non-Operating Revenue	3	1,987	-	0
<b>NON-OPERATING REVENUE</b>	<b>\$3,012</b>	<b>\$55,224</b>	<b>94%</b>	<b>\$62,440</b>
<b>NON-OPERATING EXPENSE</b>				
Bank of Marin Loan Interest Expense	\$2,213	\$33,614	102%	\$0
PR-3 G.O. Bond Interest Expense	0	339	48%	1,025
OL-2 G.O. Bond Interest Expense	32	471	94%	644
PRE-1 Revenue Bond Interest Exp	342	4,475	99%	4,937
PR-6 Revenue Bond Interest Exp	383	4,600	98%	5,000
Drought Loan Interest Expense	47	559	93%	686
Interest-Advance from Novato (Note 10)	0	0	-	5,918
Other Non-Operating Expense	0	588	59%	3,297
<b>NON-OPERATING EXPENSE</b>	<b>\$3,017</b>	<b>\$44,646</b>	<b>99%</b>	<b>\$21,507</b>
<b>NET INCOME/(LOSS)</b>	<b>\$55,116</b>	<b>\$223,739</b>	<b>182%</b>	<b>\$145,688</b>
<b>BEGINNING FUND EQUITY</b>				
NET INCOME/(LOSS)	55,116	223,739		145,688
<b>CONTRIBUTED CAPITAL</b>				
Developer 'In-Kind' Contributions	0	(1,451)		53,803
Connection Fees	0	4,900	11%	36,600
<b>ENDING FUND EQUITY</b>		<b>\$4,178,653</b>		<b>\$4,172,258</b>

**OCEANA MARIN SEWER  
DETAIL INCOME STATEMENT  
FOR PERIOD ENDING JUNE 30, 2013**

	JUNE 2013	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
<b>OPERATING REVENUE</b>				
Sewer Service Charges	\$13,166	\$157,992	100%	\$157,311
<b>TOTAL OPERATING REVENUE</b>	<b>\$13,166</b>	<b>\$157,992</b>	<b>100%</b>	<b>\$157,311</b>
<b>OPERATING EXPENSE</b>				
<b>SEWAGE COLLECTION</b>				
Supervision & Engineering	\$490	\$10,084	144%	\$6,657
Inspection	0	72	-	0
Operating Expense	253	1,694	85%	1,797
Facilities Location	327	1,300	130%	1,054
Maint of Lift Stations	0	4,889	489%	4,623
Maint of Sewer Mains	0	2,798	-	0
Electric Power	849	8,868	89%	9,556
<b>SEWAGE COLLECTION</b>	<b>\$1,919</b>	<b>\$29,706</b>	<b>141%</b>	<b>\$23,687</b>
<b>SEWAGE TREATMENT</b>				
Operating Expense	\$59	\$13,882	99%	\$14,230
Maint of Structures	0	277	-	1,279
Maint of Equipment	4,115	6,409	-	1,833
Laboratory Direct Labor	146	290	-	566
Lab Expense Distributed from Novato	82	162	-	285
Electric Power	910	8,001	133%	7,735
<b>SEWAGE TREATMENT</b>	<b>\$5,312</b>	<b>\$29,021</b>	<b>145%</b>	<b>\$25,928</b>
<b>SEWAGE DISPOSAL</b>				
Operating Expense	\$0	\$495	-	\$0
Maint of Pump Stations	0	5,435	272%	837
Maint of Storage Ponds	0	966	-	0
Maint of Irrigation Field	0	0	-	1,135
<b>SEWAGE DISPOSAL</b>	<b>\$0</b>	<b>\$6,895</b>	<b>345%</b>	<b>\$1,972</b>
<b>CONTRACT OPERATIONS</b>				
Contract Operations	\$5,188	\$62,281	97%	\$61,215
Equipment Replacements/Upgrades	0	0	0%	0
<b>CONTRACT OPERATIONS</b>	<b>\$5,188</b>	<b>\$62,281</b>	<b>96%</b>	<b>\$61,215</b>
<b>CONSUMER ACCOUNTING</b>				
Collection Expense - County of Marin	\$0	\$454	-	\$454
Distributed from Novato (0.6%)	132	1,708	85%	2,182
<b>CONSUMER ACCOUNTING</b>	<b>\$132</b>	<b>\$2,162</b>	<b>108%</b>	<b>\$2,636</b>
<b>GENERAL AND ADMINISTRATIVE</b>				
Distributed from Novato (1.1%)	\$1,401	\$15,731	87%	\$19,234
Liability Insurance	169	2,368	79%	2,818
<b>GENERAL AND ADMINISTRATIVE</b>	<b>\$1,570</b>	<b>\$18,099</b>	<b>86%</b>	<b>\$22,052</b>
<b>Depreciation</b> (Note 5)	<b>5,005</b>	<b>44,720</b>	<b>109%</b>	<b>41,084</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$19,127</b>	<b>\$192,884</b>	<b>112%</b>	<b>\$178,574</b>
<b>OPERATING INCOME/(LOSS)</b>	<b>(\$5,961)</b>	<b>(\$34,892)</b>	<b>249%</b>	<b>(\$21,263)</b>

**OCEANA MARIN SEWER  
 DETAIL INCOME STATEMENT  
 FOR PERIOD ENDING JUNE 30, 2013**

	<u>JUNE 2013</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
<b><u>NON-OPERATING REVENUE</u></b>				
Rents & Leases	\$0	\$500	50%	\$500
Interest - Connection Fee Reserve	0	71	-	439
Interest - General Funds	76	640	21%	945
Interest - Self Insured WC Fund	1	9	-	3
Tax Proceeds - OM-1/OM-3 Tax Alloc	2,932	44,254	96%	43,266
Annexation Fees	19,249	19,249	-	0
Other Non-Operating Revenue	0	4	-	195
<b>NON-OPERATING REVENUE</b>	<u>\$22,259</u>	<u>\$64,727</u>	129%	<u>\$45,348</u>
<b><u>NON-OPERATING EXPENSE</u></b>				
Other Non-Operating Expense	<u>\$0</u>	<u>\$626</u>	-	<u>\$685</u>
<b>NON-OPERATING EXPENSE</b>	<u>\$0</u>	<u>\$626</u>	-	<u>\$685</u>
<b>NET INCOME/(LOSS)</b>	<u>\$16,298</u>	<u>\$29,209</u>	81%	<u>\$23,401</u>
<b><u>BEGINNING FUND EQUITY</u></b>				
NET INCOME/(LOSS)	16,298	29,209		23,401
CONTRIBUTED CAPITAL				0
Contribution in Aid of Construction	(161)	5,000	-	0
Connection Fees	0	0	0%	0
<b>ENDING FUND EQUITY</b>		<u>\$1,075,167</u>		<u>\$1,063,163</u>

**NORTH MARIN WATER DISTRICT  
ANALYSIS OF WORKER'S COMP, CONNECTION FEE AND CIR FUNDS  
FOR PERIOD ENDING JUNE 30, 2013**

	TOTAL	NOVATO WATER	WEST MARIN WATER	OCEANA MARIN SEWER	RECYCLED WATER
<b><u>WORKERS' COMPENSATION FUND</u></b>					
<b>WC Cash Balance 7/1/12</b>	\$1,593	\$0	\$0	\$1,593	\$0
Less: Projected Prior FY Claims Liability	21,783	20,440	800	271	272
Add: Funds borrowed to subsidize operations	126,657	120,341	4,714	0	1,602
<b>WC Reserve Balance 7/1/12</b>	\$106,467	\$99,901	\$3,914	\$1,322	\$1,330
Add: WC Expense Charged to Operations FYTD	170,574	161,534	5,288	1,876	1,876
Interest Earned	9	0	0	9	0
Subtotal	\$277,050	\$261,435	\$9,202	\$3,207	\$3,206
Less: Claims Expense Paid	1,243	1,177	39	14	14
Excess Insurance Premium	47,762	45,231	1,481	525	525
Administration Fees	12,000	11,364	372	132	132
Correction to Prior Year Balance	22,461	21,271	696	247	247
<b>WC Reserve Balance 6/30/13</b>	\$193,585	\$182,393	\$6,614	\$2,289	\$2,288
Add: Projected Claims Liability	22,476	21,285	697	247	247
Funds borrowed to subsidize operations	(213,524)	(203,678)	(7,311)	0	(2,535)
<b>WC CASH BALANCE 6/30/13</b>	<u>\$2,536</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,536</u>	<u>\$0</u>
<b><u>CONNECTION FEE FUND</u></b>					
<b>Connection Fee Cash Balance 7/1/12</b>	\$807,417	\$757,461	\$0	\$49,956	
Add: funds borrowed to subsidize operations	255,365	0	255,365	0	
<b>Connection Fee Reserve Balance 7/1/12</b>	\$1,062,782	\$757,461	\$255,365	\$49,956	
Add: Connection Fees Collected FYTD	876,350	871,450	4,900	0	
Interest Earned	2,197	1,720	406	71	
Subtotal	\$1,941,329	\$1,630,631	\$260,671	\$50,027	
Less: Fees Expended FYTD	1,025,547	828,241	94,531	102,775	
Fees transferred to RWS FYTD (Note 15)	802,390	802,390	0	0	
<b>Connection Fee Reserve Balance 6/30/13</b>	\$113,392	\$0	\$166,140	(\$52,748)	
Less: Funds borrowed to subsidize operations	(52,748)	0	0	(52,748)	
<b>CONNECTION FEE CASH BALANCE 6/30/13</b>	<u>\$166,140</u>	<u>\$0</u>	<u>\$166,140</u>	<u>\$0</u>	
<b><u>CONSERVATION INCENTIVE RATE FUND</u></b>					
<b>CIR Cash Balance 7/1/12</b>	\$0	\$0	\$0		
Add funds borrowed to subsidize operations	55,627	0	55,627		
<b>CIR Reserve Balance 7/1/12</b>	\$55,627	\$0	\$55,627		
Add: CIR Charges Billed FYTD	84,015	72,860	11,155		
Regulation 15 Forfeitures	1,260	1,260	0		
Interest Earned	1	0	1		
Subtotal	\$140,903	\$74,120	\$66,783		
Less: CIR Funds Expended FYTD <sup>1</sup>	55,045	49,188	5,857		
Bill Adjustments	29,946	24,932	5,014		
<b>CIR Reserve Balance 6/30/13</b>	\$55,912	\$0	\$55,912		
Less funds borrowed to subsidize operations	55,912	0	55,912		
<b>CIR CASH BALANCE 6/30/13</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		

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

**NORTH MARIN WATER DISTRICT  
EQUIPMENT EXPENDITURES  
PERIOD ENDING JUNE 30, 2013**

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	JUNE 2013	FYTD TOTAL	FY 12/13 BUDGET	(OVER) UNDER	Notes
<b>1 INFORMATION SYSTEMS</b>					
<b>Administration</b>					
a. Server Software Upgrade		\$0	\$8,900	\$8,900	c,1
	\$0	\$0	\$8,900	\$8,900	
<b>2 ADMINISTRATION</b>					
a. Photocopier		\$17,473	\$25,000	\$7,527	c,1
b. Meter Reading Devices & Software	90	19,616	20,000	384	c,1
	\$90	\$37,088	\$45,000	\$7,912	
<b>3 ENGINEERING</b>					
a. Multi-Function Wide-Carriage Copier (Used)		\$0	\$9,000	\$9,000	c,1
	\$0	\$0	\$9,000	\$9,000	
<b>4 CONSTRUCTION</b>					
a. 1" Potable Water Hose & Fittings (300')		\$6,676	\$8,600	\$1,924	c
	\$0	\$6,676	\$8,600	\$1,924	
<b>5 OPERATIONS</b>					
a. Chlorine Dioxide Analyzer		\$0	\$6,500	\$6,500	c,1
	\$0	\$0	\$6,500	\$6,500	
<b>6 VEHICLE &amp; ROLLING EQUIPMENT EXPENDITURES</b>					
a. Portable Air Compressor		\$21,286	\$20,000	(\$1,286)	c,1
b. 800 Gallon Portable Vac Trailer	65,530	65,530	65,000	(530)	c,1
c. 3/4-ton 2WD Alternate Fuel Pickup w/Svc Body	0	29,438	35,000	5,562	c,1
d. 3/4-ton 2WD Alternate Fuel Pickup w/Svc Body	0	30,051	35,000	4,949	c,1
	\$65,530	\$146,305	\$155,000	\$8,695	
<b>TOTAL EQUIPMENT EXPENDITURES</b>	<b>\$65,620</b>	<b>\$190,069</b>	<b>\$233,000</b>	<b>\$42,931</b>	

Notes:

- (c) Capitalized  
(1) Replacement item.



**NORTH MARIN WATER DISTRICT  
OVERHEAD ACCOUNT ANALYSIS  
FOR PERIOD ENDING JUNE 30, 2013**

	<u>YEAR-TO-DATE ACTUAL</u>	<u>ANNUAL BUDGET</u>	<u>YTD/ BUDGET %</u>
<b><u>Material Handling</u></b>			
Material Overhead Recovered (15%)	\$79,536	\$125,000	64%
Labor	\$83,374	\$114,000	73%
Materials, Supplies & Expense	\$6,209	\$6,000	103%
Correction to Inventory Counts	\$10,661	\$0	-
Depreciation	\$4,791	\$5,000	96%
	<u>\$105,035</u>	<u>\$125,000</u>	84%
Net Material Handling Gain / (Loss)	<u>(\$25,499)</u>	<u>\$0</u>	-
<b><u>Construction Supplies</u></b>			
Const Supplies Overhead Recovered (10%)	\$215,247	\$348,000	62%
Labor	\$88,146	\$76,000	116%
Materials, Supplies & Expense	\$83,456	\$72,000	116%
Small Tools	\$21,956	\$19,000	116%
Depreciation	\$4,476	\$4,000	112%
	<u>\$198,034</u>	<u>\$171,000</u>	116%
Net Constr Supplies Gain / (Loss)	<u>\$17,213</u>	<u>\$177,000</u>	10%
<b><u>Vehicle &amp; Equipment</u></b>			
Vehicle & Equipment Recovered <sup>1</sup>	\$367,612	\$332,000	111%
Labor	\$72,808	\$97,000	75%
Materials, Supplies & Expense	\$73,171	\$61,000	120%
Fuel	\$109,415	\$120,000	91%
Depreciation	\$108,239	\$118,000	92%
	<u>\$363,633</u>	<u>\$396,000</u>	92%
Net Vehicle & Equip Gain / (Loss)	<u>\$3,979</u>	<u>(\$64,000)</u>	-6%
<b><u>Payroll</u></b>			
Overheaded Payroll	\$6,706,417	\$6,779,000	99%
Salary Including Leave Time	\$4,259,449	\$4,309,000	99%
Employer FICA & EDD Tax	\$327,416	\$326,000	100%
Insurance <sup>2</sup>	\$869,431	\$988,000	88%
Retiree Medical	\$77,875	\$80,000	97%
PERS Retirement	\$1,068,211	\$1,076,000	99%
Unreconciled Difference	(\$35,051)		
	<u>\$6,567,331</u>	<u>\$6,779,000</u>	97%
Net Payroll Gain / (Loss)	<u>\$139,086</u>	<u>\$0</u>	
<b>Total Overhead Gain / (Loss)</b>	<b><u>\$134,779</u></b>	<b><u>\$113,000</u></b>	<b>119%</b>

<sup>1</sup> 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.

<sup>2</sup> Insurance Includes Medical, Dental, Vision, Cafeteria, Life, & Workers' Compensation

**NORTH MARIN WATER DISTRICT  
EXPENDITURES BY CATEGORY  
FOR PERIOD ENDING JUNE 30, 2013**

OPERATING EXPENSE		Novato	Recycled	West Marin	Oceana Marin	YTD Total	Annual Budget	YTD Budget %	Prior YTD Actual	% Change
1	Salaries & Benefits	\$5,264,587	\$57,112	\$172,441	\$18,965	\$5,513,104	\$5,571,000	99%	\$5,499,985	0%
2	Water Purchases	5,205,519	0	0	0	5,205,519	4,399,000	118%	5,047,469	3%
3	Depreciation	2,417,054	174,242	148,654	44,720	2,784,670	2,719,000	102%	2,726,598	2%
4	Materials, Services & Supplies	1,072,551	57,961	72,795	90,776	1,294,083	1,413,000	92%	1,182,789	9%
5	Chemicals	400,627	11,998	9,245	0	421,870	460,000	92%	281,839	50%
6	Electric Power	376,237	8,160	41,395	16,869	442,662	399,000	111%	378,832	17%
7	Tools & Supplies (Distrib)	143,731	2,355	10,624	835	157,546	255,000	70%	235,028	-33%
8	Vehicles and Equipment (Distrib)	216,284	3,318	15,549	912	236,062	231,000	102%	239,225	-1%
9	Retiree Medical Expenses	166,699	0	0	0	166,699	172,000	97%	160,725	4%
10	Office Supplies & Postage	101,729	0	0	0	101,729	109,000	93%	86,103	18%
11	Water Conservation Rebates	55,375	0	0	0	55,375	104,000	53%	48,249	15%
12	Insurance & Claims	76,473	0	0	2,368	78,842	104,000	76%	116,374	-32%
13	Overhead Charges (Gain)/Loss	(134,779)	0	0	0	(134,779)	(202,000)	67%	(303,891)	-56%
14	Distributed Costs	(507,697)	23,114	74,778	17,438	(392,367)	(331,000)	119%	(328,166)	20%
15	<b>Total Operating Expense</b>	<b>\$14,784,202</b>	<b>\$408,448</b>	<b>\$545,482</b>	<b>\$192,884</b>	<b>\$15,931,015</b>	<b>\$15,403,000</b>	<b>103%</b>	<b>\$15,337,460</b>	<b>4%</b>
16	Interest Expense & Other*	589,518	375,221	44,646	626	1,010,011	848,000	119%	892,791	13%
17	<b>Total Expense</b>	<b>\$15,373,720</b>	<b>\$783,669</b>	<b>\$590,127</b>	<b>\$193,510</b>	<b>\$16,941,026</b>	<b>\$16,251,000</b>	<b>104%</b>	<b>\$16,230,252</b>	<b>4%</b>
<b><u>Warehouse, Shop &amp; Yard</u></b>										
18	Salaries & Benefits	\$232,943	\$0	\$0	\$0	\$232,943	\$286,000	81%	\$231,342	1%
19	Materials, Services & Supplies	428,221	1,638	0	0	429,859	281,000	153%	406,955	6%
20	Distributed Costs	(661,164)	(1,638)	0	0	(662,801)	(567,000)	117%	(638,297)	4%
21	<b>Total W/H, Shop &amp; Yard</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$0</b>	<b>0%</b>
<b><u>District Capital Outlay</u></b>										
22	Salaries & Benefits	\$383,587	\$399,370	\$89,126	\$25,688	\$897,771	\$665,000	135%	\$762,254	18%
23	Equipment	190,069	0	0	0	190,069	233,000	82%	132,540	43%
24	Debt Principal Payments	968,366	287,230	74,737	0	1,330,332	1,334,000	100%	962,205	38%
25	Materials, Services & Supplies	704,643	6,448,128	274,497	222,643	7,649,911	8,957,000	85%	7,936,850	-4%
26	<b>Total District Capital Outlay</b>	<b>\$2,246,666</b>	<b>\$7,134,728</b>	<b>\$438,359</b>	<b>\$248,332</b>	<b>\$10,068,084</b>	<b>\$11,189,000</b>	<b>90%</b>	<b>\$9,793,848</b>	<b>3%</b>
<b><u>Developer Funded Projects</u></b>										
27	Salaries & Benefits	\$150,484	\$0	\$5,881	\$3,650	\$160,015	\$265,000	60%	\$211,909	-24%
28	Materials, Services & Supplies	190,189	0	4,308	1,350	195,848	355,000	55%	280,792	-30%
29	<b>Total Developer Projects</b>	<b>\$340,674</b>	<b>\$0</b>	<b>\$10,189</b>	<b>\$5,000</b>	<b>\$355,863</b>	<b>\$620,000</b>	<b>57%</b>	<b>\$492,701</b>	<b>-28%</b>
30	<b>Total</b>	<b>\$17,961,059</b>	<b>\$7,918,397</b>	<b>\$1,038,675</b>	<b>\$446,842</b>	<b>\$27,364,973</b>	<b>\$28,060,000</b>	<b>98%</b>	<b>\$26,516,801</b>	<b>3%</b>

\*Includes Interfund Interest

**NORTH MARIN WATER DISTRICT  
VEHICLE FLEET ANALYSIS  
FOR PERIOD ENDING JUNE 30, 2013**

25

Year	Description	Veh#	Assigned	Fiscal Year to Date			Vehicle Cost per Mile					
				Mileage	Expense <sup>1</sup>	Recovery <sup>2</sup>	Gain/(Loss)	Mileage	Life to Date	FYTD	FY12	FY11
1	1993 Ford F250 4x4	29	Cilia	5,570	\$6,652	\$6,150	(\$502)	138,980	\$0.58	\$1.19	\$0.79	\$1.42
2	1994 GMC C1500	30	STP	1,094	\$791	\$786	(\$5)	135,160	\$0.31	\$0.72	\$0.94	\$0.81
3	1999 Dodge Ram 1500	32	Engineering	5,475	\$2,956	\$2,786	(\$170)	70,488	\$0.43	\$0.54	\$0.54	\$0.49
4	2000 Dodge Dakota	40	Pool	2,813	\$1,154	\$1,436	\$281	104,967	\$0.46	\$0.41	\$0.98	\$0.70
5	2001 Dodge Ram 1500	41	On-Call	10,669	\$5,242	\$4,804	(\$439)	114,815	\$0.53	\$0.49	\$0.55	\$0.62
6	2001 Dodge Dakota	42	Bynum	8,959	\$6,164	\$8,706	\$2,542	119,650	\$0.34	\$0.69	\$0.45	\$0.95
7	2002 Chev K1500 4x4	47	Engineering	3,980	\$2,169	\$2,492	\$323	104,321	\$0.34	\$0.54	\$0.56	\$0.72
8	2003 Dodge Dakota 4x4	49	Stompe	1,062	\$3,276	\$3,210	(\$66)	76,266	\$0.41	\$3.08	\$0.74	\$0.46
9	2003 Chev C1500	51	Pool	4,821	\$3,333	\$2,790	(\$543)	101,103	\$0.37	\$0.69	\$0.56	\$0.52
10	2004 Chev C1500	53	Kurfirst	8,357	\$5,792	\$10,062	\$4,270	98,087	\$0.42	\$0.69	\$0.69	\$0.45
11	2004 Chev C1500 Xtra Cab	54	Mello	4,663	\$1,939	\$1,635	(\$304)	75,842	\$0.38	\$0.42	\$0.80	\$0.46
12	2005 Honda Civic Hybrid	56	Lab	10,746	\$1,674	\$5,298	\$3,624	59,454	\$0.21	\$0.16	\$0.30	\$0.26
13	2005 Honda Civic Hybrid	57	Engineering	3,301	\$434	\$1,996	\$1,562	38,555	\$0.21	\$0.13	\$0.36	\$0.41
14	2005 Ford Ranger	58	Roberto	13,639	\$5,112	\$9,287	\$4,174	98,284	\$0.41	\$0.37	\$0.64	\$0.52
15	2005 Ford Ranger	59	Venegas	10,210	\$7,756	\$8,970	\$1,214	86,910	\$0.46	\$0.76	\$0.49	\$0.52
16	2006 Chev Colorado	501	Moore	14,474	\$5,826	\$12,142	\$6,316	101,097	\$0.36	\$0.40	\$0.39	\$0.46
17	2007 Chev K2500 4x4	502	Corda, Joe	8,589	\$4,368	\$17,597	\$13,229	60,022	\$0.53	\$0.51	\$0.85	\$0.53
18	2007 Chev Colorado	504	Grisso	3,722	\$1,313	\$5,071	\$3,758	28,418	\$0.40	\$0.35	\$0.39	\$0.58
19	2008 Ford F250 4x4	505	Arendell	10,776	\$8,853	\$17,031	\$8,178	60,851	\$0.69	\$0.82	\$0.69	\$0.63
20	2008 Ford F250 4x4	506	STP	5,232	\$4,433	\$5,453	\$1,020	34,719	\$0.87	\$0.85	\$0.90	\$0.58
21	2008 Chev Colorado 4x4	509	Lemos	12,974	\$4,024	\$5,221	\$1,197	60,504	\$0.32	\$0.31	\$0.30	\$0.36
22	2009 Toyota Prius Hybrid	510	Clark	15,525	\$3,204	\$5,931	\$2,727	67,154	\$0.18	\$0.21	\$0.18	\$0.21
23	2010 Ford F150 4x4	511	STP	11,709	\$4,327	\$10,599	\$6,271	34,959	\$0.43	\$0.37	\$0.40	\$0.58
24	2010 Ford F150	512	Ortiz	13,496	\$5,571	\$6,537	\$966	49,884	\$0.45	\$0.41	\$0.58	\$0.37
25	2010 Ford F150	513	LeBrun	5,119	\$2,293	\$5,379	\$3,086	23,314	\$0.46	\$0.45	\$0.46	\$0.48
26	2012 Ford F250	515	Reed	4,571	\$3,425	\$9,457	\$6,033	4,571	\$0.75	\$0.75	-	-
27	2012 Ford F250	516	Castellucci	5,181	\$3,696	\$11,039	\$7,343	5,181	\$0.71	\$0.71	-	-
<b>Total 3/4 Ton &amp; Under</b>				<b>206,727</b>	<b>105,778</b>	<b>181,862</b>	<b>76,084</b>	<b>1,953,556</b>	<b>\$0.42</b>	<b>\$0.51</b>	<b>\$0.55</b>	<b>\$0.54</b>
1	1999 Ford F350 W/Svc Body	19	Pool	934	\$3,315	\$1,760	(\$1,555)	127,873	\$0.73	\$3.55	\$1.40	\$2.58
2	2002 Int'l 5 Yd Dump	44	Rupp	7,901	\$11,039	\$18,431	\$7,392	75,023	\$1.54	\$1.40	\$2.02	\$1.83
3	1999 Ford F550 3-Yd Dump <sup>3</sup>	52	Crew	3,526	\$4,370	\$8,712	\$4,342	74,295	\$0.93	\$1.24	\$5.46	\$1.41
4	1999 Int'l 5 Yd Dump <sup>4</sup>	55	Crew	3,966	\$10,279	\$12,752	\$2,473	66,599	\$1.34	\$2.59	\$2.20	\$1.52
5	2006 Int'l 4300 Crew	503	Reed	3,874	\$21,007	\$19,498	(\$1,509)	23,377	\$2.66	\$5.42	\$1.82	\$2.32
6	2008 Ford F350 4x4	507	Latanyaszyn	12,014	\$9,913	\$16,129	\$6,217	61,016	\$0.86	\$0.83	\$1.15	\$0.82
7	2009 Peterbilt 335 Crew	508	Kehoe	3,148	\$4,365	\$19,913	\$15,548	16,734	\$1.97	\$1.39	\$2.81	\$1.88
8	2012 Int'l 5 Yd Dump	514	Sjoblom	5,377	\$8,480	\$15,615	\$7,135	7,865	\$1.87	\$1.58	\$2.50	-
<b>Total 1 Ton &amp; Over</b>				<b>40,740</b>	<b>\$72,766</b>	<b>\$112,808</b>	<b>\$40,043</b>	<b>452,782</b>	<b>\$1.17</b>	<b>\$1.79</b>	<b>\$1.84</b>	<b>\$1.35</b>

