



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
 November 1, 2011 – 7:30 p.m.
 District Headquarters
 999 Rush Creek Place
 Novato, CA 94945

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Est. Time	Item	Subject																		
7:30 p.m.	CALL TO ORDER																			
	1.	APPROVE MINUTES FROM REGULAR MEETING , October 18, 2011																		
	2.	GENERAL MANAGER'S REPORT																		
	3.	OPEN TIME: (Please observe a three-minute time limit) This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.																		
	4.	STAFF/DIRECTORS REPORTS																		
	5.	QUARTERLY FINANCIAL STATEMENT																		
	CONSENT CALENDAR																			
	The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.																			
		<table border="0"> <thead> <tr> <th style="text-align: left;">Consent - Approve</th> <th style="text-align: left;">Water Agreement</th> <th style="text-align: center;"><u>Type</u></th> <th style="text-align: center;"><u>DU</u></th> <th style="text-align: center;"><u>EU</u></th> <th style="text-align: center;"><u>Resolution</u></th> </tr> </thead> <tbody> <tr> <td>6.</td> <td>Chipotle Mexican Grill #1643 – 880 DeLong Avenue</td> <td style="text-align: center;">Com</td> <td style="text-align: center;">0</td> <td style="text-align: center;">2</td> <td style="text-align: center;">Resolution</td> </tr> <tr> <td>7.</td> <td colspan="5">Consent - Approve Outside Auditor's 2011 Report and Management Letter (available at the meeting)</td> </tr> </tbody> </table>	Consent - Approve	Water Agreement	<u>Type</u>	<u>DU</u>	<u>EU</u>	<u>Resolution</u>	6.	Chipotle Mexican Grill #1643 – 880 DeLong Avenue	Com	0	2	Resolution	7.	Consent - Approve Outside Auditor's 2011 Report and Management Letter (available at the meeting)				
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6.	Chipotle Mexican Grill #1643 – 880 DeLong Avenue	Com	0	2	Resolution															
7.	Consent - Approve Outside Auditor's 2011 Report and Management Letter (available at the meeting)																			
	ACTION CALENDAR																			
	8.	Deny: Request for Additional Bill Adjustment - Wedel																		
	9.	Approve: STP Solar Power Project Option																		
	10.	Approve: New Crew Truck Purchase																		
	11.	Approve: Recycled Water Expansion to the South Service Area – Phase 1b Construction Project – Approve Bid Advertisement																		
	12.	Approve: Board of Directors Planning Workshop																		
8:30 p.m.	INFORMATION ITEMS																			
	13.	First Quarter 2011/12 Update – Operations/Maintenance																		

All times are approximate and for reference only.

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

(Continued)

Est. Time	Item	Subject
	14.	Quarterly Progress Report – Engineering Department
	15.	Cooperative Agreement between NMWD and Ghilotti Bros. Const – Partial Paving of Corporation Yard
	16.	Bank of Marin Aqueduct Energy Efficiency Project Loan
	17.	WAC/TAC Meeting – November 7, 2011
	18.	North Bay Watershed Association Meeting – November 4, 2011
	19.	MISCELLANEOUS Disbursements The revenge of water Disposition of Credit Card Swipe Machines Infrastructure Committee Reviews Plans to Enhance the Water Supply
		<u>News Articles:</u> Stafford Lake bike park could be ready in year Chinook salmon returning to Russian River in near-record numbers Wine grape growers sue over frost protection rules Myths about Russian River Sandbar Plan Coho Release Highlights 10-Year Willow Creek Restoration Salinity Notice
9:00 p.m.	20.	ADJOURNMENT

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DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
October 18, 2011

6 **CALL TO ORDER**

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

12 Paul Kaymark (Charles Z. Fedak & Company), District employees Robert Clark
13 (Operations/Maintenance Superintendent), Doug Moore (Construction/Maintenance Superintendent)
14 and Dianne Landeros (Human Resources/Accounting Supervisor) were in the audience.

15 **MINUTES**

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

18 AYES: Directors Fraites, Petterle, Rodoni, Schoonover

19 NOES: None

20 ABSENT: None

21 ABSTAIN: Director Baker

22 **GENERAL MANAGER'S REPORT**

23 **SCWA Annual Allocation Model**

24 Mr. DeGabriele reported that the Sonoma County Water Agency hired Brown and Caldwell
25 to update the annual allocation model for water deliveries, and that today the Agency Board
26 authorized the contract. He stated that Brown and Caldwell will also develop a summer or peak
27 allocation model. He stated that in 2009, the District was charged liquidated damages for Russian
28 River deliveries that exceeded the allocation threshold as a result of an allocation model that didn't
29 have any basis; the liquidated damages were eventually waived. He said that the TAC will work with
30 SCWA and Brown and Caldwell in developing the model update and new summer allocation model.

31 **South Transmission System Project**

32 Mr. DeGabriele stated that TAC members receiving water from the Petaluma Aqueduct met
33 to begin discussions on the South Transmission System Project. He said that there are differing

1 viewpoints with Rohnert Park and Cotati having one, the District and Petaluma another and Marin
2 Municipal Water District yet another. He said that he will be meeting with Petaluma first to
3 determine what it is Petaluma and the District want to see come of the proposed South
4 Transmission System Project and to develop a good strategy before talking further with the other
5 contractors.

6 Interconnection Agreement Negotiations

7 Mr. DeGabriele advised that he, Mr. McIntyre and Mr. Bentley will meet with Marin Municipal
8 Water District next Thursday to re-start negotiations on the Interconnection Agreement and that one
9 of the elements of the agreement to update will be the wheeling charges to Marin Municipal.

10 Director Rodoni stated that he met Marin Municipal Water District Director Armando
11 Quintero at the Tomales Bay Watershed Council meeting wherein they suggested that when the
12 Interconnection Agreement is concluded, a joint meeting with MMWD and NMWD Boards of
13 Directors be held.

14 Lagunitas Creek Water Rights

15 Mr. DeGabriele reported that he heard today from the State Water Resources Control Board
16 staff about the District's Petition for Change on Lagunitas Creek Water Rights. He advised that the
17 State Board requested assistance in determining the amount of water to be licensed under Permit
18 19725 and the amount to be dedicated to instream uses under Permit 19724. He said that the State
19 Board staff received the District proposal on how to calculate what the annual quantity would be for
20 License 4324B and Permit 19725 combined, and Permit 19724, and their staff believes it makes
21 sense. Mr. DeGabriele stated that State Board staff will forward the proposal up the chain of
22 command of the State Board, and that he is hopeful to hear back by the end of the week.

23 OPEN TIME

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

26 STAFF / DIRECTORS' REPORTS

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

29 Director Baker noted an interesting interview in the ACWA September 23 newsletter with
30 Peter Detwiler, a California legislative expert, and his comments on the unintended consequences
31 of Proposition 13.

1 Director Baker also advised the Board of the ceremony honoring Supervisor Hal Brown's
2 many years of service to the County of Marin as he retires from the Board of Supervisors because of
3 ill health. Director Fraites stated that he attended the ceremony and it was well attended and many
4 of Supervisor Brown's friends and colleagues spoke.

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

6 The General Manager provided the Monthly Progress Report for the month of September
7 and reported that water production in Novato and West Marin is down slightly from one year ago.
8 He further reported that Stafford Treatment Plant production is down principally due to an algae
9 bloom in September necessitating the shutdown of the plant for a short time. He said recycled water
10 production is the same as last year, Stafford Lake is at the same elevation and volume of storage as
11 last year and there is ample Russian River supply.

12 Mr. DeGabriele said that in Oceana Marin, there is good freeboard in the treatment and
13 storage ponds going into the winter months. He advised that there have been no lost time accidents
14 or injuries, and the District has worked 204 days without any loss time. He said that there has been
15 an uptick in Cash for Grass rebates and Water Smart Home Surveys and rebates for toilets and
16 washing machines have fallen off a bit.

17 Mr. DeGabriele said the Summary of Complaints and Service Orders were down 30%
18 versus last year principally due to a decrease in high bill complaints. He advised that 333 Customer
19 Service Questionnaires were sent to customers and only 21% were returned; 95% of those
20 questionnaires returned agreed that the District is doing a good job.

21 Mr. Bentley said that during the month of September, the District's cash balance fell
22 approximately \$200,000 to \$4.9 Million. He said that a Time Certificate of Deposit was transferred
23 from West America Bank to LAIF due to a lowered interest rate.

24 **CONSENT CALENDAR**

25 At the request of Director Baker, Item 7, Text for Water Line, was removed from the consent
26 calendar for further discussion.

27 On the motion of Director Baker seconded by Director Fraites and unanimously carried the
28 following item was approved on the consent calendar:

29 **AUDITOR-CONTROLLER'S STATEMENT OF INVESTMENT POLICY**

30 The Auditor-Controller's Annual Statement of Investment Policy is presented annually to the
31 Board for review. There are no changes in this investment policy from that approved by the Board
32 last year.

1 **TEXT FOR WATER LINE, VOLUME 12, ISSUE 26**

2 Director Baker requested that this item be removed from the consent calendar. He opined
3 that the last sentence on page 1, "Remember that your wastewater charges are calculated from your
4 winter water use..." begs more information for the customer and stated that many people do not
5 know the connection between winter water use and sewer charges.

6 On motion of Director Baker and seconded by Director Fraitas, and unanimously carried, the
7 Board authorized the General Manager to approve the final text and design of the Fall 2011 Novato
8 Water Line with the minor revision as suggested by Director Baker.

9 **ACTION CALENDAR**

10 **AEEP BANK OF MARIN LOAN**

11 Mr. Bentley stated that on August 2, 2011 the Board of Directors authorized the General
12 Manager to enter into a loan agreement with Bank of Marin for \$8 Million for costs for the Aqueduct
13 Energy Efficiency Project (AEEP). He said that the loan is expected to close next week and the
14 Bank of Marin has requested that the Board adopt a resolution designating the \$8 Million loan as a
15 qualified tax-exempt obligation.

16 On motion of Director Baker and seconded by Director Petterle and unanimously carried, the
17 Board approved Resolution No. 11-30 entitled, "Resolution of the Board of Directors of North Marin
18 Water District Confirming the General Manager's Authority to Execute Documents Necessary to
19 Obtain Financing from Bank of Marin for and Designating the Business Loan as a Qualified Tax-
20 Exempt Obligation Under Section 265 of the Internal Revenue Code."

21 **INFORMATION ITEMS**

22 **REVIEW – OUTSIDE AUDITOR'S 2011 REPORT, SINGLE-AUDIT REPORT AND MANAGEMENT**
23 **REPORT**

24 Dianne Landeros informed the Board that the District has been awarded a Certificate of
25 Achievement for Excellence in Financial Reporting by the Government Finance Officers Association
26 for the Comprehensive Annual Financial Report for Fiscal Year ending June 30, 2010. She stated
27 that this is the second consecutive year that the District has received this recognition, and she
28 acknowledged the contributions of Chris DeGabriele, David Bentley, Nancy Holton and Nancy
29 Williamson.

30 Ms. Landeros summarized the Outside Auditor's Report and Management Letter and stated
31 that the auditors did not find any material deficiencies and there were no auditor recommended
32 adjustments for the third year in a row, which reflects on the efficiency of the District Accounting

1 staff. She said that Paul Kaymark of Charles Z. Fedak & Company is present tonight and will review
2 the report with the Board.

3 Mr. Kaymark distributed a summary of the 2011 Financial Audit and stated that he will
4 describe the audit process and review the financial highlights. He encouraged the Board to ask
5 questions during his presentation.

6 During his financial highlights presentation, Mr. Kaymark stated that the District is moving in
7 the right direction. He stated that the Balance Sheet shows that the District's restricted reserves
8 have decreased which means that the District is using restricted money for specific capital projects,
9 and that spendable and non-spendable reserves have increased since the last audit. Mr. Kaymark
10 said that the Unrestricted Net Assets page shows an increase of \$765,510 in the spendable
11 reserves. He discussed the Statement of Revenue & Expenses; he stated that total FY 11 operating
12 revenue was \$12.8M, total operating expenditures were \$11.2M, resulting in a positive \$1.6M
13 compared to the previous fiscal year negative \$746,397 - a \$2.3M shift.

14 Director Baker asked Mr. Kaymark to explain why there is an increase in operating income
15 when there were negative amounts in the prior three years. Mr. Kaymark responded that District
16 management has reduced expenditures, increased revenue and implemented overall cost controls.
17 He explained that reduced expenditures of \$1M in operations and increased revenue of \$1.4M
18 equals the \$2.4M positive change.

19 Mr. Kaymark addressed Variable Revenue Coverage (commodity charge). He stated that
20 the increase in water rates resulted in increased revenue totaling \$10.6M in sales even though it
21 was a wet year last year. He said that the Variable Operating Expenses were reduced from the
22 previous year (\$8.9M v \$9.7M), resulting in a net variable coverage of \$1.6M - a shift of \$2M in
23 variable coverage. However, he said that the District continues to rely heavily on variable revenue
24 (83%), and the fixed revenue is very low at 17%.

25 Director Baker asked if other water agencies are faced with the same financial challenges.
26 Mr. Kaymark said that all water agencies are heavily reliant on the consumption charge. He said the
27 District's biggest expenses are fixed, and having the guarantee of the fixed amount to add to
28 reserves to pay down debt service is very important.

29 Mr. Kaymark addressed the Operating Reserves Ratio and said that the District's current
30 ratio is 0.24:1 which shows an improvement over last year's ratio of 0.15:1.

31 Director Baker asked for an explanation of the operating reserves ratio. Mr. Kaymark
32 explained that the ratio is the spendable net assets versus operating expenses before depreciation.

1 He said that last year's ratio was 0.15:1, this year's ratio of 0.24:1 is improving, however, it will take
2 some time to achieve one year's operating expenses in reserves.

3 Mr. Bentley said that the Board set the District's reserve goal as 0.9:1, or 90% of annual
4 operation expenses in reserves, and that the District's five-year plan to achieve that was delayed
5 due to reduction in water sales volume. He said that it is still the goal to achieve a 0.9:1 reserve
6 ratio over the next five years. Mr. Kaymark added that the average of water districts that his
7 company serves have a one-year reserve ratio.

8 Mr. DeGabriele stated that there is a reason why the GFOA awards are given to the District;
9 the report provides a clear picture of the District's financial performance and the report is
10 understandable.

11 Director Rodoni commented that a dilemma the Board has relating to keeping one year's
12 assets in reserves is when to spend and when not to spend on capital projects. He said that the
13 District could be sitting on one year's reserves if money was not spent on facilities improvements;
14 there is a balance in having reserves and improving facilities. Director Rodoni opined that the
15 District has financial issues now, but at the time, the Board made good choices in making capital
16 improvements.

17 Mr. Kaymark complimented the District staff for their efficiency in preparation for the audit
18 and said that the District has a "great team".

19 Mr. Bentley advised that this is the last year of the auditor's four-year contract with the
20 District and new proposals will be solicited for next year's audit. He asked the Board to provide any
21 comments to him by next Friday and that the report will be on the agenda for Board approval at the
22 November 1st meeting.

23 Mr. Kaymark and Ms. Landeros left the meeting.

24 **LOCAL COASTAL PROGRAM AMENDMENT**

25 Mr. DeGabriele advised that the Marin County Planning Commission accepted the District's
26 comments on the Local Coastal Program Amendment and made the proposed changes to the Plan
27 policies.

28 **SOLAR POWER PROJECT ALTERNATIVE**

29 Mr. Bentley advised that Sonoma County Water Agency has been purchasing power from
30 the Power and Water Resources Pooling Authority (PWRPA) for the last six years at a discounted
31 rate on electricity. He said that PWRPA has decided to expand; and the District, as an Agency
32 Water Contractor, has been offered to purchase electricity at a proposed rate of 10.8¢ per kilowatt

1 hour (kWh). He stated that the District had signed an agreement with Solar Power Partners for
2 17¢/kWh. Mr. Bentley said that he and Mr. Clark will be meeting with the Agency to discuss the
3 offer. He said that one concern is that to change power from PWRPA, the District would have to
4 install intervening facilities and the Agency has estimated \$100,000 per meter to install transformers,
5 breakers, etc. He said it would only make sense to purchase power from PWRPA for the District's
6 larger electrical load accounts, i.e. Stafford Treatment Plant and larger pump stations.

7 Mr. Bentley reminded the Board that it authorized President Schoonover to sign a letter
8 recently to encourage additional authorization of funds for the California Solar Initiative (CSI) to
9 enable the solar power project to commence. He said that the state legislature has authorized
10 additional funds and the District has received an invoice for \$10,000 from PG&E due November 5,
11 2011 to retain CSI eligibility. He advised that at the November 1 Board of Directors meeting, the
12 Board and staff will have a discussion on what will be the best option – the solar project (paying
13 PG&E \$10,000 now), or go with PWRPA power or a combination of the two.

14 There was a short discussion. Director Petterle asked if there would be a problem with
15 Solar Power Partners agreement. Mr. Bentley said that the agreement has not been executed
16 because the CSI funds were unavailable. He said the District has two good options from which to
17 choose.

18 **MISCELLANEOUS**

19 The Board received the following miscellaneous information: Disbursements, Letter to
20 President Schoonover Re Candidacy for Vice President of ACWA Board, Self-Insured Workers'
21 Comp – Status Report, Russian River Biological Opinion Update – October 2011, State Controller's
22 Local Government Compensation Report for 2010, GFOA Award.

23 The Board also received the following news articles: Lake Mendocino Water Releases
24 Increased to Secure Flood Control Capacity, Winzler & Kelly merges with Australian firm, Salinity
25 Notice, Gorin to run for Board of Supervisors.

26 **ADJOURNMENT**

27 President Schoonover adjourned the meeting at 8:35 p.m.

28 Submitted by

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Renee Roberts
District Secretary

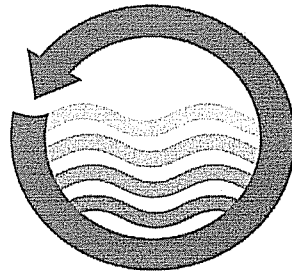
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NORTH MARIN WATER DISTRICT



FINANCIAL STATEMENT FISCAL YEAR 2011-12

September 2011

**NORTH MARIN WATER DISTRICT
FINANCIAL STATEMENTS
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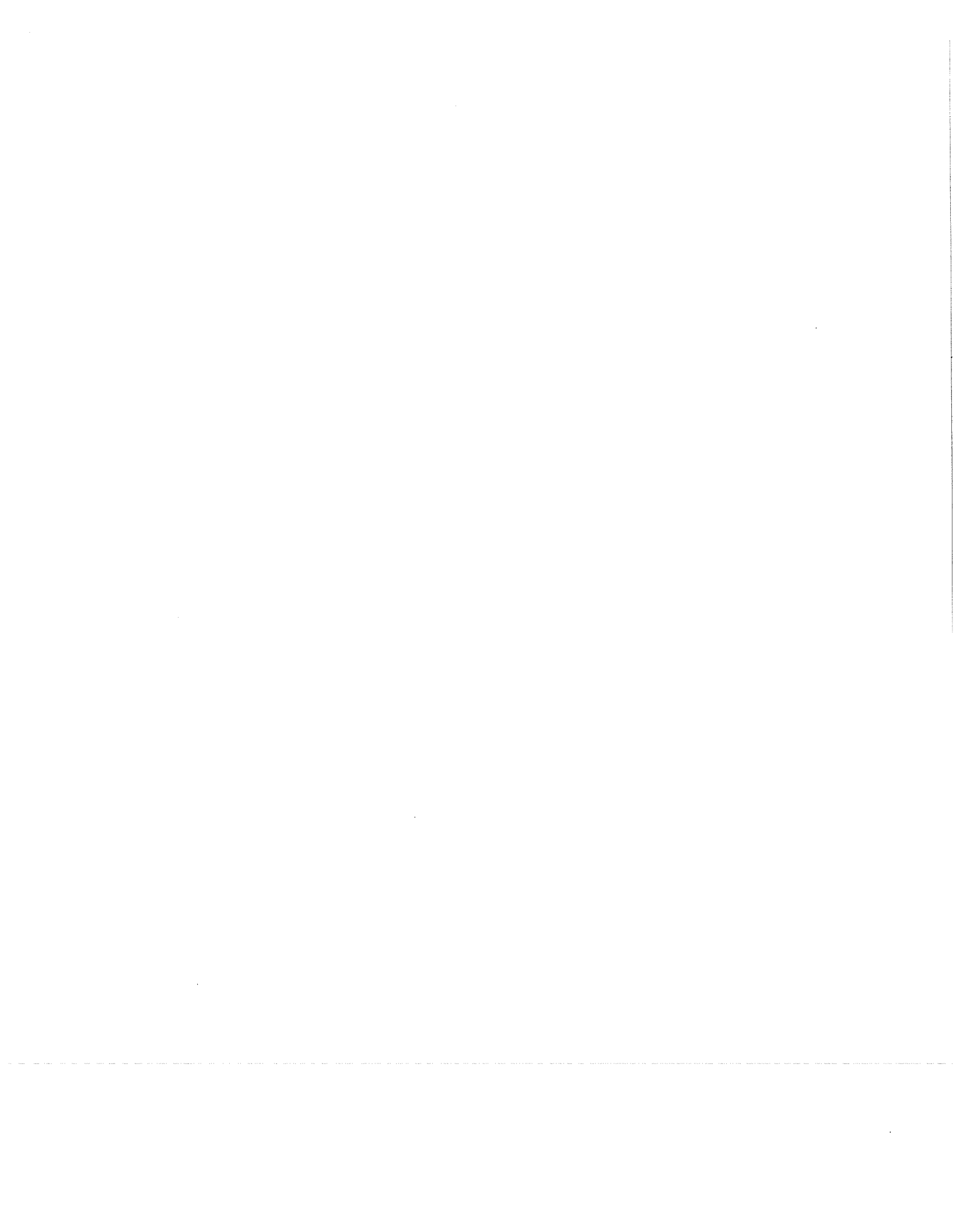
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MEMORANDUM

To: Board of Directors
 From: David L. Bentley, Auditor-Controller
 Subj: Information – FY11/12 September Financial Statement
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October 21, 2011

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

CONSOLIDATED SUMMARY

Actual vs. Budget	Sep-11	FY11/12 YTD Actual	FY11/12 Budget	FYTD / Budget %
Operating Revenue	\$1,743,648	\$5,316,447	\$14,949,000	36%
Other Sources of Funds ¹	572,971	\$1,524,417	8,819,000	17%
Total Funds Received	\$2,316,619	\$6,840,865	\$23,768,000	29%
Operating Expense less depreciation	\$1,113,246	\$3,569,736	\$12,173,000	29%
Other Uses of Funds ²	1,235,468	\$1,549,644	12,184,000	13%
Total Funds Expended	\$2,348,714	\$5,119,381	\$24,357,000	21%
Net Surplus / (Deficit)	(\$32,095)	\$1,721,484	(\$589,000)	-

¹Other sources of funds exclude developer 'in-kind' contributions.

²Includes capital expenditures and debt service payments.

For the first three months of the fiscal year the District received 29% of budgeted income and expended 21% of budgeted outlays. Operating Revenue, at 36%, came in 3% less than budget, and Operating Expense, at 29%, came in on target seasonally adjusted. The result was a fiscal year-to-date surplus of \$1,721,484 compared to a budgeted deficit of \$589,000 for the entire year. 13% of the Capital Improvement Projects Budget has been expended this fiscal year-to-date. The District's total cash balance decreased \$192,744 during the month and increased \$525,428 since July 1st.

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

NOVATO WATER

Year over Year Comparison	Sep-11	FYTD 11/12	FYTD 10/11	FY12 vs 11 Up/(Down)
Operating Revenue	\$1,622,643	\$4,928,779	\$4,634,149	6%
Operating Expense less depreciation	\$1,054,144	\$3,363,932	\$3,582,855	(6%)
Depreciation Expense	\$199,521	\$583,749	\$583,681	0%
Other Income / (Expense)	(\$54,772)	(\$125,403)	(\$114,982)	9%
Net Income / (Loss)	\$314,206	\$855,694	\$352,630	143%
Active Accounts	20,476	20,476	20,450	0%
Consumption (MG)	320	999	1,060	(6%)
Average Commodity Rate/1,000 gal	\$4.18	\$4.20	\$3.86	9%
Income / (Loss) / Active Account	\$15.35	\$41.79	\$17.24	142%
Income / (Loss) / 1,000 Gal	\$0.98	\$0.86	\$0.33	158%
Connection Fee Revenue	\$0	\$769,000	\$44,221	1639%
Developer 'In-Kind' Contributions	\$29,159	\$64,699	\$384,081	(83%)

Consumption for the period was down 6% from the prior year same period. The revenue shortfall (net of purchased water cost) through September is \$30,000. If this rate of water use continues for the balance of the fiscal year, the net revenue shortfall will be \$85,000. Total operating revenue, which includes wheeling and other miscellaneous service charges, increased 6% (\$294,630) due to the 11% rate increase commencing June 1, 2011. Total operating expense, before depreciation, was 6% (\$218,923) less than last year same period. The Stafford Treatment Plant produced 318 MG during this fiscal year-

to-date at a cost of \$1,813/MG¹ versus \$2,118/MG³ from SCWA. The budget for Stafford is 800 MG at a cost of \$2,783/MG.

Salary and benefit cost charged to Novato operations was 3% more (\$40,401) than last year, due primarily to two promotions, 2 step increases, the addition of four temporary employees, and increased workers' comp and PERS rates. Staff time charged to Novato operations was about the same as the prior year.

The fiscal year-to-date net income (which includes non-operating items such as interest revenue and expense) of \$855,694 compares to a budgeted net loss for the year of \$416,000 and to a net income of \$352,630 for the prior year. 8% (\$321,982) of the Novato Water Capital Improvement Project Budget was spent versus \$380,013 (7%) for the prior year same period. \$769,000 connection fees were collected, which was 135% of budget. The Novato cash balance decreased \$187,706 in September, and it stood at \$4,549,382 on September 30, 2011.

<u>NOVATO RECYCLED</u>		FYTD	FYTD	FY12 vs 11
Year over Year Comparison	<u>Sep-11</u>	<u>11/12</u>	<u>10/11</u>	<u>Up/(Down)</u>
Operating Revenue	\$36,303	\$131,891	\$117,060	13%
Operating Expense less depreciation	\$22,770	\$62,696	\$72,449	(13%)
Depreciation Expense	\$13,580	\$40,741	\$40,943	(0%)
Other Income / (Expense)	(\$1,736)	(\$6,218)	(\$5,987)	4%
Net Income / (Loss)	<u>\$7,453</u>	<u>\$22,235</u>	<u>(\$2,319)</u>	-
Active Accounts	2	2	3	(33%)
Consumption (MG)	9	34	33	5%
Average Commodity Rate/1,000 gal	\$3.84	\$3.84	\$3.62	6%

The 0.5 MGD Deer Island Recycled Water Facility delivered 34 MG to the Stone Tree Golf Course and the Fire District in this fiscal year-to-date. Operating revenue was up 13% due to the 6% rate increase and the consumption increase. Total operating expense before depreciation was down 13% from last year same period. The recycled water was produced at a cost of \$3,527/MG² versus \$2,118/MG³ from SCWA. The budgeted production cost of recycled water was \$6,133/MG.

The fiscal year net income of \$22,235 compares to a budgeted net loss of \$93,000 and a net loss of \$2,319 for the prior year same period. \$929,937 (18%) of the Improvement Project Budget was expended.

To date, \$2,079,037 has been expended on the North/South Area Expansion Projects. \$1,745,111 has been borrowed from the Novato Water Fund pending receipt of Grant (\$177,999 in ARRA Funds & \$241,750 in Prop 50 Funds received to date) & SRF Loan funds.

¹ Cost of Stafford production = operating expense (\$355,218) + SRF loan interest (\$91,606) + plant depreciation (\$129,830) / 318 MG produced.

² Cost of Recycled Water production = operating expense (\$62,696) + SRF loan interest (\$21,776) + plant depreciation (\$35,461) / 34 MG produced

³ Cost of SCWA production per MG is comprised of O&M charge (\$1,680) + debt service charge (\$155) + Russian River conservation charge (\$222) + Russian River projects charge (\$61)

<u>WEST MARIN WATER</u>		FYTD	FYTD	FY12 vs 11
Year over Year Comparison	<u>Sep-11</u>	<u>11/12</u>	<u>10/11</u>	<u>Up/(Down)</u>
Operating Revenue	\$71,279	\$216,446	\$196,845	10%
Operating Expense less depreciation	\$34,594	\$112,905	\$106,020	6%
Depreciation Expense	\$13,016	\$37,905	\$36,632	3%
Other Income / (Expense)	(\$961)	(\$3,372)	(\$5,589)	(40%)
Net Income / (Loss)	<u>\$22,708</u>	<u>\$62,264</u>	<u>\$48,605</u>	28%
Active Accounts	772	772	769	0%
Consumption (MG)	8.1	25.5	25.0	2%
Average Commodity Rate/1,000 gal	\$7.04	\$7.26	\$6.86	6%
Income/ (Loss) / Active Account	\$29.41	\$80.65	\$63.21	28%
Income / (Loss) / 1,000 Gal (Potable)	\$2.79	\$2.44	\$1.94	26%
Connection Fee Revenue	\$0	\$8,900	\$0	-
Developer 'In-Kind' Contributions	\$118	\$821	\$8,375	-

Potable water consumption was 25.5 MG this fiscal year-to-date, up 2% from the previous year same period. Operating revenue of \$216,446 was \$19,601 (10%) more than last year same period due in part to the 9% rate increase effective 8/1/11. West Marin water was produced at a marginal cost of \$709/MG.⁴

Operating expenditures before depreciation were \$112,905, up \$6,885 (6%) compared to the prior year due primarily to payment of \$9,700 to McLellan to replace a failed patch on Point Reyes Station Tank's Access Road. The fiscal year net income of \$62,264 compares to a budgeted annual income of \$177,000 and to a net income of \$48,605 for the prior year. \$1,010 of the Capital Improvement Project Budget was spent. \$8,900 in connection fees were collected. The amount borrowed from the Novato Water fund decreased \$34,749 during the month, and stood at \$273,402 at month end, compared to a budgeted projection for June 30, 2012 of \$455,000.

<u>OCEANA MARIN SEWER</u>		FYTD	FYTD	FY12 vs 11
Year over Year Comparison	<u>Sep-11</u>	<u>11/12</u>	<u>10/11</u>	<u>Up/(Down)</u>
Operating Revenue	\$13,423	\$39,332	\$37,290	5%
Operating Expense less depreciation	\$10,943	\$30,203	\$32,551	(7%)
Depreciation Expense	\$3,424	\$10,271	\$10,271	0%
Other Income / (Expense)	\$304	\$1,302	\$1,586	(18%)
Net Income / (Loss)	<u>(\$640)</u>	<u>\$159</u>	<u>(\$3,946)</u>	-
Active Accounts	227	227	226	0%
Monthly Sewer Service Charge	\$58	\$58	\$55	5%
Income / (Loss) / Active Account	(\$2.82)	\$0.70	(\$17.46)	-
Connection Fee Revenue	\$0	\$0	\$0	-

Operating revenue of \$39,332 increased 5% over the same period last year due to a 6% rate increase effective August 1st. Operating expenses before depreciation were 7% lower (\$2,000) than the prior year. The fiscal year net income of \$159 compares to a budgeted net income of \$30,000 and to a net loss of \$3,946 for the prior year. 1% of the Capital Improvement Project Budget was expended.

No connection fees were collected this fiscal year-to-date. Oceana Marin ended the month with a cash balance of \$294,266, compared to a budgeted projection of \$235,000 for June 30, 2012.

⁴ Marginal Cost of West Marin production = water treatment expense (\$16,156) + debt service charge (\$500) + plant depreciation (\$1,431) / 34 MG produced

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

	TOTAL	NOVATO		NOVATO		WEST MARIN		OCEANA	
		WATER	RECYCLED	WATER	SEWER	MARIN	SEWER		
ASSETS									
Cash & Investments									
Unrestricted/Undesignated Cash	\$154,559	\$0	\$0	\$0	\$0	\$0	\$0	\$154,559	
Restricted Cash (Note 1)									
Connection Fee Fund	\$469,100	\$391,638	\$0	\$0	\$0	\$0	\$0	\$77,462	
Wohler Pipeline Financing Fund	435,835	435,835	0	0	0	0	0	0	0
Collector #6 Financing Fund	1,824,764	1,824,764	0	0	0	0	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	0	30,000	0	0	0	0
Retiree Medical Benefits Fund	1,692,544	1,692,544	0	0	0	0	0	0	0
RWF Replacement Fund	0	0	0	0	0	0	0	0	0
Tax Receipts Held in Marin Co Treasury	22,375	0	0	0	20,649	0	0	1,726	0
STP SRF Loan Fund-Marlin Co Treasury	209,703	209,703	0	0	0	0	0	0	0
Designated Cash (Note 2)									
Liability Contingency Fund	0	0	0	0	0	0	0	0	0
Self-Insured Workers' Compensation Fund	519	0	0	0	0	0	0	519	0
Drought Contingency Fund	0	0	0	0	0	0	0	0	0
Maintenance Accrual Fund	0	0	0	0	0	0	0	0	0
Conservation Incentive Rate Fund	0	0	0	0	0	0	0	0	0
Operating Reserve Fund	60,000	0	0	0	0	0	0	60,000	0
Total Cash	\$4,899,398	\$4,554,484	\$0	\$0	\$50,649	\$0	\$0	\$294,266	0
Gain/(Loss) on MV of Investments	6,957	6,957	0	0	0	0	0	0	0
Market Value of Cash & Investments	\$4,906,355	\$4,561,441	\$0	\$0	\$50,649	\$0	\$0	\$294,266	0
Current Assets									
Net Receivables - Consumers	\$3,221,189	\$2,938,477	\$88,983	\$154,397	\$39,332	\$0	\$0	\$39,332	\$0
Accounts Receivable - Other	500,132	97,043	392,086	3,722	\$7,280	0	0	\$7,280	0
State Revolving Fund Receivable	786,962	0	786,962	0	0	0	0	0	0
Prepaid Expense	86,252	85,519	0	0	733	0	0	733	0
Reimbursable Small Jobs	9,117	9,117	0	0	0	0	0	0	0
Interest Receivable	10,095	4,730	5,365	0	0	0	0	0	0
Inventories	580,127	580,127	0	0	0	0	0	0	0
Deposits Receivable	12,170	12,170	0	0	0	0	0	0	0
Total Current Assets	\$5,206,043	\$3,727,183	\$1,273,395	\$158,120	\$47,345	\$0	\$0	\$47,345	0

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

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Loans Receivable					
Employee Loans (Note 3)	\$1,449,699	\$1,449,699	\$0	\$0	\$0
Due From Other Funds	2,018,513	2,018,513	0	0	0
Other Long Term Receivables	2,525,844	0	2,525,844	0	0
Loans Receivable	\$5,994,057	\$3,468,213	\$2,525,844	\$0	\$0
Property and Plant					
Land & Land Rights	\$1,473,091	\$1,368,872	\$0	\$103,411	\$808
Dam, Lake, & Source Facilities	5,027,081	4,797,638	0	229,444	0
Treatment Facilities	22,162,002	17,374,033	3,962,402	319,913	505,655
Storage Facilities	18,066,603	16,196,307	0	1,870,296	0
Transmission Facilities	5,489,830	5,367,506	0	122,324	0
Distribution Facilities	58,491,696	53,518,314	974,202	3,999,179	0
Sewer Mains, Pumps, & Laterals	853,683	0	0	0	853,683
Sub-Total	\$111,563,986	\$98,622,670	\$4,936,603	\$6,644,566	\$1,360,146
Less Accumulated Depreciation (Note 5)	(33,979,156)	(30,056,957)	(628,458)	(2,595,927)	(697,814)
Net Property and Plant	\$77,584,830	\$68,565,713	\$4,308,145	\$4,048,639	\$662,332
Buildings and Equipment					
Buildings	\$1,778,388	\$1,778,388	\$0	\$0	\$0
Office Equipment	785,757	785,757	0	0	0
Laboratory Equipment	304,815	304,815	0	0	0
Trucks & Automobiles	1,027,179	1,027,179	0	0	0
Construction Equipment	755,536	739,158	16,378	0	0
Tools, Shop Equipment	212,103	212,103	0	0	0
Sub-Total	\$4,863,778	\$4,847,400	\$16,378	\$0	\$0
Less Accumulated Depreciation	(3,208,706)	(3,205,021)	(3,685)	0	0
Net Buildings and Equipment	\$1,655,072	\$1,642,379	\$12,693	\$0	\$0
Construction In Progress					
Developer District	\$983,477	\$945,925	\$0	\$37,551	\$0
	3,545,567	1,285,977	2,117,848	114,053	27,688
Total Construction in Progress	\$4,529,043	\$2,231,902	\$2,117,848	\$151,604	\$27,688
Net Utility Plant	\$83,768,945	\$72,439,994	\$6,438,687	\$4,200,244	\$690,021
TOTAL ASSETS	\$99,875,400	\$84,196,831	\$10,237,926	\$4,409,012	\$1,031,631

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

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
LIABILITIES AND NET ASSETS					
Current Liabilities					
Trade Accounts Payable	\$876,074	\$867,858	\$4,920	\$0	\$3,296
Reimbursement Prog. Unclaimed Funds	6,442	6,442	0	0	0
Bond Debt Principal Payable-Current	33,384	0	0	33,384	0
Loan Debt Principal Payable-Current	543,360	354,271	187,045	2,043	0
Bond/Loan Debt Interest Payable-Current	4,139	1,168	0	2,971	0
Accrued Interest Payable-SRF Loan	113,382	91,606	21,776	0	0
Deposits/Performance Bonds	196,260	176,240	0	18,520	1,500
Unemployment Insurance Reserve (Note 7)	23,587	23,587	0	0	0
Employee Dental Reserve (Note 8)	159,151	159,151	0	0	0
Payroll Benefits (Note 9)	696,169	651,441	8,615	26,994	9,118
Due To Other Funds	2,018,513	0	1,745,111	273,402	0
Deferred Revenue	0	0	0	0	0
Total Current Liabilities	\$4,670,461	\$2,331,764	\$1,967,468	\$357,315	\$13,914
Restricted Liabilities					
Construction Advances	\$161,217	\$117,259	\$0	\$43,957	\$0
Total Restricted Liabilities	\$161,217	\$117,259	\$0	\$43,957	\$0
Long Term Liabilities (Note 6)					
Bonds Outstanding - PR3 (FmHA)	\$14,000	\$0	\$0	\$14,000	\$0
Bonds Outstanding - PR6 (FmHA)	92,000	0	0	92,000	0
Bonds Outstanding - OL2 (NMWD)	11,202	0	0	11,202	0
Bonds Outstanding - PRE1 (FmHA)	92,000	0	0	92,000	0
Drought Loan (EDA)	90,871	79,695	0	11,177	0
STP Rehab SRF Loan	14,865,993	14,865,993	0	0	0
RWF SRF Loan	3,409,691	0	3,409,691	0	0
RWS North/South Expansion SRF Loan	786,962	0	786,962	0	0
Retiree Health Benefits Payable	410,074	410,074	0	0	0
Total Long Term Liabilities	\$19,772,793	\$15,355,761	\$4,196,653	\$220,379	\$0
TOTAL LIABILITIES	\$24,604,471	\$17,804,784	\$6,164,121	\$621,652	\$13,914

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

	TOTAL	NOVATO		NOVATO		WEST MARIN		OCEANA	
		WATER	RECYCLED	WATER	SEWER	WATER	SEWER		
Net Assets									
Invested in Capital Assets									
Contributions in Aid of Construction	\$61,382,320	\$54,562,837	\$4,104,370	\$2,045,437	\$669,676				
Grants in Aid of Construction	2,140,227	100,838	656,175	1,383,215	0				
Connection Fees	27,782,572	24,469,357	1,951,010	1,026,845	335,360				
Total Investment	\$91,305,119	\$79,133,031	\$6,711,555	\$4,455,497	\$1,005,036				
Restricted Reserves									
Connection Fee Fund	715,698	391,638	0	246,598	77,462				
Wohler Pipeline Financing Fund	435,835	435,835	0	0	0				
Collector #6 Financing fund	1,824,764	1,824,764	0	0	0				
Revenue Bond Redemption Fund	30,000	0	0	30,000	0				
Retiree Medical Insurance Fund	2,580,209	2,580,209	0	0	0				
RWF Replacement Fund	161,661	0	161,661	0	0				
Designated Reserves									
Liability Contingency Fund	414,700	331,815	0	82,885	0				
Maintenance Accrual Fund	3,740,681	3,740,681	0	0	0				
Self-Insured Workers' Compensation Fund	27,310	25,625	341	1,004	340				
Drought Contingency Fund	0	0	0	0	0				
Conservation Incentive Rate Fund	54,610	0	0	54,610	0				
Operating Reserve Fund	120,000	0	60,000	0	60,000				
Earned Surplus - Prior Yrs	(27,101,599)	(23,594,706)	(2,239,303)	(1,142,819)	(124,771)				
Net Income/(Loss)	940,352	855,694	22,235	62,264	159				
Transfer (To)/From Reserves (see below)	(4,035)	667,461	(642,684)	(2,678)	(510)				
Total Restricted & Designated	(\$16,059,814)	(\$12,740,984)	(\$2,637,750)	(\$668,136)	\$12,680				
TOTAL NET ASSETS	\$75,270,929	\$66,392,047	\$4,073,805	\$3,787,361	\$1,017,716				
Transfer (To)/From Reserves									
Wohler Pipeline Financing	\$23,321	\$23,321	\$0	\$0	\$0				
Collector #6 Financing	61,350	61,350	0	0	0				
Connection Fee	(6,746)	635,677	(642,253)	0	(170)				
Maintenance Reserve	(25,000)	(25,000)	0	0	0				
RWF Replacement Fund	(90)	0	(90)	0	0				
Retiree Medical Insurance Fund	(2,262)	(2,262)	0	0	0				
Self-Insured WC Fund Interest	(1)	(1)	0	0	0				
(Gain)/Loss Self-Insured WC Fund	(52,933)	(25,624)	(341)	(1,004)	(340)				
Conservation Incentive Rate Fund	(1,674)	0	0	(1,674)	0				
Total Transfer	(\$4,035)	\$667,461	(\$642,684)	(\$2,678)	(\$510)				

NORTH MARIN WATER DISTRICT
SOURCES AND USES OF FUNDS STATEMENT - ALL SERVICE AREAS COMBINED
Fiscal Year 2011/2012

	YTD Actual	Annual Budget	YTD/ Budget %	Prior YTD Actual
OPERATING REVENUE				
Water Sales	\$4,507,832	\$11,651,000	39%	\$4,385,375
Bimonthly Service Charge	716,731	2,900,000	25%	516,615
Sewer Service Charge	39,332	157,000	25%	37,290
Wheeling & Misc Service Charges	52,552	241,000	22%	46,064
TOTAL OPERATING REVENUE	\$5,316,447	\$14,949,000	36%	\$4,985,344
OPERATING EXPENDITURES				
Source of Supply	\$1,560,082	\$3,925,000	40%	\$1,478,128
Pumping	93,978	382,000	25%	130,227
Operations	196,486	543,000	36%	151,884
Water Treatment	550,707	2,096,000	26%	547,395
Sewer Service	24,173	103,000	23%	22,548
Transmission & Distribution	615,261	2,388,000	26%	610,831
Consumer Accounting	143,056	582,000	25%	140,500
Water Conservation	71,939	404,000	18%	31,581
General & Administrative	457,019	2,240,000	20%	455,254
Other Operating Expense	(142,967)	(490,000)	29%	225,528
TOTAL OPERATING EXPENDITURES	\$3,569,736	\$12,173,000	29%	\$3,793,876
NET OPERATING INCOME (LOSS)	\$1,746,711	\$2,776,000	63%	\$1,191,469
OTHER SOURCES OF FUNDS				
Tax Proceeds	\$834	\$98,000	1%	\$12
Interest Revenue	26,422	115,000	23%	44,841
Connection Fees	777,900	570,000	136%	44,221
Loan Proceeds	451,151	6,450,000	7%	18,891
Grant Proceeds	193,701	1,250,000	15%	53,188
Stone Tree RWF Loan Principal Payments	30,909	188,000	16%	30,178
Miscellaneous	43,501	148,000	29%	24,677
TOTAL OTHER SOURCES	\$1,524,417	\$8,819,000	17%	\$216,007
OTHER USES OF FUNDS				
Capital Equipment Expenditures	\$67,898	\$182,000	37%	\$4,362
Capital Improvement Projects	1,254,257	9,942,000	13%	200,868
Bond & Loan Debt Service	226,211	2,040,000	11%	214,093
Miscellaneous	1,278	20,000	6%	1,725
TOTAL OTHER USES	\$1,549,644	\$12,184,000	13%	\$421,048
NET SURPLUS/(DEFICIT)	\$1,721,484	(\$589,000)	-292%	\$986,427
Depreciation Expense (not included above)	\$672,666	\$2,465,000	27%	\$671,325

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

<u>SUMMARY INCOME STATEMENT</u>		NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
	TOTAL				
OPERATING REVENUE	\$5,316,447	\$4,928,779	\$131,891	\$216,446	\$39,332
OPERATING EXPENSE					
Source of Supply	1,560,082	\$1,548,901	\$0	\$11,181	\$0
Pumping	93,978	87,125	555	6,298	0
Operations	196,486	167,895	21,108	7,484	0
Water Treatment	550,707	481,446	36,693	32,567	0
Transmission & Distribution	615,261	577,911	47	37,303	0
Wastewater Operations	24,173	0	0	0	24,173
Consumer Accounting	143,056	136,854	0	5,173	1,029
Water Conservation	71,939	71,679	0	260	0
General & Administrative	457,019	433,403	4,634	13,642	5,341
Other Operating Expense	(142,967)	(141,282)	(341)	(1,004)	(340)
TOTAL OPERATING EXPENSE	\$3,569,736	\$3,363,932	\$62,696	\$112,905	\$30,203
OPERATING INCOME/(LOSS) BEFORE DEPRECIATION	\$1,746,711	\$1,564,847	\$69,195	\$103,541	\$9,129
Depreciation	672,666	583,749	40,741	37,905	10,271
OPERATING INCOME/(LOSS)	\$1,074,044	\$981,097	\$28,453	\$65,636	(\$1,142)
Non-Operating Revenue	70,756	53,229	15,558	577	1,393
Non-Operating Expense	204,448	178,632	21,776	3,949	91
NET INCOME/(LOSS)	\$940,352	\$855,694	\$22,235	\$62,264	\$159
CASH FLOW STATEMENT					
Cash From Operations					
Net Income (Loss)	\$940,352	\$855,694	\$22,235	\$62,264	\$159
Add Depreciation	672,666	583,749	40,741	37,905	10,271
Cash Generated From Operations	\$1,613,019	\$1,439,443	\$62,976	\$100,169	\$10,430
Other Sources (Uses) of Funds					
Consumer Receivables Decr (Incr)	(\$772,551)	(\$695,497)	\$24,125	(\$64,831)	(\$36,348)
Capital Assets Acquisition	(1,322,155)	(389,880)	(929,937)	(1,010)	(1,328)
Other Assets/Liabilities Decr (Incr)	(335,520)	58,442	(410,167)	10,952	5,253
Trade Accounts Payable (Decr) Incr	(122,164)	(127,401)	4,920	0	317
Loan Proceeds	451,151	0	451,151	0	0
Grant Proceeds	193,701	0	193,701	0	0
Connection Fee Revenue	777,900	769,000	0	8,900	0
Principal Paid on Debt	(23,041)	(13,097)	0	(9,944)	0
Interdistrict Transfers	0	0	0	0	0
Interdistrict Loan Due To (From)	0	(486,448)	570,013	(83,566)	0
Total Other Sources (Uses)	(\$1,087,591)	(\$859,457)	(\$96,194)	(\$99,833)	(\$32,107)
Net Cash Provided (Used)	\$525,428	\$579,986	(\$33,217)	\$336	(\$21,677)
Cash Balance July 1, 2011	4,373,971	3,974,497	33,217	50,313	315,943
Cash Balance September 30, 2011	\$4,899,398	\$4,554,484	\$0	\$50,649	\$294,266

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

	SEPTEMBER 2011	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$1,345,248	\$4,206,816	39%	\$4,117,967
Bill Adjustments	(6,988)	(15,332)	-	(20,891)
Bimonthly Service Charges	265,912	685,425	25%	491,617
Account Turn-on Charges	6,856	17,186	23%	17,487
New Account Charges	860	2,610	26%	2,980
Returned Check Charges	171	396	40%	270
Hydrant Meter Up/Down Charges	700	1,900	48%	1,700
Backflow Service Charges	6,454	18,763	25%	13,524
Wheeling Charges - MMWD	3,430	11,015	16%	9,495
Reg 15 Forfeiture	0	0	0%	0
TOTAL OPERATING REVENUE	\$1,622,643	\$4,928,779	35%	\$4,634,149
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Supervision & Engineering	\$1,041	\$2,416	40%	\$1,152
Operating Expense - Source	1,509	2,884	48%	1,952
Maint/Monitoring of Dam	1,121	9,436	34%	2,182
Maint of Lake & Intakes	0	10	0%	189
Maint of Structures	0	0	0%	0
Maint of Watershed	0	0	0%	1,088
Water Quality Surveillance	3,479	6,401	49%	2,792
Fishery Maint	0	644	16%	0
Erosion Control	0	0	0%	0
Purchased Water	539,582	1,611,781	40%	1,526,356
Purch Wtr Capital Component (Note 4)	(37,306)	(84,671)	38%	(67,333)
SOURCE OF SUPPLY	\$509,425	\$1,548,901	40%	\$1,468,378
PUMPING				
Operating Expense - Pumping	\$0	\$0	0%	\$443
Maint of Structures & Grounds	1,572	5,272	14%	3,017
Maint of Pumping Equipment	269	3,435	6%	8,798
Electric Power	26,563	78,418	34%	93,507
PUMPING	\$28,403	\$87,125	26%	\$105,765
OPERATIONS				
Supervision & Engineering	\$11,856	\$42,335	28%	\$51,404
Operating Expense - Operations	23,120	66,868	36%	38,498
Maintenance Expense	7,481	24,804	29%	25,314
Telemetry Equipment/Controls Maint	9,193	28,707	46%	13,069
Leased Lines	1,602	5,181	25%	5,834
OPERATIONS	\$53,252	\$167,895	33%	\$134,118

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

	SEPTEMBER 2011	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER TREATMENT				
Supervision & Engineering	\$9,360	\$25,848	25%	\$25,608
Operating Expense - Water Treatment	32,712	96,823	28%	107,225
STP Lab Supplies & Expense	259	259	9%	0
Purification Chemicals	11,095	117,930	28%	142,219
Sludge Disposal	7,567	28,626	39%	22,256
Maint of Structures & Grounds	6,852	20,456	19%	9,896
Maint of Purification Equipment	761	17,760	10%	16,542
Electric Power	16,098	47,515	44%	37,644
Water Quality Programs	7,092	21,782	28%	19,896
Laboratory Direct Labor	25,538	74,276	22%	69,668
Water Quality Supervision	4,491	16,914	40%	10,297
Laboratory Supplies & Expense	5,697	10,480	18%	12,450
Customer Water Quality	3,328	10,858	19%	10,862
Lab Cost Distributed	(2,915)	(8,081)	51%	(8,569)
WATER TREATMENT	\$127,935	\$481,446	25%	\$475,993
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$33,106	\$105,522	30%	\$126,937
Maps & Records	9,439	18,617	19%	24,321
Operation of T&D System	10,211	32,296	30%	26,456
Facilities Location	5,493	20,208	45%	19,850
Safety: Construction & Engineering	4,150	11,413	17%	3,722
Customer Service Expense	14,504	43,088	27%	40,439
Flushing	662	662	1%	0
Storage Facilities Expense	10,843	30,659	18%	26,019
Cathodic Protection	2,740	4,102	32%	4,077
Maint of Valves/Regulators	8,740	12,440	7%	35,802
Maint of Mains	5,705	19,707	16%	32,901
Backflow Prevention Program	7,159	26,228	26%	42,642
Maint of Copper Services	20,200	54,039	25%	47,118
Maint of PB Service Lines	45,867	158,253	52%	105,876
Single Service Installations	4,784	6,182	-	(660)
Maint of Meters	11,608	25,891	15%	28,664
Detector Check Assembly Maint	3,788	6,379	14%	17,736
Maint of Hydrants	833	2,225	4%	10,329
TRANSMISSION & DISTRIBUTION	\$199,833	\$577,911	25%	\$592,230
CONSUMER ACCOUNTING				
Meter Reading	\$8,827	\$33,897	26%	\$30,830
Collection Expense - Labor	2,198	6,992	23%	6,324
Collection Expense - Agency	90	476	24%	400
Billing & Consumer Accounting	23,216	73,690	25%	70,691
Contract Billing	0	4,574	24%	4,522
Stationery, Supplies & Postage	1,347	17,884	28%	17,102
Uncollectable Accounts	(156)	2,733	9%	6,155
Office Equipment Expense	1,068	1,124	16%	3,078
Distributed to West Marin (4.6%)	(1,191)	(4,514)	28%	(4,321)
CONSUMER ACCOUNTING	\$35,397	\$136,854	25%	\$134,783

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

	<u>SEPTEMBER 2011</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
WATER CONSERVATION				
Residential	\$20,128	\$60,375	21%	\$26,331
Commercial	174	668	2%	1,400
Public Outreach/Information	1,157	5,535	10%	2,954
Large Landscape	1,420	5,102	17%	896
TOTAL WATER CONSERVATION	\$22,879	\$71,679	18%	\$31,581
GENERAL AND ADMINISTRATIVE				
Directors Fees	\$1,200	\$3,200	21%	\$3,300
Legal Fees	74	798	7%	1,676
Human Resources	2,024	5,597	19%	6,572
Auditing Fees	1,316	13,583	47%	12,222
Consultants	141	704	1%	0
General Office Salaries	89,766	281,664	23%	278,648
Safety: General District Wide	226	1,007	6%	5,118
Office Supplies	867	5,526	11%	5,429
Employee Events	547	714	7%	575
Other Administrative Expense	1,935	4,293	20%	4,361
Dues & Subscriptions	469	18,120	37%	18,645
Vehicle Expense	676	2,252	28%	2,028
Meetings, Conferences & Training	3,903	18,593	12%	15,957
Recruitment Expense	107	379	19%	262
Gas & Electricity	2,061	6,314	24%	6,491
Telephone	127	644	16%	1,074
Water	0	249	25%	199
Buildings & Grounds Maint	3,752	11,449	33%	6,254
Office Equipment Expense	6,615	23,726	25%	20,972
Insurance Premiums & Claims	8,972	26,915	20%	27,096
Retiree Medical Benefits	13,670	30,561	18%	37,656
Distributed to Other Operations (5.6%)	(6,873)	(22,883)	21%	(24,846)
GENERAL & ADMINISTRATIVE	\$131,575	\$433,403	21%	\$429,692
OTHER OPERATING EXPENSE				
Expensed Improvement Projects	\$0	\$0	-	\$340,585
Expensed Equipment Purchases	1,487	1,487	25%	14,317
G&A Applied to Construction	(26,933)	(84,498)	24%	(75,314)
(Gain)/Loss on Overhead Charges	(19,568)	(32,648)	23%	(69,272)
(Gain)/Loss on Self-Ins Workers' Comp	(9,542)	(25,623)	-	0
OTHER OPERATING EXPENSE	(\$54,556)	(\$141,282)	29%	\$210,315
TOTAL OPERATING EXPENSE	\$1,054,144	\$3,363,932	29%	\$3,582,855
OPERATING INCOME/(LOSS)				
BEFORE DEPRECIATION	568,499	1,564,847	65%	1,051,294
Depreciation (Note 5)	199,521	583,749	25%	583,681
OPERATING INCOME/(LOSS)	\$368,978	\$981,097	785%	\$467,612

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

	SEPTEMBER 2011	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest:				
General Funds	\$730	\$730	-	\$0
Facility Reserve Charge Fund	1,128	1,489	10%	9,897
Wohler Pipeline Financing Fund	543	990	33%	2,049
Collector #6 Financing Fund	2,255	4,097	29%	8,100
Retiree Medical Insurance Fund	1,594	2,262	21%	4,670
Recycled Water Advance (Note 10)	0	0	-	105
West Marin Water Advance (Note 10)	237	752	25%	1,958
Total Interest Revenue	\$6,487	\$10,320	22%	\$26,780
Rents & Leases	3,708	26,592	41%	25,946
Other Non-Operating Revenue	1,134	13,834	18%	7,539
Gain/(Loss) on MV of Investments	1,585	2,483	-	(9,326)
NON-OPERATING REVENUE	\$12,914	\$53,229	28%	\$50,938
NON-OPERATING EXPENSE				
STP SRF Loan Interest Expense	\$29,871	\$91,606	25%	\$95,636
Drought Loan Interest Expense	389	1,168	23%	1,332
Wohler Pipeline Debt Service	10,277	23,321	38%	20,440
Collector #6 Debt Service	27,030	61,350	38%	46,893
Aqueduct Relocation Loan Interest Exp	0	0	0%	0
Other Non-Operating Expense	119	1,187	6%	1,620
NON-OPERATING EXPENSE	\$67,686	\$178,632	22%	\$165,920
NET INCOME/(LOSS)	\$314,206	\$855,694	(176%)	\$352,630
BEGINNING FUND EQUITY		\$64,702,653		\$64,368,223
NET INCOME/(LOSS)	314,206	855,694		352,630
CONTRIBUTED CAPITAL				
Developer 'In-Kind' Contributions	29,159	64,699		384,081
Connection Fees	0	769,000	135%	44,221
ENDING FUND EQUITY		\$66,392,046		\$65,149,154

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

	SEPTEMBER 2011	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Recycled Water Sales	\$36,303	\$131,268	57%	\$116,545
Bimonthly Service Charges	0	556	19%	467
TOTAL OPERATING REVENUE	\$36,303	\$131,891	56%	\$117,060
OPERATING EXPENSE				
PUMPING				
Maint of Structures & Grounds	\$0	\$555	-	\$0
Maint of Pumping Equipment	\$0	\$0	0%	\$0
PUMPING	\$0	\$555	28%	\$0
OPERATIONS				
Supervision & Engineering	\$876	\$3,152	-	\$0
Operating Expense - Operations	962	4,824	161%	8,290
Maintenance Expense	0	272	27%	951
Telemetry Equipment/Controls Maint	163	3,290	165%	1,744
OPERATIONS	\$2,001	\$21,108	352%	\$11,496
WATER TREATMENT				
Supervision & Engineering	\$0	\$0	-	\$2,125
Operating Expense - Water Treatment	0	10	-	0
Purification Chemicals	\$2,692	\$13,381	45%	\$22,077
Maint of Purification Equipment	0	0	0%	187
Electric Power	1,440	4,920	55%	4,890
Laboratory Direct Labor	4,548	13,938	44%	13,901
Lab Expense Distributed from Novato	1,587	4,445	49%	6,140
WATER TREATMENT	\$10,268	\$36,693	44%	\$49,321
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$0	\$0	0%	\$24
Maps & Records	0	0	-	26
Operation of T&D System	0	47	5%	940
Maint of Valves/Regulators	0	0	0%	0
TRANSMISSION & DISTRIBUTION	\$0	\$47	0%	\$990
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (1.0%)	\$1,392	\$4,634	21%	\$4,321
GENERAL & ADMINISTRATIVE	\$1,392	\$4,634	21%	\$4,321
OTHER OPERATING EXPENSE				
(Gain)/Loss on Self-Ins Workers' Comp	(127)	(341)	-	0
Expensed Improvement Projects	\$0	\$0	-	\$6,322
OTHER OPERATING EXPENSE	(\$127)	(\$341)	-	\$6,322
TOTAL OPERATING EXPENSE	\$13,533	\$62,696	48%	\$72,449
OPERATING INCOME/(LOSS)				
BEFORE DEPRECIATION	22,770	69,195	67%	44,611
Depreciation (Note 5)	13,580	40,741	25%	40,943
OPERATING INCOME/(LOSS)	\$9,189	\$28,453	(46%)	\$3,668

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

	<u>SEPTEMBER 2011</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
NON-OPERATING REVENUE				
Interest:				
RWF Replacement Fund	\$0	\$90	9%	\$44
Stone Tree RWF Loan	5,365	15,468	25%	16,956
Total Interest Revenue	<u>\$5,365</u>	<u>\$15,558</u>	24%	<u>\$17,000</u>
NON-OPERATING REVENUE	<u>\$5,365</u>	<u>\$15,558</u>	24%	<u>\$17,000</u>
NON-OPERATING EXPENSE				
RWF SRF Loan Interest Expense	\$7,101	\$21,776	23%	\$22,881
Interest-Advance from Novato (Note 10)	0	0	-	105
NON-OPERATING EXPENSE	<u>\$7,101</u>	<u>\$21,776</u>	23%	<u>\$22,986</u>
NET INCOME/(LOSS)	<u>\$7,453</u>	<u>\$22,235</u>	(24%)	<u>(\$2,319)</u>
BEGINNING FUND EQUITY		\$3,857,869		\$3,703,383
NET INCOME/(LOSS)	\$7,453	\$22,235		(\$2,319)
State Prop 50 Grant	0	0	0%	53,188
Federal ARRA Grant	163,368	193,701	127%	0
ENDING FUND EQUITY		<u>\$4,073,804</u>		<u>\$3,754,253</u>