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

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

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

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

**NORTH MARIN WATER DISTRICT  
WATER CONSERVATION PROGRAM DETAIL  
FOR PERIOD ENDING JUNE 30, 2013**

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Description	COST THRU JUNE 2012	JUNE 2013	FYTD TOTAL	FY 12/13 BUDGET	(OVER) UNDER	TOTAL COST
<b>NOVATO</b>						
a. Residential						
1-7700-01 1 Cash for Grass	\$216,961	\$683	\$10,170	\$24,000	\$13,830	\$227,131
1-7700-02 2 Landscape Efficiency Rebates	25,693	0	2,704	7,500	4,796	28,396
1-7700-03 3 Fixtures Purchases	32,086	0	495	5,000	4,505	32,581
1-7700-06 4 Washing Machine Rebates	290,692	1,514	15,451	20,000	4,549	306,143
1-7700-07 5 Demonstration Garden Improvements	54,377	0	0	500	500	54,377
1-7700-11 6 Toilet Rebate SF	839,411	1,480	25,553	34,000	8,447	864,964
1-7700-12 7 Toilet Rebate MF	18,081	0	0	4,000	4,000	18,081
1-7700-13 8 Residential Audits	168,585	8,575	46,294	40,000	(6,294)	214,879
1-7700-16 9 Water Waste Ordinance Monitoring	29,922	0	0	20,000	20,000	29,922
1-7700-17 10 Swimming Pool Cover Rebate	226	0	0	0	0	226
1-7700-19 11 ET Controller Rebate	15,185	0	6,190	5,000	(1,190)	21,375
1-7700-08 12 Administration	821,727	20,793	111,036	125,000	13,965	932,763
1-7700-20 13 New Development Wtr Cons Program	31,340	339	7,888	8,000	112	39,228
1-7700-21 14 Demand Offset Rebate Program	978	0	217	5,000	4,783	1,195
1-7700-23 15 Grant Administration	0	0	637	0	(637)	637
16 Admin Exp Distrib to WM Water (3.6%)	0	(749)	(3,997)	0	3,997	(3,997)
b. Commercial						
1-7701-02 1 Toilet Rebate Program	64,027	400	900	10,000	9,100	64,927
1-7701-03 2 Commercial Audits	5,987	0	269	15,000	14,731	6,256
c. Public Outreach/Information						
1-8672-16 1 Fall Newsletter	31,788	0	6,296	8,000	1,704	38,084
1-8672-17 2 Spring Newsletter	44,421	3,147	6,048	12,000	5,952	50,469
1-8672-18 3 Summer Newsletter	5,139	0	0	4,000	4,000	5,139
1-7700-04 4 Public Outreach / H <sub>2</sub> O Fair	84,000	455	932	10,000	9,068	84,932
1-7700-05 5 Marketing	101,566	182	15,101	16,000	899	116,667
1-7700-22 6 Public Outreach/Leadership Novato	9,309	0	100	0	(100)	9,409
d. Large Landscape						
1-8653-02 1 Large Landscape Audits	70,618	1,092	2,509	10,000	7,491	73,127
1-7702-01 2 Large Landscape Budgets	22,586	444	3,031	3,000	(31)	25,617
1-7702-02 3 Large Landscape Irrig Efficiency Rebates	11,376	0	0	5,000	5,000	11,376
1-8653-01 4 CIMIS Station Maintenance	18,653	(244)	0	2,000	2,000	18,653
1-7702-03 6 Administration-Large Landscape	14,180	0	8,426	7,000	(1,426)	22,607
<b>TOTAL NOVATO WATER CONSERVATION</b>	<b>\$3,028,915</b>	<b>\$38,112</b>	<b>\$266,250</b>	<b>\$400,000</b>	<b>\$133,750</b>	<b>\$3,295,164</b>
<b>WEST MARIN WATER</b>						
2-5166-00 a. Water Conservation Program	\$37,391	\$1,015	\$1,859	\$4,000	\$2,141	\$39,250
b. Administrative Exp distributed from Novato (3.6%)	0	749	3,997	0	(3,997)	3,997
	<b>\$37,391</b>	<b>\$1,763</b>	<b>\$5,857</b>	<b>\$4,000</b>	<b>(\$1,857)</b>	<b>\$43,248</b>
<b>TOTAL WATER CONSERVATION EXPENDITURES</b>	<b>\$3,066,306</b>	<b>\$39,875</b>	<b>\$272,107</b>	<b>\$404,000</b>	<b>\$131,893</b>	<b>\$3,338,412</b>

**NORTH MARIN WATER DISTRICT  
CAPITAL IMPROVEMENT PROJECTS  
PERIOD ENDING JUNE 30, 2013**

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Description		COST THRU JUNE 2012	JUNE 2013	FYTD TOTAL	FY 12/13 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
<b>1 PIPELINE REPLACEMENTS/ADDITIONS</b>							
a. Main/Pipeline Replacements							
1-7130-00	1 STP 18" Transmission Line Assess/Repair (13,200')	\$0	\$0	\$10,358	\$160,000	\$149,642	\$10,358
b. Main/Pipeline Additions							
1-7134-00	1 Digital to Leveroni Looping (8"@600')	0	465	18,535	130,000	111,465	18,535
1-7135-00	2 DeLong to Cain Looping (8"@400')	0	(378)	0	100,000	100,000	0
c. PB Service Line Replacements							
1-7123-10	1 Center Rd/Garner/Oak Forest/Simmons/3rd St (19 Svcs)	32,966	0	22,760	0	(22,760)	55,726
1-7123-11	2 Pacheco Valle (42 Svcs)	0	0	2,833	84,000	81,167	2,833
1-7123-12	3 Loma Verde (14 Svcs)/H Lane (9 Svcs)	0	1,887	78,161	0	(78,161)	78,161
	4 Repl PB in Sync w/City Paving (45 Svcs)	0	0	0	90,000	90,000	0
1-7067-10	5 Sunset Parkway/Cambridge 12" @ 600'	0	22,118	164,629	0	(164,629)	164,629
1-7139-00	6 PB Repl-City Measure A, Group 5	0	2,514	37,364	0	(37,364)	37,364
d. Relocations to Sync w/City & County C.I.P.							
	1 Other Relocations	0	0	0	80,000		
1-8737-04	2 Redwood Blvd & Olive Ave Traffic Lights	0	20,948	25,794	0	(25,794)	25,794
e. Aqueduct Replacements & Enhancements							
1-7118-01	1 MSN B1-Utility Agreement Costs	118,166	41,888	52,600	0	(52,600)	170,766
1-7118-02	2 MSN B2-Utility Agreement Costs	24,587	349	3,112	0	(3,112)	27,699
1-7118-03	3 MSN B3-Utility Agreement Costs	86,625	14,995	40,022	0	(40,022)	126,647
1-7118-04	4 AEEP Permitting & Design	582,748	18,983	97,693	1,300,000	1,202,307	680,441
1-7118-05	5 AEEP Legal Challenge/Litigation	10,679	0	0	0	0	10,679
1-7118-06	6 AEEP-Loan Procurement	0	88,876	88,876	0	(88,876)	88,876
1-7118-07	7 AEEP- B1 Construction	98	43,528	67,249	0	(67,249)	67,347
1-7118-08	8 AEEP- B2 Construction	0	0	763	0	(763)	763
1-7118-09	9 AEEP- B3 Construction	0	0	4,490	0	(4,490)	4,490
1-7118-10	10 MSN Aqueduct Caltrans Reimb-Seg B2 Gunn Dr <sup>5</sup>	0	100	7,597	0	(7,597)	7,597
1-7118-17	11 AEEP B1 Betterment & Depreciation Cost	0	0	103,188	0	(103,188)	103,188
<b>TOTAL PIPELINE REPLACEMENTS/ADDITIONS</b>		<b>\$855,868</b>	<b>\$256,274</b>	<b>\$826,024</b>	<b>\$1,944,000</b>	<b>\$1,037,977</b>	<b>\$1,681,892</b>
<b>2 SYSTEM IMPROVEMENTS</b>							
1-7008-09	a. RTU Upgrades	\$0	\$2,107	\$26,875	\$10,000	(\$16,875)	\$26,875
1-7007-07	b. Detector Check Assembly Upgrade/Repl(~14/yr)	0	648	85,034	150,000	64,966	85,034
1-7090-02	c. Anode Installations (150/yr)	0	0	1,618	30,000	28,382	1,618
1-7132-00	d. Radio Expansion Telemetry Upgrades	14,046	0	10,065	15,000	4,935	24,111
1-8650-19	e. Sampling Stations (6 biennially)	0	0	30,391	24,000	(6,391)	30,391
1-7054-03	f. Inaccurate Meter Replacement	0	0	16,175	16,000	(175)	16,175
1-7136-00	g. Facilities Security Enhancements	0	0	0	25,000	25,000	0
1-7137-00	h. Backflow Device Upgrade-BMK (14 Svcs)	0	0	15,732	30,000	14,268	15,732
<b>TOTAL SYSTEM IMPROVEMENTS</b>		<b>\$14,046</b>	<b>\$2,756</b>	<b>\$185,890</b>	<b>\$300,000</b>	<b>\$114,110</b>	<b>\$199,935</b>

**NORTH MARIN WATER DISTRICT  
CAPITAL IMPROVEMENT PROJECTS  
PERIOD ENDING JUNE 30, 2013**

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Description		COST THRU JUNE 2012	JUNE 2013	FYTD TOTAL	FY 12/13 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
<b>3 BUILDINGS, YARD, &amp; S.T.P. IMPROVEMENTS</b>							
a. Administration Building							
1-6501-43	1 Electronic Document Management System	\$0	\$0	\$0	\$50,000	\$50,000	\$0
	2 Other Admin Bldg Improvements	0	0	0	25,000	25,000	0
1-6501-35	3 ADA Access Phase I	27,048	0	2,767	0	(2,767)	29,815
1-4040-00	4 Gustafson Ct House Acquisition	0	426	2,447	0	(2,447)	2,447
b. Corp Yard/Warehouse/Construction Office							
1-6502-46	1 SMART Crossing Upgrade(@ Golden Gate Pl)	0	0	0	58,000	58,000	0
	2 Other Yard Improvements	0	0	0	15,000	15,000	0
1-6502-44	3 Yard Paving	6,710	0	87,980	0	(87,980)	94,690
c. Stafford Treatment Plant							
1-6600-70	1 Watershed Erosion Control	9,000	0	25,154	25,000	(154)	34,154
1-6600-60	2 Leveroni Creek Bank Repair	50,684	4,071	103,546	145,000	41,454	154,230
1-6600-69	3 Dam Concrete Apron Repairs	87,397	0	22,431	50,000	27,569	109,829
1-6600-54	4 Start-Up Flushing Connection	8,165	374	374	200,000	199,626	8,539
1-6600-77	5 Solar Panel Build	13,602	0	29,630	0	(29,630)	43,233
1-6600-78	6 STP Portable Generator Connection	3,173	0	6,827	0	(6,827)	10,000
1-6600-79	7 STP Potable Water Feed Pipeline Rehab	11,448	76	15,358	0	(15,358)	26,807
1-6600-80	8 Lake Aeration Upgrade	0	21,029	28,088	0	(28,088)	28,088
<b>TOTAL BUILDING, YARD, &amp; STP IMPROVEMENTS</b>		<b>\$217,228</b>	<b>\$25,977</b>	<b>\$324,604</b>	<b>\$568,000</b>	<b>\$243,396</b>	<b>\$541,832</b>
<b>4 STORAGE TANKS &amp; PUMP STATIONS</b>							
1-6112-24	a. Lynwood Pump Station Motor Control Center	\$36,416	\$306	\$306	\$265,000	\$264,694	\$36,722
1-6217-20	b. Pacheco Tank C12 Mixing System	70,691	0	17,513	30,000	12,487	88,204
1-6141-00	c. Crest Pump Station	0	1,945	6,903	0	(6,903)	6,903
1-6201-21	d. Atherton Recoat/Mixing System	0	4,324	4,324	0	(4,324)	4,324
<b>TOTAL STORAGE TANKS &amp; PUMP STATIONS</b>		<b>\$107,107</b>	<b>\$6,575</b>	<b>\$29,046</b>	<b>\$295,000</b>	<b>\$265,954</b>	<b>\$136,153</b>
<b>5 RECYCLED WATER</b>							
5-7127-00	a. NBWRA Grant Program Administration	\$556,658	\$0	\$313,422	\$325,000	\$11,578	\$870,080
5-6055-01	b. Expansion to North Svc Area-Non ARRA	66,918	0	44,050	0	(\$44,050)	110,968
5-6055-11	c. Expansion to North Svc Area-Seg 1 <sup>1,2</sup>	817,769	1,121	2,974	1,000,000	997,026	820,743
5-6055-12	d. Expansion to North Svc Area-Seg 2 <sup>1,2</sup>	1,587,533	0	803,358	0	(803,358)	2,390,891
5-6055-13	e. Expansion to North Svc Area-Seg 3 <sup>1,2</sup>	1,972,813	(1,121)	4,032	0	(4,032)	1,976,845
5-6055-14	f. Expansion to N Svc Area-Plum St Storage <sup>1,2</sup>	599,264	0	13,602	0	(13,602)	612,866
5-6055-20	g. RW Expansion N Svc Area-Retrofit-Private Property <sup>2</sup>	111,482	29,016	48,710	0	(48,710)	160,192
5-6055-21	h. RW Expansion N Svc Area-Retrofit-Gov't Property <sup>2</sup>	32,397	659	8,493	0	(8,493)	40,889
5-6055-22	i. RW Expansion N Svc Area-Onsite Retrofit-Const	8,692	0	239,630	0	(239,630)	248,322
5-6056-01	j. Expansion to South Svc Area-Non ARRA	1,309	0	611	0	(611)	1,920
5-6056-11	k. Expansion to South Svc Area-Phase 1A <sup>1,2</sup>	855,728	1,006	584,150	4,200,000	3,615,850	1,439,878
5-6056-12	l. Expansion to South Svc Area-Phase 1B <sup>1,2</sup>	1,481,933	17,442	2,381,856	0	(2,381,856)	3,863,789
5-6056-13	m. Expansion to South Svc Area-Phase 2 <sup>1,3</sup>	172,450	85,676	1,789,362	0	(1,789,362)	1,961,812

**NORTH MARIN WATER DISTRICT  
CAPITAL IMPROVEMENT PROJECTS  
PERIOD ENDING JUNE 30, 2013**

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Description		COST THRU	JUNE	FYTD	FY 12/13	(OVER)/UNDER	TOTAL
		JUNE 2012	2013	TOTAL	BUDGET	BUDGET	COST
5-6056-14	n. Expansion to South Svc Area-Bolling Circle PS	0	9,168	102,794	0	(102,794)	102,794
5-6056-15	o. Expansion to South Svc Area-Phase 1B-Claims	0	9,816	9,816	0	(9,816)	9,816
5-6056-20	p. RW Expansion S Svc Area-Retrofit-Private Property <sup>2,4</sup>	107,325	0	242,328	0	(242,328)	349,653
5-6056-21	q. RW Expansion S Svc Area-Retrofit-Gov't Property <sup>2</sup>	51,507	4,504	87,035	0	(87,035)	138,542
5-6057-00	r. RW Exp N/S Group 2 Site Retrofit	0	99,042	171,276	0	(171,276)	171,276
<b>TOTAL RECYCLED WATER</b>		<b>\$8,423,778</b>	<b>\$256,330</b>	<b>\$6,847,498</b>	<b>\$5,525,000</b>	<b>(\$1,322,498)</b>	<b>\$15,271,276</b>

**6 WEST MARIN WATER SYSTEM**

System Improvements:							
2-6601-32	a. TP Solids Handling & Land Acquisition <sup>7</sup>	\$109,655	\$2,262	\$73,607	\$400,000	\$326,393	\$183,261
2-6603-20	b. Pt. Reyes Well #3 Replacement	78,613	6,825	184,355	165,000	(19,355)	262,968
2-6603-21	c. Pt. Reyes Well #3 Rehab	15,415	0	0	0	0	15,415
2-6601-35	d. Treatment Plant Control Valve Replacement	0	0	6,104	75,000	68,896	6,104
2-6604-20	e. Gallagher Auxiliary Stream Gauge	0	0	299	30,000	29,701	299
2-6257-20	f. Tank Seismic Upgrades	6,647	1,458	19,377	0	(19,377)	26,023
2-6601-34	g. TP RTU Upgrade	0	4,100	24,432	0	(24,432)	24,432
2-7123-13	h. PB Rpl-County Paving-Balboa,Portola,Mesa, 2nd St	0	432	57,520	0	(57,520)	57,520
2-7087-01	i. Gallagher Well & Pipeline Design	0	374	14,631	0	(14,631)	14,631
<b>TOTAL WEST MARIN WATER SYSTEM</b>		<b>\$210,330</b>	<b>\$15,451</b>	<b>\$380,323</b>	<b>\$670,000</b>	<b>\$289,677</b>	<b>\$590,653</b>

**7 OCEANA MARIN SEWER SYSTEM**

8-8672-26	a. Infiltration Repair-FY13	\$0	\$0	\$6,932	\$15,000	\$8,068	\$6,932
8-7085-01	b. Tahiti Way Lift Pumps Rebuild	15,691	0	16,011	20,000	3,989	31,703
8-6001-20	c. Cross Country Sewer Line Rehab	33,181	3,761	198,892	275,000	76,108	232,074
8-6607-21	d. Treatment Pond Algae Control Device	0	0	0	10,000	10,000	0
<b>TOTAL OCEANA MARIN SEWER SYSTEM</b>		<b>\$48,873</b>	<b>\$3,761</b>	<b>\$221,836</b>	<b>\$320,000</b>	<b>\$98,164</b>	<b>\$270,708</b>

**TOTAL PROJECT EXPENDITURES**

<b>\$9,877,230</b>	<b>\$567,123</b>	<b>\$8,815,220</b>	<b>\$9,622,000</b>	<b>\$726,780</b>	<b>\$18,692,451</b>
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**8 LESS FUNDED BY GRANTS, LOANS & REIMBURSEMENTS**

<u>(Accrued)/Deferred</u>							
a.	RW Expansion - North Service Area Grant <sup>2</sup>	(\$377,574)	\$0	\$377,574	\$479,000	\$101,426	\$0
b.	RW - North Service Area Loan <sup>1</sup>	(1,625,949)	0	1,625,949	1,438,000	(187,949)	0
c.	RW Expansion - South Service Area Grant <sup>2,3,4</sup>	(309,088)	17,615	(651,803)	(64,000)	587,803	(960,891)
d.	RW - South Service Area Loan <sup>1</sup>	(1,882,584)	(77,339)	(3,454,355)	(193,000)	3,261,355	(5,336,939)
e.	MSN Aqueduct Caltrans Reimb-Segment B1-B3 <sup>5</sup>	(229,378)	(57,232)	27,707	0	(27,707)	(201,671)
f.	AEEP Segment B1-B3 <sup>5</sup>	6,406,475	(107,860)	(186,569)	(1,300,000)	(1,113,431)	6,219,906
g.	AEEP- B1 Construction <sup>6</sup>	0	(43,528)	(40,665)	0	40,665	(40,665)
h.	AEEP- B2 Construction <sup>6</sup>	0	0	(763)	0	763	(763)
i.	AEEP- B3 Construction <sup>6</sup>	0	0	(4,490)	0	4,490	(4,490)
j.	MSN Aqueduct Caltrans Reimb-Segment B2 Gunn Dr <sup>5</sup>	0	(100)	(7,597)	0	7,597	(7,597)
k.	AEEP B1 Betterment & Depreciation Cost	0	0	(103,188)	0	103,188	(103,188)
l.	TP Solids Handling & Land Acquisition <sup>7</sup>	699,323	(1,696)	(55,205)	(400,000)	(344,795)	644,118
<b>FUNDING BY OTHERS (ACCRUED)/DEFERRED</b>		<b>\$2,681,225</b>	<b>(\$270,140)</b>	<b>(\$2,473,404)</b>	<b>(\$40,000)</b>	<b>\$2,433,404</b>	<b>\$207,820</b>

**NORTH MARIN WATER DISTRICT  
CAPITAL IMPROVEMENT PROJECTS  
PERIOD ENDING JUNE 30, 2013**

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Description	COST THRU JUNE 2012	JUNE 2013	FYTD TOTAL	FY 12/13 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
<b>Received</b>						
a. RW Expansion - North Service Area Grant <sup>2</sup>	(\$838,088)	\$0	(\$700,411)	(\$735,000)	(\$34,589)	(\$1,538,499)
b. RW - North Service Area Loan <sup>1</sup>	(2,105,041)	0	(2,259,294)	(2,182,000)	77,294	(4,364,335)
c. RW Expansion - South Service Area Grant <sup>2,3,4</sup>	(244,656)	0	(786,130)	(1,306,000)	(519,870)	(1,030,785)
d. RW - South Service Area Loan <sup>1</sup>	0	(1,007,890)	(2,005,890)	(2,637,000)	(631,110)	(2,005,890)
e. MSN Aqueduct Caltrans Reimb-Segment B1-B3 <sup>5</sup>	0	0	0	0	0	0
f. AEEP Segment B1-B3 <sup>5</sup>	(7,000,000)	0	(123,441)	0	123,441	(7,123,441)
g. AEEP- B1 Construction <sup>6</sup>	0	0	(26,584)	0	26,584	(26,584)
h. AEEP- B2 Construction <sup>6</sup>	0	0	0	0	0	0
i. AEEP- B3 Construction <sup>6</sup>	0	0	0	0	0	0
j. MSN Aqueduct Caltrans Reimb-Segment B2 Gunn Dr <sup>5</sup>	0	0	0	0	0	0
k. TP Solids Handling & Land Acquisition <sup>7</sup>	(781,564)	0	0	0	0	(781,564)
<b>FUNDING BY OTHERS RECEIVED</b>	<b>(\$10,969,349)</b>	<b>(\$1,007,890)</b>	<b>(\$5,901,750)</b>	<b>(\$6,860,000)</b>	<b>(\$958,250)</b>	<b>(\$16,871,099)</b>
<b>NET PROJECT EXPENDITURES</b>	<b>\$1,589,106</b>	<b>(\$710,907)</b>	<b>\$440,066</b>	<b>\$2,722,000</b>	<b>\$2,201,934</b>	<b>\$2,029,173</b>

<u>CIP SUMMARY-GROSS EXPENDITURES:</u>	Current Month	FYTD Total	FY 12/13 Budget	FYTD/ Budget%
Novato Water Capital Projects	\$291,581	\$1,365,564	\$3,107,000	44%
Novato Recycled Water Capital Projects	256,330	6,847,498	5,525,000	124%
West Marin Water Capital Projects	15,451	380,323	670,000	57%
Oceana Marin Sewer Capital Projects	3,761	221,836	320,000	69%
<b>Gross Capital Improvement Project Outlays</b>	<b>\$567,123</b>	<b>\$8,815,221</b>	<b>\$9,622,000</b>	<b>92%</b>

<u>CIP SUMMARY-NET EXPENDITURES:</u>	Current Month	FYTD Total	FY 12/13 Budget	FYTD/ Budget%
Novato Water Capital Projects	\$82,861	\$899,973	\$1,807,000	50%
Novato Recycled Water Capital Projects	(811,284)	(1,006,860)	325,000	-310%
West Marin Water Capital Projects	13,755	325,118	270,000	120%
Oceana Marin Sewer Capital Projects	3,761	221,836	320,000	69%
<b>Net Capital Improvement Project Outlays</b>	<b>(\$710,907)</b>	<b>\$440,066</b>	<b>\$2,722,000</b>	<b>16%</b>

**Notes to Capital Improvement Projects Schedule:**

- (1) Non-Grant Funded RWS Expansion Costs will be funded by a low-interest rate State Revolving Fund Loan equal to 75% of the project cost, less 25% of the overhead.
- (2) The District will receive ARRA Federal Grant Funding equal to 25% of the project cost less overhead.
- (3) The District will receive Watersmart Federal Grant Funding equal to 25% of the project cost, less overhead.
- (4) The District will receive State Prop 84 Grant Funding equal to project cost less overhead.
- (5) The District anticipates receiving reimbursement from Caltrans for 100% of costs charged to jobs 1.7118.01-1.7118.03, & 1.7118.10.
- (6) The District anticipates receiving partial reimbursement from Caltrans for costs charged to jobs 1.7118.07-1.7118.09.
- (7) Funding provided 75% by Bank of Marin Loan & 25% by connection fees.



## North Marin Water District Financial Statement Notes

### Note 1 - Restricted Cash

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

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

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

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

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

**Retiree Medical Benefits Fund:** 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 service at the date of retirement. NMWD's contribution toward the chosen plan is capped in the same manner as all other NMWD employees in the same class. Coverage terminates for the spouse when the spouse becomes eligible for Medicare, or for both the retiree and spouse when the retiree becomes eligible for Medicare. When the retiree or spouse becomes eligible for Medicare, NMWD pays up to the couple annuitant rate, which is capped at \$3,830 per year (\$319/month). In August 2003, NMWD transferred \$2.55 million (\$2.3 million for current retirees plus \$250,000 for future retirees) from unrestricted cash into a reserve to fund this obligation. In 2010 the Board directed staff to add \$1,500 per employee annually as a payroll overhead to accrue and accelerate amortization of this liability. In 2013 an Actuarial Analysis calculated NMWD's total actuarial liability at \$4.2 million. This reserve fund earns interest monthly, and currently has a balance of \$3.2 million. Accounting Standards require that the \$4.2M reserve be fully funded in 20 years.

**RWF Replacement Fund:** The State Revolving Fund (SRF) loan agreement required the District to agree to establish and maintain a Water Recycling Capital Reserve Fund (WRCRF) for the expansion, major repair, or replacement of the water recycling facilities. The WRCRF is maintained in compliance with the "Policy for Implementing the State Revolving fund for Construction of Wastewater Treatment Facilities" in effect at the time the agreement was signed by the District. The September 2003 Recycled Water Master Plan prepared by Nute Engineering recommended limiting the reserve to fund replacement of the RWF electrical and mechanical equipment (including transmission pumps) as they wear out. The cost of said equipment was

\$1,483,000 which, at Nute's recommended 6% interest rate factor and 25-year life, renders an annual funding requirement \$115,000. The fund balance accrues interest monthly.

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

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

**Recycled Water SRF Loan 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.

## **Note 2 - Designated Cash**

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

**Self-Insured Workers' Compensation Fund:** Commencing July 2011, the District began self-insuring its workers' compensation liability. The savings accrued through self-insuring the liability is reserved in this fund for possible future claims expense. The District carries a workers' compensation excess policy for claims that exceed \$750,000. See schedule on page 22.

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

**Maintenance Accrual Fund:** Established in FY91 to provide a source of maintenance money for replacement of treatment, storage, transmission and distribution facilities as they wear out. The annual contribution from operating reserves was initially \$200,000. Net polybutylene claim settlement proceeds of \$671,060 were closed into the fund in FY 93. In FY 94 the annual contribution was reduced to \$100,000. The District's goal is to build a reserve equal to 10% of the net book value of Novato's existing plant, currently \$6.8M. Funds are borrowed from the Maintenance Accrual Fund to offset the shortfall in unrestricted Cash & Investments. The fund balance does not accrue interest.

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

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

**Note 3 – Employee Loans**

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

**Housing Loan Impairment:** The Employer Assisted Housing Loans outstanding were written down by \$110,000 at June 30, 2013, representing the impairment in value of the second deeds of trust due to the decline in market value of the homes financed since the purchase date.

**Personal Computer Loans:** Up to \$3,500 may be loaned to an employee for a period of up to 36 months under the District’s Personal Computer Loan Program. Loans are repaid with interest at the rate earned on the District’s investment portfolio at the time of the loan plus one percent. Currently there are 3 employee loans outstanding totaling \$2,140.

**Note 4 – Purchased Water Capital Component**

In 2003 the Sonoma County Water Agency issued \$6.8 million in 30-year 4.75% revenue bonds to finance the Wohler to Forestville pipeline. That same year the Agency received a \$15.8 million 2.8% 20-year State Revolving Fund loan to finance construction of Collector #6. For these two projects the District pays the Agency a debt amortization surcharge incorporated into its purchased water cost. The FY13 Purchased Water Capital Cost Component is \$225,000, which is the District’s share of the annual debt service for these projects, and is paid as a \$114.83/MG surcharge, based on budgeted water deliveries. The Purchased Water Capital Component is funded from Restricted Cash Reserves established to amortize this debt (see Note 1 - Wohler Pipeline and Collector #6 Financing Funds).

**Note 5 – Depreciation**

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

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

**Note 6 - Capitalization Policy**

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

**Note 7 – Bond & Loan Servicing Schedule for Fiscal Year 2012-2013**

Service Area	Description	Issue Date	Rate	Original Amount	Payment Due	Final Pmt	FY13		6/30/13 Outstanding Balance
							Interest	Principal	
1 Novato	EDA Loan	1977	5.0%	\$351,770	7/1	7/1/17	\$4,681	\$13,743	\$79,874
2 Novato	SRF Loan - STP	2004	2.39%	\$16,528,850	7/1 & 1/1	7/1/29	\$342,895	\$701,580	\$13,819,824
3 Novato	Bank of Marin Loan	2011	3.54%	\$7,000,000	27 <sup>th</sup> /mo	10/27/31	\$228,999	\$253,043	\$6,521,787
							\$576,575	\$968,366	\$20,421,485
4 RWF	SRF Loan	2006	2.4%	\$4,302,560	6/19	6/19/27	\$81,833	\$191,534	\$3,218,157
5 RW N&S	SRF Loans	2013	2.6%	\$2,385,873	Varies	Varies	\$49,509	\$104,781	\$2,290,343
6 Point Reyes	PR-3 GO	1973	5.0%	\$250,000	1/1	1/1/13	\$700	\$14,000	\$0
7 Olema	OL-2 GO	1975	5.0%	\$70,000	1/1	1/1/15	\$562	\$3,552	\$7,652
8 Point Reyes	EDA Loan	1977	5.0%	\$46,000	7/1	7/1/17	\$662	\$2,041	\$11,201
9 PRE	PRE-1 Revenue	1980	5.0%	\$240,000	10/1 & 4/1	4/1/20	\$4,600	\$10,000	\$83,000
10 Point Reyes	PR-6 Revenue	1981	5.0%	\$217,800	7/1 & 1/1	7/1/21	\$4,600	\$8,000	\$84,000
11 West Marin	Bank of Marin Loan	2012	3.54%	\$1,000,000	27 <sup>th</sup> /mo	10/27/31	\$33,614	\$37,144	\$962,856
							\$44,738	\$74,737	\$1,148,709
Total							\$752,655	\$1,339,418	\$27,078,694

1. In 1977 the Federal Economic Development Administration issued a 40-year 5% loan of \$351,770 to assist in the funding emergency Novato Water system projects in response to the drought.
2. In April 2004 the California State Department of Water Resources approved a 2.39% 20-year loan for reconstruction of the Stafford Water Treatment Plant. The project was completed in FY09 with repair of the Outlet Tower Sluice Gate. Interest paid during construction totaled \$1,636,378. The loan covenants require an annual reserve fund contribution of \$104,447 (10% of the annual debt service obligation) be deposited into the Marin County Treasury during each of the first ten years of the repayment period. Debt service is funded 25% by Facility Reserve Charges.
3. In October 2011 Bank of Marin made a 20-year 3.54%(APR) loan of \$8 million to fund the District's share of the Aqueduct Energy Efficiency Project. See Note 16, and note to loan 10 below.
4. In August 2006 the California State Department of Water Resources approved a 2.4% 20-year loan of \$4,264,545 for construction of the Deer Island Recycled Water Facility. The project was completed in June 2007, and the first payment was made June 19, 2008.

5. In November of 1970, by a 70% "yes" vote, voters approved the formation of the PR-3 improvement district and a bonded indebtedness of \$250,000 to acquire and improve the Inverness Park and Point Reyes Water Companies. On 9/5/73 the bond issue was purchased in its entirety by the U.S. Department of Agriculture, Farmers Home Administration Rural Development Administration, on a 5%, 40-year payback basis. System upgrades included replacement of a major portion of the distribution facilities, installation of a treatment plant, addition of a 100,000-gallon storage tank in Point Reyes Station and connection of the Inverness Park System to the Point Reyes Station water source (Lagunitas Creek).
6. In June 1973, after petition and creation of an improvement district (OL-1) for the investigation of water service to Olema and the Point Reyes National Seashore Headquarters, Olema voters, by a 92% "yes" vote, approved formation of an improvement district (OL-2) and a bonded debt of \$70,000 to acquire and improve the Olema Water Company owned by W. Robert Phillips and others and to service that area. The Farmers Home Administration purchased the 1975 bond issue in its entirety. On 6/1/91, at the demand of the FHA, the Novato Water District repurchased the remaining \$56,760 balance in the Olema bond debt. The interest rate paid to Novato Water on the OL-2 bond was thereafter reset to the higher of the rate earned by the District treasury or the stated rate of 5%.
7. In 1977 the Federal Economic Development Administration issued a 40-year 5% loan of \$46,000 to assist in the funding emergency West Marin Water system projects, including temporary diversions from Bear Valley Creek and Lagunitas Creek in response to the drought.
8. The Paradise Ranch Estates private water system was created by David Adams and Sons in 1952 to provide water to 85 homes in the PRE subdivision located north of Inverness Park. Problems with water quality and quantity developed and in 1969 the Marin County Health Department issued a boil-water order to all customers of the company. In 1972 the County declared a moratorium on issuance of building permits. A suit by property owners resulted in an agreement reached in Marin Superior Court in late 1978 directing Adams to finance a District feasibility study for the takeover of the system. This culminated in formation of Improvement District PRE-1 and an election authorizing issue of \$240,000 of 5% 40-year revenue bonds, which, in conjunction with a \$720,000 Farmers Home Administration grant, financed system rehabilitation. Service was provided from the Point Reyes System by installation of an additional well, expansion of the treatment plant, and a 6-inch pipeline connection at the Inverness Park pump station extending 1.6 miles along Sir Francis Drake Boulevard to the newly reconstructed Paradise Ranch Estates distribution system. On 4/22/80 the USDA purchased the revenue bond issue in its entirety.
9. In 1981 work commenced on rehabilitating the Point Reyes Inverness Park water system. 18,865 feet of pipeline was either replaced or installed, a 300,000-gallon tank was added in Point Reyes Station and a 100,000-gallon tank was added in Inverness Park. Total cost of these improvements was \$820,015. A 72% grant combined with a \$217,800 5% 40-year revenue bond acquired 8/28/81 by the Farmers Home Administration financed the project.
10. In June 2012 the Board authorized reallocating \$1 million of the Bank of Marin loan to West Marin Water to repay Novato Water \$223,000 owed for loans to fund Long Range Improvement Projects and the remainder to fund the Solids Handling Facility at the Point Reyes Water Treatment Plant. See note to loan 3 above.

#### **Note 8 – Unemployment Insurance Reserve**

NMWD uses the "Reimbursable Method" of paying for Unemployment Costs. Under this method, the District reimburses the State Employment Development Department for all unemployment benefits paid on our behalf. The reserve is maintained at an amount equal to the higher of the average claim amount paid over the last 5 years or 52 times the maximum weekly benefit amount (currently \$450 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 (2.8% at 6/30/12); or 2. The average interest rate earned on the District treasury since the close of the previous accounting period; plus \$50 per month.

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

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

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

NMWD participates in the CalPERS 2.5% at age 55 retirement plan. Per CalPERS Actuarial Valuation as of June 30, 2011 (most recent data available) NMWD had an accrued liability of \$33.3 million and assets valued on an actuarial basis at \$26.5 million, rendering an unfunded liability of \$6.8 million (\$33.3 - \$26.5), and a funded ratio of 79.6% ( $\$26.5 / \$33.3$ ). Using the market value of assets at June 30, 2011, the funded ratio was 71.3%.

In 2003 when NMWD was included in a CalPERS pool of agencies with less than 100 employees, a "side fund" was created by CalPERS to account for the difference between the funded status of the pool and the funded status of NMWD's plan. NMWD is amortizing the CalPERS side fund (\$2.3 M of the \$6.8M unfunded liability at June 30, 2011) on a schedule to be paid off in 2025.

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

The District's financial statement is comprised of four components: 1) Statement of Net 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 15 –Connection Fee Transfers from Novato Water To Recycled Water**

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

	<u>Expansion Local Share</u>		<u>NBWRA</u>	<u>SRF RWF Loan</u>	<u>Expansion SRF Loan</u>	<u>TOTAL</u>	<u>Transfer Executed</u>
	<u>North</u>	<u>South</u>					
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
	<b>\$367,137</b>	<b>\$265,500</b>	<b>\$870,081</b>	<b>\$136,769</b>	<b>\$464,572</b>	<b>\$2,104,059</b>	<b>\$2,104,059</b>

**Note 16 –Debt Service Coverage Ratio**

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

	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
Net Income/(Loss)	(\$3,616,979)	(\$1,156,582)	(\$217,163)	\$2,055,086
Depreciation	\$2,659,884	\$2,660,418	\$2,726,598	\$2,784,670
Interest Expense	\$694,044	\$710,416	\$654,484	\$778,896
Connection Fees	\$1,796,028	\$387,610	\$1,005,680	\$876,350
Total Available For Debt Service	\$1,532,977	\$2,601,862	\$4,169,599	\$6,495,002
Annual Debt Service	\$1,384,506	\$1,385,156	\$1,770,894	\$2,118,314
<b>Debt Service Coverage Ratio</b>	<b>1.11</b>	<b>1.88</b>	<b>2.35</b>	<b>3.07</b>

<b>Bank of Marin Debt Service Coverage Calculation<sup>1</sup></b>	<b>FY13</b>	<b>FY13 Budgeted</b>
Change in Net Assets <sup>2</sup>	\$5,054,031	\$3,749,000
Interest Expense	\$778,896	\$828,000
Depreciation & Amortization	\$2,784,670	\$2,719,000
Total Available for Debt Service	\$11,616,542	\$7,296,000
Bank of Marin Annual Debt Service	\$552,800	\$552,800
<b>Bank of Marin Coverage Ratio</b>	<b>21.01</b>	<b>13.20</b>

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

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

<sup>2</sup> See page 9



6

MEMORANDUM

To: Board of Directors

August 2, 2013

From: Chris DeGabriele, General Manager *CD*

Subject: Marin LAFCO Special District Alternate Member Election Ballots  
l:\gm\lafco\lafco election\election bod memo 072913.doc

RECOMMENDED ACTION: Board vote for Marin LAFCO Special District Alternate Member  
FINANCIAL IMPACT: None

Attached is a memo from Marin LAFCO and ballot to vote for the Local Agency Formation Commission (LAFCO) Special District Representative alternate member. At the June 4, 2013 meeting, the Board nominated Director Jack Baker for the alternate member position. Ballots require "ranked" voting (1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> choices) to enable an instant run-off and must be returned by September 25, 2013.

RECOMMENDATION:

Board vote for Marin LAFCO Special District Alternate Member in following ranking:

1. Jack Baker
2. Russ Greenfield

Approved by GM *CD*

Date *8/2/2013*

DATE: July 25, 2013  
TO: Presiding Officers, Marin Independent Special Districts  
FROM: Candice Bozzard, Clerk to the Commission  
RE: Election for LAFCO Alternate Special District Member

RECEIVED  
JUL 23 2013  
North Marin Water District

The nomination period for the alternate special district member election to the Marin Local Agency Formation Commission closed on July 24, 2013. A mail ballot election must be held to select a LAFCO alternate special district member for the vacant seat previously held by Craig K. Murray. The new member will serve the remainder of Mr. Murray's unexpired term ending in May 2015. The nominees for alternate member are Lew Kious of Almonte Sanitary District, Jack Baker of North Marin Water District, Russ Greenfield of Las Gallinas Valley Sanitary District and Mary Sylla of Ross Valley Sanitary District.

Attached is a copy of the approved policy and procedures for Special District Member selection. Also enclosed are the ballot and candidate qualification forms for participation in the selection process. As described in item 7 of the adopted procedures, please rank your first, second and third choices on the ballot form to enable an "instant runoff," if necessary. In elections where there are more than two nominees your ranking of second and third choices are required for use in the instant runoff process. If ballots are received without rankings for first, second and third choices the ballot will be deemed invalid.

#### Selection Schedule

The final date the LAFCO office will receive ballots will be **5:00pm on Wednesday, September 25, 2013**. Ballots will be accepted by postal mail, fax to (415) 446-4410 or electronically to [staff@marinlafco.org](mailto:staff@marinlafco.org). The newly-elected alternate special district member's term of office will begin immediately following the results of the election.

If your district has questions or comments, please contact the Marin LAFCO office at (415) 446-4409.

*Chairperson:* Jeffrey Blanchfield  
*Members:* Susan Adams, Judy Arnold, Barbara Heller, Carla Condon, Craig K. Murray, Dennis J. Rodoni,  
*Alternates:* Christopher Burdick, Kathrin Sears, Herb Weiner  
*Executive Officer:* Peter V. Banning

## *Marin Local Agency Formation Commission*

555 Northgate Drive, Suite. 230 • San Rafael, California 94903  
Telephone (415) 446-4409 • Facsimile (415) 446-4410 • Email [staff@marinlafco.org](mailto:staff@marinlafco.org)  
Website <http://lafco.marin.org>

## Special District Member Selection

Government Code §56332(c)(1) provides for selection of regular and alternate special district LAFCO members by a mail ballot process when the Executive Officer determines that a meeting of the special district selection committee is not feasible. Meetings of the Marin County Special District Selection Committee have previously failed to reach a quorum, indicating the infeasibility of Selection Committee meetings.

It is the policy of Marin Local Agency Formation Commission to conduct selection proceedings of regular and alternate special district members by a mail ballot process.

### Procedure for Special District Member Selection

1. The Executive Officer shall initiate the mail ballot selection process for special district members 180 days prior to the expiration of the term of a special district member or immediately upon notification that the service of a special district member on LAFCO will end prior to the expiration of his or her term.
2. The Executive Officer shall initiate the mail ballot process by distributing to each independent special district a call for nominations, including a schedule of the selection process and a copy of this policy. Nominations must be submitted in writing by special district governing boards within 60 days of the date of the call for nominations. The submittal of a nomination must include a statement of the candidate's qualifications.
3. Within five working days of the close of the nomination period, the Executive Officer shall distribute by certified mail one ballot to each independent special districts. The distribution of ballots shall include a statement of qualifications for each candidate on the ballot.
4. Ballots may be submitted by mail or facsimile or electronically within 60 days of distribution of the ballots.
5. A majority of independent special district must cast ballots in order to select a special district member. Selection shall be made by majority of votes cast and a majority of independent special districts in Marin County.
6. Ballots cast by each special district must bear the signature of the district's presiding officer. If the presiding officer is unavailable, the district board may authorize another member of the board to cast the district's vote. Ballots may be returned to the LAFCO office by mail or by facsimile or electronically.
7. All ballots and other records of each selection process shall be retained in the LAFCO office for at least four years and shall be available for public inspection.

When more than two candidates are nominated, the ballot form shall provide for selection by majority of votes cast through an "instant runoff" as follows:

- a) Each district casting a vote shall rank the candidates in order of their preference. District boards would simply indicate a "1" next to their first choice, a "2" next to their second choice, a "3" next to their third choice etc.
- b) In counting the votes by the Executive Officer, all first choice votes are counted. If any candidate receives over 50 percent of the first choice votes, that candidate is selected as special district member.
- c) If no candidate receives a majority, then the candidate with the fewest "1" votes is eliminated. The ballots of the supporters of the eliminated candidate are then transferred to whichever of the remaining candidates they marked for their second choice. This process shall be continued until one candidate receives a majority and is selected as special district member.

**Vacancy of Special District Member:** Should a vacancy occur during a special district member's term of office, a new appointment shall be made for the unexpired term of the special district member. The Commission may:

- a) Direct the Executive Officer to initiate the mail ballot process for appointment of a new member for the un-expired term; or
- b) Appoint the alternate special district member to serve as regular public member for the remainder of the regular member's term of office.

### Alternate Commissioners

Alternate members for county, city, special district and public members of the Commission shall be selected using the same procedures and selection criteria used for regular members. Alternate members shall serve and vote on the Commission in the event of absence or disqualification of the regular member.

BALLOT FORM

MARIN LAFCO AGENCY FORMATION COMMISSION

ALTERNATE SPECIAL DISTRICT REPRESENTATIVE

Purpose of Election: Selection of **Alternate Special District Member** to serve until May 2015. Seat currently left vacant.

Voting Procedure: Vote shall be one per district. Ballot may be signed by the District Presiding Officer or a designee appointed by the Board of the District.

**CHOICE OF CANDIDATES:**

(Please indicate first, second and third choice to enable an "instant runoff" if necessary.)

- \_\_\_\_\_ Jack Baker - North Marin Water District
- \_\_\_\_\_ Russ Greenfield - Las Gallinas Valley Sanitary District
- \_\_\_\_\_ Lew Kious - Almonte Sanitary District
- \_\_\_\_\_ Mary Sylla - Ross Valley Sanitary District

---

District

Signature

RETURN FORM TO MARIN LAFCO AFTER THE DISTRICT'S VOTE,  
NO LATER THAN SEPTEMBER 25, 2013

Ballot may be transmitted by facsimile to (415) 446-4410 or  
Emailed to [staff@marinlafco.org](mailto:staff@marinlafco.org)

MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINATION FORM

ALTERNATE SPECIAL DISTRICT MEMBER

Name of District: North Marin Water District

X 1. Board voted to nominate the following current member of its own or another independent special district.