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

	SEPTEMBER 2011	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$59,711	\$188,057	35%	\$177,874
Bill Adjustments	(2,405)	(2,977)	-	(\$6,120)
Bimonthly Service Charges	13,973	30,750	26%	24,532
Account Turn-on Charges	0	134	15%	173
New Account Charges	0	15	8%	30
Backflow Service Charges	0	466	25%	356
TOTAL OPERATING REVENUE	\$71,279	\$216,446	33%	\$196,845
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Operating Expense	\$916	\$3,238	81%	\$2,350
Operating Supplies & Expense	468	468	-	0
Maint of Structures	0	7,475	93%	7,400
Water Quality Surveillance	0	0	0%	0
SOURCE OF SUPPLY	\$1,384	\$11,181	86%	\$9,750
PUMPING				
Operating Labor	\$0	\$0	0%	\$0
Maint of Structures and Grounds	0	388	3%	2,395
Maint of Pumping Equip	0	979	7%	6,628
Electric Power	1,679	4,931	33%	15,439
PUMPING	\$1,679	\$6,298	14%	\$24,462
OPERATIONS				
Supervision & Engineering	\$267	\$534	13%	\$0
Operating Expense	408	2,042	34%	2,050
Maint of Telemetry Equipment	488	3,818	24%	2,898
Leased Lines	418	1,090	22%	1,322
OPERATIONS	\$1,581	\$7,484	24%	\$6,270
WATER TREATMENT				
Supervision & Engineering	\$267	\$1,429	48%	\$1,742
Operating Expense	170	2,474	14%	2,752
Purification Chemicals	100	3,916	78%	5,227
Maint of Structures & Grounds	0	0	0%	22
Maint of Purification Equipment	732	969	6%	3,041
Electric Power	2,397	7,368	28%	0
Laboratory Direct Labor	2,437	7,034	32%	5,500
Laboratory Services	1,500	1,760	44%	260
Water Quality Supervision	720	1,530	51%	510
Customer Water Quality	64	2,599	65%	598
Lab Expense Distributed from Novato	1,179	3,488	58%	2,429
WATER TREATMENT	\$9,565	\$32,567	30%	\$22,080

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

	SEPTEMBER 2011	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$966	\$3,290	25%	\$2,698
Maps & Records	61	61	2%	392
Facilities Location - USA	95	762	19%	476
Customer Service Expense	1,417	3,506	23%	2,974
Flushing	0	0	0%	0
Storage Facilities Expense	10,474	16,203	108%	2,519
Cathodic Protection	488	1,140	-	154
Maint of Valves	332	657	11%	178
Valve Operation Program	0	0	0%	0
Maint of Mains	0	0	0%	2,157
Maint of Backflow Devices	0	0	0%	790
Backflow Dev Inspection/Survey	0	1,285	43%	1,611
Maint of Copper Services	0	0	0%	0
Maint of PB Service Lines	1,667	6,152	62%	2,217
Maint of Meters	0	180	9%	444
Detector Check Assembly Maint	0	245	24%	218
Maint of Hydrants	0	0	0%	0
Hydrant Operation	0	0	0%	0
Single Service Installation	0	3,539	-	762
TRANSMISSION & DISTRIBUTION	\$15,685	\$37,303	42%	\$17,611
CONSUMER ACCOUNTING				
Meter Reading	\$389	\$1,322	17%	\$1,185
Collection Expense - Labor	76	239	12%	225
Uncollectable Accounts	0	127	-	204
Distributed from Novato (3.5%)	919	3,485	25%	3,344
CONSUMER ACCOUNTING	\$1,384	\$5,173	22%	\$4,740
WATER CONSERVATION				
Water Conservation Program	\$60	\$260	7%	\$0
TOTAL WATER CONSERVATION	\$60	\$260	7%	\$0
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (3.5%)	\$4,097	\$13,642	21%	\$15,899
GENERAL & ADMINISTRATIVE	\$4,097	\$13,642	21%	\$15,899
OTHER OPERATING EXPENSE				
Expensed Improvement Projects	(\$468)	\$0	-	\$5,207
(Gain)/Loss on Self Ins Workers' Comp	(374)	(1,004)	-	0
OTHER OPERATING EXPENSE	(\$842)	(\$1,004)	-	\$5,207
TOTAL OPERATING EXPENSE	\$34,594	\$112,905	30%	\$106,020
OPERATING INCOME/(LOSS)				
BEFORE DEPRECIATION	\$36,685	\$103,541	37%	\$90,825
Depreciation (Note 5)	13,016	37,905	25%	\$36,632
OPERATING INCOME/(LOSS)	\$23,669	\$65,636	50%	\$54,194

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

	<u>SEPTEMBER 2011</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
NON-OPERATING REVENUE				
Rents & Leases	\$0	\$0	0%	\$0
Tax Proceeds - PR-3 G.O. Bond	17	17	0%	0
Tax Proceeds - OL-2 G.O. Bond	319	319	8%	0
Tax Proceeds - PR-2 Tax Allocation	6	241	1%	6
NON-OPERATING REVENUE	<u>\$342</u>	<u>\$577</u>	1%	<u>\$6</u>
NON-OPERATING EXPENSE				
PR-3 G.O. Bond Interest Expense	\$113	\$338	34%	\$500
OL-2 G.O. Bond Interest Expense	61	182	18%	222
PRE-1 Revenue Bond Interest Exp	421	1,262	25%	1,375
PR-6 Revenue Bond Interest Exp	417	1,250	25%	1,350
Drought Loan Interest Expense	55	165	17%	189
Interest-Advance from Novato (Note 10)	237	752	25%	1,958
NON-OPERATING EXPENSE	<u>\$1,303</u>	<u>\$3,949</u>	25%	<u>\$5,595</u>
NET INCOME/(LOSS)	<u>\$22,708</u>	<u>\$62,264</u>	35%	<u>\$48,605</u>
BEGINNING FUND EQUITY				
NET INCOME/(LOSS)	22,708	62,264		48,605
CONTRIBUTED CAPITAL				
Developer 'In-Kind' Contributions	118	821		8,375
Connection Fees	0	8,900	-	0
ENDING FUND EQUITY		<u>\$3,787,361</u>		<u>\$3,637,425</u>

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

	SEPTEMBER 2011	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Sewer Service Charges	\$13,423	\$39,332	25%	\$37,290
TOTAL OPERATING REVENUE	\$13,423	\$39,332	25%	\$37,290
OPERATING EXPENSE				
SEWAGE COLLECTION				
Supervision & Engineering	\$356	\$1,157	17%	\$1,656
Inspection	0	0	-	144
Operating Expense	423	507	25%	408
Facilities Location	0	0	0%	417
Electric Power	950	2,907	29%	2,627
SEWAGE COLLECTION	\$1,729	\$4,692	23%	\$6,056
SEWAGE TREATMENT				
Operating Expense	\$707	\$707	5%	\$12
Treatment Supplies & Expense	0	0	-	0
Maint of Structures	0	570	-	0
Maint of Equipment	314	314	-	0
Laboratory Direct Labor	300	300	-	0
Lab Expense Distributed from Novato	149	149	-	0
Electric Power	767	1,790	30%	1,333
SEWAGE TREATMENT	\$2,237	\$3,830	20%	\$1,345
SEWAGE DISPOSAL				
Operating Expense	(\$244)	\$0	-	\$0
Maint of Pump Stations	\$348	\$348	35%	\$0
SEWAGE DISPOSAL	\$104	\$348	35%	\$0
CONTRACT OPERATIONS				
Contract Operations	\$5,101	\$15,304	25%	\$15,147
Equipment Replacements/Upgrades	0	0	0%	0
CONTRACT OPERATIONS	\$5,101	\$15,304	24%	\$15,147
CONSUMER ACCOUNTING				
Distributed from Novato (1.0%)	271	1,029	51%	977
CONSUMER ACCOUNTING	\$271	\$1,029	51%	\$977
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (1.1%)	\$1,384	\$4,608	21%	\$4,626
Liability Insurance	244	733	24%	717
GENERAL AND ADMINISTRATIVE	\$1,628	\$5,341	21%	\$5,343
OTHER OPERATING EXPENSE				
Expensed Improvement Projects	\$0	\$0	-	\$3,683
(Gain)/Loss on Self Ins Workers' Comp	(127)	(340)	-	0
OTHER OPERATING EXPENSE	(\$127)	(\$340)	-	\$3,683
TOTAL OPERATING EXPENSE	\$10,943	\$30,203	23%	\$32,551
OPERATING INCOME/(LOSS)				
BEFORE DEPRECIATION	\$2,480	\$9,129	34%	\$4,739
Depreciation (Note 5)	3,424	10,271	24%	10,271
OPERATING INCOME/(LOSS)	(\$944)	(\$1,142)	7%	(\$5,532)

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

	<u>SEPTEMBER 2011</u>	<u>YEAR TO DATE ACTUAL</u>	<u>YTD/ BUDGET%</u>	<u>PRIOR YTD ACTUAL</u>
<u>NON-OPERATING REVENUE</u>				
Rents & Leases	\$0	\$500	50%	\$500
Interest - Connection Fee Reserve	94	170	-	308
Interest - General Funds	202	374	12%	753
Interest - Self Insured WC Fund	1	1	-	0
Tax Proceeds - OM-1/OM-3 Tax Alloc	7	257	1%	6
Other Non-Operating Revenue	0	91	9%	18
NON-OPERATING REVENUE	\$304	\$1,393	3%	\$1,586
<u>NON-OPERATING EXPENSE</u>				
Other Non-Operating Expense	\$0	\$91	-	\$0
NON-OPERATING EXPENSE	\$0	\$91	-	\$0
NET INCOME/(LOSS)	(\$640)	\$159	1%	(\$3,946)
BEGINNING FUND EQUITY		\$1,017,557		\$993,621
NET INCOME/(LOSS)	(640)	159		(3,946)
CONTRIBUTED CAPITAL				
ENDING FUND EQUITY		\$1,017,716		\$989,675

**NORTH MARIN WATER DISTRICT
ANALYSIS OF WORKER'S COMP, CONNECTION FEE AND CIR FUNDS
FOR PERIOD ENDING SEPTEMBER 30, 2011**

		NOVATO	WEST MARIN	OCEANA	RECYCLED
WORKERS' COMPENSATION FUND	TOTAL	WATER	WATER	MARIN	WATER
				SEWER	
WC Cash Balance 7/1/11	\$14,400	\$13,512	\$529	\$179	\$180
Less: Projected Prior FY Claims Liability	14,400	13,512	529	179	180
Add: Funds borrowed to subsidize operations	0	0	0		0
WC Reserve Balance 7/1/11	\$0	\$0	\$0	\$0	\$0
Add: WC Expense Charged to Operations FYTD	\$41,695	\$39,123	\$1,533	\$518	\$521
Interest Earned	1	0	0	1	0
Subtotal	\$41,696	\$39,123	\$1,533	\$519	\$521
Less: Claims Expense Incurred	0	0	0	0	0
Excess Insurance Premium	11,387	10,684	419	141	142
Administration Fees	3,000	2,815	110	37	37
WC Reserve Balance 9/30/11	\$27,310	\$25,625	\$1,004	\$340	\$341
Add: Projected Prior FY Claims Liability	14,400	13,512	529	179	180
Projected FY12 Claims Liability	0	0	0	0	0
Funds borrowed to subsidize operations	(41,192)	(39,137)	(1,534)	0	(521)
WC CASH BALANCE 9/30/11	\$519	\$0	\$0	\$519	(\$0)
CONNECTION FEE FUND					
Connection Fee Cash Balance 7/1/11	\$484,570	\$407,278	\$0	\$77,292	
Add funds borrowed to subsidize operations	237,698	0	237,698	0	
Connection Fee Reserve Balance 7/1/11	\$722,268	\$407,278	\$237,698	\$77,292	
Add: Connection Fees Collected FYTD	777,900	769,000	8,900	0	
Interest Earned	1,659	1,489	0	170	
Subtotal	\$1,501,827	\$1,177,767	\$246,598	\$77,462	
Less: Fees Expended FYTD	143,876	143,876	0	0	
Fees Transferred to RW FYTD	642,253	642,253	0	0	
Connection Fee Reserve Balance 9/30/11	\$715,698	\$391,638	\$246,598	\$77,462	
Less funds borrowed to subsidize operations	246,598	0	246,598	0	
CONNECTION FEE CASH BALANCE 9/30/11	\$469,100	\$391,638	\$0	\$77,462	
CONSERVATION INCENTIVE RATE FUND					
CIR Cash Balance 7/1/11	\$0	\$0	\$0		
Add funds borrowed to subsidize operations	0	0	52,936		
CIR Reserve Balance 7/1/11	\$0	\$0	\$52,936		
Add: CIR Charges Billed FYTD	17,675	17,675	0		
Regulation 15 Forfeitures	0	0	0		
Interest Earned	0	0	0		
Subtotal	\$17,675	\$17,675	\$52,936		
Less: CIR Funds Expended FYTD ¹	14,740	14,480	260		
Bill Adjustments	4,093	3,195	899		
CIR Reserve Balance 9/30/11	(\$1,158)	\$0	\$51,777		
Less funds borrowed to subsidize operations	51,778	0	51,777		
CIR CASH BALANCE 9/30/11	\$0	\$0	\$0		

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

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

<u>OPERATING EXPENSE</u>	Novato	Recycled	West Marin	Oceana Marin	YTD Total	Annual Budget	YTD/Budget %	Prior YTD Actual	% Change
Salaries & Benefits	\$1,303,861	\$23,488	\$42,441	\$2,870	1,372,660	\$5,582,000	25%	\$1,394,675	-2%
Water Purchases (net)	1,527,109	0	0	0	1,527,109	3,805,000	40%	1,459,023	5%
Op Matl Svcs & Supplies	44,865	19,101	50,581	21,592	136,139	\$651,000	21%	60,647	124%
Chemicals	117,930	13,381	3,916	0	135,227	460,000	29%	169,524	-20%
Electric Power	125,934	4,920	4,931	4,697	140,482	431,000	33%	155,441	-10%
Vehicles & Equipment	56,887	726	4,149	99	61,861	270,000	23%	76,195	-19%
Tools & Supplies	49,427	1,080	4,422	212	55,142	260,000	21%	60,350	-9%
Water Conservation Rebates	18,569	0	0	0	18,569	115,000	16%	43,024	-57%
Retiree Medical Expense	30,561	0	0	0	30,561	173,000	18%	37,656	-19%
Inventory Materials	38,464	0	2,464	0	40,928	129,000	32%	50,753	-19%
Insurance & Claims	26,915	0	0	733	27,648	136,000	20%	27,813	-1%
Stationary, Supplies & Postage	23,410	0	0	0	23,410	161,000	15%	22,531	4%
IP Matl Svcs & Supplies	0	0	0	0	0	0	-	204,717	-100%
TOTAL OPERATING EXPENSE	\$3,363,932	\$62,696	\$112,905	\$30,203	\$3,569,736	\$12,173,000	29%	\$3,762,349	-5%
NON-OPERATING EXPENSE									
Interest Expense	\$177,445	\$21,776	3,949	\$0	\$203,170	\$704,000	29%	\$193,072	5%
Other Non-Operating Expense	1,187	0	0	91	1,278	20,000	6%	1,620	-21%
TOTAL NON-OPERATING EXPENSE	\$178,632	\$21,776	\$3,949	\$91	\$204,448	\$724,000	28%	\$194,691	5%
TOTAL OP & NON-OP EXPENSE	\$3,542,564	\$84,472	\$116,854	\$30,294	\$3,774,184	\$12,897,000	29%	\$3,957,040	-5%
DISTRICT CAPITAL PROJECTS									
Salaries and Benefits	\$104,522	\$112,282	\$754	\$991	\$218,549	\$811,840	27%		
G&A & Constr Supplies	51,788	39,938	256	337	92,319	353,278	26%		
Vehicles & Equipment	27,499	845	0	0	28,343	57,776	49%		
Material Services & Supplies	138,174	776,871	0	0	915,045	8,719,106	10%		
TOTAL DISTRICT CAPITAL PROJECTS	\$321,982	\$929,937	\$1,010	\$1,328	\$1,254,257	\$9,942,000	13%		
DEVELOPER PROJECTS									
Salaries & Benefits	\$17,967	\$0	\$609	\$0	\$18,575	\$307,000	6%		
G&A & Constr Supplies	6,830	0	207	0	7,037	151,000	5%		
Vehicles & Equipment	2,625	0	6	0	2,631	36,000	7%		
Material Services & Supplies	37,277	0	0	0	37,277	200,000	19%		
TOTAL DEVELOPER PROJECTS	\$64,699	\$0	\$821	\$0	\$65,520	\$694,000	9%		
TOTAL CAPITAL PROJECTS	\$386,681	\$929,937	\$1,832	\$1,328	\$1,319,777	\$10,636,000	12%		

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

	YEAR TO DATE ACTUAL	ANNUAL BUDGET	YTD/ BUDGET %
<u>Material Handling</u>			
Material Overhead Recovered (15%)	\$14,560	\$110,000	13%
Labor	24,018	99,000	24%
Materials, Supplies & Expense	1,204	6,000	20%
Correction to Inventory Counts	3,608	-	-
Depr on Warehouse Equipment	925	5,000	18%
	\$29,755	\$110,000	27%
Net Gain / (Loss)	(\$15,195)	\$0	-
<u>Construction Supplies</u>			
Const Supplies Overhead Recovered (15%)	\$71,479	\$171,500	42%
Labor	0	76,000	0%
Materials, Supplies & Expense	31,654	73,000	43%
Small Tools	4,475	19,000	24%
Depreciation	699	3,500	20%
	\$36,828	\$171,500	21%
Net Gain / (Loss)	\$34,651	\$0	-
<u>Vehicle & Equipment</u>			
Vehicle & Equipment Recovered	\$105,782	\$411,000	26%
Labor	23,660	115,000	21%
Materials, Supplies & Expense	18,099	76,000	24%
Fuel	26,816	95,000	28%
Depreciation	28,543	125,000	23%
	\$97,119	\$411,000	24%
Net Gain / (Loss)	\$8,663	\$0	0%

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

Year	Description	Veh#	Assigned	Fiscal Year to Date			Vehicle Cost per Mile					
				Mileage	Expense ¹	Recovery ²	Gain/(Loss)	Mileage	Life to Date	FYTD	FY11	FY10
1	1993 Ford F250 4x4	29	Cilia	1,792	\$1,213	\$2,220	\$1,007	129,678	\$0.55	\$0.68	\$1.42	\$1.19
2	1994 GMC C1500	30	Pool	69	\$244	\$96	(\$148)	132,456	\$0.30	\$3.54	\$0.81	\$0.21
3	1999 Dodge Ram 1500	32	Pool	1,306	\$656	\$1,599	\$943	62,588	\$0.42	\$0.50	\$0.49	\$0.81
4	1999 Ford F250	36	Ortiz	1,804	\$1,303	\$1,698	\$395	172,889	\$0.47	\$0.72	\$0.97	\$0.82
5	2000 Dodge Dakota	40	Pool	659	\$555	\$744	\$189	98,897	\$0.45	\$0.84	\$0.70	\$0.54
6	2001 Dodge Ram 1500	41	On-Call	1,178	\$548	\$467	(\$81)	96,249	\$0.53	\$0.47	\$0.62	\$0.44
7	2001 Dodge Dakota	42	Pool	2,489	\$772	\$1,235	\$462	103,885	\$0.30	\$0.31	\$0.95	\$0.46
8	2002 Dodge Dakota	45	Bynum	2,127	\$1,572	\$2,370	\$799	123,896	\$0.46	\$0.74	\$0.79	\$0.61
9	2002 Chev K1500 4x4	47	Engineering	981	\$1,160	\$585	(\$575)	96,513	\$0.33	\$1.18	\$0.72	\$0.60
10	2003 Dodge Dakota 4x4	49	Stompe	1,491	\$1,511	\$1,088	(\$423)	65,682	\$0.38	\$1.01	\$0.46	\$0.26
11	2003 Chev C1500	51	Pool	1,159	\$440	\$342	(\$98)	92,811	\$0.34	\$0.38	\$0.52	\$0.35
12	2004 Chev C1500	53	Kurfirst	2,868	\$2,222	\$2,616	\$394	84,275	\$0.38	\$0.77	\$0.45	\$0.88
13	2004 Chev C1500 Xtra Cab	54	Mello	602	\$224	\$363	\$139	69,409	\$0.36	\$0.37	\$0.45	\$0.86
14	2005 Honda Civic Hybrid	56	Lab	2,313	\$322	\$1,307	\$984	42,828	\$0.20	\$0.14	\$0.26	\$0.20
15	2005 Honda Civic Hybrid	57	Engineering	806	\$88	\$339	\$251	33,030	\$0.20	\$0.11	\$0.41	\$0.19
16	2005 Ford Ranger	58	Roberto	3,193	\$1,623	\$2,874	\$1,251	76,601	\$0.38	\$0.51	\$0.52	\$0.36
17	2005 Ford Ranger	59	Venegas	2,610	\$952	\$2,180	\$1,227	67,948	\$0.40	\$0.36	\$0.52	\$0.36
18	2006 Chev Colorado	501	Moore	3,649	\$1,756	\$2,979	\$1,223	74,290	\$0.36	\$0.48	\$0.46	\$0.33
19	2007 Chev K2500 4x4	502	Corda, Joe	1,979	\$1,961	\$4,494	\$2,534	44,867	\$0.49	\$0.99	\$0.53	\$0.44
20	2007 Chev Colorado	504	Grisso	1,232	\$316	\$1,441	\$1,125	22,253	\$0.41	\$0.26	\$0.58	\$0.49
21	2008 Ford F250 4x4	505	Arendell	2,499	\$1,475	\$5,684	\$4,208	44,427	\$0.66	\$0.59	\$0.63	\$0.65
22	2008 Chev Colorado 4x4	506	STP	1,201	\$980	\$1,342	\$362	24,079	\$0.86	\$0.82	\$0.58	\$0.83
23	2008 Chev Colorado 4x4	509	Lemos	2,861	\$823	\$1,287	\$463	38,287	\$0.33	\$0.29	\$0.36	\$0.29
24	2009 Toyota Prius Hybrid	510	Clark	3,183	\$394	\$1,483	\$1,089	40,413	\$0.16	\$0.12	\$0.21	\$1.64
25	2010 Ford F150 4x4	511	STP	3,099	\$662	\$2,816	\$2,154	14,242	\$0.45	\$0.21	\$0.58	\$0.39
26	2010 Ford F150	512	Ortiz	4,397	\$2,365	\$1,961	(\$404)	26,359	\$0.42	\$0.54	\$0.37	\$0.44
27	2010 Ford F150	513	LeBrun	1,699	\$679	\$1,705	\$1,026	13,691	\$0.47	\$0.40	\$0.48	\$0.51
Total 3/4 Ton & Under				53,246	\$26,817	\$47,314	\$20,498	1,892,543	\$0.41	\$0.50	\$0.54	\$0.51
1	1991 Int'l 4700 5 Yd Dump	5	Sjoblom	1,841	\$4,724	\$4,532	(\$192)	146,538	\$0.86	\$2.57	\$1.28	\$1.46
2	1999 Ford F350 W/Svc Body	19	Pool	333	\$434	\$330	(\$104)	126,031	\$0.71	\$1.30	\$2.58	\$2.55
3	2002 Int'l 5 Yd Dump	44	Rupp	1,764	\$2,450	\$5,341	\$2,891	62,679	\$1.51	\$1.39	\$1.83	\$1.28
4	2002 Chev 1 Ton Crew	46	Castellucci	2,566	\$1,903	\$4,367	\$2,464	102,184	\$0.92	\$0.74	\$1.02	\$1.16
5	1999 Ford F550 3-Yd Dump ³	52	Crew	1,049	\$956	\$3,240	\$2,283	68,264	\$0.68	\$0.91	\$1.41	\$2.13
6	1999 Int'l 5 Yd Dump ⁴	55	Crew	1,459	\$1,940	\$4,758	\$2,818	59,303	\$1.19	\$1.33	\$1.52	\$6.07
7	2006 Int'l 4300 Crew	503	Reed	789	\$2,860	\$5,060	\$2,200	16,494	\$2.24	\$3.63	\$2.32	\$1.11
8	2008 Ford F350 4x4	507	Latanszyn	2,868	\$5,061	\$4,121	(\$940)	40,672	\$0.85	\$1.76	\$0.82	\$0.55
9	2009 Peterbilt 335 Crew	508	Kehoe	970	\$1,125	\$6,188	\$5,062	11,348	\$1.83	\$1.16	\$1.88	\$2.17
Total 1 Ton & Over				13,639	\$21,453	\$37,935	\$16,482	633,513	\$0.97	\$1.57	\$1.35	\$1.74

¹ Expense amount shown excludes depreciation (approximately \$75,000 for FY12).

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

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

⁴ 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 SEPTEMBER 30, 2011**

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Description	COST THRU JUNE 2011	SEPTEMBER 2011	FYTD TOTAL	FY 11/12 BUDGET	(OVER) UNDER	TOTAL COST
NOVATO						
a. Residential						
1-7700-01 1 Cash for Grass	\$204,398	\$2,752	\$5,961	\$20,000	\$14,039	\$210,359
1-7700-02 2 Landscape Efficiency Rebates	25,172	100	245	7,500	7,255	25,417
1-7700-03 3 Fixtures Purchases	28,251	0	0	5,000	5,000	28,251
1-7700-06 4 Washing Machine Rebates	271,121	1,528	5,604	20,000	14,396	276,725
1-7700-07 5 Demonstration Garden Improvements	54,377	0	0	500	500	54,377
1-7700-11 6 Toilet Rebate SF	819,889	1,276	5,621	30,000	24,379	825,511
1-7700-12 7 Toilet Rebate MF	18,081	0	0	4,000	4,000	18,081
1-7700-13 8 Residential Audits	124,520	3,518	10,877	40,000	29,123	135,397
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	13,895	0	900	5,000	4,100	14,795
1-7700-08 12 Administration	718,373	8,529	27,212	122,000	94,789	745,585
1-7700-20 13 New Development Wtr Cons Program	22,666	947	2,438	8,000	5,562	25,104
1-7700-21 14 Demand Offset Rebate Program	490	0	38	5,000	4,963	528
b. Commercial						
1-7701-02 1 Toilet Rebate Program	63,527	0	200	7,500	7,300	63,727
1-7701-03 2 Commercial Audits	5,073	174	468	21,500	21,032	5,541
c. Public Outreach/Information						
1-8672-16 1 Fall Newsletter	25,474	0	0	8,000	8,000	25,474
1-8672-17 2 Spring Newsletter	38,601	0	0	12,000	12,000	38,601
1-8672-18 3 Summer Newsletter	5,139	0	0	8,000	8,000	5,139
1-7700-04 4 Public Outreach / H ₂ O Fair	82,459	461	994	5,000	4,006	83,453
1-7700-05 5 Marketing	83,300	696	4,541	21,000	16,460	87,841
1-7700-22 6 Public Outreach/Leadership Novato	0	1,479	1,479	0	(1,479)	1,479
d. Large Landscape						
1-8653-02 1 Large Landscape Audits	70,200	44	308	20,000	19,692	70,508
1-7702-01 2 Large Landscape Budgets	20,054	64	660	3,000	2,340	20,714
1-7702-02 3 Large Landscape Irrigation Efficiency Rebates	11,376	0	0	5,000	5,000	11,376
1-8653-01 4 CIMIS Station Maintenance	18,424	20	58	2,000	1,942	18,482
1-7702-03 6 Administration-Large Landscape	3,579	1,292	4,076	0	(4,076)	7,655
TOTAL NOVATO WATER CONSERVATION	\$2,758,587	22,879	\$71,679	\$400,000	\$328,321	\$2,830,266
WEST MARIN						
2-5166-00 a. Water Conservation Program	\$35,383	\$60	\$260	\$4,000	\$3,740	\$35,643
TOTAL WATER CONSERVATION EXPENDITURES	\$2,793,970	\$22,939	\$71,939	\$404,000	\$332,061	\$2,865,909

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

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	SEPTEMBER 2011	FYTD TOTAL	FY 11/12 BUDGET	(OVER) UNDER	Notes
1 INFORMATION SYSTEMS					
Administration					
a. Software Licenses		\$14,173	\$25,000	\$10,827	c
b. PC Workstations (2)		0	2,000	2,000	e,1
Engineering					
c. AutoCAD PC (Assoc Engr)	1,487	1,487	2,000	513	e,1
Operations					
d. PC Workstation (TP Supervisor)		0	1,000	1,000	e,1
Maintenance					
e. PC Workstation (Asst Wtr Dist/TP Op)		0	1,000	1,000	e
	<u>\$1,487</u>	<u>\$15,661</u>	<u>\$31,000</u>	<u>\$15,339</u>	
2 CONSTRUCTION					
a. Hydra-Stop Insta-Valve Complete Set, 4"-12"		\$47,241	\$48,000	\$759	c
	<u>\$0</u>	<u>\$47,241</u>	<u>\$48,000</u>	<u>\$759</u>	
3 MAINTENANCE					
a. Coats Tire Machine	6,483	\$6,483	\$6,000	(\$483)	c,1
	<u>\$6,483</u>	<u>\$6,483</u>	<u>\$6,000</u>	<u>(\$483)</u>	
4 VEHICLE & ROLLING EQUIPMENT PURCHASES					
a. 5-Yard Diesel Dump Truck with Radio		\$0	\$78,000	\$78,000	c,1
b. 3/4-Ton Pickup w/Service Body, Radio & Light Bar		0	25,000	25,000	c,1
	<u>\$0</u>	<u>\$0</u>	<u>\$103,000</u>	<u>\$103,000</u>	
TOTAL EQUIPMENT EXPENDITURES	<u>\$7,971</u>	<u>\$69,385</u>	<u>\$188,000</u>	<u>\$118,615</u>	
EQUIPMENT EXPENDITURE SUMMARY:					
Total Capitalized Equipment	\$6,483	\$67,898	\$182,000	\$114,102	
Total Expensed Equipment	1,487	1,487	6,000	4,513	
Total Equipment Expenditures	<u>\$7,971</u>	<u>\$69,385</u>	<u>\$188,000</u>	<u>\$118,615</u>	

Notes:

(e) Expensed (c) Capitalized

(1) Replacement item.

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

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Description	COST THRU		SEPTEMBER	FYTD	FY 11/12	(OVER)		TOTAL	Notes
	JUNE 2011	2011	2011	TOTAL	BUDGET	UNDER	COST		
1 PIPELINE REPLACEMENTS/ADDITIONS									
a. Main/Pipeline Replacements									
1-7130-00	1	\$0	\$0	\$0	\$160,000	\$160,000	\$0	(c)	
1-7131-00	2	0	0	0	60,000	60,000	0	(c)	
1-7067-01	3	96,392	46,853	218,455	120,000	(98,455)	314,847	(c)	
b. PB Service Line Replacements									
1-7123-06	1	0	0	0	36,000	36,000	0	(c)	
1-7123-07	2	0	0	0	52,000	52,000	0	(c)	
c. Relocations to Sync w/City & County C.I.P.									
1-8716-08	1	0	3,958	6,219	20,000	13,781	6,219	(c)	
1-8737-04	2	0	0	0	50,000	50,000	0	(c)	
1-8737-03	3	1,047	1,924	23,871	0	(23,871)	24,917	(c)	
d. Aqueduct Replacements & Enhancements									
1-7118-01	1	75,782	2,445	6,966	2,700,000	2,693,034	82,748	(c)	
1-7118-02	2	7,723	147	6,154	0	(6,154)	13,877	(c)	
1-7118-03	3	72,225	98	2,566	0	(2,566)	74,791	(c)	
1-7118-04	4	446,731	3,416	43,691	0	(43,691)	490,422	(c)	
1-7118-05	5	5,109	1,206	1,689	0	(1,689)	6,798	(c)	
1-7118-06	6	0	1,985	3,806	0	(3,806)	3,806	(c)	
TOTAL PIPELINE REPLACEMENTS/ADDITIONS		\$705,008	\$62,032	\$313,417	\$3,198,000	\$2,884,584	\$1,018,425		
2 SYSTEM IMPROVEMENTS									
1-7042-00	a.	\$96,819	\$236	\$1,651	\$20,000	\$18,349	\$98,469	(c)	
1-6000-41	b.	0	0	0	25,000	25,000	0	(c)	
1-7008-08	c.	0	316	3,122	15,000	11,878	3,122	(c)	
1-8677-18	d.	0	0	0	50,000	50,000	0	(c)	
1-7007-06	e.	0	0	0	75,000	75,000	0	(c)	
1-7090-02	f.	0	0	0	30,000	30,000	0	(c)	
1-7132-00	g.	0	2,399	2,399	25,000	22,601	2,399	(c)	
TOTAL SYSTEM IMPROVEMENTS		\$96,819	\$2,951	\$7,172	\$240,000	\$232,828	\$103,990		

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

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Description	COST THRU		SEPTEMBER	FYTD	FY 11/12	TOTAL		Notes
	JUNE 2011	2011	2011	TOTAL	BUDGET	UNDER	COST	
3 BUILDINGS, YARD, & S.T.P. IMPROVEMENTS								
a. Administration Building								
1-6501-35	1	ADA Access Phase I	\$0	\$0	\$25,000	\$25,000	\$0	(c)
1-6501-42	2	Other Admin Bldg Improvements	0	0	25,000	25,000	0	(c)
b. Corp Yard/Warehouse/Construction Office								
1-6502-44	1	Other Yard Improvements	0	0	15,000	15,000	0	(c)
c. Stafford Treatment Plant								
1-6600-70	1	Watershed Erosion Control	0	0	34,000	34,000	0	(c)
1-6600-60	2	Leveroni Creek Bank Repair	35,090	850	130,000	128,607	36,483	(c)
1-6600-71	3	STP Data Communication via Radio	0	0	25,000	25,000	0	(c)
1-6600-69	4	Dam Concrete Apron Repairs	38,488	0	10,000	10,000	38,488	(c)
1-6600-72	5	STP Discharge/Treatment	0	0	47,000	47,000	0	(c)
1-6600-62	6	Spillway Security Improvements	4,460	0	25,000	25,000	4,460	(c)
1-6600-73	7	Remove Old Transformer Pole	0	0	40,000	40,000	0	(c)
1-6600-74	8	STP Emergency Power Generator	0	0	122,000	122,000	0	(c)
TOTAL BUILDING, YARD, & STP IMPROVEMENTS			\$78,038	\$850	\$498,000	\$496,607	\$79,432	
4 STORAGE TANKS & PUMP STATIONS								
a. Lynwood Pump Station Motor Control Center								
1-6112-24			\$30,003	\$0	\$275,000	\$275,000	\$30,003	(c)
b. Pacheco Tank C12 Mixing System								
1-6217-20			18,782	0	75,000	75,000	18,782	(c)
TOTAL STORAGE TANKS & PUMP STATIONS			\$48,785	\$0	\$350,000	\$350,000	\$48,785	
5 RECYCLED WATER								
a. NBWRA Grant Outreach								
5-7127-00			\$133,319	\$0	\$115,882	\$9,118	\$249,201	(c)
5-6055-01	b.	Expansion to North Service Area-SRF ⁴	38,223	964	3,474	(\$3,474)	41,697	(c)
5-6055-11	c.	Expansion to North Svc Area-Seg 1-ARRA/SRF ²	91,645	434,595	515,127	2,484,873	606,771	(c)
5-6055-12	d.	Expansion to North Svc Area-Seg 2-ARRA/SRF ²	152,805	38,147	38,147	(\$8,147)	190,952	(c)
5-6055-13	e.	Expansion to North Svc Area-Seg 3-ARRA/SRF ²	124,635	34,301	34,301	(\$4,301)	158,936	(c)
5-6055-14	f.	Expansion to N Svc Area-Plum St Storage-ARRA/SRF ²	60,319	13,666	13,666	(\$13,666)	73,984	(c)
5-6055-20	g.	RW Expansion N Svc Area-Retrofit-Private Property	0	490	490	(490)	490	(c)
5-6055-21	h.	RW Expansion N Svc Area-Retrofit-Govt Property	0	164	164	(164)	164	(c)
5-6055-00	i.	Expansion to South Service Area-ARRA/SRF ³	548,155	88,351	150,117	1,849,883	698,272	(c)
5-6055-01	j.	Expansion to South Service Area-SRF ⁴	0	0	0	0	0	(c)
5-6055-11	k.	Expansion to South Svc Area-Seg 1A-ARRA/SRF ²	0	18,969	18,969	(18,969)	18,969	(c)
5-6055-12	l.	Expansion to North Svc Area-Seg 1B-ARRA/SRF ²	0	33,638	33,638	(33,638)	33,638	(c)
5-6055-13	m.	Expansion to North Svc Area-Seg 2-ARRA/SRF ²	0	5,308	5,308	(5,308)	5,308	(c)
5-6055-20	n.	RW Expansion S Svc Area-Retrofit-Private Property	0	425	425	(425)	425	(c)
5-6055-21	o.	RW Expansion S Svc Area-Retrofit-Govt Property	0	229	229	(229)	229	(c)
TOTAL STORAGE TANKS & PUMP STATIONS			\$1,149,100	\$669,247	\$929,937	\$4,195,063	\$2,079,037	

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

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Description	COST THRU		SEPTEMBER 2011	FYTD TOTAL	FY 11/12 BUDGET	(OVER)		TOTAL	Notes
	JUNE 2011	SEPTEMBER 2011				UNDER	COST		
6 WEST MARIN WATER SYSTEM									
System Improvements:									
2-6601-32 a. TP Solids Handling & Land Acquisition	\$90,981	\$236	\$1,010	\$360,000	\$358,990	\$91,991	(e)		
2-6601-34 b. TP RTU Upgrade	0	0	0	20,000	20,000	0	(e)		
2-7139-00 c. Viento Way Upsizing	0	0	0	21,000	21,000	0	(e)		
2-6603-20 d. Pt. Reyes Well #3 Rehab	15,415	0	0	15,000	15,000	15,415	(e)		
2-5156-00 e. Water Rights-Legal/Staff Time	128,554	(468)	0	0	0	128,554	(e)		
TOTAL WEST MARIN WATER SYSTEM	\$234,950	(\$232)	\$1,010	\$416,000	\$414,990	\$235,961			
7 OCEANA MARIN SEWER SYSTEM									
8-8672-25 a. Infiltration Study & Repair	\$0	0	\$0	\$15,000	\$15,000	\$0	(e)		
8-7065-01 b. Tahiti Way Lift Pumps Rebuild	0	0	0	20,000	20,000	0	(e)		
8-8001-20 c. Cross Country Sewer Line Rehab	12,546	0	1,328	80,000	78,672	13,874	(e)		
TOTAL OCEANA MARIN SEWER SYSTEM	\$12,546	\$0	\$1,328	\$115,000	\$113,672	\$13,874			
TOTAL PROJECT EXPENDITURES	\$2,325,248	\$734,846	\$1,254,257	\$9,942,000	\$8,687,744	\$3,579,505			
8 LESS FUNDED BY GRANTS, LOANS & REIMBURSEMENTS									
a. RW Expansion - North Service Area Grant ³	(\$89,504)	(\$125,356)	(\$145,489)	(\$153,250)	(\$7,761)	(\$234,993)			
b. RW - North Service Area Loan ⁶	(346,862)	(517,093)	(597,625)	(459,750)	137,875	(944,487)			
c. RW Expansion - South Service Area Grant ³	(131,220)	(18,051)	(33,492)	0	33,492	(164,712)			
d. RW - South Service Area Loan ⁶	0	0	0	0	0	0			
e. MSN Aqueduct Caltrans Reimb-Segment B1 ⁷	0	(2,445)	(6,966)	0	6,966	(6,966)			
f. MSN Aqueduct Caltrans Reimb-Segment B2 ⁷	0	(147)	(6,154)	0	6,154	(6,154)			
g. MSN Aqueduct Caltrans Reimb-Segment B3 ⁷	0	(98)	(2,566)	0	2,566	(2,566)			
TOTAL FUNDING BY OTHERS	(\$567,586)	(\$663,189)	(\$792,293)	(\$613,000)	\$179,293	(\$1,359,878)			
NET PROJECT EXPENDITURES	\$1,757,662	\$71,657	\$461,964	\$9,329,000	\$8,867,037	\$2,219,626			

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

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Description	COST THRU		FYTD TOTAL	FY 11/12		TOTAL		Notes
	JUNE 2011	SEPTEMBER 2011		BUDGET	UNDER	COST	Notes	
IMPROVEMENT PROJECT SUMMARY:								
Novato Water Capital Projects		\$65,832	\$321,982	\$4,286,000			8%	
Novato Water Expense Projects		0	0	0			0%	
Novato Water Total		\$65,832	\$321,982	\$4,286,000			8%	
Novato Recycled Water Capital Projects		\$669,247	\$929,937	\$5,125,000			18%	
Novato Recycled Water Expense Projects		0	0	0			0%	
Novato Recycled Water Total		\$669,247	\$929,937	\$5,125,000			18%	
West Marin Water Capital Projects		\$236	\$1,010	\$416,000			0%	
West Marin Water Expense Projects		(468)	0	0			0%	
West Marin Water Total		(\$232)	\$1,010	\$416,000			0%	
Oceana Marin Sewer Capital Projects		\$0	\$1,328	\$115,000			1%	
Oceana Marin Sewer Expense Projects		0	0	0			0%	
Oceana Marin Sewer Total		\$0	\$1,328	\$115,000			1%	
Total Capital Project Outlays		\$735,314	\$1,254,257	\$9,942,000			13%	
Total Expense Project Outlays		(468)	0	0			0%	
Total Improvement Project Outlays		\$734,846	\$1,254,257	\$9,942,000			13%	

Notes to Improvement Projects Schedule:

- (c) Capital Project. (e) Expense Project.
- (1) Crest Tank #2 funded 25% by FRC Funds. NBWRA.
- (2) The District will receive Federal Grant Funding equal to 25% of the project cost and a lower interest State Revolving Fund Loan equal to 75% of the project cost.
- (3) The District will receive Federal Grant Funding equal to 25% of the project cost and anticipates receiving a lower interest State Revolving Fund Loan equal to 75% of the project cost.
- (7) The District anticipates receiving reimbursement from Caltrans.
- (4) Non-Grant Funded RWS Expansion Costs will be funded by a low-interest rate State Revolving Fund Loan.

North Marin Water District Financial Statement Notes

Note 1 - Restricted Cash

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

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

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

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

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

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

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

Note 2 - Designated Cash

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

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

Self-Insured Workers' Compensation Fund: Commencing July 2011, the District began self-insuring its workers' compensation plan. The savings accrued through self-insuring the plan 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 table on page 21.

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

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

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

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

Note 3 – Employee Loans

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

Personal Computer Loans: Up to \$3,500 may be loaned to an employee for a period of up to 36 months under the District's Personal Computer Loan Program. Loans are repaid with interest at the rate earned on the District's investment portfolio at the time of the loan plus one percent. Currently there are 9 employee loans outstanding totaling \$8,253.

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 FY12 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 \$111.31/MG surcharge, based on budgeted water deliveries. The Purchased Water Capital Component is funded from Restricted Cash Reserves established to amortize this debt (see Note 1).

Note 5 – Depreciation

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

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

Note 6 – Bond & Loan Servicing Schedule for Fiscal Year 2011-2012

Service Area	Description	Issue Date	Rate	Original Amount	Payment Due	Final Pmt	FY12		6/30/12 Outstanding Balance
							Interest	Principal	
1 Novato	EDA Loan	1977	5.0%	\$351,770	7/1	7/1/17	\$5,327	\$13,097	\$93,437
2 Novato	SRF Loan - STP	2004	2.39%	\$16,528,850	7/1 & 1/1	7/1/29	\$359,366	\$685,023	\$14,521,404
							\$364,693	\$698,120	\$14,614,841
3 RWF	SRF Loan	2006	2.4%	\$4,302,560	6/19	6/19/27	\$86,322	\$187,045	\$3,409,691
4 Point Reyes	PR-3 GO	1973	5.0%	\$250,000	1/1	1/1/13	\$1,350	\$13,000	\$14,000
5 Olema	OL-2 GO	1975	5.0%	\$70,000	1/1	1/1/15	\$729	\$3,384	\$11,203
6 Point Reyes	EDA Loan	1977	5.0%	\$46,000	7/1	7/1/17	\$758	\$1,945	\$13,217
7 PRE	PRE-1 Revenue	1980	5.0%	\$240,000	10/1 & 4/1	4/1/20	\$5,050	\$9,000	\$92,000
8 Point Reyes	PR-6 Revenue	1981	5.0%	\$217,800	7/1 & 1/1	7/1/21	\$5,200	\$8,000	\$100,000
							\$13,087	\$35,329	\$230,420
Total							\$464,102	\$920,494	\$18,254,952

1. In 1977 the Federal Economic Development Administration issued a 40-year 5% loan of \$351,770 to assist in the funding emergency Novato Water system projects in response to the drought.
2. In April 2004 the California State Department of Water Resources approved a 2.39% 20-year loan for reconstruction of the Stafford Water Treatment Plan. The District borrowed all of the authorized \$16,528,850. The project was completed in FY09 with repair of the Outlet Tower Sluice Gate. Total interest paid during construction was \$1,636,378. Debt service is funded 25% by Facility Reserve Charges.

3. In August 2006 the California State Department of Water Resources approved a 2.4% 20-year loan of \$4,264,545 for construction of the Deer Island Recycled Water Facility. The project was completed in June 2007, and the first payment was made June 19, 2008.
4. In November of 1970, by a 70% "yes" vote, voters approved the formation of the PR-3 improvement district and a bonded indebtedness of \$250,000 to acquire and improve the Inverness Park and Point Reyes Water Companies. On 9/5/73 the bond issue was purchased in its entirety by the U.S. Department of Agriculture, Farmers Home Administration Rural Development Administration, on a 5%, 40-year payback basis. System upgrades included replacement of a major portion of the distribution facilities, installation of a treatment plant, addition of a 100,000-gallon storage tank in Point Reyes Station and connection of the Inverness Park System to the Point Reyes Station water source (Lagunitas Creek).
5. In June 1973, after petition and creation of an improvement district (OL-1) for the investigation of water service to Olema and the Point Reyes National Seashore Headquarters, Olema voters, by a 92% "yes" vote, approved formation of an improvement district (OL-2) and a bonded debt of \$70,000 to acquire and improve the Olema Water Company owned by W. Robert Phillips and others and to service that area. The Farmers Home Administration purchased the 1975 bond issue in its entirety. On 6/1/91, at the demand of the FHA, the Novato Water District repurchased the remaining \$56,760 balance in the Olema bond debt. The interest rate paid to Novato Water on the OL-2 bond was thereafter reset to the higher of the rate earned by the District treasury or the stated rate of 5%.
6. In 1977 the Federal Economic Development Administration issued a 40-year 5% loan of \$46,000 to assist in the funding emergency West Marin Water system projects, including temporary diversions from Bear Valley Creek and Lagunitas Creek in response to the drought.
7. The Paradise Ranch Estates private water system was created by David Adams and Sons in 1952 to provide water to 85 homes in the PRE subdivision located north of Inverness Park. Problems with water quality and quantity developed and in 1969 the Marin County Health Department issued a boil-water order to all customers of the company. In 1972 the County declared a moratorium on issuance of building permits. A suit by property owners resulted in an agreement reached in Marin Superior Court in late 1978 directing Adams to finance a District feasibility study for the takeover of the system. This culminated in formation of Improvement District PRE-1 and an election authorizing issue of \$240,000 of 5% 40-year revenue bonds, which, in conjunction with a \$720,000 Farmers Home Administration grant, financed system rehabilitation. Service was provided from the Point Reyes System by installation of an additional well, expansion of the treatment plant, and a 6-inch pipeline connection at the Inverness Park pump station extending 1.6 miles along Sir Francis Drake Boulevard to the newly reconstructed Paradise Ranch Estates distribution system. On 4/22/80 the USDA purchased the revenue bond issue in its entirety.
8. In 1981 work commenced on rehabilitating the Point Reyes Inverness Park water system. 18,865 feet of pipeline was either replaced or installed, a 300,000-gallon tank was added in Point Reyes Station and a 100,000-gallon tank was added in Inverness Park. Total cost of these improvements was \$820,015. A 72% grant combined with a \$217,800 5% 40-year revenue bond acquired 8/28/81 by the Farmers Home Administration financed the project.

Note 7 – Unemployment Insurance Reserve

NMWD uses the "Reimbursable Method" of paying for Unemployment Costs. Under this method, the District reimburses the State Employment Development Department for all unemployment benefits paid on our behalf.

The reserve is maintained at an amount equal to the higher of the average claim amount paid over the last 5 years or 52 times the maximum weekly benefit amount (currently \$450 x 52 = \$23,400).

Note 8 – Employee Dental Reserve

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

Note 9 – Payroll Benefits

Payroll Benefits payable includes payroll taxes; vacation, sick, and holiday leave; Section 125 payments;

cancer, long term care and disability insurance premiums; union dues; and employee benefit fund.

Note 10 - Interest Policy on Inter-District Loans

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

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

Note 11 – Budget Augmentations

Note 12 – Prior Period Adjustment

The threshold for prior period adjustments is determined using the guidelines from the *GCX-8 Planning Materiality Worksheet for Governmental Engagements*. The limit for FY2012 is \$71,000.

Note 13 – CalPERS Unfunded Pension Liability

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

Note 14 – Explanation of Financial Statement Components

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

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

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

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

Also included at the bottom of page 9 is a statement of Cash Flow by Service Area. The primary purpose of this statement is to reconcile in an informative manner the difference between the net income/(loss) for the

period of each service area with the resultant change in cash balance that occurred over the same period.

Notes to the Financial Statements (page 33) provide a summary of significant accounting policies and assumptions and other information of value to the financial statement reader.


Other Supplementary Information includes Detail Income Statements presented in accordance with GAAP for each of the four service areas (pages 10, 14, 16, 19). These statements present income and expenditures in close detail for further analysis. Other supplementary schedules of note include the Vehicle Fleet Analysis (page 24), Equipment Expenditures (page 25) and Improvement Project Expenditures (page 27), which show outlays to date, compared with budget authority.

6

MEMORANDUM

To: Board of Directors

October 28, 2011

From: Drew McIntyre, Chief Engineer 

Subject: Water Service Agreement – Chipotle Mexican Grill #1643 - 880 De Long Avenue, Novato, APN 153-061-25

R:\Folders by Job No\2700 jobs\2762\2762 BOD Memo.doc

RECOMMENDED ACTION: The Board approve authorization of this agreement.

FINANCIAL IMPACT: None (Developer funded)

The Chipotle Mexican Grill Project (see attached vicinity map) proposes to renovate the existing building at 880 DeLong Avenue, most recently a Starbucks Restaurant. The restaurant building is 1,800 sq. ft and will include space for about 30 customers inside and about 34 customers on the patio.

New Zone 1 water facilities required include 10 feet of 4-inch PVC for a fire service lateral, one 4-inch fire service assembly and a 1-1/2-inch domestic water services with 1.5 inch back flow preventer. The existing 5/8-inch meter installed in 1971 will be killed. The existing on-site fire hydrant will remain unchanged. The aforementioned facilities will receive normal Zone 1 pressure water from the Atherton Tank. The total water demand for the project is four (4) equivalent dwelling units (EDUs) and the new water demand is two (2) EDUs. The Applicant is credited two (2) EDUs for the existing service, based on historical water use during the first ten years of service (per regulation 1.c).

Sewer service is provided by the Novato Sanitary District. The tenant improvement Permit for this project was approved by the City of Novato on July 5, 2011.

Environmental Document Review

The project is categorically exempt from requirements of the California Environmental Quality Act.

RECOMMENDATION:

That the Board approve authorization of this agreement.

Approved by GM 

Date 10/28/2011

Oct 27, 2011 - 9:11am W:\JOB1_NOVATO\2762\3_ISSUED\A\2762-MAP.dwg User: ACANTILLER



CHIPOTLE MEXICAN GRILL			
APN: 153-061-25			
DATE	SCALE	JOB NO.	DWG. NO.
10/27/11	N.T.S.	2762	MAP

RESOLUTION NO. 11-
AUTHORIZATION OF EXECUTION
OF
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
WITH
NOVATO REALTY PARTNERS, LLC

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the President and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute that certain water service facilities construction agreement between this District and Novato Realty Partners, LLC, a Limited Liability Company, providing for the installation of water distribution facilities to provide domestic water service to that certain real property known as 880 De Long Avenue, Marin County Assessor's Parcel Number 153-061-25, NOVATO, CALIFORNIA.

* * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 1st day of November, 2011, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Renee Roberts, Secretary
North Marin Water District

PART ONE
WATER SERVICE FACILITIES CONSTRUCTION AGREEMENT
FOR
CHIPOTLE MEXICAN GRILL
(APN 153-061-25)

THIS AGREEMENT, which consists of this Part One and Part Two, Standard Provisions, attached hereto and a part hereof, is made and entered into as of _____, 2011, by and between NORTH MARIN WATER DISTRICT, herein called "District," and NOVATO REALTY PARTNERS, LLC, A Limited Liability Company, herein called "Applicant."

WHEREAS, the Applicant, pursuant to District Regulation 1, the State of California Subdivision Map Act and all applicable ordinances of the City of Novato and/or the County of Marin, has pending before the City or County a conditionally approved Tentative Subdivision Map, Precise Development Plan, Tentative Parcel Map or other land use application for the real property in the District commonly known as Marin County Assessor's Parcel Number 153-061-25 and the project known as CHIPOTLE MEXICAN GRILL, consisting of one (1) lot for commercial development; and

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

WHEREAS, the Applicant is the owner of real property in the District commonly known as 880 De Long Avenue, Novato (Marin County Assessor's Parcel 153-061-25); and

WHEREAS, metered water service of the parcel began on April 16, 1971 and the District installed a 5/8" meter, of which the first ten year historical use entitlement is two (2) equivalent dwelling units (EDUs); and

WHEREAS, the total demand for the project is four (4) EDUs and new water demand is two (2) EDUs since the Applicant is credited for two (2) EDUs for the existing service; and

NOW THEREFORE, the parties hereto agree as follows:

1. The Applicant hereby applies to the District for water service to said real property and project and shall comply with and be bound by all terms and conditions of this agreement, the District's regulations, standards and specifications and shall construct or cause to be constructed the water facilities required by the District to provide water service to the real property and project. Upon

acceptance of the completed water facilities, the District shall provide water service to said real property and project in accordance with its regulations from time to time in effect.

2. Prior to the District issuing written certification to the City, County or State that financial arrangements have been made for construction of the required water facilities, the Applicant shall complete such arrangements with the District in accordance with Section 5 of this agreement.

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

a. deliver to the District vellum or mylar prints of any revised utility plans approved by the City or County to enable the District to determine if any revisions to the final water facilities construction drawings are required. The proposed facilities to be installed are shown on Drawing No. 1 2762.001, entitled, "CHIPOTLE MEXICAN GRILL", a copy of which is attached, marked Exhibit "A", and made a part hereof. (For purposes of recording, Exhibit "A" is not attached but is on file in the office of the District.)

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

c. deliver to the District a written construction schedule to provide for timely withdrawal of guaranteed funds for ordering of materials to be furnished by the District and scheduling of either construction inspection or construction pursuant to Section 5 hereof.

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

<u>Initial Charges</u>			
Meter Charges (Domestic) (Included in Estimated District Costs).....	.One 1 1/2-inch @	\$ 0.00	\$ 0.00
Fire Sprinkler Connection Bypass Meter.....One 5/8-inch @	\$ 0.00	\$ 0.00
Reimbursement Fund Charges.....	.One 1 1/2-inch @	\$ 1,540.00	\$ 1,540.00
Facilities Reserve Charges.....Four @	\$28,600.00	\$ 114,400.00
Credit for Existing Services (5/8" meter, 1 RFC, and 2 EDU)....One 5/8-inch @	\$<57,680.00>	\$ <57,680.00>
Subtotal - Initial Charges.....			\$ 58,260.00
 <u>Estimated District Costs</u>			
Pipe, Fittings & Appurtenances.....			\$ 8,403.00
District Construction Labor.....			\$ 15,456.00
Engineering & Inspection.....			\$ 1,929.00
Bulk Materials.....			\$ 1,225.00
Subtotal -Estimated District Costs.....			\$ 27,013.00

Estimated Applicant Installation Costs

Installation Labor.....	\$	0.00
Contractor Furnished – Pipe Fittings & Appurtenances.....	\$	0.00
Bulk Materials.....	\$	0.00
Subtotal- Estimated Applicant Installation Costs.....	\$	0.00
TOTAL ESTIMATED WATER FACILITIES COSTS.....	\$	85,273.00

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

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

Initial Charges and Estimated District Costs

The Applicant shall either pay to the District or provide a two (2) year irrevocable letter of credit in form satisfactory to the District and payable at sight at a financial institution in the Novato area the sum of Initial Charges and Estimated District Costs as set forth in Section 4 hereof in the amount of **\$ 85,273**. If the Applicant provides the two (2) year irrevocable letter of credit, the District shall immediately draw down Initial Charges and shall draw upon the remaining funds guaranteed by the letter at any time the District deems appropriate to recover the Estimated District Costs which normally will be at least thirty (30) days prior to the anticipated start of construction for the ordering of materials to be furnished by the District.

Estimated Installation Costs

Installation By District: Due to the proprietary nature of construction required to install said facilities, the District reserves the right to install the facilities utilizing District construction forces. The Applicant shall either pay to the District the total Estimated Installation Costs set forth in Section 4 hereof in the amount of **\$85,273** or shall include such amount in the irrevocable letter of credit provided for the Initial Charges and Estimated District Costs set forth first above. The District shall draw upon installation funds guaranteed by the letter at any time the District deems appropriate which normally will be at least thirty (30) days prior to the anticipated start of construction.

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

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

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

8. All estimated costs set forth in this agreement shall be subject to periodic review and revision at the District's discretion. In the event the Applicant has not completed financial arrangements with the District in accordance with Section 5 hereof prior to expiration of six (6) months from the date of this agreement, all Initial Charges and estimated costs set forth in Section 4 hereof shall be revised to reflect then current District charges and estimates. In the event the Applicant has not secured final land use approval for the project from the City of Novato or County of Marin, recorded a final map and diligently commenced construction of improvements required by those agencies and the District prior to expiration of one (1) year from the date of this agreement, the District may, at its option, either retract financial certifications issued to City, County and State agencies and terminate this agreement or require amendment of this agreement and review of all Initial Charges and estimated costs contained herein. The Applicant shall pay any balance due upon demand or furnish a guarantee of such payment satisfactory to the District.

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

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

NORTH MARIN WATER DISTRICT
"District"

ATTEST:

John Schoonover, President

Renee Roberts, Secretary

(SEAL)

NOVATO REALTY PARTNERS, LLC
A Limited Liability Company
"Applicant"

(SEAL)

Robert P. Gates

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

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

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC.

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MEMORANDUM

To: Board of Directors

October 28, 2010

From: David Bentley, Auditor-Controller 

Subject: Accept – Outside Auditor’s 2011 Report and Management Letter
t:\finance\audit\audit11\bod accept outside auditor's 2011 report.doc

RECOMMENDED ACTION: Accept FY2010/2011 Audit Report and Management Letter

FINANCIAL IMPACT: Annual Audit Cost is \$27,800.

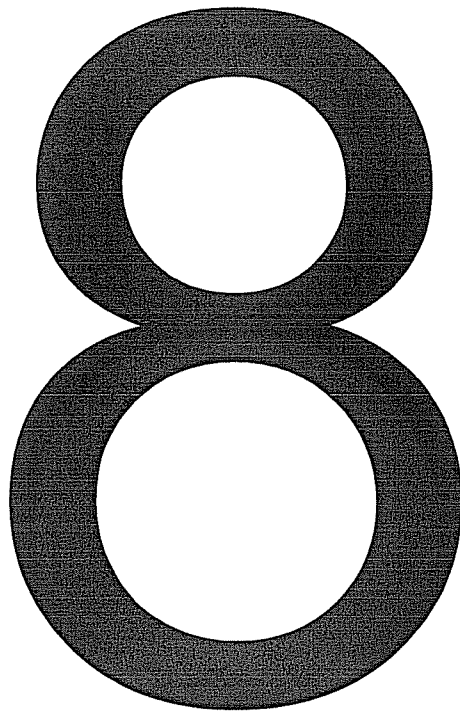
The Outside Auditor’s Annual Audit Report and Management Letter were presented as a draft at the October 18th meeting. No changes were requested by the Board.

RECOMMENDATION

Accept the Outside Auditor’s FY10/11 Financial Report and Management Letter.

Approved by GM 

Date 10/28/2010



MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Request for Additional Bill Adjustment - Wedel
t:\cons.srv\memo\wedel request for addl bill adj.docx

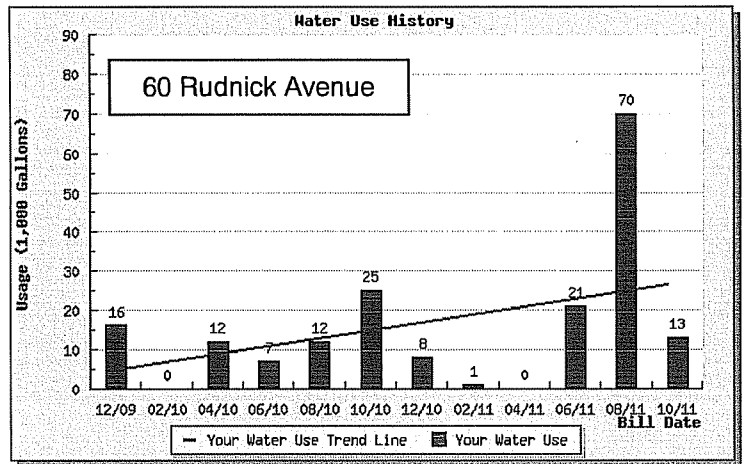
October 28, 2011

RECOMMENDED ACTION: Deny

FINANCIAL IMPACT: If Additional Bill Adjustment is Granted - \$95

Mr. Arthur Wedel, who owns a home at [redacted] received a \$330 bill for use of 70,000 gallons during the June/July billing period. Mr. Wedel's comparable use during the prior year same period was 12,000 gallons.

Upon receipt of the bill, Mr. Wedel, who resides in Petaluma with family but visits the home weekly, traveled to Novato to investigate. He found no evidence of a leak. He called and a Field Service Rep was dispatched to investigate. At Mr. Wedel's request, the FSR contacted Water Conservation Specialist Ryan Grisso, who personally performed a Water Smart Home Survey. Ryan speculated that Mr. Wedel's battery-powered hose-bib irrigation system controller was the likely cause, but could not verify that a malfunction had occurred. A \$167 credit was granted under the District's Bill Adjustment Policy.



In his letter requesting a further adjustment (attached), Mr. Wedel states that his average water use is 220 gallons per day (about 14,000 gallons for the 63 day billing period), and he has requested a further adjustment based upon his average use. Calculating the June/July bill using Mr. Wedel's 220 gpd request would render an additional \$95 credit.

The District's Bill Adjustment Policy splits the cost of the overage (use in excess of normal) with the customer at the base rate, eliminating tier charges. Mr. Wedel's original \$330 bill has been reduced to \$163, which translates to \$2.04/1,000 gallons, a rate below the SCWA cost of \$2.12/1,000. An additional \$95 credit would reduce the bill to \$68.

Staff's position is that the water was used, and under the Bill Adjustment Policy Mr. Wedel was charged less than the District's marginal cost. No further adjustment is warranted.