\*Name of Nominee: John (Jack) Baker

\*District of Nominee: North Marin Water District

       2. Board did not act.

\*Attach completed qualification form.

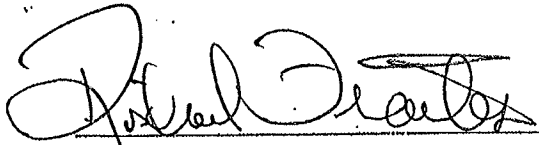
BOARD ACTION:

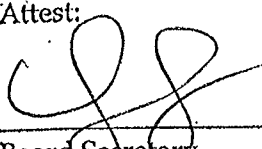
Ayes: Directors Baker, Fraites, Petterle, Schoonover & Rodoni

Noes:

Absent:

Abstain:

  
Board President

Attest:  
  
Board Secretary

Date: 6/19/13

**MUST BE RETURNED TO LAFCO BY JULY 24, 2013.**  
Forms may be faxed to (415) 446-4410 or emailed to [staff@marinlafco.org](mailto:staff@marinlafco.org).

MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINEE QUALIFICATIONS

ALTERNATE SPECIAL DISTRICT MEMBER

Nominated for: Alternate Special District Representative

Name: John (Jack) Baker

Name of Special District: North Marin Water District

Telephone: (Home) (415) 382-3332

(Work) \_\_\_\_\_

Email Address: jckbaker@gmail.com

Home Address:

425 Corte Norte

Novato, CA 94949

Employer's Name and Address:

Present Occupation: Registered Civil Engineer (Retired)

➤ Summary of Qualifications for Position:

- Over 40 years of engineering experience (6 1/2 with the State of California, 35+ years with County of Marin) with design and construction of public facilities.
- Served one term as Director for Novato Sanitary District (1978 - 1982).

➤ Reasons for Applying:

During the course of employment with County of Marin Department of Public Works (DPW) I have had frequent interactions with Marin County Special Districts as well as the eleven municipalities. Familiarity with these entities and their respective services and jurisdictions would enable me to effectively contribute as a member of the LAFCO decision making process.

➤ Please list any organizations of which you are an officer or an employee:

North Marin Water District (Director) 1983 - Present.

Please return to: Marin LAFCO  
555 Northgate Drive, Suite 230  
San Rafael, CA 94903  
Fax: (415) 446-4410  
Email: staff@marilafco.org

\*Additional information may be attached.

MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINATION FORM

ALTERNATE SPECIAL DISTRICT MEMBER

Name of District: Las Gallinas Valley Sanitary District

1. Board voted to nominate the following current member of its own or another independent special district.

\*Name of Nominee: Ross Greenfield

\*District of Nominee: Las Gallinas Valley Sanitary District

2. Board did not act.

\*Attach completed qualification form.

BOARD ACTION:

Ayes: Clark, Elias, Greenfield, Murray, Schrieber

Noes: None

Absent: None

Abstain: None

Megan Clark  
Board President

Attest:

Carol A. [Signature]  
Board Secretary

Date: 7/11/2013

**MUST BE RETURNED TO LAFCO BY JULY 24, 2013.**  
Forms may be faxed to (415) 446-4410 or emailed to [staff@marinlafco.org](mailto:staff@marinlafco.org).



MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINEE QUALIFICATIONS

ALTERNATE SPECIAL DISTRICT MEMBER

Nominated for: Alternate Special District Representative

Name: Russ Greenfield

Name of Special District: Las Gallinas Valley Sanitary District

Telephone: (Home) 415 578 2580 (Work) \_\_\_\_\_

Email Address: rgmxman@gmail.com rgreenfield@LGVSD.org

Home Address:

Employer's Name and Address:

104 MABRY WAY  
SAN RAFAEL CA 94903

Present Occupation: retired \* 34 Years Rus Valley Sanitary Dist.

> Summary of Qualifications for Position:

see attached sheet

> Reasons for Applying:

see attached sheet

> Please list any organizations of which you are an officer or an employee:

see attached sheet

Please return to: Marin LAFCO  
555 Northgate Drive, Suite 230  
San Rafael, CA 94903  
Fax: (415) 446-4410  
Email: staff@marilafco.org

\*Additional information may be attached.

Marin Local Agency Formation Commission

Nominee Qualifications

Alternate Special District Member

Summary of Qualifications for Position:

Longtime Marin County resident

Novato High 1967 College of Marin 1969 Sonoma State 1970

Married with two grown children 42 years

34 year career in wastewater - Ross Valley Sanitary District -

Reasons for Applying:

Marin County is a wonderful place to live. I want to keep it that way. My ability to apply common sense and use practical methods without causing political strife will help produce good results. I believe in teamwork and use good listening habits in order accomplish goals and tasks. I work well with others.

Please list any organizations of which you are an officer or employee:

Las Gallinas Valley Sanitary District - Director - 12 years

Santa Venetia Neighborhood Association Board member - 6 years

Marin County Hazardous and Solid Waste JPA Task Force - 3 years

Gallinas Watershed Council - founding member - 5 years

MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINATION FORM

ALTERNATE SPECIAL DISTRICT MEMBER

Name of District: ALMONTE

1. Board voted to nominate the following current member of its own or another independent special district.

\*Name of Nominee: Lew KIOUS

\*District of Nominee: ALMONTE

2. Board did not act.

\*Attach completed qualification form.

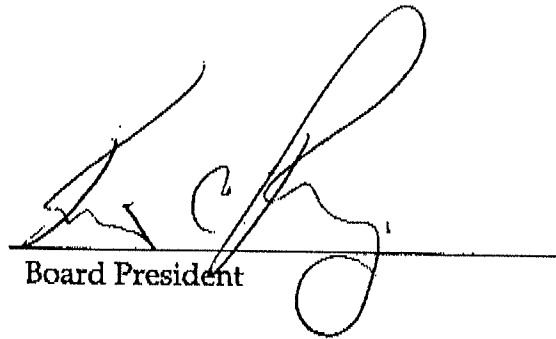
BOARD ACTION:

Ayes: 3

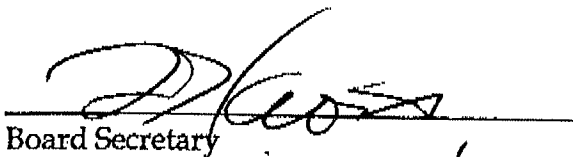
Noes: 0

Absent: 1

Abstain:

  
Board President

Attest:

  
Board Secretary

Date: 7/24/12

**MUST BE RETURNED TO LAFCO BY JULY 24, 2013.**  
Forms may be faxed to (415) 446-4410 or emailed to [staff@marinlafco.org](mailto:staff@marinlafco.org).

MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINATION FORM

ALTERNATE SPECIAL DISTRICT MEMBER

Name of District: Alto Sanitary District

\_\_\_\_ 1. Board voted to nominate the following current member of its own or another independent special district.

\*Name of Nominee: Lew Adams

\*District of Nominee: \_\_\_\_\_

\_\_\_\_ 2. Board did not act.

\*Attach completed qualification form.

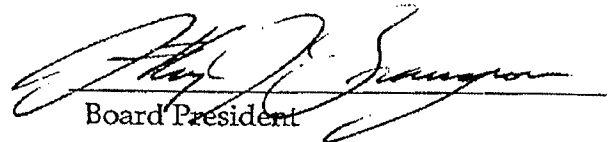
BOARD ACTION:

Ayes: 5

Noes: 0

Absent: 0

Abstain: 0

  
Board President

Attest:

Joyce Miles  
Board Secretary

Date: 06/26/13

**MUST BE RETURNED TO LAFCO BY JULY 24, 2013.**  
Forms may be faxed to (415) 446-4410 or emailed to [staff@marinlafco.org](mailto:staff@marinlafco.org).

MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINATION FORM

ALTERNATE SPECIAL DISTRICT MEMBER

Name of District: Homestead Valley Sanitary District

\_\_\_\_ 1. Board voted to nominate the following current member of its own or another independent special district.

\*Name of Nominee: Lew Knowles

\*District of Nominee: \_\_\_\_\_

\_\_\_\_ 2. Board did not act.

\*Attach completed qualification form.

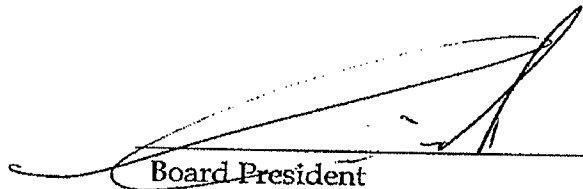
BOARD ACTION:

Ayes: 4

Noes: Ø

Absent: 1

Abstain: Ø

  
Board President

Attest:

Burnett Tregning  
Board Secretary

Date: 6/25/13

**MUST BE RETURNED TO LAFCO BY JULY 24, 2013.**  
Forms may be faxed to (415) 446-4410 or emailed to [staff@marinlafco.org](mailto:staff@marinlafco.org).

MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINATION FORM

ALTERNATE SPECIAL DISTRICT MEMBER

Name of District: Richardson Bay Sanitary District

X 1. Board voted to nominate the following current member of its own or another independent special district.

\*Name of Nominee: Lew Kious

\*District of Nominee: Almonte Sanitary District

       2. Board did not act.

\*Attach completed qualification form.

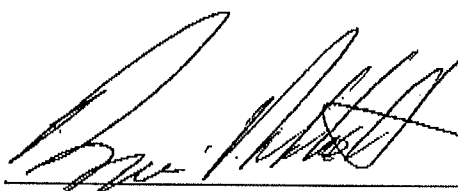
BOARD ACTION:

Ayes: Abbott, Benvenuti, Morphey and Sotel

Noes: None

Absent: Kosciusko

Abstain: None



Board President

Attest:

Edward Sotel  
Board Secretary

Date: July 16, 2013

**MUST BE RETURNED TO LAFCO BY JULY 24, 2013.**  
Forms may be faxed to (415) 446-4410 or emailed to [staff@marinlafco.org](mailto:staff@marinlafco.org).

**MARIN LOCAL AGENCY FORMATION COMMISSION**

**NOMINEE QUALIFICATIONS**

**ALTERNATE SPECIAL DISTRICT MEMBER**

Nominated for: Alternate Special District Representative

Name: Lew Kiou

Name of Special District: Almonte Sanitary District

Telephone: (Home) 415-383-8570 (Work) 707-773-3373

Email Address: LDKiou@sbcglobal.net

Home Address:  
233 Princeton Avenue  
Mill Valley, CA 94941

Employer's Name and Address:  
VerTek International  
1260 Holm Rd., Ste. A, Petaluma, CA 94954

Present Occupation: Sales Manager

➤ **Summary of Qualifications for Position:**

See Attached Sheet

➤ **Reasons for Applying:**

See Attached Sheet

➤ **Please list any organizations of which you are an officer or an employee:**

See Attached Sheet

Please return to: **Marin LAFCO**  
555 Northgate Drive, Suite 230  
San Rafael, CA 94903  
Fax: (415) 446-4410  
Email: [staff@marilafco.org](mailto:staff@marilafco.org)

\*Additional information may be attached.

Marin Local Area Formation CommissionNominee QualificationsAlternate Special District Member

## Summary of qualifications for Position:

- Current President of Board of Commissioners for Sewerage Agency of Southern Marin (SASM). In this position, I am focused on the responsible management of SASM's resources to meet the needs of its constituents (residents). My approach to this role is to seek the responsible input from all parties and then support SASM's Board and the Agency toward taking meaningful steps forward. I directly negotiated an extension of the Operations and Management Agreement with the City of Mill Valley, by which Mill Valley operates the water treatment plant on behalf of SASM.
- Current Secretary/Treasurer and Board member of Almonte Sanitary District. I implemented the District's website and expanded and improved our outbound communication. I worked to update and automate our District's operations, such as the digitizing of the District's maps and sewer system records. I have consistently pursued a policy of fiscal conservatism to maintain low, and responsible, rates for our residents.
- Resident of Mill Valley for 30+ years. Lifelong Bay Area resident.
- Frequent speaker before the Board of Marin LAFCO.
- Successful businessman with experience in achieving consensus and getting results.

## Reasons for Applying:

- LAFCO currently has no representative from Southern Marin. I believe that with my addition to LAFCO, I will be a strong representative from Southern Marin, and I believe that this representation is critical and vitally important.
- I have seen Marin LAFCO in action, and am aware of its potential value to Marin residents. I am also aware of the challenge to keep LAFCO focused on beneficial actions, as opposed to actions that may be viewed by its Board as a legislative mandate. I believe that I can help to maintain that balance to the benefit of all of Marin.
- My basic philosophy toward LAFCO issues will be to give the greatest weight to those who are most-affected.
- I have worked with LAFCO's staff and Board and believe I can develop good relationships within LAFCO to immediately provide positive results.
- I believe I have the perspective, experience, and knowledge to provide value as a member of LAFCO, and to provide value to Marin residents, and the Special Districts of Marin.

## Please list any organizations of which you are an officer or an employee:

- Secretary/Treasurer- Almonte Sanitary District
- Board Member- Almonte Sanitary District
- President of Board of Commissioners- Sewerage Agency of Southern Marin (SASM)

## Endorsed by:

- Andy Berman: Mayor- City of Mill Valley
- Cathy Benediktsson: President- Sanitary District #5 (Tiburon)
- Bruce Abbott: President- Richardson Bay Sanitary District
- Kevin Reilly: President- Almonte Sanitary District
- Einar Asbo: President- Homestead Valley Sanitary District and former LAFCO Commissioner
- Steffen Bartschat: Past President, and current Vice President- Tamalpais Community Services District



MARIN LOCAL AGENCY FORMATION COMMISSION

NOMINATION FORM

ALTERNATE SPECIAL DISTRICT MEMBER

Name of District: Ross Valley Sanitary District/Sanitary District #1 of Marin County

1. Board voted to nominate the following current member of its own or another independent special district.

\*Name of Nominee: Director Mary Sylla

\*District of Nominee: Ross Valley Sanitary District

2. Board did not act.

\*Attach completed qualification form.

BOARD ACTION:

Ayes: Egger, Sullivan, Meigs, Guasco, Sylla

Noes: None

Absent: None

Abstain: None

[Signature] Board President

Attest:

[Signature] Board Secretary

Date: July 24, 2013

MUST BE RETURNED TO LAFCO BY JULY 24, 2013. Forms may be faxed to (415) 446-4410 or emailed to staff@marinlafco.org.

**MARIN LOCAL AGENCY FORMATION COMMISSION****NOMINEE QUALIFICATIONS****ALTERNATE SPECIAL DISTRICT MEMBER**Nominated for: Alternate Special District RepresentativeName: Mary SyllaName of Special District: Ross Valley Sanitary DistrictTelephone: (Home) (415) 459-3764 (Work) (415) 450-5348Email Address: sylla.mary@gmail.com

Home Address:

5 Stadium WayKentfield, CA 94904

Employer's Name and Address:

Merck & CoOne Merck Drive, Whitehouse Station, PA  
08889Present Occupation: HIV Community Liaison -- SF Bay Area**➤ Summary of Qualifications for Position:**

I am member of the Ross Valley Sanitary District Board of Directors, elected last year. I also currently serve on the Kentfield Planning Advisory Board. A 25-year resident of Ross Valley, I am interested in good governance and effective thoughtful management of growth in Marin. I am a lawyer, a member of the CA bar and have a masters degree in Public Health (Epidemiology) with 18 years of nonprofit public health leadership and management experience.

**➤ Reasons for Applying:**

Raised in San Anselmo and Kentfield, I was fortunate to be able to return to Marin to have and raise my children. I am convinced that Marin's unusually thoughtful growth and preservation of open space is the reason that this area is so desirable. LAFCO plays a key role in that process and as the current representative of a large area of Marin, I think it is important to participate in LAFCO decision-making process. I look forward to the opportunity to serve and represent the long-range interests of Marin residents.

**➤ Please list any organizations of which you are an officer or an employee:**

Merck & Co. (employee)  
Ross Valley Sanitary District, Director  
Kentfield Planning Advisory Board, Member  
California Bar Association, Member

Please return to: **Marin LAFCO**  
**555 Northgate Drive, Suite 230**  
**San Rafael, CA. 94903**  
**Fax: (415) 446-4410**  
**Email: staff@marilafco.org**


\*Additional information may be attached.

7

MEMORANDUM

To: Board of Directors

August 2, 2013

From: Chris DeGabriele, General Manager 

Subject: ACWA Region 1 Board Election

L:\gm\acwa\2013\acwa ballot memo.doc


**RECOMMENDED ACTION:** Authorize General Manager to Vote for ACWA Region 1 Nominating Committee's Recommended Slate

**FINANCIAL IMPACT:** None

Attached is the Association of California Water Agencies (ACWA) Region 1 Board Ballot with the recommended slate of officers for the upcoming two-year term (2014-2015). Also attached is an email from ACWA describing the election rules and regulations. The General Manager has participated on the Nominating Committee and recommends that the Board authorize the General Manager to vote for the Nominating Committee's recommended slate.

RECOMMENDATION

Board authorize General Manager to concur with ACWA Region 1 Nominating Committee's recommended slate and sign the ACWA Region 1 Board Ballot.

Approved by GM 

Date 8/2/2013

OFFICIAL

# REGION 1 Board Ballot

2014-2015  
TERM



**Association  
of California  
Water Agencies**  
Since 1910  
Leadership • Advocacy  
Information • Service

Please return completed ballot  
by September 30, 2013

E-mail: anat@acwa.com  
Mail: ACWA  
910 K Street, Suite 100  
Sacramento, CA 95814

## General Voting Instructions:

- 1 You may either vote for the slate recommended by the Region 1 Nominating Committee or vote for individual region board members. Please mark the appropriate box to indicate your decision.
- 2 Please complete your agency information. The authorized representative is determined by your agency in accordance with your agency's policies and procedures.

**Submit**

## 1 Nominating Committee's Recommended Slate

- I concur with the Region 1 Nominating Committee's recommended slate below.

**Chair:**

- **Aldaron Laird**, Humboldt Bay Municipal Water District

**Vice Chair:**

- **Judy Mirbegian**, Hidden Valley Lake Community Services District

**Board Members:**

- **Grant Davis**, Sonoma County Water Agency
- **David Guhin**, City of Santa Rosa
- **Dennis Mayo**, McKinleyville Community Services District

OR

## Individual Board Candidate Nominations

- I do not concur with the Region 1 Nominating Committee's recommended slate. I will vote for individual candidates below as indicated.

**Candidates for Chair: (Choose one)**

- Aldaron Laird**, Humboldt Bay Municipal Water District

**Candidates for Vice Chair: (Choose one)**

- Judy Mirbegian**, Hidden Valley Lake Community Services District

**Candidates for Board Members: (Max of 5 choices)**

- Grant Davis**, Sonoma County Water Agency
- David Guhin**, City of Santa Rosa
- Dennis Mayo**, McKinleyville Community Services District
- Judy Mirbegian**, Hidden Valley Lake Community Services District

2

AGENCY NAME

AUTHORIZED REPRESENTATIVE

DATE

8

## MEMORANDUM

To: Board of Directors  
From: David L. Bentley, Auditor-Controller  
Subj: Lockbox Services  
t:\actword\banking\us bank lockbox services.docx

August 2, 2013

**RECOMMENDED ACTION: Approve****FINANCIAL IMPACT: \$8,500 per year**

Administrative Department staffing has been reduced by 2 employees over the past 8 months, and is now comprised of 11.85 FTE employees (excluding the GM). The duties of the two employees who were not replaced have been assumed by the remaining staff. Accordingly, we are actively searching for new ideas and methods to increase efficiency while continuing to provide a high level of customer service.

US Bank has been promoting various banking services for some time, and we constantly haggle back and forth with them about pricing. Recently, US Bank provided a proposal for lockbox services<sup>1</sup> that is significantly less than what they had previously proposed. They now propose to handle all of our US Mail payment processing, about 55,000 payments per year, for an average of \$705 per month.<sup>2</sup> Bank of Marin also promoted their new lockbox service to the District, but their pricing is three-times US Bank's pricing.

An analysis shows that staff spends 9 hours per week, on average, opening envelopes, inspecting and separating checks and payment coupons, endorsing checks, and entering payment amounts into the billing system. The full cost of District staff performing these functions (including benefits) is \$48 per hour. US Bank's charge would be the equivalent of \$18 per hour. Out-sourcing the payment processing work to US Bank would allow staff to shift work within the office to reduce overtime and rebalance workloads. In addition, US Bank would provide a digital searchable image of each check and payment coupon received, something the District does not currently have, which can be helpful in researching questions raised by customers about payments received.

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<sup>1</sup> A lockbox is a post office box that is accessed by a bank for receiving customer payments. Customers send their payments to the PO box. The bank then collects and processes the payments and deposits them into the District's account. The bank also "captures" an image of each check and associated payment coupon into a digital format and converts it with optical character recognition software into a searchable file that the District can store. The bank sends an electronic record of payments to the District daily that is uploaded into the billing system, eliminating the tasks of opening payment envelopes, inspecting and separating payments and coupons, endorsing checks, and entering payments.

<sup>2</sup> Net increase after deducting existing check processing charges that will be eliminated with conversion to lockbox.

One concern to be aware of is that US Bank's lockbox is in Los Angeles, which may increase mailing time by up to one day. The delay is one day at most because payments mailed in Novato now go to Oakland for processing before returning to Novato. An associated concern is that customers would see a Los Angeles address on the District's return envelope, which could detract from the image of NMWD as a "local" utility. However, people queried about the return envelope address consistently express that this concern is outdated. Customers value efficiency and customer service.

Staff recommends that the District try the US Bank lockbox service. US Bank has agreed to pay the \$1,480 annual cost of the Los Angeles PO Box fee, and waive the normal \$2,000 set-up charge. The lockbox pricing is guaranteed for the two year period just extended by US Bank for all of our other banking services.

**Recommendation:**

Authorize the Auditor-Controller to enter into an agreement with US Bank to provide lockbox service.



9

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



**WATER ADVISORY COMMITTEE  
AND  
TECHNICAL ADVISORY COMMITTEE**

**MONDAY, AUGUST 5, 2013**

**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 May 6, 2013 WAC/TAC Meeting and Approval of Minutes
4. Recap from July 1, 2013 TAC Meeting and Approval of Minutes
5. Water Supply Coordination Council
6. Water Supply Conditions and Temporary Urgency Change Petition  
(including a report on Water Conservation)
7. Potential Projects for Further Evaluation
8. SR Plain GW Study Workshop and Next Steps
9. SCWA Presentation re: Raising the Summer Dam in 2013 During the Salmonid  
Out Migration Period
10. SCWA Presentation re: Community Opinion Survey Results
11. Biological Opinion Status Update
12. Integrated Regional Water Management Plan(s) Update
13. Items for next agenda
14. Check Out

Draft Minutes of Water Advisory Committee and Technical Advisory Committee  
35 Stony Point Road, Santa Rosa, California  
May 6, 2013

Attendees: Efren Carrillo, Board of Supervisors  
Robin Swinth, City of Santa Rosa  
David Guhin, City of Santa Rosa  
Glen Wright, City of Santa Rosa  
Linda Reed, City of Santa Rosa  
Linda Hall, City of Santa Rosa  
Bob Oller, City of Santa Rosa  
Danielle Dugre, City of Santa Rosa  
Jake Mackenzie, City of Rohnert Park  
Darrin Jenkins, City of Rohnert Park  
Gina Belforte, City of Rohnert Park  
Tony Gutsch, City of Rohnert Park  
Mike Healy, City of Petaluma  
Dan St. John, City of Petaluma  
Susan Harvey, City of Cotati  
Damien O'Bid, City of Cotati  
Laurie Gallian, City of Sonoma  
Dan Takasugi, City of Sonoma  
Matt Winkelman, City of Sonoma  
Dennis Rodoni, North Marin Water District  
Drew McIntyre, North Marin Water District  
Chris DeGabriele, North Marin Water District  
Robin Goble, Town of Windsor  
Toni Bertolero, Town of Windsor  
Sam Salmon, Town of Windsor  
Dan Muelrath, Valley of the Moon Water District  
Mark Heneveld, Valley of the Moon Water District  
Jon Foreman, Valley of the Moon Water District  
Michael Ban, Marin Municipal Water District  
Grant Davis, SCWA  
Michael Thompson, SCWA  
Pam Jeane, SCWA  
Jay Jasperse, SCWA  
Lynne Rosselli, SCWA  
Brad Sherwood, SCWA  
Ann DuBay, SCWA  
Carrie Pollard, SCWA  
Steve Koldis, SCWA

Public Attendees: David Keller, FOER  
Brenda Adelman, RRWPC  
J. Dietrich Stroeh  
Dawna Gallagher Stroeh  
Rod Houser, Kennedy Jenks

1. Check-in

Chair Jake Mackenzie called the meeting to order at 9:00a.m.