RECOMMENDED ACTION:

Deny the request for an additional bill adjustment.

ue
18

RECEIVED

North Marin Water District
Attn: Board of Directors
PO Box 146
Novato, CA 94948-0146

OCT 18 2011

RE: Bill Adjustment Review Customer Number 125601-1161

North Marin Water District

Dear Mr. Schoonover, Mr. Petterle, Mr. Baker, Mr. Fraites and Mr. Rodoni,

The purpose of my letter is to formally request an additional adjustment to my August 11, 2011 water bill that indicated 70,312 gallons were used from April 6, 2011 to August 3, 2011. The bill for this period was received and paid (via automatic EFT.) I acknowledge receiving a Bill Adjustment dated September 1, 2011 giving a credit of \$166.83 and a copy of Policy Number 2 was attached to the adjustment. I am requesting the Board to review and approve an additional adjustment that reflects my average water usage based in the following:

1. I have been residing with my daughter in Petaluma almost on a full time bases since November 2009. However, I return to my residence at least once a week to retrieve my mail and check the inside and outside of my residence.
2. The extent of my water usage is primarily for irrigation through the use of electronic timing devices.
3. Upon an inspection by me and son-in-law, we could not find any evidence of any water leaks inside and under the house. The outside areas around the house had the findings. As stated in Item 1, we did not notice any excessive water usage inside or outside the house during our weekly visits.
4. I have not received any notice or reports from my neighbors or gardener (there once a week) of anything visually unusual with my residence.
5. Attached is a table that lists my water usage (prior to the August 11, 2011) for 30 billing cycles – from May 30, 2006 to June 2, 2011. I have outlined the 15 billing periods while I have been staying in Petaluma. It shows a lower average use than the prior 15 billing periods. I have highlighted the 5 similar periods to the one in question. My average usage for the 5 periods was 25,133 gallons.
6. The water usage has been monitored over the current billing period by myself and District staff. It appears that my average daily use is within a more reasonable range of 220 gallons per day.

I want to thank the Board for their time in considering my request. In addition, I want the Board to know that the staff members who have been assisting me with this problem have provided exemplary custom service and they should be commended for their service.

Sincerely,


Arthur H. Wedel

Meter History

Account: 125601

Route: 1161

Meter: 15271689

Commodity Rate ASF

Name: ARTHUR WEDEL

Status: ACTIVE

Service Address:

Meter Number	Last Billed Date	Reader ID	Previous Reading Date	Current Reading Date	Current Reading Time	Previous Meter Reading	Current Meter Reading	Usage	Estimated Reading	Days Billed
15271689	10/13/2011	DAR	8/3/2011	10/5/2011	8:11:53 AM	62	80	18	N	63
15271689	8/11/2011	RIC	6/1/2011	8/3/2011	9:26:55 AM	968	62	94	N	63
15271689	6/9/2011	DAR	4/6/2011	6/1/2011	11:13:59 AM	940	968	28	N	56
15271689	4/14/2011	RIC	2/2/2011	4/6/2011	8:53:37 AM	940	940	0	N	63
15271689	2/10/2011	MIG	11/30/2010	2/2/2011	11:39:14 AM	939	940	1	N	64
15271689	12/9/2010	MIG	10/5/2010	11/30/2010	12:57:51 PM	928	939	11	N	56
15271689	10/14/2010	DAR	8/2/2010	10/5/2010	1:16:32 PM	894	928	34	N	64
15271689	8/12/2010	MIG	6/1/2010	8/2/2010	1:37:48 PM	878	894	✓ 16	N	62
15271689	6/10/2010	MIG	3/29/2010	6/1/2010	10:43:40 AM	869	878	9	N	64
15271689	4/8/2010	DAR	2/2/2010	3/29/2010	3:52:01 PM	853	869	16	N	55
15271689	2/11/2010	RIC	12/4/2009	2/2/2010	12:49:05 PM	853	853	0	N	60
15271689	12/10/2009	DAR	9/28/2009	12/4/2009	10:35:02 AM	832	853	21	N	67
15271689	10/8/2009	PJ	7/28/2009	9/28/2009	1:03:16 PM	805	832	27	N	62
15271689	8/13/2009	DAR	6/1/2009	7/28/2009	2:32:27 PM	775	805	✓ 30	N	57
15271689	6/12/2009	DAR	3/30/2009	6/1/2009	8:44:11 AM	754	775	21	N	63
15271689	4/9/2009	MIG	1/23/2009	3/30/2009	1:35:18 PM	751	754	3	N	66
15271689	2/12/2009	DAR	11/25/2008	1/23/2009	10:38:55 AM	749	751	2	N	59
15271689	12/11/2008	RIC	9/26/2008	11/25/2008	10:01:50 AM	736	749	13	N	60
15271689	10/9/2008	RIC	7/29/2008	9/26/2008	11:20:04 AM	706	736	30	N	59
15271689	8/14/2008	MIG	5/29/2008	7/29/2008	8:57:16 AM	654	706	✓ 52	N	61
15271689	6/13/2008	PJ	3/27/2008	5/29/2008	11:30:01 AM	609	654	45	N	63
15271689	4/11/2008	MIG	1/28/2008	3/27/2008	8:36:28 AM	604	609	5	N	59
15271689	2/14/2008	DAR	11/27/2007	1/28/2008	9:04:40 AM	600	604	4	N	62
15271689	12/13/2007	RIC	9/28/2007	11/27/2007	3:51:05 PM	564	600	36	N	60
15271689	10/12/2007	DAR	7/30/2007	9/28/2007	7:49:51 AM	524	564	40	N	60
15271689	8/10/2007	DAR	5/30/2007	7/30/2007	8:49:36 AM	492	524	✓ 32	N	61
15271689	6/15/2007	RIC	3/30/2007	5/30/2007	5:22:23 PM	459	492	33	N	61
15271689	4/12/2007	RIC	1/29/2007	3/30/2007	1:51:58 PM	447	459	12	N	60
15271689	2/8/2007	DAR	11/29/2006	1/29/2007	8:36:57 AM	443	447	4	N	61
15271689	12/14/2006	MET	9/29/2006	11/29/2006	4:20:30 PM	424	443	19	N	61

Meter Number	Last Billed Date	Reader ID	Previous Reading Date	Current Reading Date	Current Reading Time	Previous Meter Reading	Current Meter Reading	Usage	Estimated Reading	Days Billed
15271689	10/12/2006	MIG	8/3/2006	9/29/2006	2:14:10 PM	397	424	27	N	57
15271689	8/14/2006	MET	5/30/2006	8/3/2006	2:42:48 PM	359	397	38	N	65
15271689	6/9/2006	RIC	4/10/2006	5/30/2006	2:56:41 PM	337	359	22	N	50
15271689	4/13/2006	RIC	1/27/2006	4/10/2006	3:00:35 PM	325	337	12	N	73
15271689	2/9/2006	DAR	11/30/2005	1/27/2006	9:21:06 AM	316	325	9	N	58
15271689	12/8/2005	MIG	9/30/2005	11/30/2005	3:59:06 PM	282	316	34	N	61
15271689	10/13/2005	MIG	7/28/2005	9/30/2005	8:55:07 AM	242	282	40	N	64
15271689	8/11/2005	PAU	6/1/2005	7/28/2005	4:26:02 PM	210	242	32	N	57
15271689	6/9/2005	MIR	4/6/2005	6/1/2005	3:10:58 PM	193	210	17	N	56
15271689	4/14/2005	RIC	1/29/2005	4/6/2005	9:11:47 AM	188	193	5	N	67
15271689	2/10/2005	MET	11/27/2004	1/29/2005	2:20:17 PM	178	188	10	N	63
15271689	12/9/2004	RIC	10/6/2004	11/27/2004	10:59:24 AM	153	178	25	N	52
15271689	10/14/2004	RIC	8/3/2004	10/6/2004	9:52:53 AM	113	153	40	N	64
15271689	8/12/2004	RIC	6/4/2004	8/3/2004	11:20:59 AM	78	113	35	N	60
15271689	6/10/2004	RIC	4/1/2004	6/4/2004	10:52:16 AM	47	78	31	N	64
15271689	4/8/2004	RIC	2/3/2004	4/1/2004	1:32:17 PM	47	47	0	N	58
15271689	2/12/2004	RIC	12/4/2003	2/3/2004	1:25:57 PM	41	47	6	N	61

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MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: STP Solar Power Project Option
t:\ac\word\stp solar proj\csi reservation.docx

October 28, 2011

RECOMMENDED ACTION: Pay the CSI Application Fee to PG&E

FINANCIAL IMPACT: \$10,000

PG&E requires payment of a \$10,000 application fee by November 5 to maintain NMWD's standing in the California Solar Initiative rebate queue. The CSI provides a 5¢/kWh rebate for all power generated during a solar project's first 5 years, which equates to \$150,000 for the proposed Stafford Treatment Plant project. The CSI rebate is key to the financial viability of the proposed solar project.

As discussed at the last meeting, the Sonoma County Water Agency has offered to sell electric power to NMWD through the Power and Water Resources Pooling Authority (PWRPA) at pricing significantly lower than that charged by PG&E, and lower than the cost of the power provided by the proposed STP solar project. The Auditor-Controller and Operations/Maintenance Superintendent met with SCWA staff to work out details of the power pricing and delivery. After receiving additional information regarding PWRPA power, we expressed the District's desire to move forward with an agreement. SCWA staff, however, estimated they will need six months to prepare a power purchase agreement to begin selling power to NMWD, and were unable to commit to pricing and delivery details at this time.

Given SCWA's inability to commit to PWRPA power pricing, and PG&E's immediate deadline to maintain solar project viability, staff recommends that the District retain the option to construct the STP Solar Power Project by paying the \$10,000 CSI application fee to PG&E. The \$10,000 payment is not refundable if the District fails to construct the STP solar project within the next 18 months.

Additional information concerning PWRPA power is included on the next page.

Recommended Action:

- 1) Direct staff to pay the \$10,000 California Solar Initiative application fee to PG&E to maintain the financial viability of the proposed STP solar project.
- 2) Direct staff to continue working with SCWA to develop a power purchase agreement for PWRPA power.

PWRPA Energy Resource Portfolio

Power Source	%	\$/kWh¹
Warm Spring Dam Hydro	39%	\$0.106
Sonoma Co Landfill Gas	39%	\$0.123
PWRPA Hydro	22%	\$0.084
	100%	\$0.108

NMWD 5 Largest Power Consuming Facilities & PG&E Average Rate

Facility	Annual kWh	\$/kWh
Stafford Treatment Plant	800,000	\$0.160
Lynwood Pump Station	750,000	\$0.138
San Marin Pump Station	400,000	\$0.136
Point Reyes Wells	135,000	\$0.175
Administration Office	110,000	\$0.181

Annual Savings: PG&E vs. PWRPA Power with Startup Cost Payback Assessment

Facility	Annual Savings²	Startup Cost³	Payback Years⁴	Payback Assessment
Stafford Treatment Plant	\$40,600	\$100,000	2.5	Excellent
Lynwood Pump Station	\$21,500	\$100,000	4.7	Good
San Marin Pump Station	\$10,200	\$100,000	9.8	Marginal
Point Reyes	\$8,000	\$100,000	12.5	Too Long
Administration Office	\$7,000	\$100,000	14.3	Too Long

Annual Savings: STP Solar vs. PWRPA Power with Startup Cost Payback Assessment

Facility	Annual Savings²	Startup Cost³	Payback Years⁴	Payback Assessment
Stafford Treatment Plant	\$19,000	\$100,000	5.3	Good

¹ Includes \$0.015/kWh PG&E Exit Fee and \$0.005/kWh SCWA Administrative Fee.

² Net of annual \$1,000 meter fee.

³ Intervening facilities required by FERC typically include a step-down pad-mounted transformer, meter, and separation device (breaker or switch). Projected at \$100,000 for each facility.

⁴ Simple payback

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MEMORANDUM

To: Board of Directors
From: Robert Clark, Operations/Maintenance Superintendent
Subject: Approve – New Crew Truck Purchase
X:\MAINT SUP\2012\BOD\Dump Truck 11 BOD memo.doc

October 28, 2011



RECOMMENDATION: Authorize staff to award the purchase contract for a new 5 cubic yard dump truck to Peterson Trucks Inc.

FINANCIAL IMPACT: \$101,345.00

Staff was authorized to solicit bids for a new dump truck at the September 6th meeting. Bids for the new dump truck have been received and reviewed. Five of the eight bidders responded to our request for proposal, and all respondents came in over the \$78,000 FY 2011/12 budget authorized for a 2012 model year vehicle. The bidders were requested to submit their proposals based on a list of 84 minimum specifications. All but the River View Truck (State Bid) proposal met the majority of the minimum specifications; River View Truck did not meet the Gross Vehicle Weight Rating of 32,000 lbs., Calculated Gross Vehicle Weight of 60,000 lbs. and was a model year 2011 truck. The Coast County Peterbuilt, Golden Gate and TEC of Oakland proposal met most of the minimum specifications and missed on a few minor items; however, all were model year 2012 trucks.

Chassis Manufacturer	Min. Spec. Met?	Quote
Peterson Trucks Inc.	82/84	\$101,345
Golden Gate Truck Ctr.	83/84	\$101,914
River View Truck (state bid)	66/84	\$104,650
TEC of Oakland	78/84	\$109,762
Coast County Peterbuilt	78/84	\$110,547
East Bay Ford		No bid
Sacramento Truck Center		No bid
NorCal Kenworth		No bid

The low bid proposed by Peterson Truck met the minimum specifications and missed on only two minor specifications (aluminum fuel tank vs. painted, and type of bolts used) and can deliver in mid-February. Other items considered in the selection process included the model year and the truck manufacturer: the Peterson truck is an International model, as are the majority of District fleet vehicles (4 of the 5 large diesel trucks). To meet the California Air Resources Board rules, the

International truck motor is equipped with an enhanced exhaust gas recirculation system that improves fuel efficiency without the added costs of the selective catalyst reduction system that requires a special fuel to clean the emission system. The International motor manufacturer reports this engine will emit lower greenhouse gas (GHG) emissions with the enhanced exhaust gas recirculation system as well.

Staff has re-evaluated the need to purchase the currently-planned $\frac{3}{4}$ ton truck noted in the current FY 2012 budget and will postpone this purchase and apply the amount (\$25,000) budgeted for that vehicle to the new dump truck, and will still be able to keep within the total FY 2012 vehicle equipment budget of \$103,000.

RECOMMENDATION:


Authorize staff to award the purchase contract for the new dump truck to Peterson Trucks Inc. for a total of \$101,345.00.

11

MEMORANDUM

To: Board of Directors

October 28, 2011

From: Drew McIntyre, Chief Engineer
David Jackson, Associate Engineer 

Re: Recycled Water Expansion to the South Service Area – Phase 1b Construction Project – Approve Bid Advertisement

Z:\Folders by Job No\6000 jobs\6056\Board Memos\6056 Phase 1b re approval for bid advertisement 10-28-2011.doc

RECOMMENDED ACTION: Board Authorize Bid Advertisement of the Recycled Water Expansion to the South Service Area – Phase 1b Project

FINANCIAL IMPACT: \$2,410,000

Background

Recycled Water South Service Area project (see Attachment 1) consists of three current phases (Phase 1a, 1b and Phase 2) of construction (totaling 5.7 miles in length) and rehabilitation of the 0.5 MG Reservoir Hill tank for recycled water storage. The South Service Area phases are being designed with the help of Nute Engineering and CSW/Stuber-Stroeh. A Project Summary update is attached (see Attachment 2). The design for the Phase 1b project is now complete and an encroachment permit has been issued by the City of Novato and a Right of Entry (ROE) permit is pending with Sonoma Marin Area Rail Transit (SMART). Accordingly, the Phase 1b project is ready to move forward to the bid phase.

The following Phase 1b project schedule identifies key dates including the proposed bid advertising date.

PHASE 1b SCHEDULE

Advertise Project	November 4, 2011
Plans & Specs available	November 7, 2011
Pre-Bid Meeting	November 29, 2011
Bid Opening	December 15, 2011
Board Authorization of Award (tentative)	January 3, 2012
Notice of Award (tentative)	January 6, 2012
Notice to Proceed	February 3, 2012
Construction Complete (210 days)	September 1, 2012

Project Description

The Phase 1b project (shown in red on the attached map) includes construction of 1.9 miles of recycled water pipeline and the rehabilitation of the Reservoir Hill Water Storage Tank. Included pipelines: 12-inch and 8-inch pipes in Bolling Circle, Randolph Drive, Main Gate Road, Palm Drive, Hamilton Parkway, and the 16-inch tank Inlet/Outlet line. Additionally the tank will require a sewer connection for the overflow and drain line.

Project Financing and Update

The entire recycled water South Service Area project was initially budgeted to cost \$6 million of which approximately \$556,000 would be via American Recovery and Reinvestment Act (ARRA) grant monies leaving an SRF loan amount of approximately \$5.5 million. Since that time total project costs have increased \$1.5 million and the new total project cost estimate is approximately \$7.5 million (Attachment 2). As reported to the Board earlier, the cost increase is attributed to two factors, the first of which is the addition of onsite recycled water retrofit costs in the range of approximately \$900,000 plus incorporation of updated construction costs based on more detailed design drawings. Since early 2011, the District has been successful in receiving additional federal grant money (WaterSMART Program) totaling \$931,055 plus California Prop. 84 grant money in the amount of \$195,000. In addition, the District has just recently received word that \$375,000 in additional WaterSMART grant funds has been awarded to NMWD as an amendment to the original WaterSMART grant. A summary of project financing, including loan and grant awards is tabulated below:

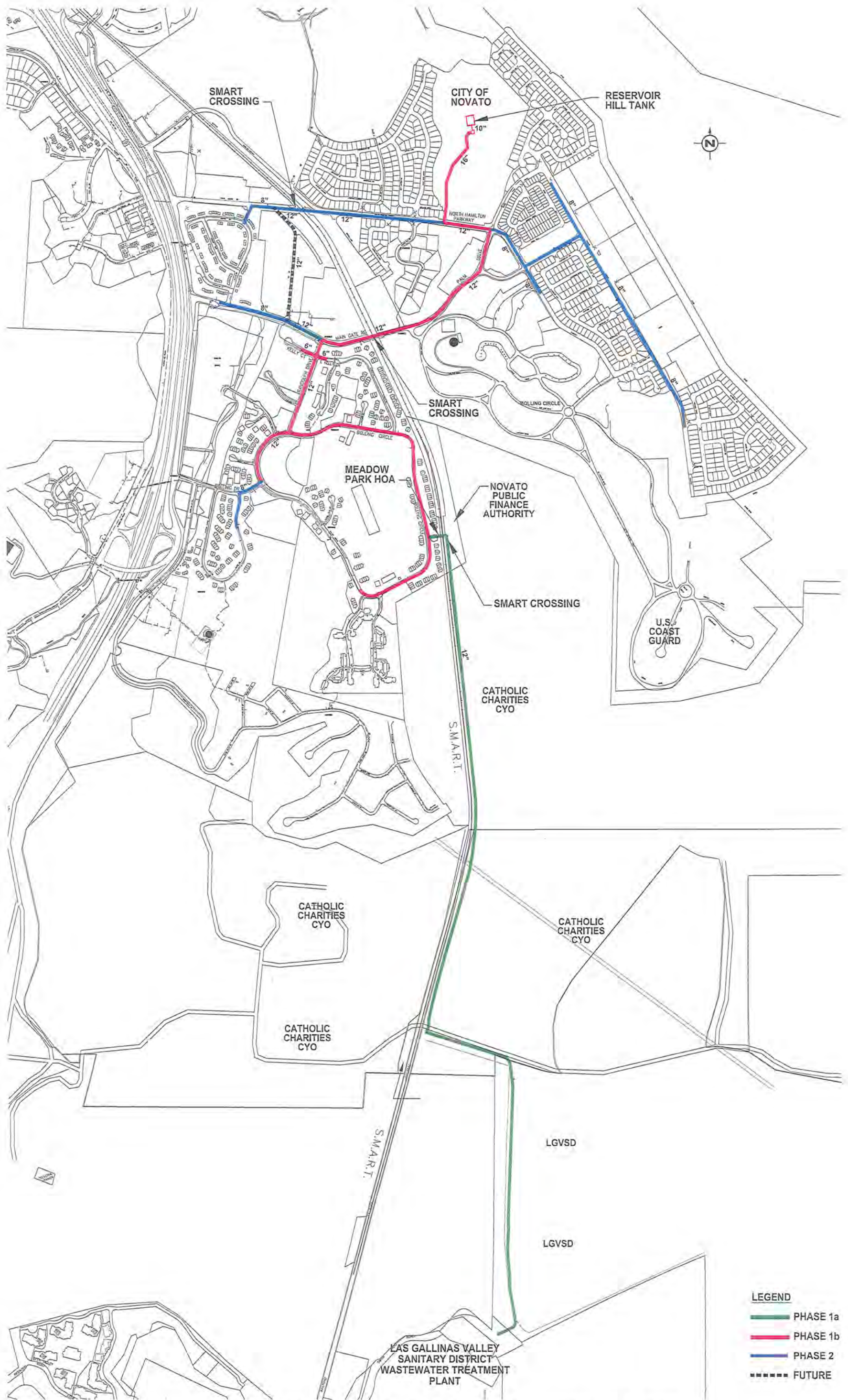
DATE	SRF LOAN APPLICATION REQUEST	NMWD NON-LOAN SHARE	GRANTS	TOTAL
Oct. 2011	\$5,138,000	\$324,000	\$2,037,055	\$7,500,000

With respect to the status on the current SRF loan application, the District is still working with the State Water Resources Control Board (SWRCB) staff in an effort to obtain Facilities Plan Approval (FPA) and acceptance of Preliminary Funding Commitment (PFC) for the Recycled Water Expansion in the South Service Area. Approval is still estimated to be approximately two months out with little float prior to start of construction for the Phase 1b project.

The engineering construction cost estimate is \$2,410,000. This estimate will be updated again as soon as bids are received.

RECOMMENDATION

Board authorize bid advertisement of the Recycled Water Expansion South Service Area Phase 1b construction project.



- LEGEND**
- PHASE 1a
 - PHASE 1b
 - PHASE 2
 - FUTURE

NMWD HAMILTON AREA RECYCLED WATER PROJECT


OCTOBER 5, 2011

NORTH MARIN WATER DISTRICT
WATER SYSTEM IMPROVEMENTS/SPECIAL PROJECTS
PROJECT SUMMARY
AS OF October 6, 2011

Job No.	Title:							
5.6056.00	Recycled Water Expansion - South Service Area							
Facility No.	Facility Type (Pipelines, Pump Stations, etc.)							
Pipelines, Tank Improvements								
Description								
Provides about 192 AF/Yr of recycled water for Irrigation use. Construction of 5.4 miles of recycled water pipeline and the rehabilitation of the Reservoir Hill Water Storage Tank. Phase 1a - 12-inch pipe from Las Galinas Valley Sanitary District Treatment Plant to Bolling Circle (9,800 ft). Phase 1b - 12-inch and 8-inch pipes Bolling Circle, Randolph Drive, Main Gate Road, Palm Drive, North Hamilton Parkway, and the tank Inlet/Outlet line. (10,000 ft). Phase 2 - Extends distribution 12-inch and 8-inch lines in Main Gate Road, South Palm Drive, Hanger Ave, Captain Nurse Circle, Hamilton Parkway, State Access Road to Martin Drive(8,900 ft).								
Project Justification								
The recycled water expansion project is per NMWD Recycled Water Implementation Plan and is also part of NBWRA regional project Phase 1.								
	Baseline Cost Estimate	2010 Estimate(1)	As Of Sept 2011	Spent as of 8/31/11		Start	Finish (Est.)	Finish (Actual)
1	Development/Admin	\$48,000	\$95,000	\$90,000	Project Dev.	Jul-10	Aug-11	Aug-11
2	Prelim Design		\$30,000	\$30,000	Design	Sep-10	Sep-11	
3	Permitting and Fees	\$24,000	\$30,000	\$24,300		Jun-10	Dec-10	
4	Environmental Consultant	\$408,050	\$68,000	\$9,174		Jun-10	Dec-10	
5	Eng. Design - Nute (Pipelines)		\$585,000	\$399,420	Permitting	Jun-10	Apr-11	
6	Eng. Design - CSW Stuber/Stroeh (Tank)		\$60,000	\$40,835	Final Design	Sep-10	Sep-11	
7	Staff Cost During Construction		\$57,000					
8	Construction Ph 1a	\$3,600,000	\$900,000			Jan-12	Sep-12	
	Construction Ph 1b		\$2,408,700			Nov-11	Sep-12	
	Construction Ph 2		\$1,168,000			Oct-12	Sep-13	
9	On-site Retrofits		\$911,000					
10	Eng. Servs. During Const.	\$720,100	\$30,000					
12	Const. Inspection/ Mat Testing		\$575,000					
13	Project Closeout		\$10,000		Project Closeout	Aug-13	Sep-13	
15	Project Subtotal	\$4,800,150	\$6,927,700					
16	Project Contingency	\$1,244,600	\$559,400					
	Total	\$6,044,750	\$7,487,100	\$593,729				
NOTES:								
(1) Did not include allowance for on-site retrofits, pipeline cost estimated at \$99/ft.								
(2) Tank Rehabilitation estimated at \$376k								
(3) 9-15-11: North Hamilton Parkway delayed due to cost creep.								
(4) revised to include all pipelines, except G3 and lowered contingency to 8%								
(5) Revised phase costs to match no alternates (1b)								

12

MEMORANDUM

To: Board of Directors
From: Chris DeGabriele, General Manager 
Subject: Board of Directors Planning Workshop
T:\BOD\Workshop\BOD memo re 2012 planning workshop.doc

October 28, 2011

RECOMMENDED ACTION: Board schedule Planning Workshop for January 3, 2012
Authorize staff to conduct Self-Assessment

FINANCIAL IMPACT: None

About every two years the Board holds a Planning Workshop. Staff proposes that this year's workshop be held at the regularly scheduled January 3, 2012 meeting. The first meeting of the year typically has a relatively light agenda, and I assume that this year the Board will again not request a facilitator to lead the workshop; thus it seems appropriate to fully utilize our time at the January 3 meeting.

At the workshop we will review the key issues from the past workshop held February 11, 2010 and receive an update of the 5-Year Financial Plan. Additionally, I am hopeful that the Board will agree to an internal assessment of the District pursuant to the AWWA Research Foundation Effective Utility Management Tool.

The District has done many valuable things to guide progress. A Mission and Vision Statement was first prepared in 1995 (Attachment 1); and in 2005, four basic principles were identified for employees to follow in carrying out their duties to aid in compliance with the District's mission and vision (Attachment 2). The District has done a good job of developing a Water Supply Master Plan, Urban Water Management Plans, 5-Year Cash Flow Plans and annual budgets along with the bi-annual planning sessions to provide direction to staff; however, the District has not performed any assessment of its activities to guide a strategic approach toward improvement.

As I see it, the District's mission, vision and basic principles are intended to focus our efforts on areas which provide value to our customers. Work groups at NMWD within this "value zone" are:



Other work groups support those within the Value Zone so that customer needs are satisfied. It is my hope that the Board and all staff will participate in the assessment to help prepare a plan focused on our future.

One method to conduct such an assessment is The Effective Utility Management Program, developed in 2008 by six water and wastewater associations and the US Environmental Protection Agency. The product is a free tool which enables water utilities to identify performance in ten areas or attributes of effectively managed water-sector utilities that are intended to help maintain focus on all important operational areas, including those in the value zone and supporting functions. The attributes are comprehensive and reflect all work group performance areas (Attachment 3). A self-assessment tool is the key to its simple application and has five steps:

1. Assess current achievement of each attribute on a scale of 1 to 5 (Attachment 4).
2. Force rank the importance of each attribute on a scale of 1 to 10 (Attachment 4).
3. Chart the results.
4. Focus on attributes that rank higher in importance but lower in achievement.
5. Develop and implement an improvement plan.

Part of the improvement plan includes using performance measures or benchmarks, to chart improvement over time.

My desire is that the Board and each employee participates in the self-assessment and that results from the self-assessment will be available at the January 3 workshop and can assist in guiding the District to develop strategy for improvement.

RECOMMENDATION

1. Board schedule Planning Workshop for the regular meeting on January 3, 2012;
2. Board authorize staff to conduct a self-assessment consistent with the Effective Utility Management Tool.

MISSION STATEMENT

We provide an adequate supply of safe, reliable and high quality water and deliver reliable and continuous sewer service to our customers at reasonable cost consistent with good conservation practices and minimum environmental impact.

VISION STATEMENT

We carry out our mission with a highly motivated and competent staff empowered to conduct the District's business by placing customer needs and welfare first. We seek continual dialogue from our staff, peers, and all those we serve so that we may continually improve service to our customers.

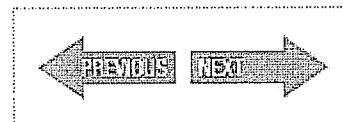
NMWD BASIC PRINCIPLES

Good Water, Good Service, Good Value, and A Safe Place to Work

[Interactive Primer Home](#) | [Ten Attributes](#) | [Getting Started](#) | [Keys to Success](#) | [Utility Measures](#)

[WaterEUM.org Home](#)

List of Attribute-Related Utility Measures



The following is a targeted list of Attribute-related utility measures. These are presented in "headline" form to give you a sense of measures. This Interactive Primer also includes further explanation of [measurement](#) approaches and [more detail on these measures](#), as well as example calculations, where applicable.

Product Quality

1. Product quality regulatory compliance
2. Product quality service delivery

Customer Satisfaction

1. Customer complaints
2. Customer service delivery
3. Customer satisfaction

Employee and Leadership Development

1. Employee retention and satisfaction
2. Management of core competencies
3. Workforce succession preparedness

Operational Optimization

1. Resource optimization
2. Water management efficiency

Financial Viability

1. Budget management effectiveness
2. Financial procedure integrity
3. Bond ratings
4. Rate adequacy

Infrastructure Stability

1. Asset inventory
2. Asset (system) renewal/replacement
3. Water distribution/collection system integrity
4. Planned maintenance

Operational Resiliency

1. Recordable incidents of injury or illnesses
2. Insurance claims
3. Risk assessment and response preparedness
4. Ongoing operational resiliency
5. Operational resiliency under emergency conditions

Community Sustainability

1. Watershed-based infrastructure planning
2. Green infrastructure
3. Greenhouse gas emissions
4. Service affordability

Water Resource Adequacy

1. Water supply adequacy
2. Supply and demand management

Stakeholder Understanding and Support

1. Stakeholder consultation
2. Stakeholder satisfaction
3. Internal benefits from stakeholder input
4. Comparative rate rank
5. Media/press coverage

Additional resources on measurement can also be found in the [EUM Resource Toolbox](#).

[Back to Top](#)

SELF-ASSESSMENT FORM

Department: _____
 Group: _____
 Position: _____
 Length of Service (yrs): _____

Attribute	Step 1: Rate Achievement (1-5)	Step 2: Rank Importance (1-10)
Produce Quality (PQ)	_____	_____
Customer Satisfaction (CS)	_____	_____
Employee and Leadership Development (ED)	_____	_____
Operational Optimization (OO)	_____	_____
Financial Viability (FV)	_____	_____
Infrastructure Stability (IS)	_____	_____
Operational Resiliency (OR)	_____	_____
Community Sustainability (SU)	_____	_____
Water Resource Adequacy (WA)	_____	_____
Stakeholder Understanding and Support (SS)	_____	_____

DIRECTIONS

Rate Achievement

On a 1 to 5 scale, rate current conditions at NMWD for each Attribute. Consider the degree to which current management systems effectively support each of the Attributes and their component parts. Consider all components of each Attribute and gauge your rating accordingly. Use these descriptions to guide your rating.