2. Public Comment

None

3. Recap from April 1, 2013 WAC/TAC Meeting and Approval of Minutes

Moved by Laurie Gallian, City of Sonoma, seconded by Robin Goble, Town of Windsor, to approve the minutes of the April 1, 2013 WAC/TAC meeting as presented; unanimously approved.

4. Water Supply Coordination Council

There were no comments on the summary which was emailed to the members.

5. Water Supply Strategies Action Plan Update 2013

Members of both committees attended the Strategic Plan workshop sessions conducted by the Water Agency. The Water Supply Strategies Action Plan update was reviewed at the April 2<sup>nd</sup> workshop and the WAC complemented SCWA for holding the workshop in Petaluma. Moving forward a suggestion was made to hold meetings in other locations. The Temporary Urgency Change Order was just issued by the State Water Resources Control Board.

Brenda Adelman commented that the lower Russian River is being left out of studies in the order.

6. Presentation on NMWD's Recycled Water Expansion Project

Dennis Rodoni, NMWD introduced Drew McIntyre, NMWD Chief Engineer, who has been working on the recycled water expansion project for NMWD. Drew made the PowerPoint presentation. A north and a south program are in place and a central program is planned. Questions and comments followed from the WAC/TAC and the public.

7. LHMP – Santa Rosa Aqueduct Main Line Valve Installation and Shutdown

Steve Koldis, SCWA, introduced the presentation on the Aqueduct project. Danielle Dugre reviewed the project process. Bob Oller gave the construction phase update. Comments and questions followed from the committee and the public.

8. Water Supply Conditions and Temporary Urgency Change Petition

Pam Jeane, SCWA, gave an update on Russian River water supply conditions and the Temporary Urgency Change Order. The order was issued on May 1<sup>st</sup> and sent to the committee via email. The petition was based on hydrologic conditions, not the biological opinion requirements. Reduced minimum flow was asked for to coincide with a dry year. May 1 through June 30 the 75cfs minimum stream flow was authorized in the upper Russian River and 85cfs in the lower river. Lake Pillsbury flows to Potter Valley are also going to be lower. After July 1, dry year flows will continue and if Lake Mendocino falls below a critical storage curve critical flows can be implemented and have been approved by the State if necessary. Mendocino County is being studied for use of water to coordinate water use of the Russian River. Because there is water in Lake Sonoma there was no order from the State requiring SCWA diversion limits be implemented. Questions and comments followed from the committee members and the public. The TAC will follow the issues and report to the WAC and Chair Mackenzie called for a close coordination of staffs of SCWA and the WAC and TAC and if quick action needs to be taken, a special meeting of the WAC would be called if necessary.

9. Biological Opinion Status Update

Pam Jeane, SCWA, reviewed the Biological Opinion Status Update which was emailed to the members.

10. Integrated Regional Water Management Plan(s) Update

Jake Mackenzie reported on the water resources meeting in Sacramento of stake holders to develop a strategic plan for IRWMP for the state of California. Prop 84 funds will be dispersed soon. The North Coast IRWMP meeting was in Yreka last month. July 13 is the next meeting.

Bay Area IRWMP will be meeting on May 31.

11. Items for Next Agenda

June 3 TAC

Water Supply Conditions Update  
Biological Opinion Status Update  
Fluoridation Report  
Potential projects update

August 5 WAC/TAC

Water Supply Conditions  
Temporary Urgency Change Petition.

12. Check Out

Next TAC meeting is June 3.

Next WAC/TAC meeting is August 5

Chair Mackenzie adjourned the meeting at 10:55a.m.

Draft Minutes of Technical Advisory Committee  
35 Stony Point Road, Santa Rosa, California  
July 1, 2013

Attendees: Glen Wright, City of Santa Rosa  
David Guhin, City of Santa Rosa  
Linda Hall, City of Santa Rosa  
Dan Takasugi, City of Sonoma  
Dan St. John, City of Petaluma  
Dan Muelrath, Valley of the Moon Water District  
Damien O'Bid, City of Cotati  
Jake Mackenzie, City of Rohnert Park  
Darrin Jenkins, City of Rohnert Park  
Chris DeGabriele, North Marin Water District  
Drew McIntyre, North Marin Water District  
Mike Ban, Marin Municipal Water District  
Grant Davis, SCWA  
Pam Jeane, SCWA  
Jay Jasperse, SCWA  
Carrie Pollard, SCWA  
Mike Thompson, SCWA

Public Attendees: Brenda Adelman, RRWPC  
David Keller, FOER  
Dietrich Stroeh  
Dawna Gallagher Stroeh  
Tom Yarish, Friends of the Esteros  
Bob Anderson, United Wine Growers  
Margaret DiGenova, California American Water  
Evan Jacobs, California American Water

1. Check-in

Chair Chris DeGabriele called the meeting to order at 9:08m.

2. Public Comment

Brenda Adelman expressed concern about the flows in the Russian River. She asked for mandatory conservation.

Consideration of minutes of the June 3 TAC meeting was approved to be added to the agenda. The minutes of the June 3 TAC meeting were approved as written.

3. Water Supply Conditions and Summer Water Conservation

Pam Jeane, SCWA reported that the flow in the river is being closely monitored and storage is well above the critical storage curve required in Lake Mendocino. Releases from Lake Mendocino are being closely monitored and adjusted accordingly. Carrie Pollard, SCWA spoke on the 20 Gallon Challenge outreach campaign which is a supplemental program sponsored by the Sonoma Marin Saving Water Partnership to encourage people to voluntarily reduce personal water use by 20 gallons per person per day. Outreach at local farmers markets and the SR downtown market to disseminate information are underway along with print, radio and movie theater advertisements. Press releases are being done and water wasters are being reported so they can be notified to help encourage them to use water more efficiently. The Water Line newsletter from NMWD promoted the 20 Gallon Challenge.

Questions followed from the TAC.

Chris asked for a presentation to the WAC at the August meeting.

Brenda expressed concerns regarding use going up in the current heat wave. She asked for accounting of the current use and asking everyone to do better conserving.

4. Potential Projects for Further Evaluation

In February the WAC authorized the TAC and the Water Agency to conduct in depth analysis of potential future water supply sources. In March the suggestion was made to first gather information on plans for additional Recycled Water, Local groundwater, aquifer storage and recovery, and Windsor water rights development. Chris DeGabriele has contacted the Water Contractors to put more detail in the developing of the potential future water plans. A draft spreadsheet document was distributed showing the additional detail and will be regularly updated and will be brought to the WAC in August to demonstrate the development of potential projects for future evaluation. The TAC agreed that the WAC should be updated in August. Thought should be given to the 2015 Urban Water Management Plan now to jointly start preparing for water conservation development. It was recommended that the WAC should be given a projection of what the next steps will be.

5. Water Bond Coalition Update

Several Water Contractors have adopted a resolution supporting the Water Bond Coalition and advocating that Integrated Regional Water Management should continue to be included in future water bond funding. Santa Rosa, VOMD, Cotati, NMWD and Rohnert Park have adopted resolutions. Windsor will adopt on July 17 and MMWD on July 2. Water contractors are supporting the coalition.

6. Take it from the Tap

July 19<sup>th</sup> ACWA Region 1 Program

Take it from the Tap: Promoting Drink Local Campaigns, an ACWA Region 1 program will be presented on July 19 from 10a.m. -2:30p.m. at the Santa Rosa Utilities Field office at 35 Stony Point Road. Presentations will include Take it From the Tap from Santa Rosa, Drink Local Campaigns, Take it From the Tap Regional Campaign, Hydration stations, and Take it to the Schools.

TAC Support via Sonoma Marin Saving Water Partnership

The TAC agreed to continue with existing efforts and purchase bottles for events to promote the use of tap water instead of bottled water. A comprehensive marketing campaign to promote the program under the Sonoma Marin Saving Water Partnership is recommended for next year. Darrin asked if Waste Management could be asked to support the program. The quality of tap water should be promoted to encourage use of tap water instead of bottled water. Carrie Pollard will pursue other avenues of support. Darrin suggested the printed bottles include Spanish messages. Take it from the Tap is designed to educate the public about the quality of tap water.

Elise Howard, City of Santa Rosa, gave a brief explanation of the components of Santa Rosa's Take it from the Tap program, including focus on water quality and Spanish language translation.

7. Biological Opinion Status Update

Pam Jeane, SCWA, reviewed the July 2013 Biological Opinion Status Update which was emailed to the committee. Phase 2 of the Dry Creek Restoration has begun and a full-time inspector is on the site. A public meeting was held last week to speak with the Dry Creek community about what's going on this year, what the plan is for next year and the plan for miles 2 and 3. The outreach meetings have been very successful. Questions followed.

8. Items for Next Agenda

August WAC/TAC

Water Supply Conditions and Water Conservation  
Potential Projects for Further Evaluation  
Rubber Dam inflation  
Biological Opinion Status Update

9. Check Out

Next WAC/TAC meeting is August 5  
Next TAC meeting is September 9


Meeting adjourned at 10:02a.m.



MEMORANDUM

To: Water Advisory Committee

July 30, 2013

From: Chris DeGabriele, Technical Advisory Committee Chair 

Subject: Potential Projects for Further Evaluation

I:\gm\scwa\2013\potential projects update 073013.doc

At the February 4<sup>th</sup> WAC/TAC meeting, the WAC authorized the TAC and SCWA to identify available funding to engage consultants and conduct more in-depth analysis of the following water supply sources:

1. Future Recycled Water for Non-Potable Uses and Off-Setting Potable Use
2. Aquifer Storage and Recovery – Potable Supply
3. Additional Groundwater – Water Contractor Production Wells
4. Additional Agency Supply – Groundwater Production Wells
5. Windsor Water Rights
6. Future Water Conservation
7. Additional Agency Supply – Russian River

The identification of these seven water supply sources was result of preliminary screening completed and identified in a brief white paper (Attachment 1,, for your ready reference), identifying the potential regional, sub regional and local water supply projects for further evaluation. This preliminary screening identified these seven water supply sources as feasible to develop a list of projects for further detailed analysis to be recommended by the TAC. The WAC requested to be kept apprised of progress on this effort.

Currently, both local Water Contractor and SCWA funding is being expended for future Recycled Water development, Aquifer Storage and Recovery, SCWA Groundwater Production, Local Groundwater Production and Windsor Water Right Development. At the TAC's March 4<sup>th</sup> meeting, I recommended holding off on spending funds to evaluate future water conservation and additional Russian River supply until the 2015 Urban Water Management Plan is undertaken. At that time, the Water Contractors will hopefully engage a consultant to evaluate future water conservation. Additionally, and subsequent to the 2015 UWMP preparation, the Water Contractors and SCWA will have a better idea of the amount of additional Russian River water supply that may be necessary in the future.

Attachment 2 is a spreadsheet compiled through the efforts of all TAC members to identify potential future Recycled Water, future aquifer storage and Recovery, future Local Groundwater, and Windsor Water Rights. The spreadsheet shows the current estimate of future local water supply with a schedule when it is likely to be available, the estimated cost, whether these future water supplies are currently included in the 2010 Urban Water Management Plan or not, and the local project current status with any reference documentation.

This draft spreadsheet is intended to be used to monitor these project activities and is recommended to be updated once per year and brought back to the WAC for review. Once additional information from the 2015 UWMP is available, a more in-depth determination of the most reliable, affordable, environmentally friendly water supplies that will meet the needs of current and future generations can be proposed.



## POTENTIAL REGIONAL, SUBREGIONAL AND LOCAL WATER SUPPLY PROJECTS FOR FURTHER EVALUATION

### INTRODUCTION

Water purveyors are responsible for providing reliable, high quality water supply to current and future customers. In 2010, after a 16-month collaborative process among the Sonoma County Water Agency (Agency), the Water Contractors, Marin Municipal Water District (MMWD) and the public, the Agency Board of Directors adopted the Water Supply Strategy Action Plan (Action Plan). The Action Plan consists of nine water supply strategies developed to increase water supply system reliability, resiliency and efficiency and plan for the future, taking into consideration the numerous challenges and uncertainties that face our region. To help address Water Supply Strategy 5 – *Build Partnerships with Water Users that Facilitate Information-Based Water Supply Planning Programs*, Strategy 6 – *Implement Projects to Improve Transmission System Reliability*, Strategy 8 – *Implement Integrated Water Management Into Agency Programs*, and Strategy 8, Immediate Action 6 - *Work with water contractors to evaluate local and sub-regional projects that could be combined with regional Water Agency projects to increase overall water supply reliability in most cost-effective manner*, the Water Contractors and MMWD, in partnership with the Agency, have undertaken an analysis of existing and future water supplies. The goal of the analysis is to determine the most reliable, affordable, environmentally friendly water supplies that will meet the needs of current and future generations.

### PURPOSE

The purpose of this document is to describe projects that the Technical Advisory Committee (TAC) believe are most viable for improving regional water supply resiliency with the goal of improving reliability and meeting water demand forecasts in accordance with each water contractors' and MMWD's Urban Water Management Plans. Because the Agency's transmission system facilities connect several local systems operated by individual water contractors, there may be opportunities to collectively manage these systems in a coordinated manner with a regional perspective to the benefit of all water contractors. For example, local or subregional water supply projects directly serving one or more water contractors can benefit all water contractors, may alleviate the need for more expensive regional infrastructure or may increase reliability of water supplies during times of constrained Russian River water supply conditions.

This document examines several new water supply opportunities, presents the results of a screening evaluation, and recommends certain projects to prioritize for further evaluation. It is envisioned that this analysis will be updated and revised as new information becomes available.

## ANALYSIS – EXISTING SOURCES

Working collectively, the Water Contractors', MMWD and Agency staffs met and identified all currently known existing water supply sources. Six existing water supply sources currently provide the following volumes of annual water supply:

Existing Sources	Volume (Acre-feet/Year)
Existing Agency Supply - Russian River	75,000
Existing Agency Supply – Groundwater	2,300
Existing Groundwater – Local	2,600
Existing Water Conservation	4,055
Existing Recycled Water for Non-Potable uses and offsetting Potable Use	3,017
Existing Graywater for Non-Potable uses	1

It was determined by the Water Contractors', MMWD and Agency staffs that for purposes of this analysis, all necessary additional funding and activities will be implemented by the Agency, MMWD and Water Contractors to maintain these existing water supply volumes and that further evaluation of these existing sources is not required at this time.

## ANALYSIS – FUTURE SOURCES

Working collectively, the Water Contractors', MMWD and Agency staffs met and identified all currently known future water supply sources. The list of all possible future water supply sources included the following:

Additional Sources
Additional Agency Supply – Russian River
Additional Agency Supply – Production Wells
Additional Groundwater – Water Contractor – Production Wells
Additional Groundwater – Water Contractor – Standby Wells
Future Water Conservation
Future Recycled Water for Non-Potable uses and offsetting Potable Use
Small Scale Recycled Water for Non-Potable Uses and offsetting Potable Use - Satellite treatment plants
Small Scale Storm water Capture (i.e. - Individual homeowner rain water harvesting for potable use; individual rainwater harvesting for non-potable use)
Aquifer Storage and Recovery - Potable Supply (i.e. - Winter water purchased from Agency; Agency storage of surface water in the ground)
Windsor Water Rights

Locally Driven Sources
Water Supply Agreement - Valley of the Moon, Sonoma and Sonoma Development Center
Raise Lake Stafford
Regional Sources
Desalination - Bay Area Regional Desalination
Large Scale Storm water Capture (i.e. – Service area-wide storm water capture for non-potable purposes; Service area-wide storm water capture & treatment for potable purposes)
Raise Coyote Valley Dam
Water Transfer from Humboldt Bay Municipal Water District
Aquifer Storage and Recovery - Other Supply (Recycled Water or Storm water)

All projects were screened by the Water Contractors', MMWD and Agency staffs at a conceptual, planning level for feasibility, regulatory, environmental and legal constraints, reconnaissance level capital and operation and maintenance costs, current status of studies and additional information needed. Upon completion of the initial screening, ten future water supply sources were identified for further evaluation and prioritization. Although some water supply sources will not be evaluated further at this time, over time, these sources may become more feasible and will be revisited from time to time to determine if/when they should be further evaluated and prioritized.

### FEASIBLE FUTURE PROJECTS

The ten future water supply sources that were determined to be feasible were further evaluated by the Water Contractors', MMWD and Agency staffs and more detailed information was developed for each of these sources. Information included an analysis of the volume of water that could be provided based on existing UWMPs, review of any environmental, regulatory or legal constraints, a summary of known cost information, and consideration of rate payer impact.

The following ten water supply sources were determined to be feasible at this time and are recommended for further analysis. The projects are listed in no particular order.

Additional Sources
Future Water Conservation
Future Recycled Water for Non-Potable uses and offsetting Potable Use
Small Scale Storm water Capture (i.e. - Individual homeowner rain water harvesting for potable use; individual rainwater harvesting for non-potable use)
Additional Agency Supply – Russian River
Additional Agency Supply – Production Wells
Additional Groundwater – Water Contractor – Production Wells
Additional Groundwater – Water Contractor – Standby Wells

Windsor Water Rights
Small Scale Recycled Water for Non-Potable Uses and offsetting Potable Use - Satellite treatment plants
Aquifer Storage and Recovery - Potable Supply (i.e. - Winter water purchased from Agency; Agency storage of surface water in the ground)

New water supply projects developed by one or more water contractors will merit further analysis if the project promotes improved regional resiliency by increasing the overall reliability of water supplies (thus benefiting all water contractors) and/or helps to meet future water demands forecast in the water contractors' UWMPs. It is assumed that any additional supplies resulting from such new water supply projects will not result in a reduction of entitlement limits for a water contractor or replacement of future amounts of surface water that the Agency would provide to a water contractor, unless that water contractor agrees to such a reduction/replacement.

## RECOMMENDATION

The Water Contractors', MMWD and Agency staffs further prioritized the list of water supply sources and recommends 7 sources be further evaluated. The Water Contractors', MMWD and Agency staffs recommend that the TAC and Water Advisory Committee (WAC) consider this list and, if recommended by the WAC, the Agency set aside funding for the TAC to solicit a consultant to conduct an analysis of the following future water supply sources, which are listed in no particular order:

### **Water Source: Future Water Conservation**

- Estimated Volume of Water: Up to 15,545 Acre-feet
- Potential Costs: \$218 – 529/acre-foot
- Constraints: Compliance with 20%<sub>x</sub>2020 needed; customer implementation.
- Ratepayer Impact: Costs as listed above.
- Issue: Project is not feasible unless it results in additional water supply for the contractor(s) developing the project.

### **Water Source: Future Recycled Water for Non-Potable Uses and offsetting Potable Use**

- Estimated Volume of Water: Up to 2,649 acre-feet
- Potential Capital Costs: \$6,000 – 50,000/acre-foot; varies based on pipeline alignment and storage needs.
- Potential O&M Costs: To be determined; varies per water contractor.
- Constraints: Approval from Department of Public Health and Regional Water Quality Control Board; CEQA compliance would be needed.
- Ratepayer Impact: Costs as listed above.
- Issue: Project is not feasible unless it results in additional water supply for the contractor(s) developing the project.

**Water Source: Aquifer Storage and Recovery - Potable Supply**

- Estimated Volume of Water: To Be Determined – Feasibility studies currently underway.
- Potential Capital Costs: To Be Determined – Feasibility studies currently underway.
- Potential O&M Costs: To Be Determined – Feasibility studies currently underway.
- Constraints: Approval from Department of Public Health and Regional Water Quality Control Board; CEQA compliance would be needed.
- Ratepayer Impact: Costs as listed above.
- Issue: Project is not feasible unless it results in additional water supply for the contractor(s) developing the project.

**Water Source: Additional Agency Supply – Russian River**

- Estimated Volume of Water: Up to 10,000 Acre-Feet/year
- Potential Capital Costs: To Be Determined.
- Potential O&M Costs: To Be Determined; Current wholesale cost is approx \$650/Acre-Foot with estimated increases of 4-7% annually through 2030 for existing projects.
- Constraints: Regulatory changes to d1610; compliance with Endangered Species Act; CEQA compliance would be needed.
- Ratepayer Impact: Costs to be determined for additional water supply.

**Water Source: Additional Agency Supply – Groundwater Production Wells**

- Estimated Volume of Water: To Be Determined.
- Potential Capital Costs: To Be Determined.
- Potential O&M Costs: To Be Determined.
- Constraints: Information from USGS Study and collaboration with Santa Rosa Plain Groundwater Management Plan process needed; Approval from Department of Public Health; CEQA compliance would be needed.
- Ratepayer Impact: Costs to be determined for additional water supply.

**Water Source: Additional Groundwater – Water Contractor – Production Wells**

- Estimated Volume of Water: Up to 540 Acre-Feet/year
- Potential Capital Costs: \$350 -1200/Acre-foot; Varies based on treatment and operational needs.
- Potential O&M Costs: \$100 – 130/Acre-foot; Varies based on treatment and operational needs.
- Constraints: Approval from Department of Public Health; CEQA compliance would be needed.
- Ratepayer Impact: Costs as listed above.

- Issue: Project is not feasible unless it results in additional water supply for the contractor(s) developing the project.

**Water Source: Windsor Water Rights**

- Estimated Volume of Water: 4,725 Acre-Feet
- Potential Capital Costs: To be determined; Estimate \$300,000 for CEQA compliance.
- Potential O&M Costs: To be determined.
- Constraints: State Water Resources Control Board approval needed; compliance with Endangered Species Act; CEQA compliance would be needed
- Ratepayer Impact: Costs to be determined for additional water supply.



DRAFT  
 POTENTIAL PROJECTS FOR FURTHER EVALUATION

By: CD  
 Date: 6/27/2013  
 Admin/GM/SCWA/PPFE/PPFE Schedule

	Acre Feet of Additional Water Supply								Estimated Cost	Included In 2010 UWMP	Current Status	Reference
	FY15	FY20	FY25	FY30	FY35	FY40	FY45	Total				
<b>Future Recycled Water</b>												
NMWD												
RW North	150							150	\$6.75M	Y	Completed	
RW South	150							150	\$7.57M	Y	Completed	
RW Central		225						225	\$7.125M	Y	EIR/EIS Completed	
RW West							150	150	\$10.0M	N	Conceptual	
RW Other			15					15	\$0.5M	Y	In Fill Expansion	
Sub Total	300	225	15	0	0	0	150	690				
Santa Rosa												
Phase 1 West			750					750	\$38M	Y	EIR/EIS Completed	SR Urban Reuse Master Plan, Oct 2007, Awaiting WRDA
Petaluma												
General		500						500	TBD	Y	Conceptual	NBWR Phase 2
Prince,Wiseman,Airport	101							101	\$180K	Y	95% Completed, Waiting on DPH	
Casa Grande HS	60							60	\$330K	Y	Scheduled 2013/14	
Southgate	8							8	\$170K	Y	Scheduled 2014/15	
Sub Total	169	500	0	0	0	0	0	669				
Rohnert Park		300						300		Y		
VOMWD						25		25	\$2.0M	Y	Conceptual	Sonoma Valley Recycled Water Feasibility Study, Jan, 2005
Sonoma						50		50	\$5.0M	Y	Conceptual	Sonoma Valley Recycled Water Feasibility Study, Jan, 2005
Cotati		13	19					32	\$1.5M	Y	Conceptual	RW Feasibility Study, March 2007 (Need ordinance & project design)
Windsor												
Developer Infill		28						28	Developer	Y	Conceptual	
Airport		27						27	\$1.2M	Y	Conceptual	Sonoma County Airport Area RW Project Planning Update, 2011
			102					102	\$2.1M	N	Conceptual	Windsor Urban RW Facilities Plan, 2013
				535				535	\$9.2M	N	Conceptual	Windsor Urban RW Facilities Plan, 2013
Sub Total	0	55	102	535	0	0	0	692				
MMWD		234						234	\$7M	Y	Conceptual	NBWR Phase 2
RW Total	469	1327	886	535	75	0	150	3442				
<b>Future Aquifer Storage and Recovery</b>												
Rohnert Park		100						100	\$1M	N	Pilot Study w/SCWA	Draft Santa Rosa Plain/Sonoma Valley Groundwater Banking Feasibility Study, Summer 2013
VOMWD		50						50	\$0.5M	N	Pilot Study w/SCWA	
Sonoma		50						50	\$0.5M	N	Pilot Study w/SCWA	
Cotati		50						50	\$0.5M	N	Pilot Study w/SCWA	
Windsor		100						100	\$1M	N	Pilot Study w/SCWA	
ASR Total		350	0	0	0	0	0	350				
<b>Future Local Groundwater Production</b>												
Sonoma Well 8			100					100	?	Y	Dan T.	
Cotati (max sustainable yield)			412					412	\$1M	Y	Conceptual	Water Supply Assessment, Luhdorff & Scalimini, 2008
Windsor												
Esposti Park Well			200					200	\$3.9M	Y	Pre-design	
North Windsor Well				200				200	\$4.6M	Y	Conceptual	
Local Wells Total		0	712	200	0	0	0	912				
<b>Windsor Water Rights</b>			4725					4725	\$0.5M	N	Permit Filed	SWRCB discussions started
<b>Total</b>	469	1677	6323	735	75	0	150	9429				

August 5, 2013  
 WAC Agenda Item #7



## Russian River Biological Opinion Update – August 2013

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](http://www.sonomacountywater.org).

### Dry Creek Habitat Enhancement and Demonstration Project

- Construction of the remainder of the one-mile demonstration project is underway. Hanford Applied Restoration & Conservation, out of Sonoma, is constructing the project. This summer's work focuses on habitat downstream of Lambert Bridge. Features include bank stabilization, a backwater with constructed log jams and boulder clusters.
- Construction is underway on the U.S. Army Corps of Engineers habitat enhancement project, on Corps property immediately below Warm Springs Dam. The Water Agency is partnering with the Corps on a grant application to provide signage and public access to the site, which is one of the few publicly owned stretches of Dry Creek.
- Site identification and outreach to landowners is underway for the second and third miles of habitat enhancement. Two firms, Interfluve and ESA PWA, have been selected to design the second and third miles of habitat enhancement.
- The Water Agency, National Marine Fisheries Service, Department of Fish & Wildlife and the U.S. Army Corps of Engineers are working with consultants, ESSA, to develop clear success measures for habitat enhancement. The plan should be completed in 2013.

### Tributary Fish Passage and Habitat Enhancement Projects

- The 2013 monitoring season is ongoing, with fish traps located in Dry Creek and the mainstem Russian River at Mirabel. Trapping efforts at Austin Creek, Dutch Bill Creek, and Mark West Creek have concluded for the season.

### Mirabel Screen and Fish Ladder Replacement

- The 90% design is ongoing; the Water Agency Board has adopted the Initial Study and Mitigated Negative Declaration; and major construction is estimated to begin in June 2014.

### Russian River Estuary Management Project

- The 2013 Lagoon Management Period began May 15. Biological and water quality monitoring is underway. An adaptive management plan, largely the same as the 2012 plan, has been finalized.
- The mouth of the river has closed twice since May 15. The first closure, in mid-May, lasted for nearly two weeks until the estuary breached on its own. The second closure lasted for

nearly a month, with the river mouth closing on closure on June 7 and breaching on its own on July 3. Due to timing with the July 4 holiday weekend, the Water Agency was unable to implement an outlet channel prior to the mouth opening.

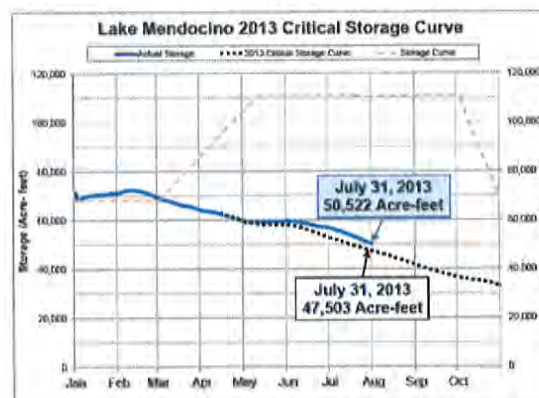
- A study of the jetty is underway. The purpose of the study is to determine if and how the jetty impacts the formation of the barrier beach and lagoon water surface elevation. While the historic assessment component of the study was completed at the end of 2012, field investigations have been postponed until all appropriate permits have been acquired.

### **Fish Flow Project**

Work is occurring internally on the preparation of the draft Environmental Impact Report for the Fish Habitat Flows and Water Rights Project. The EIR is being prepared by Water Agency staff, with assistance from consultants on some areas of impact analysis. A draft EIR is anticipated to be released in 2014.

### **Interim Flow Changes**

- The State Water Resources Control Board issued the 2013 Temporary Urgency Change order in late April and flows were reduced beginning on May 1. The minimum flows requirements in the upper river were based on the rapid decline in Lake Mendocino levels and differ from the minimum flows required in the Biological Opinion. Minimum flows requirements in the order are 75 cfs in the upper river and 85 cfs in the lower river. Beginning July 1, minimum flows requirements could go down if storage in Lake Mendocino dips below a critical storage curve for three days. As of July 31, actual storage in the lake was 3,019 acf above the storage curve.



- A joint marketing campaign on reducing flows, the 20 Gallon Challenge, kicked off on May 28. Paid advertisements in radio, print and on websites will feature the 20 Gallon Challenge, which is part of the Sonoma Marin Saving Water Partnership.

### **Public Outreach, Reporting & Legislation**

- A community meeting was held on June 27 at the Lake Sonoma Visitors Center to discuss the Dry Creek Demonstration Project, this summer's construction and miles 2 & 3.
- Senator Boxer's Water Resources Development Act (WRDA) legislation contains language that would authorize the U.S. Army Corps of Engineers to conduct work on Dry Creek.

10

**DISBURSEMENTS - DATED JULY 18, 2013**

Date Prepared:7/16/13

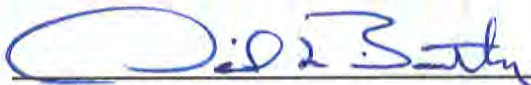
The following demands made against the District are listed for approval and authorization for payment in accordance with Section 31302 of the California Water Code, being a part of the California Water District Law:


Seq	Payable To	For	Amount
1	Alliquip Universal	Replacement Trailer-Mounted Vacuum Excavator (Budget \$65,000)	\$65,530.00
2	Alpha Analytical Labs	Lab Testing (Novato)	96.00
3	AT&T	Telephone Charges: Voice Lines	220.02
4	Bundesen, Gerald	Retiree Exp Reimb (July Monthly Health Ins)	884.31
5	Butti, Lou	Retiree Exp Reimb (July Monthly Health Ins)	282.55
6	Calgon Carbon	Granular Activated Carbon for Polishing STP Treated Water (68,000 lbs) (STP)	82,078.32
7	California Water Service	May-June Water Service (O.M.) (1 ccf)	168.98
8	California State Disbursement	Wage Assignment Order	1,018.50
9	Costco Wholesale	Coffee (\$48), Sugar & CoffeeMate	54.65
10	Cummings Trucking	Sand (50 yds) & Rock (50 yds)	4,191.52
11		Vision Reimbursement	222.03
12	Diggs, James	Retiree Exp Reimb (July Monthly Health Ins)	884.31
13	Eurofins Eaton Analytical	Quality Control Tests (Lab)	200.00
14	Charles Z. Fedak	Prog Pymt #2: Financial Statement Audit FY13 (Balance Remaining on Contract \$13,550)	5,500.00
15	Fisher Scientific	Lead Standard (Lab)	94.02
16	Golden Gate Petroleum	Gasoline (\$3.83/gal) & Diesel (\$3.88/gal)	4,797.48
17		Vision Reimbursement	289.97
18	Grainger	Calibration Gas Cylinder (\$419) (STP), Parts for Valve Booster System @ PRTP (\$169) & Circuit Breaker (\$121) (PRTP)	709.72

Seq	Payable To	For	Amount
19	Hach	Lab Calibration Materials (\$271) & Vials for Turbidimeters (\$211) (STP)	482.53
20	Howard Wire Cloth	Mesh for Pt. Reyes Seismic Tank Upgrade (40 S.F.)	456.00
21	Irish & Son Welding	Weld 12" Dog Leg	440.00
22	Jennison, Marco	Exp Reimb: AWWA Water Education Seminar (7/24/13 - Oakland, CA)	130.00
23		Cafeteria Plan: Uninsured Medical Reimbursement	185.00
24	Leighton Stone	Valve Repair Kit (\$121) & Valve Coil (\$210)	331.58
25	Lincoln Life	Deferred Compensation PPE 7/15/13	10,192.06
26		Cafeteria Plan: Childcare Reimbursement	208.33
27	Maltby Electric	Telemetry Cable Splice Kits (6)	1,040.82
28	Marin Landscape Materials	Crushed Rock (1 yd) (\$124) & Rebar	134.07
29	Marin County Parks	Refund Security Deposit on Hydrant Meter Less Final Bill	78.47
30	Matchette, Tim	Retiree Exp Reimb (July Monthly Health Ins)	282.55
31	Nationwide Retirement Solution	Deferred Compensation PPE 7/15/13	1,025.00
32	Nave Motors	Towing Service ('05 Ford Ranger)	75.00
33	North Marin Water District	NMWD Assoc Dues 5/15 - 6/30/13	920.00
34	Pace Supply	Valve Keys (70)	3,140.51
35	Phillips & Associates	July O & M of O.M. Wastewater Treatment System	5,311.43
36	Roberts, Renee	Retiree Exp Reimb (July Monthly Health Ins)	282.55
37	Sequoia Safety Supply	Insect Repellent Towelettes (50)	44.17
38	Shirrell Consulting Services	July Insurance Administration Fee	288.15
39	Sierra Chemical	Chlorine (2000 tons)	1,013.32
40	Soiland	Asphalt Recycling	60.00

Seq	Payable To	For	Amount
41	SPG Solar	Energy Delivered Under Solar Services Agreement (6/1-6/30/13)	12,755.10
42	Streakwave Wireless	Weatherproof Enclosures for RTU Radios (2)	217.89
43	US Bank	June Safekeeping Fee-Treasury Securities	79.50
44	US Postal Service	Meter Postage	1,000.00
45	Verizon California	Telephone Charges: Leased Lines	878.33
46	Winzer	Nuts, Bolts & Wire Ties for Auto Shop	80.91
<b>TOTAL DISBURSEMENTS</b>			<b><u>\$208,355.65</u></b>

The foregoing payroll and accounts payable vouchers totaling \$208,355.65 are hereby approved and authorized for payment.

 \_\_\_\_\_  
 Auditor-Controller Date 7/16/13

 \_\_\_\_\_  
 General Manager Date 7/16/2013

## **DISBURSEMENTS - DATED JULY 25, 2013**

Date Prepared: 7/23/13

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

Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 7/15/13	\$115,915.01
EFT*	US Bank	Federal & FICA Taxes PPE 7/15/13	49,729.33
EFT*	State of California	State & SDI Taxes PPE 7/15/13	8,818.81
EFT*	Gardener's Guild	Replaces ACH Payment E01541	29,016.00
1	Agile Business & Technology	Quarterly Accounting Software Support (5/1/13-7/31/13)	1,500.00
2	Alpha Analytical Labs	Lab Testing (Novato)	204.00
3	Andruess, Mary Kate	Novato "Washer Rebate" Program	50.00
4	Athens Administrators	July Worker's Comp Admin Fee	1,000.00
5	Autoworld	Throttle Position Sensor ('03 Dodge Dakota)	50.54
6	Badger Meter	2" Meters (2)	923.71
7	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt 21 of 240)	46,066.67
8	Bastogne	Refund Overpayment on Closed Account	65.00
9	Bay Area Barricade Service	Barricades (16)	457.80
10	BioVir Laboratories	Quality Assurance Tests (Lab)	865.06
11	Bixler, Carol	Novato "Toilet Rebate" Program	200.00
12	Brescia, Nicole & Greg	Refund Overpayment on Closed Account	120.64
13	CDW-Government	Color Laserjet Printer (STP)	416.42
14	Chamberlain, Cory	Novato "Washer Rebate" Program	50.00
15	Chase Card Services	ACWA Conference (DeGabriele) (7/19-Santa Rosa) (\$30), Lunch Meeting (\$25) & Parking (\$2)	57.25



Seq	Payable To	For	Amount
16	Chi, Jonathan	Novato "Washer Rebate" Program	50.00
17	Chinn, Mae	Novato "Washer Rebate" Program	50.00
18	Cipriani, Erin & Russ	Novato "Washer Rebate" Program	50.00
19	Clark, Robert E.	Exp Reimb: Day Planner Refill	38.14
20	Cline, William	Novato "Toilet Rebate" Program	100.00
21	Core Utilities	Consulting Services: June IT Support (\$5,000), SCADA: School Road & PRTP (\$200), Contact Time Calculator (\$175), Diagnose & Replace Printer Driver (\$250), Program 4 Radios, Connect Servers to Replace T1 @ STP & Flow Meter to Reservoir Hill Programming (\$2,400)	8,025.00
22	Cote, Klarika	Novato "Cash for Grass" Program	60.00
23	Covello Group	Change Order No. 3 for Additional Recycled Water South Service Area Construction Management (Bal Remaining on Contract \$37,740)	35,314.67
24	Cox, Deborah	Novato "Washer Rebate" Program	50.00
25	CPI International	Chemical Reagent (Lab)	80.79
26	Cruz, Norman	Refund Alternative Compliance Reg 15 Deposit	945.00
27	Culver, Phillip & Karen	Novato "Washer Rebate" Program	50.00
28	Danford, Peter	Novato "Washer Rebate" Program	50.00
29	Data Instincts	Final Payment - Public Outreach During RW South Phs 2 Construction Project (Total \$28,843)	1,110.00
30	DeWitt, Brian	Novato "Washer Rebate" Program	50.00
31	Electrical Equipment	Starter Coil for Pump Motor (\$380) & Overload Terminal for P3 @ Lynwood P/S (\$126)	506.49
32	Fisher Scientific	Manganese, Flasks (2-500ml) (\$226) & Pipette Tips (960) (Lab)	299.56
33	Foss, Joyce	Novato "Toilet Rebate" Program	100.00
34	Gao, Meifang	Novato "Washer Rebate" Program	50.00

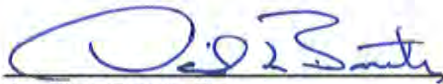
Seq	Payable To	For	Amount
35	GHD	Engineering Services for Aqueduct Relocation (Balance Remaining on Contract \$11,511)	4,815.00
36	Grainger	Ammeter Clamp (\$336), 7/8" Flat Washers (30) & Pressure Transducers (2) (\$408)	900.59
37	Hello Direct	Replacement Headset (Atkinson)	37.55
38	Hertz Equipment Rental	Wheel Loader Rental (5/28/13-6/27/13)	1,711.30
39	Hettrich, Richard	Novato "Washer Rebate" Program	50.00
40	Hollander, Susan	Novato "Cash for Grass Rebate" Program	225.00
41		Vision Reimbursement	163.97
42	Home Depot	Rapid Set Concrete (50-60lb bags)	637.82
43	Industrial Vacuum	Vacuum Trailer Rental for Removal of Old GAC @ STP	4,500.00
44	InfoSend	June Processing Fee for Water Bills (\$1,353) & Postage (\$3,740)	5,093.12
45	Jim-n-i Rentals	Steel Plate Rental (6/17/13-6/27/13) & Steel Plate (\$1,639)	1,802.97
46	Klebanoff, Elinor & Frank	Novato "Washer Rebate" Program	50.00
47	Larsengines	Replacement Backpack Blower	499.50
48	MacDonald, R.F.	Booster Pump for RW Irrigation (Hamilton Charter School)	1,768.02
49	Maltby Electric	Safety Switch (\$64) & Wire Junction Box	104.47
50	Manco	Tank Level Transmitter	299.72
51	Marin County Tax Collector	LAFCO Expense Allocation FY13/14 (Budget \$7,500)	7,961.00
52	Marin, County of	Annual Septic Permit (25 Giacomini Rd)	426.00
53	Maxwell, Grant	Novato "Washer Rebate" Program	50.00
54	McLellan, WK	Misc Paving (Novato Area) (170 S.F.)	1,247.26
55	McNalley, Kelley	Refund on Closed Account	175.59
56	MegaPath	DSL Internet Service (7/12/13-8/11/13)	142.88

Seq	Payable To	For	Amount
57	Merk-Johnson, Sheila	Novato "Washer Rebate" Program	50.00
58	Moore, Denise	Novato "Toilet Rebate" Program	400.00
59	Naing, Soe	Novato "Washer Rebate" Program	50.00
60	Norato, Martin	Novato "Cash for Grass Rebate" Program	225.00
61	Novato Disposal Service	June Trash Removal	413.20
62	Novato Sanitary District	Annual Deer Island Lease (\$20), Reimbursement for Recycled Water for July 2012-April 2013 - Not Including Chemical & Power (\$17,001) & FY13 Electric Power for Deer Island Recycled Water Facility (\$8,000)	25,021.50
63	Novato Chevrolet	Turn Signal (\$158) & Flasher ('03 Chevy C1500)	242.42
64	Pace Supply	1" Copper Pipe (3,000) (\$12,658), Bushing, Caps (6), Service Saddles (2) (\$156), Couplings (10) (\$456), Flange (\$78), Nipples (64) (\$129), Steel Pipe (42) (\$471), PVC Pipe (40), Corp Stops (10) (\$406), Tee, PRV (\$91), Unions (2), Els (4), Valve & Gaskets (5) (\$192)	15,147.45
65	Pacific Land Surveys	Mobilization for Survey at Atherton Tank	1,263.00
66	Pape Machinery	Hydraulic Hose (2)	240.91
67	PERS Retirement System	Pension Contribution PPE 7/15/13	47,691.67
68	Peterson Trucks	Chain Binders (6)	156.34
69	Peterson, Trisha	Novato "Washer Rebate" Program	50.00
70	Pisani, Nancy	Novato "Toilet Rebate" Program	100.00
71	Point Reyes Prop Mgmt Assn	July HOA Dues (25 Giacomini Rd)	75.05
72	Ramudo, Pablo	Exp Reimb: BAWWA Tour & General Meeting (5/23/13) (\$45) & Travel Expenses for Water Board Stakeholder Meeting on Proposed Desalination Permit on 6/27/13. Mileage (\$123) & Hotel (\$199)	367.28
73	Redding, Lynn	Novato "Water Smart Landscape Efficiency" Program	92.16
74	Red Wing Shoe Store	Safety Boots (Cilia)	200.00

Seq	Payable To	For	Amount
75		Cafeteria Plan: Childcare Reimbursement	208.33
76	Ricoh USA	Scan & OCR Accounts Payable Disbursements FY07-FY08	12,500.00
77	Roberts & Brune	12" x 12" Tapping Sleeve (\$1,988) & Flanges (2)	2,019.19
78	Rodzen, Jessica & Christopher	Refund Overpayment on Closed Account	115.61
79	Romano, Bonnie	Novato "Washer Rebate" Program	50.00
80	Rotary Club of Novato-Sunrise	Annual Dues (McIntyre) (7/13-6/14) (Budget \$180)	178.00
81	Sagun, James	Novato "Washer Rebate" Program	50.00
82	Scott, Jacquelyn	Novato "Washer Rebate" Program	50.00
83	Shorett, Seth & Robin	Refund Deposit-New Development Water Conservation Restriction	1,000.00
84	Simon, Ann	Novato "Toilet Rebate" Program	300.00
85	Sonoma County Water Agency	June Contract Water	521,073.26
86	Sonsray Machinery	Drive Axle U-Joints (2) ('93 Case Loader)	778.91
87	Staples Business Advantage	Copy Paper (80 reams)	287.67
88	Staples	Calendar & Post-it Flags	21.23
89		Cafeteria Plan: Uninsured Medical Reimbursement	53.77
90	Tachis, Joe & Elisa	Novato "Washer Rebate" Program	50.00
91	Thomas Scientific	Petri Dishes (600) (\$170), Cleaner & Chloride (\$39)	244.07
92	Township Building Services	June Janitorial Services	1,754.84
93	Trebron	iPrism Internet Filter Annual Installment Payment for 50 Workstations (3rd of 3 payments) (Budget \$1,320)	1,315.88
94	Ultra Scientific	Mineral Samples (2) (Lab)	144.00
95	Univar	Ferric Chloride (20,042 lbs)	7,008.09

Seq	Payable To	For	Amount
96	UNUM Life Insurance	July Group Life Ins Premium	690.71
97	Verizon California	Telephone Charges: Leased Lines	606.29
98	VWR International	Phosphate Buffer (Lab)	107.67
99	Wellar, Jill	Novato "Washer Rebate" Program	50.00
100	Western Oaks Village HOA	Novato "Smart Irrigation Controller" Program	2,310.00
101	Williams, Malcolm	Novato "Washer Rebate" Program	50.00
<b>TOTAL DISBURSEMENTS</b>			<b><u>50.00</u></b>
			<b><u>\$979,951.15</u></b>

The foregoing payroll and accounts payable vouchers totaling \$979,951.15 are hereby approved and authorized for payment.



Auditor-Controller

7/23/13

Date



General Manager

7/23/2013

Date

## DISBURSEMENTS - DATED AUGUST 1, 2013

Date Prepared: 7/30/13

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

Seq	Payable To	For	Amount
1	101 Office Products,	Printer Cartridges (3)	\$439.93
2	Allied Heating & Air Condition	Quarterly Maintenance on HVAC System (6/1-8/31/13)	441.31
3	Athens Administrators	Replenish Workers' Comp Account - June Cost (Bynum)	119.65
4	Backflow Distributors	30" X 24" X 3" Freeze Protection Bags (2)	179.25
5	Baker, Jack	July Director's Fee (\$100) & North Bay Watershed Assoc Meeting - 7/12 (\$100)	200.00
6	Borgeson, Sam & Merrian	West Marin "Washer Rebate" Program	50.00
7	Business Card	Birthday Breakfasts (\$105), Iannotate App for BOD Ipads (\$40), Lunch Meeting (\$44), Publication: Steel Water Storage Tanks (\$91), Notary Training Class (\$169), Bond (\$38), E&O Ins (1/14-1/18) (Kehoe) (\$98) (Budget \$80), Misc Supplies & CA Bond (\$156), Petty Cash Voucher Slips (\$33), Hard Drives (3) (STP) (\$233), Color Laserjet Printer (\$245) (DeGabriele & Young) & Internet Pymt Fee (\$129)	1,381.85
8	California State Disbursement	Wage Assignment Order (2)	1,018.50
9	Cummings Trucking	Sand & Rock	3,052.46
10	CWEA	Reg Fee: CWEA Lab Analyst Certification Test (Reischmann)	308.00
11	Ellinwood, Tuffield	Novato "Washer Rebate" Program	50.00
12	Environmental Science Assoc	Prog Pymt #26: CEQA Construction Tasks for Recycled Water South Project (Bal Remaining on Contract \$29,301)	1,333.67

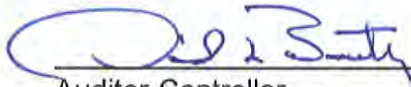
Seq	Payable To	For	Amount
13	Filippi, Connie	Exp Reimb: File Folder Fasteners (300)	30.17
14	Fraites, Rick	July Director's Fee	100.00
15	Fraunfelder, Igrid	Novato "Washer Rebate" Program	50.00
16	Froman, Renee	Novato "Washer Rebate" Program	50.00
17	Golden Gate Petroleum	Gasoline (\$3.68/gal) & Diesel (\$3.76/gal)	3,165.79
18	Goreva, Irina	Novato "Toilet Rebate" Program	100.00
19	Grainger	Fuses for Lab Instruments	9.29
20	Groeniger	Tapped Cap, Flanges (4) (\$370), Brass Unions (8), Double Check Valve & 12" Coupling (\$451)	1,143.95
21	Gutierrez, German	Novato "Toilet Rebate" Program	100.00
22	Hach	Annual Service for Hach Equipment @ STP & Thorson	14,701.00
23	Harris and Associates	Pipeline Inspection & Testing Services for the MSN-BI-Reach E Project (Balance Remaining on Contract \$233,753)	45,636.31
24	Hune, Ronald	Novato "Washer Rebate" Program	50.00
25	LGVSD	Charges for Recycled Water	36,675.65
26	Lincoln Life	Deferred Compensation PPE 7/31	10,192.06
27	McMaster-Carr Supply	Cooling Fan for SCADA Temp Sensor	33.11
28		Wage Assignment Order	284.00
29	Mutual of Omaha	August Group Life Premium	691.39
30	Nationwide Retirement Solution	Deferred Compensation PPE 7/31	1,025.00
31	Neopost USA	Quarterly Postal Meter Rental (8/13-10/13)	212.55
32	Novato Police Dept	Telephone Answering Service (May-June)	600.00

Seq	Payable To	For	Amount
33	NTU Technologies	Polymer (2,250 lbs)	3,622.50
34	On Line Resource	Refund Payment (Can't Locate Account) & Refund Overpayment on Closed Account	137.51
35	Pace Supply	Traffic Box (2), Bushing, Brass Nipples (14), Brass Couplings (20) (\$578), Hydrant Extensions (5) (\$609) & Double Check Valve	1,463.05
36	PERS Health Benefits	August Health Insurance Premium (Employees \$48,743, Retirees \$10,908 & Employee Contrib (\$10,258)	69,909.40
37	Petterle, Stephen	July Director's Fee	100.00
38	Press, Edward	Novato "Washer Rebate" Program	50.00
39		Cafeteria Plan - Uninsured Medical Reimbursement	1,675.00
40		Cafeteria Plan - Child Care Reimbursement	208.33
41		Cafeteria Plan - Uninsured Medical Reimbursement	692.70
42	Rodoni, Dennis	July Director's Fee	100.00
43	Rodrigo, Don	Novato "Toilet Rebate" Program	300.00
44	Sage Software	FY14 Annual License Subscription (Budget \$850)	808.73
45	Schoonover, John	July Director's Fee Less Deferred	50.00
46	Sequoia Safety Supply	Brief Relief Urine Bags (100) (\$222) & Face Shield Visors (9)	240.77
47	SHRM	Society for Human Resource Management Membership Dues (9/1/13-8/31/14) (Landeros)	180.00
48	Streakwave Wireless	Radio Antenna Bracket (2)	21.78
49	Syar Industries	Asphalt (5.48 tons)	670.33
50	Volvo Construction Equipment	Oil Filter & Compressor Oil (1 gal)	142.87



Seq	Payable To	For	Amount
51	VWR International	Cotton Applicators (200) (\$78), Kim Wipes (8,400) (\$150) & Spore Strips (\$121) (Lab)	348.71
52	Wildcat Engineering	Perform On-site Retrofits for Recycled Water North & South Projects (Bal Remaining on Contract \$19,925)	81,883.11
<b>TOTAL DISBURSEMENTS</b>			<b><u>\$286,029.68</u></b>

The foregoing payroll and accounts payable vouchers totaling \$286,029.68 are hereby approved and authorized for payment.