Rating	Description
1	Effective, systematic approach and implementation; consistently achieve goals.
2	Workable systems in place; mostly achieve goals.
3	Partial systems in place with moderate achievement, but could improve.
4	Occasionally address this when specific need arises.
5	No system for addressing this.

Mark your answers in the Step 1 column of the table.

Rank Importance

Rank the importance of each Attribute at NMWD with the most important Attribute ranked 1, and the least important Attribute ranked 10.

Mark your answers in the Step 2 column of the table.

13

MEMORANDUM

To: Board of Directors
From: Robert Clark, Operations / Maintenance Superintendent
Subject: First Quarter 2011/12 Update
X:\MAINT SUP\2012\BOD\Q1 11-12 O&M Update.doc

October 28, 2011



RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

Operations Summary

As part of our reorganization efforts in April Dan Garrett was transferred to the Operations / Maintenance group as an Assistant Distribution Treatment Plant Operator over this period Dan has eight plus years of Distribution system knowledge and has been able to learn quickly the Treatment aspects of the position with responsibilities for the Recycled water system and the Point Reyes Treatment Plant operations. Dan's knowledge and skills for operating these systems were invaluable in training temporary staff over the summer and will continue to be as part of our group.

Temporary employee Michael Connolly came on board in August and quickly learned the Novato and West Marin Distribution system daily operations. During that period, Michael also learned the Point Reyes Treatment Plant weekly operations and has been able to take those tasks on himself. At the end of September, the District was able to offer Michael a full-time position, which he has accepted. Michael will be an asset to our Operations group as he is a resident of West Marin and has taken on the steep learning curve for the West Marin facilities to prepare for the winter storm season.

Stafford Production

- The Stafford Treatment Plant averaged 3.5 MGD with three treatment plant operators working rotating shifts to cover 16-hours per day operation. This is one less operator than last year.
- Stafford water production matched last year's average for the period; however, in early September low dissolved oxygen in the lake caused high levels of turbidity in the finished water. Staff made adjustments to the Solar Bees on the lake, modified the treatment process and were able to get production back on line after a seven-day shutdown.
- Staff participated in a Stafford Treatment Plant safety system inspection conducted by Cal-OSHA and several improvements were made as part of the follow-up.

Novato Water System Flows

- Novato water production was down less than 1% from a year ago. Average production has been 11.8 MGD, with a peak day of 15.9 MG.
- Recycled water production for the period was down only slightly from the previous year (32.8 MG, from 33 MG), averaging 356,639 gallons per day, meeting the needs of the Stone Tree Golf Course as well as Novato Fire Station #62 on Atherton Avenue.

Point Reyes Treatment Plant

- During the first quarter, staff began to investigate how to recover the production from Well #3 after a dramatic decrease observed in June. Staff has begun the process to replace the well, with consulting services by Winzler & Kelly. Staff will provide the Board with a full report when a schedule is developed.

West Marin System Flows, Demands and Storage

- West Marin water production was down for a fourth year in a row during the period, at 6% lower than a year ago as a result of cooler weather and continued customer conservation efforts. Average production has been 297,887 gallons per day with a peak day of 402,290 gallons.

Oceana Marin

- During this period, force main pump flow averaged 18,890 gallons per day with a peak of 43,259 gallons on Labor Day. The total discharge to the irrigation field is consistent with the previous year leaving a freeboard of 7.2 feet at the end of September.

Maintenance Summary

Staff kept up with the routine maintenance tasks, completing 60 unplanned work orders. Phillips and Associates continues to perform the daily Operations and Maintenance tasks in Oceana Marin. Summer temporary staff included three hires this year to help with the backflow program, landscape maintenance and small projects.

Electrical Mechanical

- Generator quick connect plugs were installed at the Eagle Drive, Cherry Hill, School Road and Old Ranch Road pump stations. Along with these sites, we now have quick connection available at the San Marin and Trumbull Pump stations and the Point Reyes Treatment Plant.

- Project work for the period included radio communication links to the Sunset, Pacheco and Airbase tank sites have been installed and are currently in operation. This will allow us to discontinue the four troublesome AT&T Advanced Distribution Network (ADN) services and save \$2,200 per year.

Cross Connection Control

- Inspection, testing and repairs of backflow protection devices were completed with 38 repairs needed to be performed by our customers still being tracked.

Building and Grounds

- Completed the Crest Tank landscape with the installation of irrigation system for nine new 12-foot oak trees to help hide the tanks from the local residences.
- Graffiti was more of an issue this year with sites being hit multiple times. Staff continues to document the graffiti and provide reports to the Novato Police Department.

Fleet Operations

- Old fleet vehicles were sent off to auction and the District received more than expected for them: \$11,232 vs. the \$10,000 estimated value.

14

MEMORANDUM

To: Board of Directors

Date: October 28, 2011

From: Drew McIntyre, Chief Engineer

Subject: Quarterly Progress Report – Engineering Department

Z:\CHIEF ENGINCINTYRE\BUDGETS\FY11-12 Budget\eng_dept_perf_recap-1st Qtr 11-12.doc

The purpose of this memo is to provide a first quarter status report to the Board on the District's performance in completing budgeted FY11-12 Improvements Projects (IP) with a primary emphasis on planned (i.e., baseline) versus actual performance. The following information supplements the progress report summary provided to the Board each month.

SUMMARY

	<u>Project Costs</u>		<u>% Complete</u>		<u>Earned Value (\$)</u>	
	Budget (\$)	Forecast (\$)	Planned	Actual	Planned	Actual
Novato System	9,991,000	10,262,230	25	15	2,334,000	2,459,700
West Marin	646,000	591,000	25	10	132,750	106,750

The above table summarizes the detailed tabulation of IPs for both Novato and West Marin (including Oceana Marin) systems provided in Attachment A. In summary, IP expenditures for West Marin service area is not forecast to exceed approved FY11-12 budget level. However, IP expenditures for Novato (water and recycled water combined) system are forecast to exceed the approved FY11-12 budget. This overage is attributed primarily to accelerated Recycled Water expenditures and staff proposes to use the mid-year progress report (scheduled for submission to the Board in January, 2012) to present an updated Recycled Water Financial Plan and request a budget augmentation. With respect to planned versus actual completion for the first quarter, both Novato and West Marin service areas (including Oceana Marin) are trailing planned progress somewhat but it is hoped that this gap can be narrowed in subsequent months.

Performance Status for Improvement Projects

A detailed milestone schedule update is provided in Attachment B. As shown on the following table (Page 3), a total of 39 projects (versus 50 in FY 10-11) were originally budgeted in FY 11-12 for the Novato, West Marin and Oceana Marin service areas. Two projects have been added and two projects have been deferred resulting in a new total of 39 projects. Of the 39 Improvement Projects budgeted, 18 (versus 32 in FY 10-11) are under the lead responsibility of the Engineering Department for completion (17 in Novato and 1 in West Marin). The remaining 21 (versus 26 in FY 10-11) IP projects are under the responsibility of the other departments (i.e., 9 – Maintenance, 10 – Operations, 1 – Construction and 1 – Administration) (Refer to the tabulation in Attachment A for a complete line item listing).

Novato Service Area Project Costs Variances

As shown in Attachment A, the vast majority of FY11-12 Novato IPs are currently projected to be completed at or below original budget. Note that two project overruns are being predicted, one of which is for the already discussed recycled water projects. The other is the So. Novato Blvd. Main Break Repair project.

Two new projects have been added to date: Indian Valley Rd – City Improvements and Crest Tank No. 1 Recoat.

West Marin Service Area (including Oceana Marin) Project Costs Variances

All of the FY11-12 West Marin projects are currently projected to be completed within the original budget except for the Pt. Reyes Well No. 3 project. An update of which was provided to the Board at the September 6, 2011 meeting.

Engineering Department Labor Hours

The Engineering Department provides a multitude of functions supporting overall operation, maintenance and expansion of water facilities. The major work classifications are: (1) General Engineering, (2) Developer Projects and (3) District (i.e., IP) Projects. Out of the approximately 14,900 engineering labor hours available annually (less Conservation), the FY11-12 labor budget for Developer Projects and District Projects is 1,393 (9% of total) and 5,564 (37% of total), respectively. A chart of actual hours expended versus budgeted hours for both Developer and District projects during FY11-12 is provided in Attachment C. At the end of the first quarter, actual engineering labor hours expended for Developer work was 13% (180 hours) versus 25% (348 hours) budgeted. With respect to District Projects, 2,094 engineering labor hours (38% of budget) has been expended on Improvement Projects when compared against a first quarter estimate of 1,391 hours (25% of budget). The higher rate is primarily attributed to in-house work on recycled water projects accelerated by the American Recovery and Reinvestment Act grant award.

FY 11-12
 IMPROVEMENTS PROJECTS

PROJECTS BUDGETED	NOVATO SERVICE AREA	WEST MARIN/ OCEANA MARIN	TOTAL
Original Budget	32	7	39
Added	2	0	2
FY 10-11 Carryover	0	0	0
Deferred/Dropped	2	0	2
Adjusted Budget	32	7	39

FY10-11 CARRYOVER

None

Date Brought to Board

DEFERRED/DROPPED

STP 18" Transmission Line Assess/Repair
 Anode Installations

First Quarter Report
 First Quarter Report

PROJECTS ADDED

Novato

Indian Valley Rd. City Improvements
 Crest Tank No. 1 Recoat

First Quarter Report
 First Quarter Report

West Marin

None

NOVATO SYSTEM IMPROVEMENT PROJECTS SUMMARY FY11-12
AS OF SEPTEMBER 30, 2011

STATUS	DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE	
					Budget	Forecast	Baseline	Actual	Planned	Actual
				1. PIPELINE REPLACEMENTS/ADDITIONS						
				1.a.1 STP-18" Transmission Line-Assess/Repair - DEFER	\$160,000	\$0	25	0	\$40,000	\$0
PC	Eng	1		1.a.2 Center Rd Pipeline in Conflict w/Priv Prop	\$60,000	\$60,000	25	25	\$15,000	\$15,000
PC	Eng	2		1.a.3 So. Novato Main Break Repair	\$120,000	\$250,000	25	90	\$30,000	\$225,000
PC	Eng	3		1.b.1 PB Repl - Cavalla Cay (18)	\$36,000	\$36,000	25	0	\$9,000	\$0
PC	Eng	4		1.b.2 PB Repl - Del Oro (26)	\$52,000	\$52,000	25	10	\$13,000	\$5,200
PC	Eng	5		1.c.1 City Paving Coordination	\$20,000	\$20,000	25	25	\$5,000	\$5,000
PC	Eng	6		1.c.2 Other Relocations	\$50,000	\$50,000	25	0	\$12,500	\$0
C	Eng	7		1.c.3 Indian Valley Rd - City Improvements	\$0	\$25,000	0	100	\$0	\$25,000
PC	Eng	8		1.d.1-6 AEEP - Hwy 101 Widening	\$2,700,000	\$1,000,000	25	25	\$675,000	\$250,000
				SubTotal	\$3,198,000	\$1,493,000				
				2. SYSTEM IMPROVEMENTS						
PC	Eng	9		2.a Facility Map Database	\$20,000	\$20,000	25	5	\$5,000	\$1,000
PC	Maint	10		2.b System Cathodic Protection Maintenance/Upgrades	\$25,000	\$25,000	25	0	\$6,250	\$0
PC	Maint	11		2.c RTU Upgrades	\$15,000	\$15,000	25	25	\$3,750	\$3,750
		12		2.d Flushing Taps at DCVs or Zone Valves	\$50,000	\$50,000	25	0	\$12,500	\$0
		13		2.e Detector Check Assy Upgrade/Replace	\$75,000	\$75,000	25	0	\$18,750	\$0
				2.f Arade-Installations - DEFER	\$30,000	\$30,000	25	0	\$7,500	\$0
PC	Maint	14		2.g Radio Expansion Telemetry Upgrades	\$25,000	\$15,000	25	40	\$6,250	\$6,000
				SubTotal	\$240,000	\$230,000				
				3. BUILDINGS, YARD, & S.T.P. IMPROVEMENTS						
		15		3.a.1 ADA Access Phs 1	\$25,000	\$25,000	25	0	\$6,250	\$0
PC	Maint	16		3.a.2 Other Admin Bldg Improvements	\$25,000	\$25,000	25	25	\$6,250	\$6,250
PC	Maint	17		3.b.1 Other Yard Improvements	\$15,000	\$15,000	25	25	\$3,750	\$3,750
		18		3.c.1 Watershed Erosion Control	\$34,000	\$34,000	25	0	\$8,500	\$0
PC	Eng	19		3.c.2 Leveroni Creek Bank Repair	\$130,000	\$30,000	25	25	\$32,500	\$7,500
PC	Maint	20		3.c.3 STP Data Communication via Radio	\$25,000	\$25,000	25	0	\$6,250	\$0
Const		21		3.c.4 Dam Concrete Apron Repairs	\$10,000	\$10,000	25	0	\$2,500	\$0
PC	Ops	22		3.c.5 STP Discharger/Treatment	\$47,000	\$47,000	25	0	\$11,750	\$0
PC	Maint	23		3.c.6 Spillway Security Improvements	\$25,000	\$25,000	25	0	\$11,750	\$0
PC	Ops	24		3.c.7 Remove Old Transformer/Pole	\$40,000	\$40,000	25	0	\$6,250	\$0
PC	Ops	25		3.c.8 STP Emergency Power Generator	\$122,000	\$122,000	25	0	\$10,000	\$0
				SubTotal	\$498,000	\$398,000				
				PROJECT FORECAST REVISED						
1C - Completed				Baseline: projects with revised forecast budget increases (indicated by shaded box)						
PC - Partially completed				Baseline: projects to be deferred (indicated in strikeout)						
				New projects added (indicated in bold)						
				Prior year projects carried over indicated in italics						

STATUS	DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE	
					Budget	Forecast	Baseline	Actual	Planned	Actual
				4. STORAGE TANKS & PUMP STATIONS						
	Maint	26		4.a Lynwood PS Motor Control Center	\$275,000	\$275,000	25	0	\$68,750	\$0
	Eng	27		4.b Pacheco Tank C12 Mixing System	\$75,000	\$75,000	25	0	\$18,750	\$0
	Eng	28		Crest Tank No. 1 Recoat	\$0	\$166,230	0	0	\$0	\$0
				SubTotal	\$350,000	\$516,230				
				5. RECYCLED WATER FACILITY						
				5.a NBWRA Grant Program Administration	\$125,000	\$125,000	25	25	\$31,250	\$31,250
PC	Eng	29		5.b-h Expansion to North Service Area	\$3,000,000	\$5,000,000	25	25	\$750,000	\$1,250,000
PC	Eng	30		5.i-o Expansion to South Service Area	\$2,000,000	\$2,500,000	25	25	\$500,000	\$625,000
PC	Eng	31			\$5,125,000	\$7,625,000				
				SubTotal	\$9,411,000	\$10,262,230	25	15	\$2,334,000	\$2,459,700
				TOTALS						
				PROJECT FORECAST REVISED						
				Baseline projects with revised forecast budget increases (indicated by shaded box)						
				Baselined projects to be deferred (indicated in strikeout)						
				New projects added (indicated in bold)						
				<i>Prior year projects carried over indicated in italics</i>						

WEST MARIN SYSTEM IP PROJECT SUMMARY FY11-12
AS OF SEPTEMBER 30, 2011

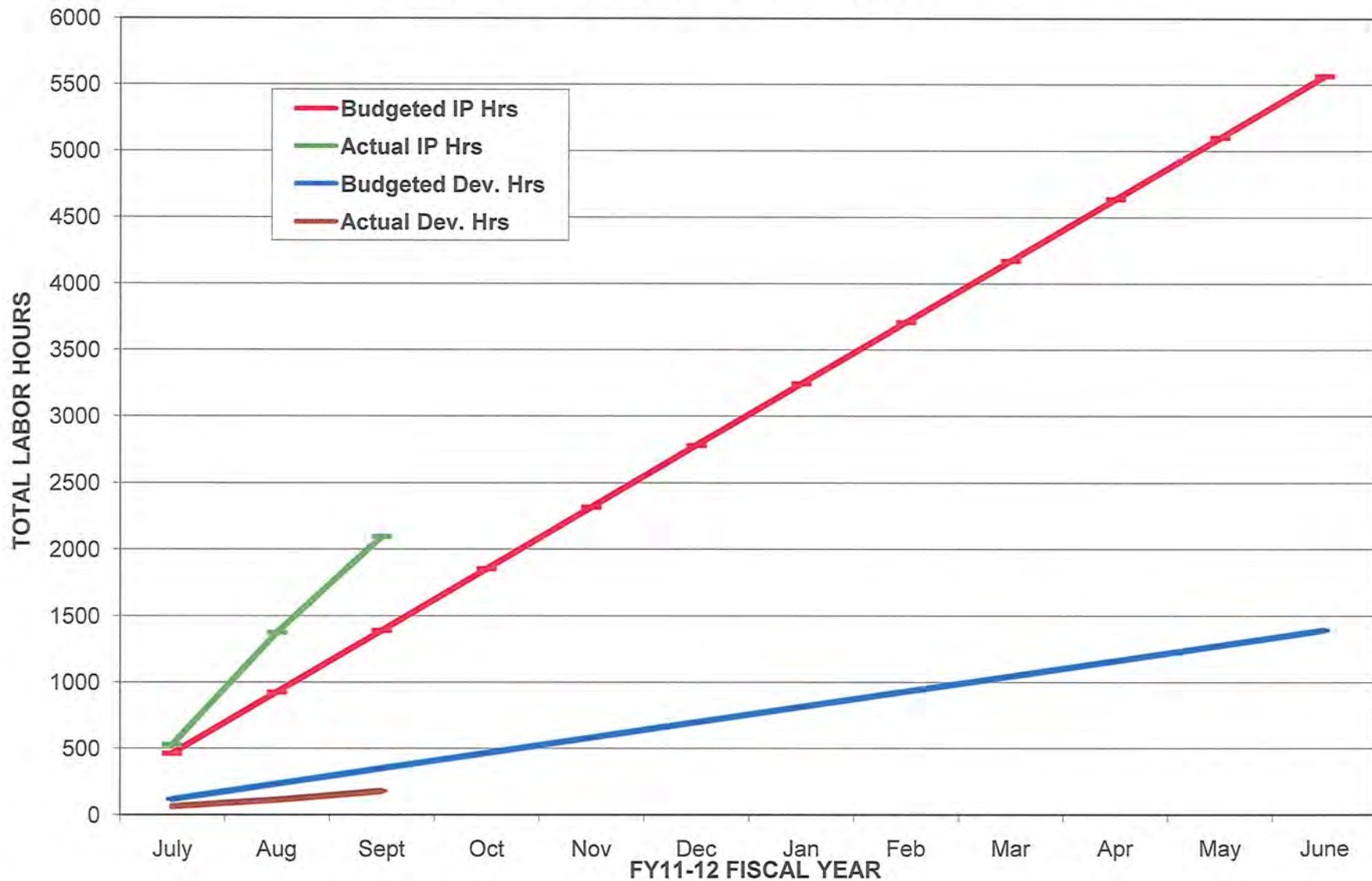
STATUS	DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE	
					Budget	Forecast	Baseline	Actual	Planned	Actual
				1. PROJECTS BENEFITING BOTH WATER SYSTEMS						
				System Improvements						
PC	Ops	1		1.a TP Solids Handling & Land Acquisition	\$360,000	\$360,000	25	25	\$90,000	\$90,000
	Ops	2		1.b TP RTU Upgrade	\$20,000	\$20,000	25	0	\$5,000	\$0
PC	Ops	3		1.c Viento Way Upsizing	\$21,000	\$21,000	25	25	\$5,250	\$5,250
PC	Ops	4		1.d Pt. Reyes Well #3 Rehab	\$15,000	\$75,000	25	10	\$3,750	\$7,500
	Admin	5		1.e Water Rights-Lega/Staff Time	\$0	\$0	25		\$0	\$0
					\$416,000	\$476,000				
				2. Oceana Marin Sewer System						
	Ops	6		2.a Infiltration Study & Repair	\$15,000	\$15,000	25	0	\$3,750	\$0
PC	Maint	7		2.b Tahiti Way Lift Pumps Rebuild	\$20,000	\$20,000	25	20	\$5,000	\$4,000
PC	Eng	8		2.c Cross Country Sewer Line Rehab	\$80,000	\$80,000	25	0	\$20,000	\$0
				SubTotal	\$115,000	\$115,000				
				TOTALS	\$646,000	\$591,000	25	10	\$132,750	\$106,750
1C - Completed				PROJECT FORECAST REVISED						
PC - Partially completed				Baseline projects with revised forecast budget increases (indicated by shaded box)						
				Baselined projects to be deferred (indicated in strikeout)						
				New projects added (indicated in bold)						
				Prior year projects carried over indicated in <i>italics</i>						

FY11_12 IMPROVEMENT PROJECTS

ID	Task Name	Start	Finish	% Complt	Resp	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter				
						Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
33	3C6 Spillway Security Improvements	Tue 11/1/11	Sat 6/30/12	0%	MAINT/RC														
34	3C7 Remove Old Transformer/Pole	Mon 1/2/12	Sat 6/30/12	0%	MAINT/RC														
35	3C8 STP Emergency Power Generator	Tue 11/1/11	Fri 6/29/12	0%	OPS														
36	4 STORAGE TANKS/PUMP STATIONS	Tue 11/1/11	Sat 6/30/12	0%	MAINT														
37	4A Lynwood Pump Station Motor Control Center	Tue 11/1/11	Sat 6/30/12	0%	MAINT														
38	4B Pacheco Tank C-12 Mixing System	Thu 12/1/11	Fri 6/29/12	0%	ENG / DJ														
39	5 RECYCLED WATER	Fri 7/1/11	Sat 6/30/12	25%															
40	5A NBWRA Grant Program Administration	Fri 7/1/11	Sat 6/30/12	25%	ENG / DM														
41	5B RW Expansion to North Service Area	Fri 7/1/11	Sat 6/30/12	25%	ENG / CC														
42	5C RW Expansion to South Service Area	Fri 7/1/11	Sat 6/30/12	25%	ENG / DJ														
43	6 WEST MARIN WATER SYSTEM IMPROVEMENTS	Fri 7/1/11	Sat 6/30/12	17%															
44	SYSTEM IMPROVEMENTS	Fri 7/1/11	Sat 6/30/12	17%															
45	6A TP Solids Handling	Fri 7/1/11	Sat 6/30/12	25%	ENG / DJ														
46	6B TP RTU Upgrade	Mon 1/2/12	Sat 6/30/12	0%	OPS														
47	6C Viento Way Upsizing	Fri 7/1/11	Sat 6/30/12	25%	ENG														
48	6D Pt. Reyes Well #3 Rehab	Fri 7/1/11	Sat 6/30/12	10%	OPS														
49	7 OCEANA MARIN SEWER SYSTEM	Fri 7/1/11	Sat 6/30/12	7%															
50	7A Infiltration Study & Repair	Tue 11/1/11	Fri 6/29/12	0%	OPS														
51	7B Tahiti Way Lift Pumps Rebuild	Fri 7/1/11	Tue 2/28/12	20%	MAINT														
52	7C Cross Country Sewer Line Rehab	Thu 12/1/11	Sat 6/30/12	0%	ENG / JK														

Current
 Baseline
 Progress

ENGR. DEPT DEVELOPER & DISTRICT (IP) PROJECTS



15

MEMORANDUM

To: Board of Directors

Date: October 28, 2011

From: Drew McIntyre, Chief Engineer



Subject: Cooperative Agreement between North Marin Water District and Ghilotti Bros. Const
– Partial Paving of Corporation Yard

Z:\Folders by Job No\6000 jobs\6502.44\Corp Yard Upate BOD memo 10-28-11.doc

RECOMMENDED ACTION: None, information only

FINANCIAL IMPACT: \$25,000

The District's corporation yard paving is in poor condition as illustrated in the attached photo (Attachment 1). A major corporation yard paving project has been deferred for many years because of discussions about the District's possible relocation to new property. As a result of recent CalTrans Marin Sonoma Narrows Freeway Widening work, Ghilotti Bros. is making drainage improvements fronting the NMWD corporation yard. To facilitate their work, Ghilotti Bros. has requested that NMWD allow them to utilize a triangular portion of the District's property at the south east corner (see figure in Attachment 2). In exchange for the District granting said request, Joe Kauwe of the Engineering Dept. successfully negotiated that Ghilotti Bros. will provide equipment and labor for a partial paving of the corporation yard (approximately 17,000 sq. ft) as shown in Attachment 2. The District will pay the asphalt materials cost estimated at approximately \$14,000. The savings to the District for the paving labor and equipment is estimated at ~\$16,000. In addition, Ghilotti Bros. also cleared out the spoils pile on the triangular portion resulting in additional savings to the District of approximately \$4,500 (for a total savings of ~\$20,500).

The total District contribution for this project is estimated at \$25,000. In addition to the estimate material cost of \$14,000, an additional \$11,000 allowance has been added for miscellaneous NMWD labor costs for paving work preparation coupled with striping costs and an overall project contingency. Payment for District costs will come from the \$15,000 FY12 budget for Corporation Yard Improvements plus \$10,000 from the FY12 Administration Building Improvements budget of \$25,000.



ATTACHMENT 1

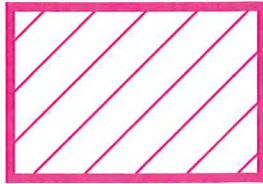


INSTALL 2-48" STORM DRAINS TO CAMBRIDGE
BY CHILOTTI BROTHERS

Oct. 27, 2011 - 8:49am W:\JOB\MISC\Presentation\AERIAL_nmwd_paving.dwg User: ACANTILLER



PROPOSED OVERLAY PAVING LIMITS
17,000 SQ. FT.



TEMPORARY WORK AREA MADE AVAILABLE BY NMWD TO CHILOTTI BROTHERS
IN EXCHANGE FOR CORP YARD PAVING OVERLAY

NO.	DATE	REVISION	BY	APP.
NORTH MARIN WATER DISTRICT NOVATO, CALIFORNIA				
NORTH MARIN WATER DISTRICT CORP YARD PARKING LOT 2011 PAVING PLAN				
DES	DR	CH	SCALE	: 1"=30'-0"
JK	AC	DM	DATE	: 10/26/11
APPROVED: CHIEF ENGINEER			SHEET NO.	: 1 OF 1 SHEETS
R.E. C40936			SERVIC' AREA	

16

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor-Controller
Subj: Bank of Marin AEEP Loan

t:\ac\word\bank of marin\bod loan close memo.docx



October 28, 2011

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: \$8 Million

On Thursday, October 27, the District executed a loan agreement with Bank of Marin and received \$8 million for the District's share of the cost for Aqueduct Energy Efficiency Project. The 20-year loan requires a payment of \$46,066.67 due the 27th of each month through October 27, 2031. The interest rate of 3.37% (3.54% APR), is significantly below the rate we would have paid in a market issue (roughly 4.4% APR). Bank of Marin's fee was \$85,000 (1% plus \$5,000 legal), again significantly less than the approximately \$200,000 fee required for a market issue loan.

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



**WATER ADVISORY COMMITTEE
AND
TECHNICAL ADVISORY COMMITTEE**

MONDAY: NOVEMBER 7, 2011

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

9:00 a.m. Note location

This is a combined WAC and TAC meeting.

1. Check In
2. Public Comment
3. Recap from the August 1, 2011 WAC/TAC Meeting and Approval of Minutes
4. Recap from the October 3, 2011 TAC Meeting and Approval of Minutes
5. Water Supply Coordination Council
6. Draft Water Supply Strategies Action Plan Update (<http://www.scwa.ca.gov/water-supply-strategy/>)
7. Draft SCWA Long Range Financial Plan Process (<http://www.scwa.ca.gov/finance/>)
8. SCWA Allocation Model & Rate Study
9. SCWA Water Supply/Transmission System Operations Status
10. Biological Opinion Status Update
11. Integrated Regional Water Management Plan(s) Update
12. ACWA Task Force – Financing the 2009 Comprehensive Water Package
13. 2012 WAC/TAC Meeting Schedule
14. Items for Next Agenda
15. Check Out

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

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

Date: Friday, November 4, 2011
Time: 9:30 a.m. – 11:30 a.m.
Location: Novato Sanitary District
500 Davidson Street
Novato, CA 94945

AGENDA

<u>Item</u>	<u>Recommendation</u>
1. Call to Order (Jack Gibson, Chair)	
2. Public Comment	
3. Approval of the Agenda (1 min.)	Approve
4. Approval of Minutes	Approve
5. Treasurer's Report (1 min.)	Accept
6. North Bay TMDL Progress (75 min.) Guest Speakers: Chris Choo, Marin DPW Mark Newhouser, SEC Michael Bowers, SSCRCD Leigh Sharp, Napa RCD	Information
7. Conference Update (15 min.) Harry Seraydarian	Information
8. Items of Interest	
9. Items for Next Agenda	

Next Meeting Information:

Next Meeting: **December 2, 2011**
Petaluma (Lucchesi) Community Center
320 N. McDowell Boulevard
Petaluma, CA-94954 – Conference Room 2

NORTH BAY WATERSHED ASSOCIATION

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

Date: October 7, 2011
Time: 9:30 a.m.
Location: Petaluma (Lucchesi) Community Center
320 N. McDowell Boulevard, Conference Room 2
Petaluma, CA 94954

Directors Present: Directors present included:

<u>Board Member</u>	<u>Agency/Organization</u>	<u>Board Member</u>	<u>Agency/Organization</u>
Steve Barbose	City of Sonoma and Sonoma Valley County Sanitation District	Jack Gibson	Marin Municipal Water District
Megan Clark	Las Gallinas Valley Sanitary District	Liz Lewis	Marin County Stormwater Pollution Prevention Program
Mike DiGiorgio	Novato Sanitary District	Mark Luce	Napa Sanitation District
Rick Fraites	North Marin Water District	Madeline Thomas	Bel Marin Keys Community Services District

Directors present represented 9 out of the 16 agencies signatory to the Association MOU.