Auditor-Controller

7/29/13

Date



General Manager

7/29/2013

Date

**MEMORANDUM**

To: Board of Directors  
 From: Dianne Landeros, Accounting Supervisor  
 Subject: Information: Scrap Metal Receipts  
t:\finance\memos\bod scrap metal receipts fy13.doc

August 2, 2013

**RECOMMENDED ACTION:** None  
**FINANCIAL IMPACT:** \$24,020 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, 2013, and the amount the District received for them. John Mello deserves credit for cleaning out the back lot of material, some of which had been there for over 40 years. A total of about 137,000 pounds were sent to recycling during fiscal year 2013.

<b>Date</b>	<b>Description</b>	<b>Amount Received</b>
10/22/2012	<i>Steel Mill Supply of Napa</i> 1,088 lbs. Brass <sup>2</sup> (\$1.25/lb) 1,024 lbs. Copper <sup>1</sup> (\$2.50/lb) 610 lbs. Dirty Brass <sup>3</sup> (\$1.00/lb)	\$4,530.00
10/22/2012	5,380 lbs. Iron <sup>4</sup> (\$0.10/lb)	\$538.00
1/24/2013	526 lbs. Copper <sup>1</sup> (\$2.65/lb) 922 lbs. Dirty Brass <sup>3</sup> (\$1.25/lb) 160 lbs. Insulated #3 Wire (\$1.10/lb) 234 lbs. Insulated #2 Wire (\$1.26/lb)	\$3,014.90
3/14/2013	14,920 lbs. Iron <sup>4</sup> (\$0.12/lb)	\$1,790.40
3/15/2013	16,560 lbs. Iron <sup>4</sup> (\$0.12/lb)	\$1,987.20
3/18/2013	12,950 lbs. Iron <sup>4</sup> (\$0.12/lb)	\$1,554.00
3/19/2013	12,520 lbs. Iron <sup>4</sup> (\$0.12/lb)	\$1,502.40
3/20/2013	24,780 lbs. Iron <sup>4</sup> (\$0.12/lb)	\$2,911.60
3/22/2013	8,690 lbs. Iron <sup>4</sup> (\$0.10/lb)	\$890.75
3/27/2013	14,240 lbs. Iron <sup>4</sup> (\$0.10/lb)	\$1,459.60
4/5/2013	12,440 lbs. Iron <sup>4</sup> (\$0.10/lb)	\$1,275.10
4/16/13	15,050 lbs. Iron <sup>4</sup> (\$0.10/lb)	\$1,542.60
4/26/13	<i>Worldwide Recycling</i> Metal/Copper	\$1,023.00
	<b>TOTAL FY13</b>	<b>\$24,019.55</b>

<sup>1</sup>Copper was comprised of used pipe pieces pulled from the ground and short pieces of new pipe.  
<sup>2</sup>Brass was comprised of old water meters.  
<sup>3</sup>Dirty brass was old check valves.  
<sup>4</sup>Iron was old metal scrap iron, pipe, valves, fittings, brake rotors, fire service lids, truck bed

## MEMORANDUM

To: Board of Directors

August 2, 2013

From: Nancy Williamson, Senior Accountant

Subj: Information – FY13 4th Quarter Labor Cost Report

t:\aclword\memo\13\4thqr labor cost rpt.doc

**RECOMMENDED ACTION:** Information Only

**FINANCIAL IMPACT:** None

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 was 0.2% over budget for the year. Total labor cost increased \$92,869 (1.4%) from the prior year.

<b>Department</b>	<b>Increase / (Decrease) in Labor Cost vs prior FY</b>	<b>% Change</b>
Administration	(\$74,494)	(3.9%)
Engineering	\$22,477	1.8%
Operations/Maint	\$108,394	4.5%
Construction/Maint	\$36,492	3.2%
Net Increase/(Decrease)	\$92,869	1.4%

### Comment on Change from Prior Year

**Administration:** Labor Cost decreased \$74,494, or 3.9%. The decrease is primarily due to the retirement of two staff during the fiscal year who were not replaced. This decrease was offset by a 2.5% COLA increase effective 10/1/12, an increase in use of temporary labor and overtime hours, and 5 step-increases.

**Engineering:** Labor Cost increased \$22,477, or 1.8%. The increase is primarily due to a 2.5% COLA increase effective 10/1/12 and 1 step-increase, offset by a reduction in the use of temporary water conservation labor.

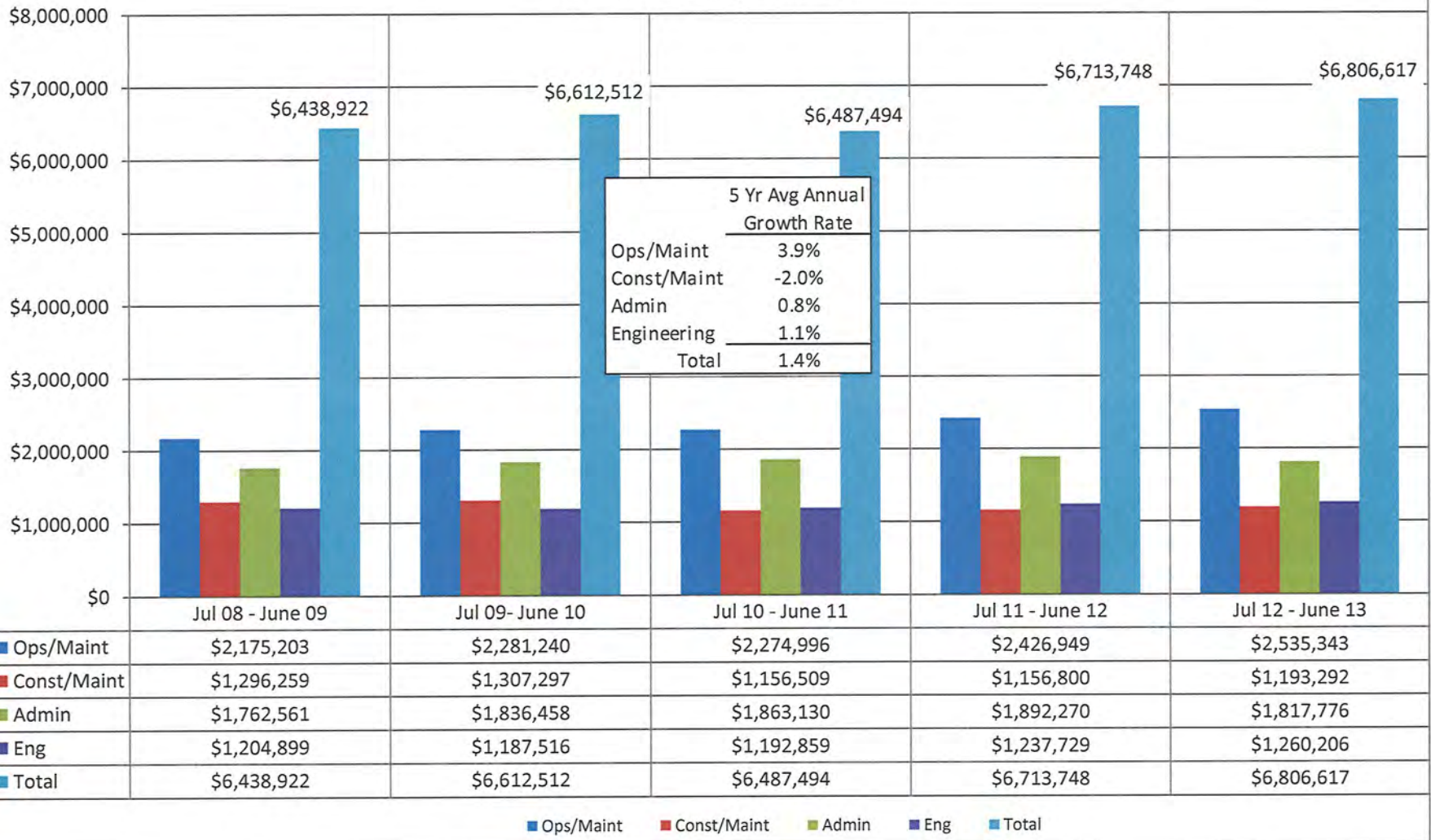
**Operations/Maintenance:** Labor Cost increased \$108,394, or 4.5%. The increase is primarily due to seven step-increases, an increase in overtime hours and the aforesaid 2.5% COLA increase offset by a 75% decrease in the use of temporary labor.

**Construction/Maintenance:** Labor Cost increased \$36,492, or 3.2%. The increase is primarily due to four step-increases and the 2.5% COLA increase, offset by a 1.5% decrease in total hours worked.

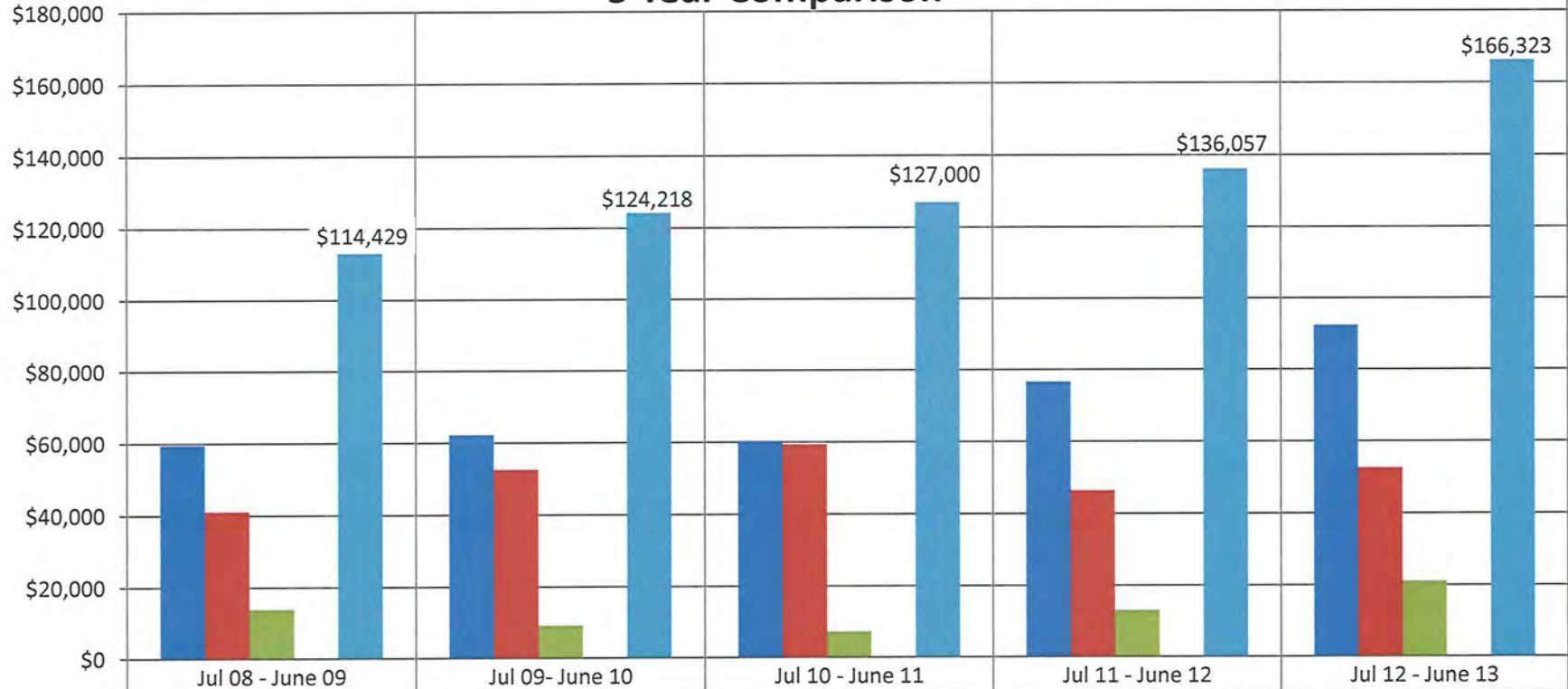
# NMWD Fiscal Year through June Total Labor Cost 5 Year Comparison

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8/2/13



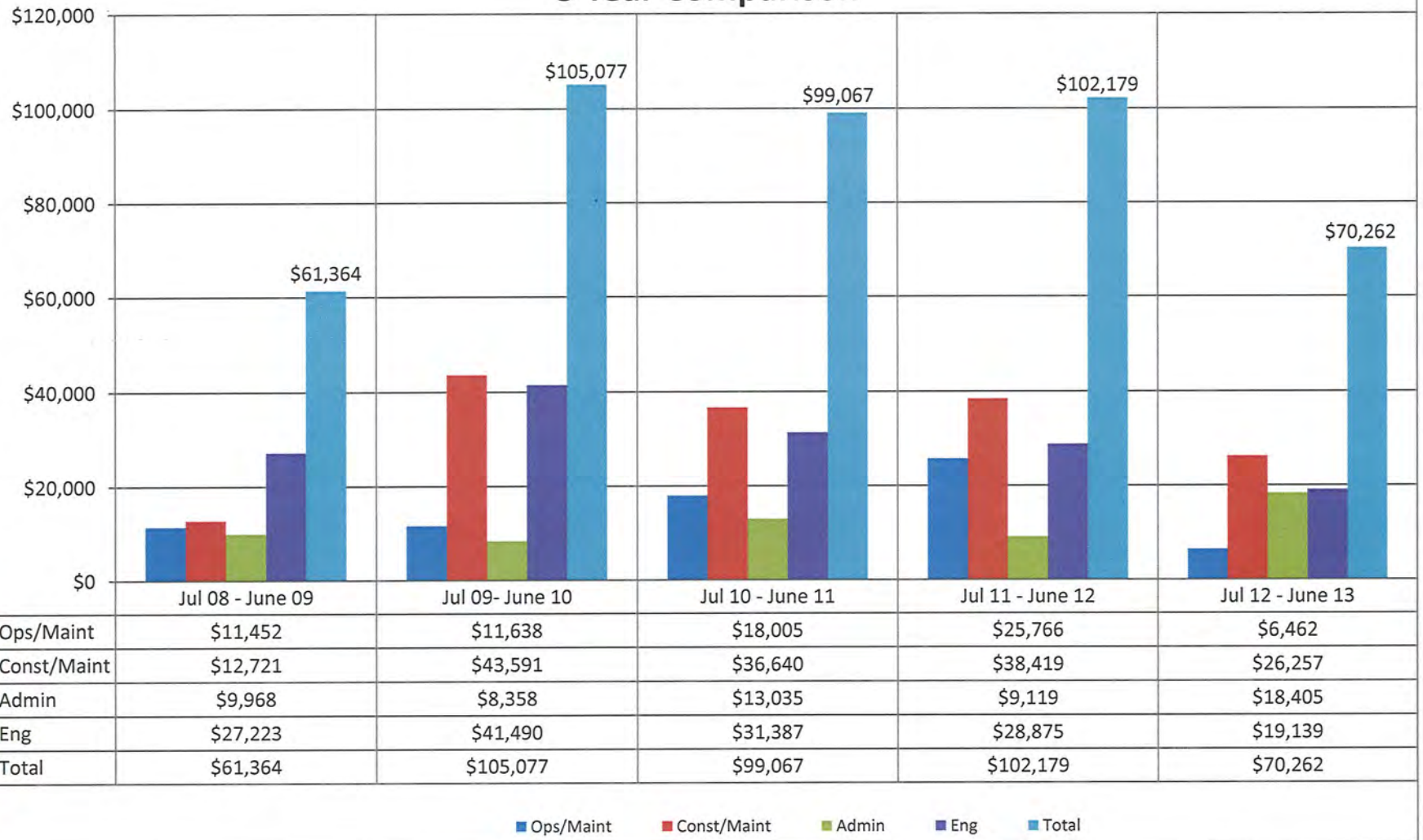
## NMWD Fiscal Year through June Overtime Cost 5 Year Comparison



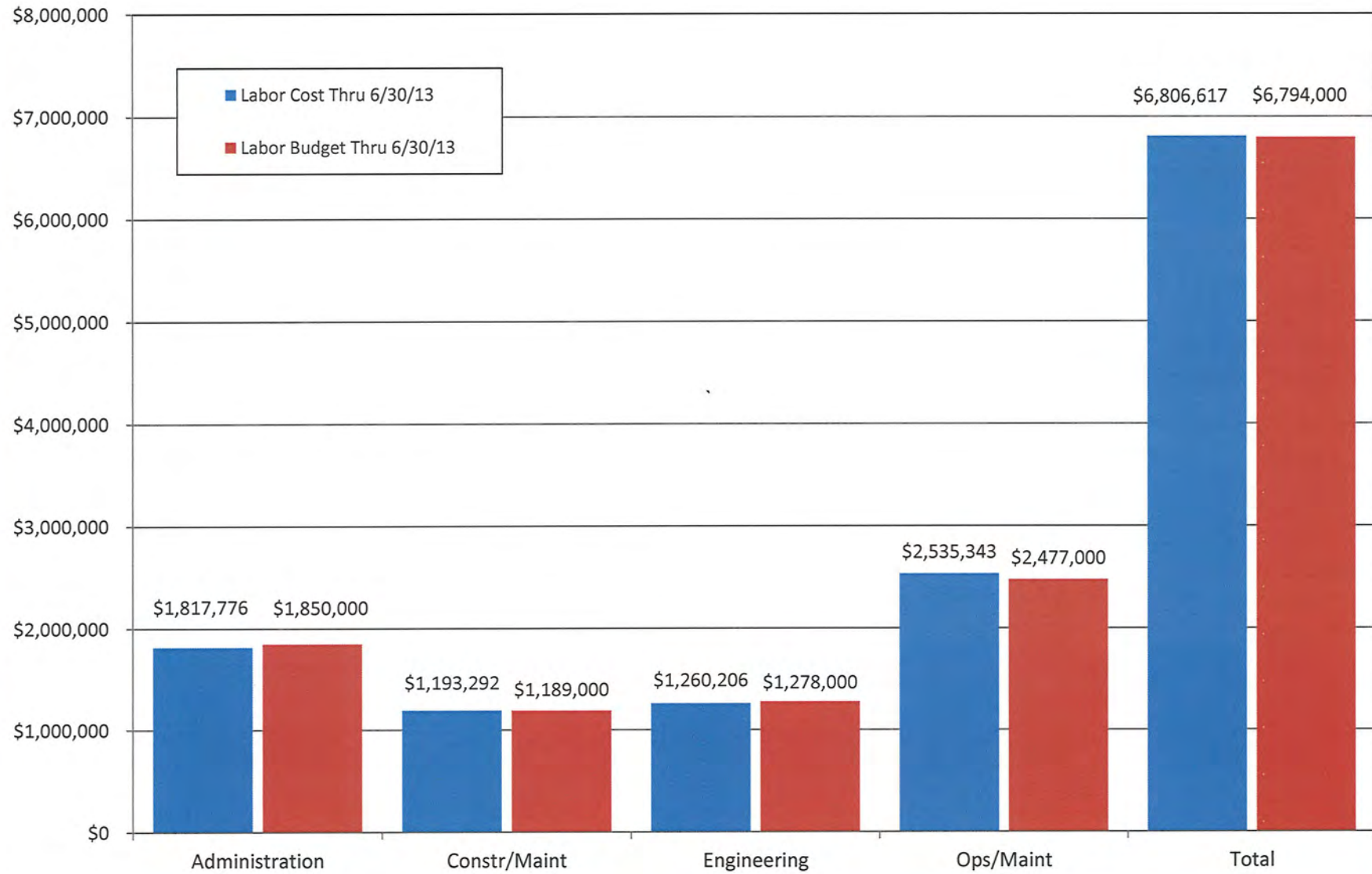
■ Ops/Maint	\$59,448	\$62,198	\$60,403	\$76,622	\$92,415
■ Const/Maint	\$41,059	\$52,498	\$59,294	\$46,281	\$52,549
■ Admin	\$13,923	\$9,275	\$7,303	\$13,155	\$21,141
■ Eng	\$0	\$248	\$0	\$0	\$219
■ Total	\$114,429	\$124,218	\$127,000	\$136,057	\$166,323

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

### NMWD Fiscal Year through June Temporary Employee Cost 5 Year Comparison



### NMWD Fiscal Year through June Total Labor Cost vs. Budget 7/1/12 - 6/30/13



BOD  
misc.

## Dry spring has some water watchers concerned about 'D word' in Marin

Posted:

marinij.com

Local water districts have started an upbeat campaign to conserve water, but there is a darker threat looming for water supplies after a bone-dry spring saw only a smattering of rain.

Unlike some districts that receive water from a potent Sierra snowpack, Marin is at the mercy of rain, which provides much of the drinking water for the county via eight reservoirs, most on Mount Tamalpais and one at Stafford Lake in Novato. The rest comes from the Russian River, which also is fed by local rains.

It looked to be a banner rainy season as the storms were plentiful last fall and in the early winter. Through Christmas 2012 the Marin Municipal Water District recorded 31.25 inches of rain at Lake Lagunitas on Mount Tamalpais, about twice as much as normal.

But then beginning Jan. 1 it was as though Mother Nature noted the calendar and decided to halt the rains.

Marin Municipal recorded a mere 5.15 inches of rain from January through May. On average, 32.82 inches falls during that period, based on rainfall records dating back 135 years.

The water district recorded 40.20 inches for the season, which ran from July 1, 2012, through June 30. On average 52.65 inches of rain falls.

"We do need the big rains this fall," said Brad Sherwood, spokesman for the Sonoma County Water Agency, which supplies water to Marin Municipal and the North Marin Water District in Novato. "The 'D' word will probably be discussed this fall and winter if the rains do not come."

That's 'D' as in drought.

In response the Sonoma-Marín Saving Water Partnership — nine North Bay cities and water districts that use Russian River water — are getting ahead of that possibility by asking people to save 20 gallons a day through a voluntary conservation program dubbed the "20 Gallon Challenge."

The program's website, 20gallons.org, offers water-saving tips and prizes — water-saving dishwashers, landscaping and toilets — to get people to participate.

"The dry spring was the impetus for the program," said Krishna Kumar, general manager at Marin Municipal.



It was the dry conditions that sent the storage within Marin Municipal's reservoir system below average. Typically at this time of year, reservoirs are 80 percent of capacity, but now are 77 percent. Last year at this time they were 89 percent of capacity.

"We are in a wait-and-watch mode," Krishna said, noting that while down, the reservoirs are fairly close to average for this time of year. "It has not really affected us to this point."

Indeed rationing is off the table and won't be an issue until April 1 of next year. At that point if there are 50,000 or fewer acre feet in the system, a 10 percent voluntary rationing program would kick in. If there is less than 40,000 acre feet, a 25 percent mandatory program would be implemented. As of last week there were 61,356 acre feet in the reservoirs. An acre foot can supply about three single-family homes with water for a year. There are 325,851 gallons in an acre foot.

Rationing may not be as simple as it once was because many Marin residents have stepped up to save water, from installing low-flow toilets to planting drought-resistant gardens. Per capita, there has been a 25 percent drop in water use in the county since the 1970s. The average person uses about 131 gallons a day in the county, which is below a state mandated goal of 137 gallons set for 2015.

"There is always room for conservation," Kumar said. "Marin has shown that before."

And all it will take is some good rains this fall and winter to keep that discussion from occurring.

Of course there are no guarantees.

The National Weather Service has not been able to determine if this coming rainy season will be rainy or dry, instead calling it "neutral" for time being. In September the weather service will issue a report for the rainy season.

"We rely on the rain and every year is different," said Chris DeGabriele, general manager of the North Marin Water District, which has seen its Stafford Lake reservoir drop by a foot under average.

"We have to see what this year holds."

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

## Low water levels threaten Russian River businesses

By CLARK MASON THE PRESS DEMOCRAT on Sunday, July 28, 2013

Wayne Koniuk was back Sunday for a canoe ride on the Russian River, the seventh time this year the San Francisco man has paddled the waterway above Healdsburg.

"It's still good. There are only two parts where you have to get out of the boat and push the canoe through," he said.

"We haven't found it too disruptive," his wife Karen said of the lower than average water level in the river. "We still have a great trip."

A dry spring resulted last month in some of the lowest river levels seen in decades. Although releases from Lake Mendocino have since increased and brought the river up, there are ongoing concerns about the impact to recreation.

"I don't tell people it's business as usual," said Lollie Mercer, owner of River's Edge Kayak and Canoe Trips in Healdsburg. "There's less river to paddle in, and in the river channels under the trees our clients have to duck a lot. And they hit sandbars. They have to get out more often."

"In June, the river was absolutely at the lowest we've seen it ... since the 1976 drought. Luckily it's come up since then," said Don McEnhill, director of Russian Riverkeeper, a conservation group that advocates for clean water and healthy rivers.

He said that 25 percent more water has been released from the dam since late June, which "has made a positive difference."

Releases from Coyote Dam at Lake Mendocino, near Ukiah, are controlled by the U.S. Army Corps of Engineers and the Sonoma County Water Agency.

Officials have a number of things to weigh that include providing water for domestic use, agriculture, fish migration, as well recreation.

The river is a main source of potable water for more than 600,000 residents in the North Bay who are served by the water agency.

Both McEnhill, Mercer and others who depend on the Russian River for their livelihood said the Army Corps released too much water into the river last winter and early spring, trying to make sure there was enough capacity at Lake Mendocino to provide for flood control.

But after a very wet December, the rains disappeared, making it one of the driest springs on record.

"All that precious water was released, thinking the storms would come. And they didn't materialize. That was too bad," said Linda Burke, owner of Burke's Canoe trips in Forestville.

In February, March and April, "I watched tens of thousands of acre feet of water — that precious

resource — go out to the ocean, never to be seen again,” said Mercer. “I believe it was poorly managed.”

Attempts to reach Water Agency and Army Corps officials for comment Sunday were unsuccessful. But Riverkeeper's McEnhill said both agencies are studying ways to better forecast the weather and manage storage at Lake Mendocino.

“They have an operating manual authorized by Congress,” McEnhill said. The releases from Lake Mendocino “are not something they do willy nilly. It's a very elaborate process to try to modify the way they operate the dam.

“I believe they got feedback from the community in June. Often when flows are that low you get phosphate spike problems,” McEnhill said, explaining that it stimulates algae blooms, consumes oxygen in the water and harms endangered fish.

The good news, he said, “is the flows are higher than they were early summer but short of what would be perfect in our book.”

Mercer also worries about spikes of hot weather that quickly impact river levels.

“On a hot day and really hot days, we watch the water line taken down in front of our eyes, within hours,” she said.

The pumps that supply agricultural water are a major reason, she said. “When they start pumping out on hot days, it's barely enough for us to operate in.”

Mercer believes the lower water levels have impacted her business this year, and she said it has the potential to impact other tourist-related business, including lodging and restaurants.

Her clients come from all over.

“It was France and Switzerland yesterday. Today it's Norway and Argentina,” she said Sunday of her customers. “We have international people — Middle East, a lot of Asians, people from Australia, New Zealand a few days ago.”

While the number of customers has increased every year in the eight years she has been in business, Mercer's not expecting this year to surpass it.

“We're still on track to do 20,000,” she said.

She worries that another dry winter could force her to close next year.

Burke of Burke's Canoe Rentals said it's too early to say how her season will stack up against last year. But, she said, “we have a very strong loyal customer base from all parts of Sonoma County, and they are still coming out. They love their river and know what a wonderful resource they have in their own backyard.”

Larry Lab, owner of Russian River Adventures, said he is lucky in that his kayak trips are in a stretch of the river below Dry Creek that is supplemented with water released from Lake Sonoma behind Warm Springs Dam.

“I have no complaints. Business is up over last year,” he said Sunday. “We're still on track to have our best season ever.”

Along the river Sunday, there were plenty of folks in kayaks and canoes.

“It was great. We didn't have to get out once. It turned into a beautiful day,” said Jessica Klein, a Santa Rosa veterinarian who took a River's Edge Canoe trip with her husband.

They took the half-day paddle down the river from the Rio Linda Academy about five miles downstream to the Healdsburg Memorial Bridge.

Upstream at Del Rio Woods Beach, lifeguard Joseph Pickard said the river “is noticeably a lot lower and the water doesn't flow as much. This year it's really bad. This is definitely lower than usual.”

He added, “there are still swim holes, just not as many.”

Some canoeists at Del Rio were bumping against gravel beds and using their paddles to push off into the deeper channel.

“There's not enough water to flow all the way,” said Daniel Cross of Cotati. “I managed to prod it, dig it along,” he said as he and his wife Leslie pushed away at the gravel bed rubbing the underside of their canoe.

But overall, they were still having a good time.

“It's a perfect way to spend the summer,” said Leslie Cross.

You can reach Staff Writer Clark Mason at 521-5214 or [clark.mason@pressdemocrat.com](mailto:clark.mason@pressdemocrat.com).



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## Graton tribe concerned over casino possibility

By Janelle Wetzstein

ARGUS-COURIER STAFF

Published: Friday, July 26, 2013 at 1:35 p.m.

The possibility of a casino south of town has created an unlikely alliance between city officials and the Federated Indians of Graton Rancheria — who have previously been at odds over the Graton Tribe's Rohnert Park casino.

Fearing efforts by the Dry Creek Band of Pomo Indians to get the 277-acre parcel south of Petaluma taken into federal trust — a typical precursor to building a casino — Graton tribal Chairman Greg Sarris echoed local officials' concerns about Dry Creek's intentions for the property this week.

"The Graton Indians oppose (the Dry Creek tribe) putting the land into trust for any reason," said Sarris. "If (the tribe) wanted to build ball fields, housing and a gas station, why don't they do it up in Geyserville, where their land is already in trust? (Their tribal chairman) has another agenda."

The Dry Creek tribe first purchased the property next to Highway 101 in 2005. The land is currently zoned for agricultural uses by the county. After buying the land near the height of the housing bubble, the tribe announced plans to build a gaming casino on the site, submitting an application to the Bureau of Indian Affairs to have the land taken into federal trust.

But after a public vote showed that 79 percent of Petaluma voters rejected the proposed casino, Dry Creek allowed their federal trust application to expire and signed an agreement with Sonoma County not to pursue gaming on the property until 2016.

Recently, Dry Creek's tribal chairman Harvey Hopkins told local officials that he has no plans to build a casino on the site. Instead, he submitted development plans to local officials that include ball fields, a 40-parcel subdivision for tribal housing, a gas station, restaurants, and two, large undesignated sites listed as "Agricultural/Future Development."

Hopkins did not return numerous calls for comment, though he recently told a Press Democrat reporter that he would not be pursuing gaming at that location.

Now, the tribe's non-gaming agreement with the county is nearing its expiration date at the same time that the Graton Rancheria's large Rohnert Park casino readies to open. Hopkins told a Press Democrat reporter that the Graton casino threatens to pull more than 30 percent of profits away from Dry Creek's existing casino in Geyserville.

But despite assurances from Hopkins, Sarris and local officials remain concerned about Dry Creek's intentions. City Councilmember Mike Healy, who has opposed casinos in Sonoma County for many years, has drafted a letter he hopes the City Council will sign and send to Sen. Dianne Feinstein, D-Calif, Sen. Barbara Boxer, D-Calif and Rep. Jared Huffman, D-San Rafael. The letter asks the state leaders to oppose Dry Creek's federal trust application.

“The tribe has long had the ability to develop the property, consistent with applicable state and local land use and zoning laws,” write Healy in the letter. “We are concerned that the only reason for the tribe to transfer the property in trust to the federal government would be an attempt to circumvent these laws.”

The letter, which will be discussed at Petaluma's Aug. 5 City Council meeting, goes on to point out that if the land is taken into federal trust, it could qualify for gaming in the future. It also points to tribal plans to build a fire station on site, which Healy said suggest a more intensive land-use than what is proposed in the plans Hopkins sent to local officials, especially since the San Antonio fire department already has a station less than a mile away.

“Thus, it is not alarmist to question the tribe's long-term non-interest in developing a casino,” Healy wrote in the letter.

Sarris, who has a vested interest in blocking a competing casino being built so close to his Rohnert Park location, asked why the Dry Creek tribe would not sign a legally binding agreement with the county agreeing never to pursue gaming at the site. He said that his tribe signed a similar agreement, promising not to build more casinos in Sonoma County, as a condition of getting approval for the Rohnert Park casino.

“The city and the county shouldn't even consider talking to him about developing the site unless he's willing to sign an agreement that if the land is taken into trust, it will never be used for gaming,” said Sarris. “Let's call his bluff.”

County Supervisor David Rabbitt said that he has spoken at length with Hopkins about his plans for the site, but still has his concerns. Those concerns stem from the large, unaccounted-for open spaces on the tribe's plans and to the lack of transparency in the federal land-to-trust process.

“Lately, the Bureau of Indians Affairs has been making it more difficult for affected jurisdictions to stay in the loop,” said Rabbitt. “It's more difficult to follow an application. We call the BIA and can't find out for certain if there is an application and where in process it is, because the BIA isn't required to tell you anything until an application is finalized. That's why there's always this 900-pound gorilla in the form of a casino at the back of every conversation.”

Rabbitt, who has been discussing his casino concerns with Sen. Feinstein, Sen. Boxer and Rep. Huffman for quite some time, said that he and the county will continue to rail against a new casino anywhere in Sonoma County.

“We appreciate the tribe's stated effort to move away from gaming at this site,” said Rabbitt. “If we have a signed commitment in perpetuity that the tribe won't pursue gaming, then we can be great partners.”

Huffman said that he would support any efforts to block a casino at the site. Sen. Feinstein's and Sen. Boxer's offices did not return requests for comment.

(Contact Janelle Wetzstein at [janelle.wetzstein@arguscourier.com](mailto:janelle.wetzstein@arguscourier.com))

**Editorial: Good reason to save more water this year***Posted:*

marinij.com

WATER AGENCIES in Marin are asking households and businesses to conserve.

That should not be surprising given the dry weather we've had so far in 2013.

We're living off the rain-drenched finish of 2012, but there's no guarantee that a normal weather pattern will make a return.

Water agencies aren't declaring a drought, but their conservation message is a reminder that our water supply depends on local rainfall, which during the spring was one-sixth of the historic average.

According to the Marin Municipal Water District, last spring was the driest on record.

Rainfall fills our mountain reservoirs, from Kent Lake above Fairfax to Stafford Lake in Novato, and feeds the Russian River.

About 25 percent of the Marin Municipal Water District's water comes from the river. The North Marin Water District gets 75 to 80 percent of its water from the river.

The Sonoma County Water Agency and water agencies in Marin and Sonoma counties are asking ratepayers to take steps to reduce usage, indoors and outside, by 20 gallons per day.

They are hedging their bets on another wet winter.

"The dry spring was the impetus for the program," Marin Municipal General Manager Krishna Kumar said. The district's reservoirs are at 77 percent of capacity, below the seasonal norm.

It's too early to talk about a drought or rationing, but watching our water use is important, even during wet years.

Marin has a tradition of conserving water. Not only is there a longstanding public ethic about saving water, but installation of low-flow showerheads and toilets, water-efficient washers and water-conserving irrigation systems have helped reduce water usage.

On average, Marin ratepayers use less than the 137-gallon-per-day statewide average and most surrounding Bay Area counties. And the local daily per-capita usage has declined 25 percent since the 1970s.

Marin Municipal ratepayers' success in conservation was a key factor in the district putting on hold its plans to spend millions to build a desalination plant.

But the public challenge to reduce usage by 20 gallons per day is a good and smart opportunity for local businesses and households to look even harder for places to reduce water use. For instance, a lot of water can be saved by cutting back on the frequency and duration on irrigation timers. Not letting the water run while rinsing dishes can save an estimated five gallons per day and using a broom instead of water to clean your sidewalk or driveway can save 22 gallons.

Ratepayers can find out more about the initiative by visiting the website [20gallons.org](http://20gallons.org).

It is a good time for households and businesses to take a closer look at how much water they use and consider being a little smarter about when to use this valuable natural resource.



## County approves coastal development policies

Posted:

marinij.com

A plan that gives a nod to farming interests while outlining development policies along the Marin coast was approved by county supervisors, capping a marathon public hearing process.

The "local coastal plan" got unanimous approval from top officials Tuesday after an exhaustive analysis that included seven sessions of the Board of Supervisors, as well as 19 workshops and nine formal hearings by the county Planning Commission.

But the document, which confines most new development to existing village regions as it salutes sustainable agriculture, has more review ahead and could remain in limbo for months. It now passes to the state Coastal Commission for debate and what one planner called a back and forth "give and take" involving county and state staffers.

The plan, which had not been updated in 30 years, is in effect the general plan for Marin's coastal communities. Although several conservation groups balked at easing environmental protections or urged that they be beefed up, the plan bows to farmers by retaining or easing a number of restrictions for ongoing operations.

"It is strong for the environment, the coastal villages, and our agricultural producers," Supervisor Steve Kinsey said of the plan. "I look forward to doing all I can to see it remain intact as the final approval process proceeds," said Kinsey, who also serves on the state Coastal Commission.

The plan allows farm family housing and small farmstands, limited grading, flexibility in a 100-foot creek and wetland setback, allows for "groupings" of buildings rather than "clustering," and says ongoing operations can change uses — for example, from grazing to row crops — without a permit. Coastal Commission staffers are balking at Marin's grading and grazing-to-row-crop flexibility, among other points of contention.

Planning Manager Jack Liebster and a team that included planners Alisa Stevenson, Christine Gimmler, Kristin Drumm and Suzanne Thorsen spent "hundreds of hours" crafting the document. He said the plan recognizes that family farms anchor coastal communities.

"Agriculture and agricultural lands are the framework of the open space, views and environment, and in order to sustain that, you have to make sure agriculture remains viable," Liebster said.

Overall, the plan poses no major changes in the location or intensity of new residential or commercial development as it edits and clarifies existing policies "based on today's realities." In some cases it eases or retains planning policies state coastal staffers want tightened.

The Environmental Action Committee of West Marin says the program rolls back environmental protections and "contains many significant unresolved issues and numerous inconsistencies." The panel was alarmed by wetland and grading rules and cited other areas of flexibility that ease development restrictions, but county supervisors agreed the program strikes a balance.

Although there was no such celebration by the county board on Tuesday, the Planning Commission celebrated the conclusion of its review of the plan last year with cake and champagne.

Contact Nels Johnson via email at [ij.civiccenter@gmail.com](mailto:ij.civiccenter@gmail.com). Follow him at [twitter.com/nelsjohnsonnews](https://twitter.com/nelsjohnsonnews)

## Marin Agricultural Land Trust elects familiar face to its board

Posted:

marinij.com

### Point Reyes

The Marin Agricultural Land Trust has announced that Ralph Grossi has been elected to its board of directors.

Grossi contributed to the founding of MALT in 1980 and subsequently served as president of the national nonprofit American Farmland Trust for 23 years. Grossi is a third-generation Marin County rancher.

He worked with MALT co-founders Phyllis Faber and Ellen Straus to form the agricultural land trust in 1980 and was the chairman on its first board.

Send us your news: We want more news items from Marin's cities and towns. Email them to our City Desk at [localnews@marinij.com](mailto:localnews@marinij.com), mail them to City Desk, Marin Independent Journal, 4000 Civic Center Drive, San Rafael, CA 94903, or fax them to 415-382-7209. For more information about towns in Marin, visit the IJ's website at [marinij.com](http://marinij.com).

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# Citizen WEST MARIN NEWS

## Supes approve amended Local Coastal Plan

By Lynn Axelrod

In concluding what Supervisor Steve Kinsey called the first leg of a triathlon, Marin Supervisors Tuesday authorized filing an amended Local Coastal Plan with the California Coastal Commission although some important issues were not yet resolved.

The updating process began in 2008. There were two series of community meetings in 2008 and 2011. Twenty-one workshops were held, 19 of them by the Planning Commission. Supervisors met nine times. A flood of letters, emails and telephone calls were directed to county planning staff and Supervisors from constituents and professional advocates.

Coastal Commission and Marin Community Development Agency staffs conferred throughout the past five years. This should significantly reduce the next stage where, traditionally, there has been minimal consultation and Commission staff would send recommended changes back to the county at one time.

Marin Supervisor and Coastal Commissioner Steve Kinsey praised the "significant engagement" of the Commission's staff, saying they are "as human as we are" and have "agreed to a lot of Marin's comments."

County planners will continue to work on reconciling issues with the state. If agreement is reached, planning staff will return to supervisors for approval and will send the next approvals to the Commission as "an amendment to the amendment," to use Principal Planner Jack Liebster's words. Despite Tuesday's unresolved issues, the new process may become a state-wide model.

The ag community has pushed to eliminate Coastal Act permit requirements for ranches in the Coastal Zone. Advocates include the California, Marin and Sonoma Farm Bureaus, the California Cattlemen's Association, Coastal Landowners for Ag Sustainability and Security, and the Pacific Legal Foundation.

Marin's chief counsel Steven Woodside said Tuesday that's not possible. Exclusions from Coastal Act requirements are defined by the Coastal Act, which would have to be amended. Supervisor Steve Kinsey, calling the law an "injustice," said the county should follow through as "active promoters of legislative change..."

On a pivotal unresolved issue, Principal Planner Jack Liebster called agriculture "more than planting and harvesting." At previous hearings he has defined agriculture activities as "functionally related."

However, in a letter received Tuesday, Commission staff said they are looking for "a more traditional definition...that is tied to working of the land (including crop production, cultivation, and grazing), so that standards and criteria can be made clearer in terms of allowing, siting, and designing other uses and development that might be appropriate on agricultural lands (e.g. farmhouses, farmworker housing, intergenerational housing, agricultural processing structures, etc.)."

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The importance of this is that agriculture is what's known as a principally permitted use. Coastal county decisions on permit applications for principally permitted uses can't be appealed to the Coastal Commission. Amy Trainer of the West Marin EAC said the "problem" of broadly defining agriculture is that some of the "related uses are more akin to commercial manufacturing."

On a specific matter, Supervisors agreed that row crop conversions of any kind would be ok without needing a permit. Converting grazing to row cropping is an issue still being worked on between the two agencies. The environmental community contends that starting up row crops on grazing land would mean changing water use and should be subject to permit review.

Another unresolved issue is requiring a permit to restart a discontinued ag activity. Planning staff proposed the need for a permit after a 10-year lapse based on the advice of UC Cooperative Extension Advisor David Lewis. Rancher Nicola Spaletta asked Supervisors to consider a historical use further back, if a family can prove one.

Planner Liebster said he'd consult with ag advisor Lewis or anyone else about her request, as well as checking the Williamson Act, which Marin Farm Bureau president Sam Dolcini suggested. The Williamson Act gives tax relief to farmers who stay in production for at least 10 years. Steve Kinsey said he was "personally comfortable" with 10 years, adding, "We can probably help" a family applying for a permit.

Supervisors agreed to grant waivers from Coastal Act requirements for minor projects, with public notice of these "de minimis waivers," allowing for public comment and a request by the Coastal Commission Director for a full permit application. Supervisor Sears asked staff to work out provisions for all approvals to expire after two years, even if a project has begun, as a way "to stop endless renewals."

Buffers of Environmentally Sensitive Habitat Areas (ESHAs) on dry land would be 25 feet as an absolute minimum with site-by-site decisions about greater widths. Stream and wetland buffers would be 100 feet.

Mitigations for wetland disturbances from development also were not finalized. Planner Liebster said he agreed with Marin Audubon's suggestion that, although it disagreed with the concept of paying fees "in-lieu" of on-site mitigation, allowing them should be for a "well-defined project...for which permitting seems certain." How much mitigation to require per amount of wetlands disturbed, and whether on-site or off, are also unresolved.

To protect the public's right to coastal views, Supervisors agreed that structures and mature landscaping would have to be sited and designed to protect significant views "both to and along the coast as seen from public viewing areas such as highways, roads, beaches, parks, coastal trails and accessways, vista points, and coastal streams and waters used for recreational purposes."

All agreed that permits to protect shorelines from erosion by using various "armoring" methods such as seawalls should have flexible time periods. Supervisor Kinsey mentioned that he is working with Commission Director Charles Lester on a policy about monitoring changes over time so that landowners don't have to apply for a new permit to change the armoring when a shoreline changes.

Other speakers included Chris DeGabriele of the North Marin Water District, California Farm Bureau attorney Chris Scheuring, Pacific Legal Foundation attorney Jennifer Thompson, ranchers Jerry Corda and Nancy Gates, Scott Miller, a representative of the vacation rental industry, Richard Kohn of Stinson Beach, Amy Trainer of the West Marin EAC and Susan Stompe of the Marin Conservation League.

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# MALT hails Ralph Grossi

By Tess Elliott

Progressive rancher and revered agricultural advocate Ralph Grossi has joined the board of the Marin Agricultural Land Trust, the nonprofit announced this week.

The third generation of one of the county's oldest ranching families, Mr. Grossi served as MALT's first chairman after the nonprofit's founding in 1980. He went on to lead the Washington-based American Farmland Trust for over two decades, during which time he flew home on

## Ralph Grossi

continued from page 1

every six weeks to help manage the family dairy. He returned to West Marin permanently in 2008.

"My interest in conservation was just a natural thing," Mr. Grossi, who grew up on an 870-acre dairy ranch in Indian Valley, told this newspaper in 2011. "It was embedded in the fact that our family had been there for decades, and how we cared for the land was crucial to our legacy."

His appointment follows the elections in the past year of ranchers Bill Barboni II and Sam Dolcini, and helps satisfy the group's requirement that half of the 18 members of the board be agricultural producers.

Farmland protected by MALT now numbers more than 46,000 acres on 72 family farms and ranches. This year, under the new leadership of Jamison Watts, the nonprofit introduced a new, though voluntary, condition on its conservation easements that ensures lands will remain in commercial agricultural production, generally at historic levels.

For Mr. Grossi, "There's still a lot of work to be done, like finding less punitive ways to get these farms into the hands of future generations. We have to solve the state tax issue, and we have to continue to promote a transition to different types of agricultural marketing and crops."

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