Board Actions:

1. **Call to Order.** Jack Gibson, Chair, called the meeting to order at 9:40 a.m.
2. **Public Comment.** There was no public comment.
3. **Approval of the Agenda.** (See Handout) The Board unanimously approved the agenda.
4. **Approval of the Minutes of the Board Meeting held September 9, 2011.** (See Handout) The Minutes of the Board Meeting held on September 9, 2011 were approved with three abstentions by Mike DiGiorgio, Novato Sanitary District, Rick Fraites, North Marin Water District, and Mark Luce, Napa Sanitation District.
5. **Treasurer's Report.** (See Handout) The Treasurer's Report for September, 2011 was accepted as presented by Paul Helliker.
6. **Regulatory Update.** (See Handout) Bruce Wolfe, Executive Officer, San Francisco Bay Regional Water Quality Control Board (RWQCB) distributed a handout that outlined his presentation. Bruce first spoke about the state organizations and the Regional and State Board membership. The Regional Board now has 3 vacancies on the 9 member Board. The State Water Resources Control Board (SWRCB) has 2 vacancies (engineer and attorney slots). Bruce mentioned legislation under development that would modify Board membership, numbers, process, and possibly even boundaries (consolidate regions). Bruce also noted new appointments: Matt Rodriguez (from the AG's office with some exposure to water issues) as new Secretary of the California EPA and Chuck Bonham (previous head of Trout Unlimited) as the new Director of the Department of Fish and Game. Bruce then highlighted state budget issues and though the RWQCB has not had any layoffs, funding levels are equivalent to 1992-1993 due to reduced revenue projections. There has been some talk about how to compliment staff with agency staff, working in partnership. Bruce then moved on to the SWRCB actions and noted the new Executive Officer was given clear priorities: Stormwater Phase II, Industrial, and CalTrans permits and Septic Tank and Underground Tank policies. Bruce summarized the RWQCB view on the Stormwater Phase II Permit: though the Board favors certain aspects such as trash control, monitoring, and TMDL implementation, the SWRCB will probably not meet the February 2012 adoption goal, given the overwhelming number of comments received and the need to clean up and revise the draft permit. Bruce would like to work with NBWA members to make sure the permit can be readily implemented. He then described the Septic Tank policy issued last week and encouraged attendance at a workshop scheduled for November 3 in Santa Rosa. There is an adoption target date of March 2012 for the policy. Bruce also mentioned other statewide policies: an update to the Toxicity Policy facing the challenge to implement TMDLs; the Wetland Policy which includes a statewide definition of wetlands and waters of the state; and the Russian River Flow Standards with the suggestion that regions also develop flow standards for other rivers. Bruce then described some San Francisco Bay Regional Initiatives. Bruce considers the mercury TMDL and the related 2007 Watershed Permit a success, given the Wastewater Treatment reductions in levels. Bruce pointed out the recently released Waiver for Grazing in Napa and Sonoma which addresses TMDL implementation and applies to locations greater than 100 acres (only 50 in the North Bay) and the possibility of 3rd party certification. The RWQCB is also working on a Vineyard Waiver and expects a draft in Spring 2012. Bruce explained the RWQCB's efforts on permit reissuance. The Board is caught up and working well on updates. Bruce encouraged Board Members to call him if they have any

issues. Bruce then moved on to sewage spills and sanitary sewer overflows and discussed recent enforcement actions in Marin, the Peninsula and East Bay. He described the requirement in the EBMUD Consent Decree to develop private sewer lateral ordinances and recent workshops with significant attendance by real estate agents. Bruce then highlighted the Pollution Prevention Award given to Marin County last year and to the City of Millbrae this year. Bruce then changed topics to water recycling and conservation and noted the SWRCB policy on recycling and the difficulty in monitoring emerging constituents of concern – whether to use a bioassay or chemical approach. Bruce described the recent issue regarding Hayward Marsh, which is: when the EPA pointed out that the marsh was not meeting water contact recreation standards, the RWQCB went through a non-attainment process and changed the standards (water contact not appropriate). Bruce noted this effort relates to Novato's discharge. Bruce indicated the RWQCB should issue a draft Wetlands and Streams Policy by the end of the year and highlighted the SCWA Program and the nexus between flood maintenance and stream protection. Bruce then presented the new challenges for the RWQCB. Nutrients and Sediment are key issues since the sediment load to the bay is diminishing and ocean upwelling is shifting nutrients in the bay which will lead to changes in the bay. RWQCB is ramping up to look at the data to see what science can tell us. BACWA is active in these efforts. Bruce then described the relationship between wetland restoration and water supply and asked how more recycled water could be used at Hamilton and BMK to continue the restoration. Bruce ended with an emphasis on climate change and sea level rise and noted the benefits of wetland restoration as the first line of defense "the more we restore, the better the protection." The Board Members had a number of questions: Who is leading the pack in dealing with private sewer laterals? (Aware of efforts by Jared Huffman; EBMUD is pushing to make this a statewide issue; RWQCB is pushing for the public to do its part; should broaden point of sale to include remodels; Albany data shows 99% of inspections needed repair or upgrade.) Did you know NBWA looked into developing a common ordinance? (Yes.) Mike DiGiorgio noted that just point of sale takes too long and that he has a list of triggers he could provide. (Yes, would like to see the list.) Mike also noted that CASA had looked into a state-wide approach and concluded this was "not a problem" in other areas. Does intended use of recycled water affect decisions? (Yes, public phobia, including use for agriculture irrigation, complicates issue, recognize different risks for different uses.) Is your Board looking at fracking? (Not much action in Bay Region, now proposed in Central Valley.) Given budget constraints what are you dropping off the plate? (Trying to prioritize; using cost recovery funding; no backfills; cut back on contractors.) What is status of Special Protections (ASBS) Policy – given example of \$30k-\$80k cost for monitoring a 75 acre watershed? (Not sure – will take a look.) Are you aware the SWRCB Desal Policy recommends an option for intakes that will not work for the Bay? (Regions have not been brought in yet.) Email: bwolfe@waterboards.ca.gov Website: <http://www.waterboards.ca.gov/sanfranciscobay/>

7. **Project Update.** Harry Seraydarian used a PowerPoint presentation to provide an update on NBWA projects. Harry first summarized progress on the North Bay TMDL projects funded by the EPA through SFEP/ABAG and noted there will be a detailed presentation at the November 4 NBWA Board of Directors' Meeting. He then highlighted some positive results from NBWA projects funded in 2009: CEMAR steelhead study led to IRWMP funding for monitoring; the private lateral project led to legislation – AB 741 was signed by the Governor; and the Adapting to Climate Change Study inspired the theme for the 2012 Conference. Harry then highlighted the projects funded in 2010 and identified those completed and those that have yet to be completed. He then presented the projects funded so far in 2011 – Aquatic Invasive Species Workshop (completed) and KRCB Video features (underway). Harry then discussed the four projects still under consideration for 2011 funding: Sea Level Rise (may consider alternative proposal); Stormwater Monitoring under Phase II Permit (may need to delay); Slow it, Spread it, Sink it – Round 2; and repeating Education/Restoration Projects funded in 2010-2011. Harry noted scheduled Technical Committee Meetings (Habitat/Floodplain on October 18) and committed to bring recommendations to the NBWA Board by the December meeting.

8. **Items of Interest.**

- * "Pathways to Progress 2011 – Taking Action for a Healthier Marin, Health in All Policies Forum for Marin's Policy Makers and Elected Officials, Thursday, Oct. 13, 2011, 7:30 – 9:30 a.m. – Marin County Office of Education.
- * MMWD now in negotiations with Kennedy Jenks for BAIRWMP Plan Update contract

9. **Items for Next Agenda.**

- * North Bay TMDL Progress
- * April 13, 2012 Conference Update

Jack Gibson, Chair, adjourned the meeting at 11:24 a.m.

SUBJECT TO BOARD APPROVAL

Submitted By: Elizabeth O. Preim-Rohtla

NEXT MEETING INFORMATION:

November 4 – Novato Sanitary District, 500 Davidson Street, Novato, CA 94945

December 2 – Petaluma (Lucchesi) Community Ctr., 320 N. McDowell Blvd., Petaluma, CA 94954 – Conf. Rm. 2

January 6 – Marin Community Foundation, 5 Hamilton Landing, Suite 200, Novato, CA 94949

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DISBURSEMENTS - DATED OCTOBER 26, 2011

Date Prepared: 10/25/11

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

Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 10/15	\$122,456.57
EFT*	US Bank	Federal & FICA Taxes PPE 10/15	43,793.01
1	Allied Heating & Air Conditioning	Quarterly Maintenance on HVAC System (9/1/11 - 11/30/11)	352.71
2	Alpha Analytical Labs	Lab Testing (Novato)	2,380.00
3	Andersen, Dave	Refund Overpayment on Closed Account	100.76
4	State of California	State Tax & SDI PPE 10/15	8,926.06
5	Calpico	Grounding Clamps (250)	759.50
6	Carpenter Rigging & Supply	Aluminum Sleeve for Pulling Cable	74.95
7	Cilia, Joseph	Exp Reimb: Mileage & Parking (Pesticide Application Testing Seminar) & Bridge Toll & Meal (Basic Plumbing Workshop)	127.08
8	Covello Group	Prog Pymt #5: Recycled Water Pipeline Expansion (Balance Remaining on Contract \$454,966)	37,025.43
9	DeMartini, Margaret	Novato "Washer Rebate" Program	50.00
10	Electrical Equipment	Coil for San Marin Motor Control Center Pump Starter	78.55
11	Emed	14" X 20" Signs: No Dumping Violators Will be Prosecuted (6) (Tank Sites)	423.49
12	Environmental Resource Assoc	Metals for Annual PE Samples (Lab)	118.93
13	Ferguson Enterprises	"O" Ring Gaskets (2)	177.94
14	Ghilotti Construction	Refund Security Deposit on Hyd Meter Less Final Bill	295.68


*Prepaid

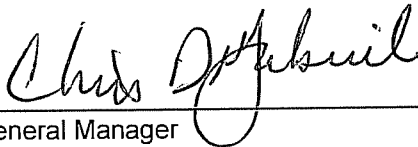
Seq	Payable To	For	Amount
15	Golden Gate Petroleum	Gasoline (\$3.62/gal) & Diesel (\$3.77/gal)	3,983.90
16	Grainger	Measuring Tape (4) (\$59) & Grinding Wheels (10) (\$85)	144.25
17	InfoSend	September Processing Fee for Water Bills (\$1,529), Postage (\$3,750) & Redesign Bill Stub with OCR-Scan Code (\$750)	6,028.66
18	Jensen Instrument	Replacement Flow Meter for Dickson P.S.	2,560.37
19	Jim-n-i Rentals	Steel Traffic Plate Rental (6) (\$212) (3 Days) & Shoring Jacks Rental (6) (\$132) (3 Days) (So Novato Blvd & Rowland Main Break)	344.87
20	Leighton Stone	Pressure Gauges (6)	400.59
21	Malliaras, Robert	Refund Credit on Account	164.00
22	County of Marin, DPW	Adjust Water Valves to Grade (9) (Palomino Dr)	666.00
23	McClay, Laila	Novato "Washer Rebate" Program	50.00
24	McMaster-Carr Supply	Outlet (2) (\$55) & Mounting Brackets (4)	69.36
25	Newark InOne	Lithium Batteries (12)	38.13
26	Novato Disposal Service	Sept Trash Removal	403.40
27	Novato Car Wash	Refund Overpayment on Closed Account	55.20
28	Novato Chamber of Commerce	Membership Dues (11/1/11 - 10/31/12) (Bentley) (Budget \$770)	790.00
29	NTU Technologies	Polymer (1,800 lbs) (STP)	2,628.00
30	Osheroff, Kimberly	Novato "Washer Rebate" Program	50.00
31	Pace Supply	Unions (6) (\$63) & Nipples (16) (\$143)	206.28
32	Pape Machinery	Fuel Pump Seals (4)	9.72
33	Parkinson Accounting Systems	September Accounting Software Support	97.50
34	PERS Retirement System	Pension Contribution PPE 10/15	42,785.28

Seq	Payable To	For	Amount
35	Pacific Gas & Electric	Power: Bldgs/Yard (\$3,174), Rectifier/Controls (\$403), Pumping (\$32,265), Treatment (\$16,161) & Other (\$133)	52,136.29
36	Phillips & Associates	September O & M of O.M. Wastewater Treatment	5,101.24
37	Pinder, Robert	Novato "Washer Rebate" Program	50.00
38	Point Reyes Prop Mgmt Assn	October HOA Dues (25 Giacomini Rd)	118.91
39	Protection Engineering	6" Polyguard Tape (40 rolls)	1,245.89
40	Ramudo, Pablo	Exp Reimb: Airfare (\$162), Lodging (\$465), Parking & Car Rental (\$100) (ACWA Conf - Pasadena)	759.98
41	Rental Solutions	Re-Stocking Fee on Hydraulic Filter for Air Compressor	7.94
42	Roberts & Brune	Air Release Valves (2)	781.20
43	Sacramento Flow Control	Backflow Repair Kits (25)	635.81
44	Shu, Patty	Refund Alternative Compliance Reg 15 Deposit	315.00
45	Slining, Donna	Novato "Washer Rebate" Program	50.00
46	Sonoma County Water Agency	September Contract Water	539,582.35
47	Steussy, Richard	Novato "Toilet Rebate" Program	75.00
48	Strahm Communications	Postage for Fall Water Line	2,712.00
49	Township Building Services	September Janitorial Services	1,714.00
50	Univar	Sodium Hydroxide (24,327 lbs) (STP)	7,845.46
51	VWR International	Ethyl Alcohol (\$113), Evaporating Dish (6) (\$77), Sterilizer Monitor (500) (\$130) & Nitrate (Lab)	356.82
52	Walsh, Sean	Novato "Cash for Grass" Program	350.00
53	Walters, Casey	Novato "Washer Rebate" Program	50.00
54	Watson, Margaret	Novato "Toilet Rebate" Program	75.00

Seq	Payable To	For	Amount
55	Wiley Price & Radulovich	Consulting Services: Review MOU Extension	81.00
56	Wilmunder, Aric	Novato "Washer Rebate" Program	50.00
TOTAL DISBURSEMENTS			<u>50.00</u> <u>\$892,710.06</u>

The foregoing payroll and accounts payable vouchers totaling \$892,710.06 are hereby approved and authorized for payment.


 DREW MCINTYRE 10/25/11
 For Auditor-Controller Date


 Chris DeFurail 10/25/2011
 General Manager Date

DISBURSEMENTS - DATED OCTOBER 19, 2011

Date Prepared: 10/18/11

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

Seq	Payable To	For	Amount
1	Ackerman, Gerald	Retiree Exp Reimb (Monthly Health Ins)	\$90.69
2	Advanced Reproduction Center	Plans & Specs - Recycled Water North Segment 2 (5 sets)	434.00
3	Alpha Analytical Labs	Lab Testing (Pt Reyes-\$925 & Novato-\$110)	1,035.00
4	Athens Administrators	October Admin Fee	1,000.00
5	AT&T	Telephone Charges: Local (\$86) & Minimum (\$139)	225.35
6	Autoworld	Brake Rotors (2) (\$135) & Brake Pad Kit (\$181) (03 Dodge Dakota)	316.40
7	Badger Meter	Bronze Plate Strainer for 4" Meter	579.69
8	Boland, Michael	Novato "Washer Rebate" Program	50.00
9	Bradbery, Ronald	Retiree Exp Reimb (Monthly Health Ins)	90.69
10	Bundesen, Gerald	Retiree Exp Reimb (Monthly Health Ins)	704.96
11	Butti, Lou	Retiree Exp Reimb (Monthly Health Ins)	704.96
12	Cacciatore, William	Novato "Washer Rebate" Program	50.00
13	California State Disbursement	Wage Assignment Order (3)	1,478.50
14	Cervantes Const, S.E.	Remove Dirt Spoils from District Yard (198 yds)	2,376.00
15	ChemQuip	Sodium Hypochlorite (106 gals)	411.97
16	Clark, Tammi	Novato "Washer Rebate" Program	50.00
17	Dell Computers	PC (Bentley) (Budget \$1,000)	892.13
18	Derby, Richard	Retiree Exp Reimb (Monthly Health Ins)	90.69
19	Diggs, James	Retiree Exp Reimb (Monthly Health Ins)	704.96

Seq	Payable To	For	Amount
20	Eyler, John	Retiree Exp Reimb (Monthly Health Ins)	90.69
21	Charles Z. Fedak	Prog Pymt #5: FY11 Financial Statement Audit (Balance Remaining on Contract \$2,317)	1,316.00
22	Franchise Tax Board	Wage Assignment Order	16.49
23	Ghilotti Construction	Prog Pymt #2: Construct the Recycled Water North Segment 1 Project (Balance Remaining on Contract \$12,922)	65,450.74
24	Grainger	25' Measuring Tapes (6) (\$58) & "C" Batteries (48) (\$32)	90.89
25		Cafeteria Plan - Child Care Reimbursement	115.89
26	Groeniger	Pipe Wrap Tape (46 rolls)	135.35
27	Hach	Sodium Thiosulfate Standard (Lab)	56.08
28	Harrington Industrial Plastics	2" Flanges (2) (STP)	44.75
29	Herlihy, Irwin	Novato "Washer Rebate" Program	50.00
30	Hertz Equipment Rental	Arrow Board Rental (8/27/11-9/26/11) (So Novato Blvd & Rowland Main Break)	287.53
31	Jim-n-i Rentals	Steel Traffic Plate Rental (2) (\$2,723) (4 Weeks) & Shoring Jacks Rental (6) (\$415) (24 weeks) (So Novato Blvd & Rowland Main Break)	3,138.29
32	Johnstone, Daniel	Retiree Exp Reimb (Monthly Health Ins)	90.69
33		Cafeteria Plan - Uninsured Medical Reimbursement	273.57
34	Kemira Water Solutions	Ferric Chloride (9.81 tons)	7,255.28
35	Kielich, Claire	Novato "Washer Rebate" Program	50.00
36	Lincoln Life	Deferred Compensation PPE 10/15	9,372.33
37	Matchette, Tim	Retiree Exp Reimb (Monthly Health Ins)	192.87
38	McAghon, Andrew	September Sludge Removal (10 loads)	2,800.00
39	McLellan, WK	Misc Paving: Novato Area (470.75 S.F.)	3,360.56
40	MegaPath	DSL Internet Service (10/12/11 - 11/11/11)	142.30

Seq	Payable To	For	Amount
41	Micro Technology	Certification of Exhaust/Fume Hoods (Lab)	270.63
42	Microtech Scientific	Lauryl Sulfate Broth (Lab)	155.79
43	Miller Pacific Engineering	Geotechnical Services: Aqueduct Energy Efficiency Project (Balance Remaining on Contract \$5,921)	9,800.00
44	National Deferred	Deferred Compensation PPE 10/15	750.00
45	Nelson, John O.	Retiree Exp Reimb (Monthly Health Ins)	90.69
46	New Pig	Nitrile Gloves (1,500) (\$145) & All-Purpose Wipes (1,050) (\$223) (STP)	368.62
47	North Bay Gas	Nitrogen (\$455) & September Cylinder Rental (\$308)	763.20
48	Novato, City of	Annual Encroachment Permit Renewal	2,770.00
49	Novato Chevrolet	Control Plug for Heater Fan (\$45) ('06 Chevy Colorado), Tailgate Handle Assembly & Tailgate Handle Trim Ring (\$34) ('03 Chevy 1/2 ton PU)	100.24
50	Office Depot	Annual Report Covers (100)	47.85
51	On Line Resource	Refund Pymt on Account - Unable to Locate	68.01
52	Pace Supply	Box Lid & Bell Restrainer (\$138)	158.87
53	Panttaja, Nicole	Novato "Washer Rebate" Program	50.00
54	Pape Machinery	Fuel Lift Pump	120.30
55	Phillips & Associates	October O&M O.M. Wastewater Treatment Svstem	5,101.24
56	Poiani, Pete	Retiree Exp Reimb (Monthly Health Ins)	90.69
57	Prunuske Chatham	Engineering Services: Leveroni Creek Bank Stabilization	500.00
58	Q-Star	Speaker Assembly for Security Camera	30.52
59	Reily, Susannah	Novato "Washer Rebate" Program	50.00
60	Rising Sun Energy Center	Recycled Water Audits (Water Smart Home Survey) (17)	374.00
61		Cafeteria Plan - Child Care Reimbursement	217.00

Seq	Payable To	For	Amount
62	Rudolph, Richard	Mark & Locate Services (23 hrs)	690.00
63	Sacramento Flow Control	Backflow Assembly	1,078.64
64	San Rafael Chamber of Commerce	Reg Fee: 8th Annual Forecasting the Future Conference (10/26/11) (Bentley)	45.00
65	Sequoia Safety Supply	Brief Relief Urine Bags (200)	439.56
66	Smail, Catherine	Retiree Exp Reimb (Monthly Health Ins)	90.69
67	Sonosky, Norma	Retiree Exp Reimb (Monthly Health Ins)	90.69
68	Staples	Colored Classification Folders (40) (\$184), Brown Catalog Envelopes (200), 3-Month Wall Calendar, Blue Card Stock (500) & 2012 At-A-Glance Business Diary (\$70)	308.60
69	Staples Advantage	Report Covers (14) (\$60), Colored Pencils (12) & Highlighters (12) (\$26)	91.98
70	Talley Communications	Coax Cable (250) (\$217) & Male Connectors (8)	305.72
71	Tenez	W-2 & 1099 Forms	76.12
72	United Parcel Service	Delivery Service: Plans & Specs for RW North Segment 2 & Sent Air Gas Monitors for Repair	39.42
73	UNUM Life Insurance	October Group Life Ins Premium	664.02
74	Velloza, Richard	Retiree Exp Reimb (Monthly Health Ins)	90.69
75	Verizon California	Telephone Charges: Leased Lines	263.84
76	VWR International	Bromide & Pipette Tips (1,000) (\$50) (Lab)	76.36
		TOTAL DISBURSEMENTS	<u>\$131,845.27</u>

The foregoing payroll and accounts payable vouchers totaling \$131,845.27 are hereby approved and authorized for payment.


Auditor-Controller

10/18/11
Date


General Manager

10/18/2011
Date

The revenge of water

We rarely even think about water, says Charles Fishman, but we won't have that privilege much longer.

WE LIVE VERY wet lives, but we have no idea just how wet. The way we handle water insulates us not just from its wonders, but from any sense of how much water daily life requires. The good news is that most of what we know about water isn't really wrong, because we don't know that much. The bad news is that the invisibility of water in our lives isn't good for us. You can't appreciate what you don't understand.

Back in 1999, a team of researchers recorded 289,000 toilet flushes of Americans in 12 cities, from Seattle to Tampa. In fact, the researchers used water-flow sensors to record not just toilet flushes but every "water event" in each of 1,188 homes for four weeks—how many gallons a bath takes, how often the clothes washer runs, how much water the dishwasher uses. The study's conclusion can be summed up in four words: We like to flush.

For Americans at home, flushing the toilet is the main way we use water. We use more water flushing toilets than bathing or cooking or washing our dishes or our clothes. The typical American flushes the toilet five times a day at home, and uses 18.5 gallons of water, just for that. What that means is that every day, Americans flush 5.7 billion gallons of clean drinking water down the toilet. And that's just at home.

It's impossible to get your brain around that number, of course—5.7 billion gallons of water a day. But here's a way of thinking about it. It's more water than all the homes in the United Kingdom and Canada use each day for all their needs—we flush more water down the toilet than 95 million Brits and Canadians use.

Of course, we are a big country, and we do need to flush our toilets. Or, at least, we like to.

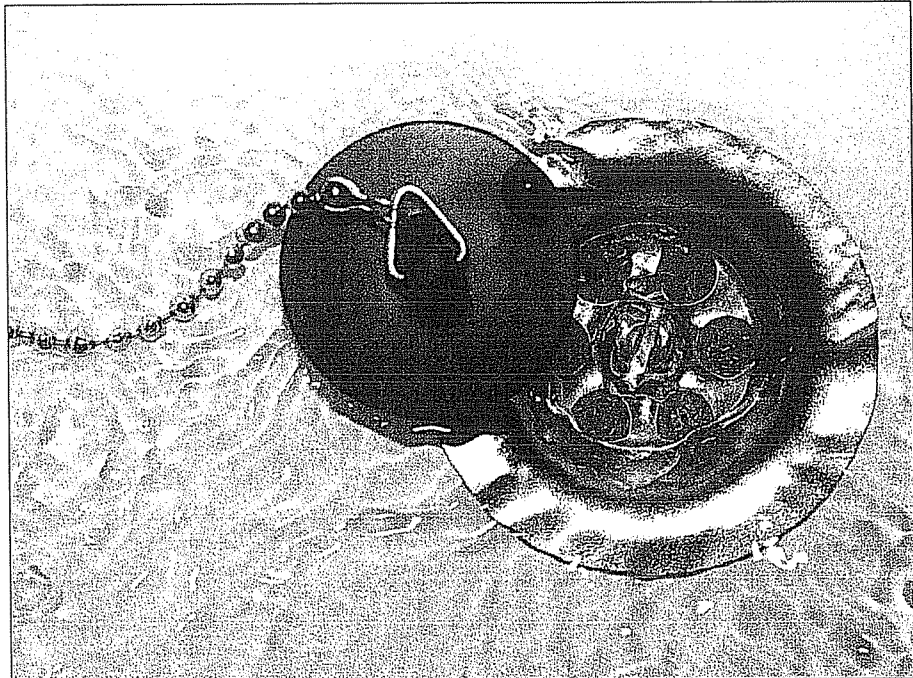
THE LARGEST SINGLE consumer of water in the United States, in fact, is virtually invisible. Every day, the nation's power plants use 201 billion gallons of water generating electricity. That isn't water used by hydroelectric plants—it's the water used by coal, gas, and nuclear power plants for cooling and to make steam. U.S. electric utilities require seven times more water than all U.S. homes. They use 1.5 times the amount of water used by all the farms in the country. In

fact, 49 percent of all water use in the United States is for power plants.

Toilets and electric outlets may be stealthy consumers of water, but they at least serve vital functions. One of the largest daily consumers of water isn't a use at all. One

and we think about it not at all.

It is a striking achievement. We used to build monuments—even temples—to water. The aqueducts of the Roman Empire are marvels of engineering and soaringly elegant design. Plumbing pre-



Down the drain: Americans use 5.7 billion gallons a day—just to flush the toilet.

of every six gallons of water pumped into water mains by U.S. utilities simply leaks away, back into the ground. Every six days, U.S. water utilities lose an entire day's water. And that 16 percent U.S. loss rate isn't too bad—British utilities leak 19 percent; the French leak 26 percent.

There is perhaps no better symbol of the golden age of water, of the carefree, almost cavalier, attitude that our abundance has fostered. We go to the trouble and expense to find city-size quantities of water; build dams, reservoirs, and tanks to store it and plants to treat it; then we pump it out to customers, only to let it dribble away before anyone can use it.

One of the hallmarks of the 20th century, at least in the developed world, is that we have gradually been able to stop thinking about water. We use more of it than ever, we rely on it for purposes we not only never see but can hardly imagine,

sented as civic achievement. Today, water has drifted so far from civic celebration that many people visit the Roman aqueducts without any sense that they moved water, or how.

In Poland Spring, Maine, there is an actual marble and granite temple enclosing the burbling spring that gives one of the nation's most popular bottled waters its name. The temple was built in 1906 to celebrate a source of water that was then so pure and so highly regarded that people as far away as Boston, New York, and Chicago could arrange to have it delivered for household use.

Many cities in the world are located where they are because of their proximity to water. For most of human history, getting water was part of the daily routine; it was a constant part of our mental landscape. At the same time, humanity's relationship to its water supply was wary, because water

often made people sick. That's why Poland Spring water was so popular in Boston and New York a century ago—it was safe.

ONE HUNDRED YEARS ago, with the dawn of bacteriology, two things happened. Cities started aggressively separating their freshwater supplies from their sewage disposal, something they had been surprisingly slow to do. (Philadelphia is just one of many cities whose sewage system, 100 years ago, emptied into a river upstream of the city water-supply intakes from the same river.) And water utilities discovered that basic sand filters and chlorination could clean and disinfect water supplies, all but assuring their safety.

In the decade from 1905 to 1915, as dozens of water systems around the country installed filters and chlorination systems, we went through a revolution that profoundly improved water, and human life, forever. Between 1900 and 1940, mortality rates in the United States fell 40 percent.

How much did clean water matter? Simple filtration and chlorination of city water supplies reduced overall mortality in U.S. cities by 13 percent. Clean water cut child mortality in half. From 1900 to 1940, U.S. life expectancy at birth went from 47 years to 63 years. In just 40 years, the life span of the average American was extended 16 years.

That first water revolution ushered in an era—the one we think we still live in—in which water was unlimited, free, and safe. And once it was unlimited, free, and safe, we could stop thinking about it. The fact that it was unfailingly available “on demand” meant that we would use it more, even as we thought about it less.

The figures are dramatic. In 1955, the U.S. Geological Survey said that rural Americans without running water in their homes used 10 gallons a day per person. (That same year, each cow used 20 gallons per day.) For newly “electrified” farm families, with pumps, and for city families, that number was already 60 gallons per person. Today, it's 100 gallons per person at home.

But water's very availability has led to its invisibility. Most people have no idea where the water they brush their teeth with comes from, or how it gets to them. The pipes are hidden; the sources of the water put into those pipes are remote.

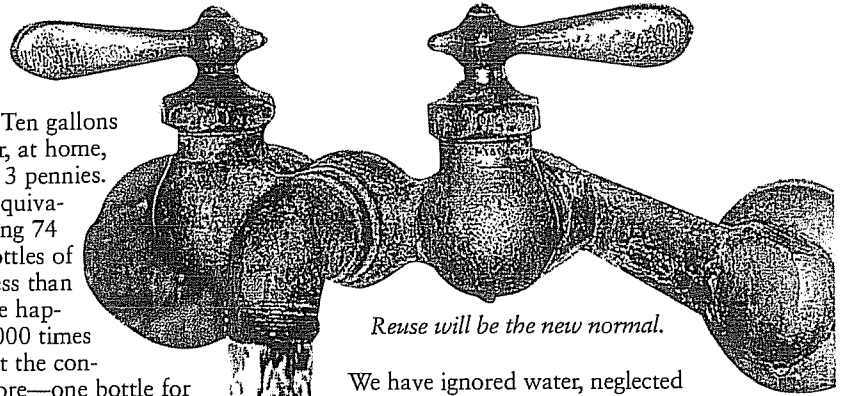
Our home water bills, which are less than half our monthly cable TV or cell phone bills, provide almost no insight into how much water we use, or how we use it—even if we study them. The pricing of

water has a kind of invisibility all its own. Ten gallons of tap water, at home, costs about 3 pennies. That's the equivalent of getting 74 half-liter bottles of water for less than a nickel. We happily pay 3,000 times that price at the convenience store—one bottle for \$1.29. But when the water bill goes from \$30 to \$34 a month, customers react as if they'll have to choose between their prescription drugs and their water service.

Even our emotional connections to water have become submerged and camouflaged—the ease with which water enters and leaves our lives allows us an indifference to our water supply. We are utterly ignorant of our own watermark, of the amount of water required to float us through the day, and we are utterly indifferent to the mark our daily lives leave on the water supply.

THE GOLDEN AGE of water is rapidly coming to an end. Right now, 40 percent of the world's 6.9 billion people don't have easy access to clean water. By 2050, there will be 2.4 billion more people on the planet. They will be thirsty.

Climate-change models predict more water problems—droughts and floods that will literally encircle the globe in those years. Add to that the economic rise of India and China—modernization dramatically increases water use—and it's clear that we are entering a new era of water scarcity, not just in traditionally dry places like the U.S. Southwest and the Middle East, but in places we think of as water-wealthy, like Atlanta and Melbourne. The three things that we have taken to be the natural state of our water supply—abundant, cheap, and safe—will not be present together in the decades ahead. We may have water that is abundant and cheap, but it will be “reuse water,” for things like lawn watering or car washing, not for drinking; we will certainly have drinking water that is safe, and it may be abundant, but it will not be thoughtlessly inexpensive.



Reuse will be the new normal.

We have ignored water, neglected our water supplies and our water systems, taken for granted the economic value of abundant water, and become blasé about the day-to-day convenience of easy water. We may well go directly from the golden age of water to the revenge of water. The new water scarcity will reshape how we live, how we work, how we relax. It will reshape how we value water and how we understand it.


But it is a mistake to imagine that small changes don't matter, or that even big water issues are not manageable. One of the most startling and least well-known examples involves the United States. The U.S. uses less water today than it did in 1980. Not in per-capita terms, in absolute terms. U.S. water use peaked in 1980, at 440 billion gallons a day for all purposes. Today, the country uses less than 410 billion gallons a day.

That performance is amazing in many ways. Since 1980, the U.S. population has grown by 70 million people. The U.S. GDP has more than doubled in constant dollars: We use less water to create a \$13 trillion economy than we needed to create a \$6 trillion economy. It has been nothing less than a revolution in water use in the biggest economy in the world, a completely silent revolution. Most of the change has come in water use by power plants and farms. Farmers today use 15 percent less water than they did in 1980, and produce a 70 percent larger harvest.

There are plenty of water problems in the U.S. and around the world. But the real lesson is that it is possible to grow dramatically and use less water. Water will stretch in remarkable ways, if the people handling it are smart enough and demanding enough to insist on it.

From The Big Thirst, by Charles Fishman. ©2011 by Charles Fishman. Reprinted by permission of Free Press, a division of Simon & Schuster, Inc.

MEMORANDUM

To: Board of Directors
From: David Bentley, Auditor-Controller 
Subject: Disposition of Credit Card Swipe Machines
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October 28, 2011

With the transition from Bank of the West to US Bank, the District purchased two new credit card swipe machines because the two existing machines (purchased in 2006 for \$405 each) were not compatible with US Bank. For over a month we tried to sell the old machines on Craigslist, with an asking price of \$100 each, without getting a single offer. The District then contacted local non-profit organizations to see if anyone could use them. Marin County Women's Hall of Fame, a non-profit founded in 1987, came forward and took the machines.

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NOVATO ADVANCE

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SERVING NOVATO, IGNACIO & HAMILTON

OCTOBER 26-NOVEMBER 1, 2011

Stafford Lake bike park could be ready in year

By BRUCE MEADOWS
MarinScope Contributor

About this time next year, if all goes according to plan - including funding - Novato residents could be whipping around their own bike park at Stafford Lake.

The proposed 17-acre Stafford Lake Bike Park would be located within 139-acre Stafford Lake

County Park.

The Marin County Parks Dept. has developed a master plan within the regional park that includes a system of trails, riding zones, skills development stations and practice areas that, according to the county, "provides a full range of riding opportunities from beginner-level riders to professionals."

"It will be the first of its kind

in Marin County as far as public agencies are concerned," said Steve Pettele, principal parks planner. "This has taken a little longer than we anticipated, but we are ready to move ahead."

The facility would include a loop trail around the bike park that accesses all of the trails and riding areas; kids', beginner, intermediate and advanced riding zones, includ-

ing pump tracks (a series of moguls on which riders use momentum instead of pedaling), and other facilities, including bridges over an existing stream, fencing, entrances, parking, benches, picnic tables and shade structures.

"We still need construction drawings and will bring in a consultant."

See **BIKE PARK A9**

STAFFORD LAKE BIKE PARK (FUTURE)

BIKE PARK: Price tag could be \$800,000

From A1

said Pettele, a Novato resident who has been working on this project for two years and has spent 20 years with the parks department. "We hope to complete drawings by February or March and bring that to the board of supervisors."

Pettele said construction should take four to six months with a target date to open the park next fall.

from a lot of people who are interested in being part of it, and we're encouraged."

He said the parks department hopes to partner with organizations, bike equipment manufacturers and others, although he said no donations will be accepted until a "cohesive fund-raising plan" is in place.

For additional information, and photos, go to staffordlakebikepark.com.

BOB MISC

pressdemocrat.com

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Chinook salmon returning to Russian River in near-record numbers

By **BOB NORBERG**
THE PRESS DEMOCRAT

Published: Wednesday, October 26, 2011 at 12:05 p.m.

Chinook salmon are coming up the Russian River to spawn in near-record numbers, signaling what may be one of the best returns of the threatened fish in a decade.

"I am optimistic, but ever cautious," said Dave Manning, a principal environmental specialist for the Sonoma County Water Agency. "Until the season is over, it is difficult to say how this will stack up, but it will be above average."

As of Monday, 2,175 chinook have been photographed moving through the water agency's fish ladders near Forestville, where the agency has a rubber dam erected to form a pool for its water pumping system.

The only year in which more fish have passed through by this time in the spawning run was in 2002, when 2,363 fish were seen and the total run for the season was 5,474, the second highest in 12 years of record-keeping.

The highest count in the 12 years the agency has been counting the fish was in 2003, when 6,103 were recorded. The low was 2008, when 1,125 were seen.

Chinook usually enter the Russian River after a two-year stay in the ocean, where they feed primarily on krill. The spawning run starts in mid September and peaks from mid October to mid November.

Bill Sydeman of Petaluma, president of the Farallon Institute for Ecological Research, said the return this year is not a surprise.

"These are fish that went to sea in 2008 and 2009, and 2008 was an exceptionally good year with an abundance of krill," Sydeman said. "Small krill and small fish leads to survival."

Chinook generally spawn in the upper Russian River above Healdsburg, in Dry Creek and in a few other Russian River tributaries.

Since chinook need an adequate flow in the Russian River for the spawning run, the water agency for the past several years has held back water in Lake Mendocino for release in the fall.

This year, with an abundance of water in Lake Mendocino, the amount of water released into the Russian River was doubled a week ago, which may have spurred more fish to come in from the ocean, Manning said.

Manning said that while the number of fish has increased, it is not sufficient to remove chinook from the threatened list.

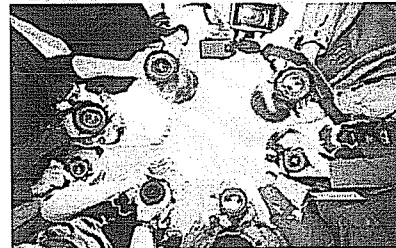
Fishing for salmon is not allowed in the Russian River, but this year there was a Pacific Ocean salmon season.

You can reach Staff Writer Bob Norberg at 521-5206 or bob.norberg@pressdemocrat.com.

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CAMERA • VIDEO • DIGITAL • 5 MINUTE PRINTS

SHUTTERBUG



Fall Photo Classes

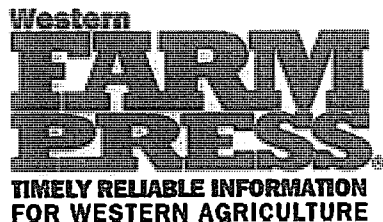
3HR BASIC MICRO4/3 ON	10/16/11	69.00
BETTER PICS W/DIG SLR	10/02/11	119.00
DIGITAL FOR DUMMIES	11/12/11	69.00
EASTERN SIERRA FALL FOLIAGE	10/14-16/11	
PHOTOSHOP4PHOTOGRAPHERS	10/01/11	69.00
SEEING THE LIGHT-101	11/05/11	99.00
SEEING THE LIGHT-201	12/03/11	149.00
SEEING THE LIGHT-301	12/10/11	99.00
SPORTS PHOTOGRAPHY	10/29/11	89.00
HOOK & LADDER WINERY		99.00
WORKSHOP		
UP TO SPEED LIGHT ROOM 3	10/08/11	69.00
VIDEO W/DSLR 2-DAY	10/14&15/11	299.00

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Wine grape growers sue over frost protection rules

Mon, 2011-10-24 09:33

From the *Press Democrat*:

Grape growers in Sonoma and Mendocino Counties have sued the California Water Resources Control Board over its new regulations on how farmers use water from the Russian River watershed.

The group, called the Russian River Water Users for the Environment, is comprised of several dozen farmers who grow grapes for wine production in the Russian River watershed.

They say the regulations are unconstitutional, too broad and sweeping and don't address steps that growers are already taking to protect salmon and steelhead populations.

The regulations address a frost protection technique in which farmers spray water on their crops when temperatures fall below freezing to keep the buds and vines at a stable 32 degrees. It is typically done in the spring.

The rules, adopted Sept. 20, are intended to safeguard salmon and steelhead populations in the Russian River.

For more, see: **[Grape growers sue state to block frost protection rules](#)**

Mark Item As: News

User-Submitted Content Status: Accepted

Source URL: <http://westernfarmpress.com/grapes/wine-grape-growers-sue-over-frost-protection-rules>

Boano
MSC

INFRASTRUCTURE COMMITTEE REVIEWS PLANS TO ENHANCE THE WATER SUPPLY

BY GARY QUACKENBUSH

The Sonoma County Alliance Infrastructure Committee has been reviewing a number of plans addressing the region's water supply, including the Dry Creek Fish Habitat and Bypass Pipeline Feasibility Studies as well as the Sonoma County Water Agency's (SCWA) Urban Water Management plan.



Curt Nichols

"During a series of meetings this year, our committee reviewed findings pertaining to how water is stored behind the Warm Springs Dam, how much water we expect to need over the next 25 years and how planners anticipate how it will be provided," said Curt Nichols, chair of the SCA Infrastructure Committee and a principal with Carlile Macy. "Our group reconfirmed that it's primary focus will be on water supply."

On June 23 Infrastructure Committee members were briefed by SCWA chief engineer, Jay Jasperse. He presented an overview of the SCWA's Urban Water Management Plan (UWMP).

This plan projects water demand and supply requirements over the next quarter century. The UWMP plan is being impacted by Senate Bill SBX 7-7, a measure that mandates a 20 percent reduction in water use throughout the state by 2020.

The UWMP now anticipates water demand in 2035 to be approximately 82,000 acre-feet/year, which is less demand than previous estimates have predicted of up to 105,000 acre-feet/year. The current Russian River permit allows approximately 75,000 acre-feet of water to be taken from Lake Sonoma annually.

The UWMP's plan is based on four assumptions. First, it assumes that PG&E will continue to operate the Potter Valley Project that diverts water from the Eel River to the East Fork of the Russian River. However, the future diversion will represent a 40 percent reduction from the pre-2006 diversion level.

It also assumes that actions required by the Russian River Biological Opinion will be implemented between now and 2023, to include: Modifying minimum stream inflows in the Russian River and Dry Creek; enhancing salmon habitat in Dry

Creek and its tributaries; and studying the feasibility of a bypass pipeline around Dry Creek that would be considered if habitat enhancement is unsuccessful.

Other required actions include changing management of the Russian River estuary; improving water diversion infrastructure at the Wohler and Mirabel facilities; modifying flood control maintenance activities on the mainstream Russian River and its tributaries, and continuing participation in the Coho brood stock program at the Warm Springs Dam Fish Hatchery.

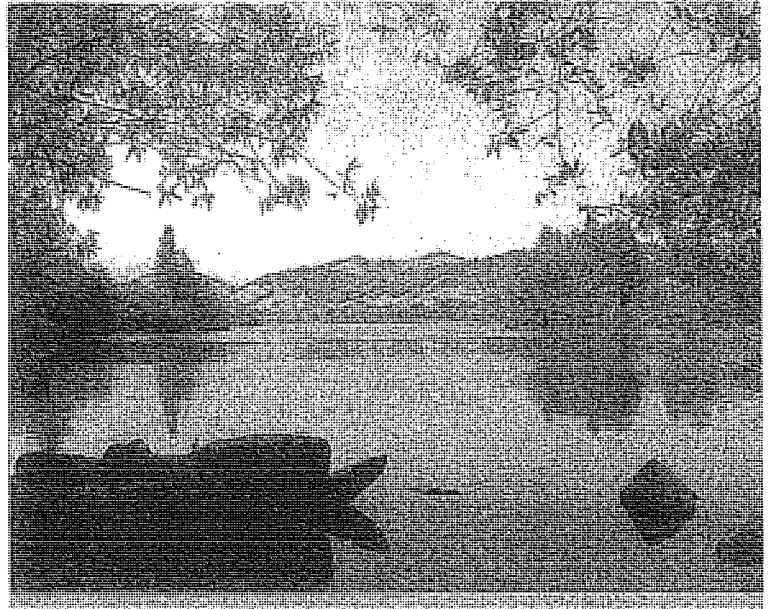
The SCWA plans to obtain approvals from the State Water Resources Control Board to increase Russian River water diversions above 75,000 acre-feet in 2027 and to increase this number to 80,000 acre-feet by 2035. The report noted that hydrology experience over the past 99 years of record provides a reasonable basis for predicting the next 25 years.

On August 11, SCWA engineers Erik Brown and Cordel Stillman, presented the committee with an overview of the SCWA Dry Creek Bypass Pipeline Study as well as the Fish Habitat Enhancement Study.

They stated that the future water supply depends on the success of at least one of the following options:

Plan "A," at an estimated cost of \$40 million, would enhance habitat for coho and steelhead along six miles of Dry Creek, while water would continue to be released from Lake Sonoma to meet local water supply and flood control needs. This would be done before considering a pipeline option. Some 45 potential areas for successful habitat enhancement to benefit coho and steelhead have been identified. Various forms of habitat enhancement would involve both constructing habitat (log structures, side channels, and backwaters) and constructing projects designed to let natural river processes do their work.

Plan "B" is a feasibility study for a Dry Creek Bypass Pipeline, with an estimated cost of \$141.5 million, that has three components – the pipe inlet



Infrastructure Committee Members

- | | | |
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from Lake Sonoma, the alignment of the pipeline route, and the outlet of the pipeline. Four options were considered for the inlet, three general options for the alignment, and three general outlet locations. The preferred alternative uses the existing facility at Warm Springs Dam with the addition of a "headbox" to allow gravity to convey the water, utilizes an alignment that generally follows Dry Creek Road, and an outlet that discharges the water to the Russian River near the existing

Highway 101 bridge. Plan "B" would only be implemented if Plan "A" is deemed unsuccessful after three miles of habitat have been restored at an estimated cost of \$20 million.

To place these actions into perspective, in a 2008 Russian River Biological Opinion, it

See Infrastructure page .

Monitored the Vernal Pool Task Force, a four-year project addressing federal regulations and the business community's compliance with them. The Alliance worked closely with the City of Santa Rosa's Planning Director and Sixth District Congresswoman Lynn Woolsey's staff in coordinating responses to the federal government

Addressed transportation concerns: such as adding new lanes to Highway 101 in congested areas, more bicycle paths and related infrastructure matters

Monitored Aggregate Resource Management (ARM) initiatives: a review process that began in 1996-97 with a 10-year permit process and study of future alternatives

Supported and sponsored the formation of the Sonoma County Housing Coalition

SCA advocated vocational education for entry-level workers

SCA participated in multi-city economic roundtable meetings focusing on future planning and the replication of effective working models from other jurisdictions

The Alliance increased support for local candidates for public office and weighed-in on major issues with position papers and presentations before councils, boards and commissions

SCA supported a return of freight rail service and the SMART passenger rail service

Established the Take Back Our Community program in cooperation with law enforcement agencies to provide funds for rewards leading to the arrest and conviction of those who commit crimes in the community.

2010 and Beyond

SCA stepped up its focus on the environment, waste management, recycling, energy conservation, landfill diversion programs and related conservation efforts

SCA increased its coverage of water and other infrastructure issues in the county

Formed the SCA Environmental Committee to address landfill issues and to work with the No Name Garbage Group to find alternatives

Invite local officials to SCAPAC interview, support candidates, invite them to come in periodically to let us know what's going on and to see if they need help

Conducted community polls on issues related to candidates and emerging issues

Supported the expansion of the Charles M. Schulz Sonoma County Airport, its Master Plan and the Congressional runway safety mandate.

INFRASTRUCTURE

CONTINUED FROM PAGE 11

National Marine Fisheries Service focused on three opportunities for improving conditions for endangered coho and threatened steelhead:

- Reduce flows in the Russian River and Dry Creek during the summer;
- Take advantage of natural closures of the sand bar at the mouth of the Russian River to create a freshwater lagoon between May 15 and

October 15, and

- Enhance habitat in Dry Creek to provide places for young coho and steelhead to find shelter and shade, and to escape the fast-moving water during the summer.


Projects are moving forward in all three areas. "These studies show us the way forward to securing our current water supply and helping to

restore endangered coho and threatened steelhead in Dry Creek," Mr. Nichols said.


"The role of the SCA and our committee is to continue to monitor these plans and alternatives and to weigh-in with public comment at appropriate times in an ongoing effort to balance the water needs of residents and businesses with those of endangered or threatened species."

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GUEST OPINION: Myths about Russian River sandbar plan

By *EFREN CARRILLO*

Published: Tuesday, October 18, 2011 at 5:18 p.m.

Some people would have you believe that the Sonoma County Water Agency is going to build a dam made of sand at the mouth of the Russian River while polluting river water and preventing visitors from using beautiful Goat Rock State Beach.

Nothing could be further from the truth. Yes, the Water Agency is changing the way it manages the estuary (where the Russian River meets the Pacific Ocean at Jenner). But the Water Agency will *not* close the sandbar. It won't be doing anything that will add pollutants to the river, and it will do everything possible to ensure that people (and seals) continue to spend time at Goat Rock. And none of these changes are being done thoughtlessly. They are based on extensive studies and monitoring (to the tune of about \$950,000 a year).

The truth is the new estuary management regime is a laudable attempt to help save threatened steelhead and endangered coho salmon in the Russian River from extinction.

To distill more than 10 years of studies into two sentences: Scientists have found that coastal California rivers with summertime freshwater lagoons provide abundant habitat for young steelhead waiting to migrate to the ocean. In a 2008 mandate known as the Russian River biological opinion, the National Marine Fisheries Service — a federal regulatory agency charged with protecting listed fish — required that when the sandbar at the estuary closes naturally in the summer, the Water Agency must manage it to allow a freshwater lagoon to form.

A little background: Since the mid-1990s, the Water Agency has been charged with opening the sandbar when it closes to prevent rising river waters from flooding low-lying properties in the Jenner area. This is done by a bulldozer or backhoe operator cutting a straight, deep channel across the sandbar. Under the new plan, when the sandbar closes and water levels start to rise, a shallow channel will be cut at an angle across the sandbar. This will allow river water to flow out, while reducing the amount of salt water entering the estuary. Over time, a freshwater lagoon will temporarily form.

I was skeptical when I first heard about this mandate. But the Water Agency hired a well-respected coastal engineering firm, Philip Williams and Associates, to develop a plan for designing an outlet channel that can be safely created by one or two bulldozers or backhoes, and that respects the challenges of Goat Rock beach, which include an old, half-buried jetty and rough surf.

Let's also be clear about water quality. An extensive environmental impact report analyzing the new estuary management plan identified existing problems with river water quality. Sadly, this is not a surprise. The Russian River is a depository for runoff from aging septic systems and a variety of other sources, including the gunk many people dump into storm drains. Creating a freshwater lagoon at the estuary won't add new sources of pollutants, but because water will take longer to flow through the lagoon, there may be an increase in the amount of time (and in the levels of) nutrients and bacteria that potentially degrade water quality. Folks concerned



about water quality could better spend their time persuading neighbors to upgrade sewer systems than arguing about an EIR that simply points out the problems.

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That being said, if the Water Agency's ongoing, extensive monitoring reveals water quality or fish problems, it will consult with National Marine Fisheries Service and the California Department of Fish and Game (the state agency charged with protecting salmon and steelhead) and can make changes based on this information.

Other species are protected in the plan, too, including humans. The Water Agency has obtained or will obtain permits from seven state and federal agencies that include many restrictions. For example, to limit disruption to park visitors, the Water Agency refrains from working on the outlet channel on holidays and Fridays, Saturdays and Sundays. To protect seals and sea lions, the Water Agency must comply with an extensive monitoring plan and is prohibited from any work when young seal pups are on the beach.

It should be clear that the Water Agency isn't doing any of this on a whim. It can be miserable spending hours in a boat on a fog-covered estuary counting and measuring fish. It can be dangerous operating a backhoe in the rain on a sandbar with the ocean on one side and the deep river on the other, while carefully cutting an outlet channel. It is expensive to conduct EIRs and obtain multiple permits. But the Water Agency is committed to environmental stewardship and to the restoration of steelhead and coho in the Russian River watershed while at the same time continuing to provide high-quality reliable water to 600,000 people in the North Bay. Compliance with the biological opinion is critical in achieving these goals.

Efren Carrillo is chairman of the Sonoma County Board of Supervisors and chairman of the Water Agency board of directors.

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Coho release highlights 10-year Willow Creek restoration

By **DEREK MOORE**
THE PRESS DEMOCRAT

Published: Tuesday, October 18, 2011 at 7:00 p.m.

Wearing waders and what looked like small kegs strapped to their backs, a team of government biologists slogged through Willow Creek near Jenner Tuesday searching for good places to let their precious cargos go.

Dipping nets into the aerated containers, the biologists released juvenile Coho salmon into the creek a couple at a time, allowing the silvery fish to dart away beneath a canopy of Redwood trees.

Tuesday's release of 11,000 Coho into Willow Creek marked a new phase in what has been a major and time-consuming effort to restore the endangered fish to the waterway, which is the largest of the tributaries flowing into the Jenner estuary.

A decade of planning that has involved numerous government agencies and non-profit organizations has so far gone into the restoration effort, which also has included spending more than a \$1 million to upgrade a bridge that was considered a main barrier to salmon thriving in the creek.

Observing Tuesday's fish release, Michele Luna, executive director of Stewards of the Coast and Redwoods, reminisced about the first planning meeting 10 years ago.

"We got a bunch of people in a room and said, 'What do we need to do in order to do some restoration work on Willow Creek?'" she said.

The answer, as it turned out, was a lot.

Willow Creek, which flows nearly nine miles from Coleman Valley to the Jenner estuary, was once prime habitat for salmon. But run-off from logging and agricultural activities, coupled with the discontinuation of dredging efforts that were aimed at preventing roadway flooding, had turned the once pristine waterway into a clogged and meandering mess.

The watershed is mostly within Sonoma Coast State Park. It also flows in an area of privately-held ranches and land owned by the Mendocino Redwood Company.

A network of culverts that had been accumulating sediment after state parks purchased the property in 1987 and discontinued dredging were identified as significant impediments to Coho salmon being able to travel up and down the creek.

The stewards group proposed replacing the culverts with a 43-foot bridge that is nearing completion and that will re-establish connectivity through 1,000 feet of wetlands. The work, totaling more than \$1 million, is being paid for with a combination of government grants.

Several of the agencies involved in the project had representatives on hand Tuesday, including from the U.S. Army Corps of Engineers, the National Oceanic and Atmospheric Administration, the California Department of Fish and Game, state parks and the Sonoma County Water Agency.

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Joe Pecharich with NOAA said the federal agency is making the Willow Creek restoration effort a high priority — contributing \$400,000 through the agency's Open Rivers Initiative — because it potentially buys “seven miles of additional habitat for endangered Coho salmon.”

Fish and Game put in \$352,000 and Trout Unlimited secured \$100,000 from the county water agency.

“It's really an exciting multi-agency collaboration that has been sustained for a number of years,” said David Manning, the supervisory biologist for the water agency.

The fish released Tuesday were raised at the Warm Springs National Hatchery, which is leading an effort to restore salmon populations in waterways across Northern California, including the release of 170,000 fish into 22 Sonoma County streams this fall.

As many as 50 percent of the salmon fingerlings released into Willow Creek Tuesday are expected to survive, according to Ben White, a fisheries biologist for the Corps. He said all of the fish have tiny wire tags implanted in their snouts, and that a smaller number carry transponders for more advanced tracking.

White said if all goes well, the fish will venture downstream in the spring and spend the next two years maturing in the ocean, before returning to the creek to spawn.

Bill Bambrick, president of the Stewards' board of directors, said the water tests that he and other volunteers have been conducting at Willow Creek since 2003 have revealed ideal conditions for Coho, including an average water temperature between 50 and 55 degrees.

“If they could get up here, they'd love it,” Bambrick said.

el, CA 94901. Filed with the Marin County Clerk, signed, J. Mannion, Deputy. Published in the Point Reyes Light September 29, October 6, 13, 20, 2011.

County on September 20, 2011, signed, J. Mannion, Deputy. Published in the Point Reyes Light September 29, October 6, 13, 20, 2011.

Fictitious Business Name Statement

File No. 127774
The following person(s) is (are) doing business as: Little John Construction, 636 Woodbine Dr., San Rafael, CA 94903. This business is conducted by an individual: John Waterhouse, 636 Woodbine Dr., San Rafael, CA 94903. This statement was filed with the County Clerk of Marin County on September 15, 2011, signed, O. Lobato, Deputy. Published in the Point Reyes Light September 29, October 6, 13, 20, 2011.

Fictitious Business Name Statement

File No. 127805
The following person(s) is (are) doing business as: K & A Take Away, 27005 Hwy 1, Tomales, CA 94971. This business is conducted by a corporation: Kall Brand Sausage Inc., 45 Manana Way, Pt. Reyes Station, CA 94956. This statement was filed with the County Clerk of Marin County on September 20, 2011, signed, Gail Drury, Deputy. Published in the Point Reyes Light September 29, October 6, 13, 20, 2011.

Fictitious Business Name Statement

File No. 127801
The following person(s) is (are) doing business as: La Polie Marin, 45 San Clemente Dr., Building D, 100-C, Corte Madera, CA 94925. This business is conducted by an individual: Lisa Perkins, 21 Picadilly Ct., San Rafael, CA 94903. This statement was filed with the County Clerk of Marin County on September 20, 2011, signed, O. Lobato, Deputy. Published in the Point Reyes Light September 29,

Fictitious Business Name Statement

File No. 127766
The following person(s) is (are) doing business as: Forever Young, 294 Miller Ave., Mill Valley, CA 94941. This business is conducted by an individual: Kathleen A. Crisp, 281 Morning Sun, Mill Valley, CA 94941. This statement was filed with the County Clerk of Marin County on September 15, 2011, signed, O. Lobato, Deputy. Published in the Point Reyes Light September 29, October 6, 13, 20, 2011.

Fictitious Business Name Statement

File No. 2011127786
The following person(s) is (are) doing business as: Korsningar, 379 Drakes View Dr., Inverness, CA 94937. This business is conducted by an individual: Kathleen Walsh, 379 Drakes View Dr., Inverness, CA 94937. This statement was filed with the County Clerk of Marin County on September 16, 2011, signed, J. Mannion, Deputy. Published in the Point Reyes Light September 29, October 6, 13, 20, 2011.

Fictitious Business Name Statement

File No. 127828
The following person(s) is (are) doing business as: A & C Goes, 3 Hutchins Way, #315, Novato, CA 94949. This business is conducted by an individual: Ariel Goes, 3 Hutchins Way, #315, Novato, CA 94949. This statement was filed with the County Clerk of Marin County on September 23, 2011, signed, J. Mannion, Deputy. Published in the Point Reyes Light September 29, October 6, 13, 20, 2011.

Fictitious Business Name Statement

File No. 127794
The following person(s) is (are) doing business as: Lovestream,

Test Only, 108 Bellum Blvd., San Rafael, CA 94901. This business is conducted by an individual: Peter S. Jizrawi, 108 Bellum Blvd., San Rafael, CA 94901. This statement was filed with the County Clerk of Marin County on September 28, 2011, signed, J. Mannion, Deputy. Published in the Point Reyes Light October 6, 13, 20, 27, 2011.

Fictitious Business Name Statement

File No. 127797
The following person(s) is (are) doing business as: Modo Modern, 466 Hickory Ln., San Rafael, CA 94903. This business is conducted by an individual: Arnie Camilleri, 466 Hickory Ln., San Rafael, CA 94903. This statement was filed with the County Clerk of Marin County on September 19, 2011, signed, J. Mannion, Deputy. Published in the Point Reyes Light October 6, 13, 20, 27, 2011.

Fictitious Business Name Statement

File No. 127698
The following person(s) is (are) doing business as: Problem Solved 415, 1325 Francisco Blvd., #V6, San Rafael, CA 94904. This business is conducted by an individual: Graham M. Oxman, 215 Bayview St., #204, San Rafael, CA 94901. This statement was filed with the County Clerk of Marin County on September 07, 2011, signed, J. Whitney, Deputy. Published in the Point Reyes Light October 6, 13, 20, 27, 2011.

Fictitious Business Name Statement

File No. 127804
The following person(s) is (are) doing business as: J & L Estate Liquidations, 200 William Ave., Larkspur, CA 94939. This business is conducted by a husband and wife: 01: Rodger L. Faulkner, 200 William Ave., Larkspur, CA 94939, 02: Donna L. Faulkner,

Golden Hind Passage, Corte Madera, CA 94925. This statement was filed with the County Clerk of Marin County on September 21, 2011, signed, Gail Drury, Deputy. Published in the Point Reyes Light October 6, 13, 20, 27, 2011.

Fictitious Business Name Statement

File No. 127810
The following person(s) is (are) doing business as: Ferraro Fairfax Service, 1942 Sir Francis Drake Blvd., Fairfax, CA 94930. This business is conducted by co-partners: 01: Azucena Ferraro, 1009 Via Elisabetta Ct., Petaluma, CA 94954, 02: Giam Carlo Ferraro, 310 Village Cir., Novato, CA 94947. This statement was filed with the County Clerk of Marin County on September 20, 2011, signed, O. Lobato, Deputy. Published in the Point Reyes Light October 6, 13, 20, 27, 2011.

Fictitious Business Name Statement

File No. 127734
The following person(s) is (are) doing business as: T.L.C. Gardening, 9 Laurerl Pl., Apt. #2, San Rafael, CA 94901. This business is conducted by an individual: Tracey Colbert, 9 Laurerl Pl., Apt. #2, San Rafael, CA 94901. This statement was filed with the County Clerk of Marin County on September

County Clerk of Marin County on September 20, 2011, signed, O. Lobato, Deputy. Published in the Point Reyes Light October 6, 13, 20, 27, 2011.

Fictitious Business Name Statement

File No. 127861
The following person(s) is (are) doing business as: 01: Pavillion Antiques, 312 Sir Francis Drake Blvd., San Anselmo, CA 94960, 02: The Pavillion, 312 Sir Francis Drake Blvd., San Anselmo, CA 94960. This business is conducted by an individual: Richard A. Uehling, 312 Sir Francis Drake Blvd., San Anselmo, CA 94960. This statement was filed with the County Clerk of Marin County on September 28, 2011, signed, O. Lobato, Deputy. Published in the Point Reyes Light October 13, 20, 27, November 3, 2011.

Fictitious Business Name Statement

File No. 2011127930
The following person(s) is (are) doing business as: Parent Booker, 71 Vista Marin Dr., San Rafael, CA 94903. This business is conducted by an individual: Richard M. Hall, 71 Vista Marin Dr., San Rafael, CA 94903. This statement was filed with the County Clerk of Marin County on October 7, 2011, signed, J. Whitney, Deputy. Published in the Point Reyes Light October 13, 20, 27, November 3, 2011.

NOTICE

Salinity intrusion into the Point Reyes well supply serving the West Marin communities of Point Reyes, Olema, Inverness Park, and Paradise Ranch Estates has occurred beginning on August 16, 2011 and has caused sodium levels to increase from background levels of 15-30 milligrams per Liter (mg/L). The table below lists most recent concentrations for sodium and chloride in the West Marin water supply:

Date	Sodium	Chloride	Units
10/11/2011	55	115	mg/l*
10/4/2011	52	76	mg/l*

*milligrams per liter Chris DeGabriele, General Manager North Marin Water District1

Published in the Point Reyes Light, October 13, 2011