



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
 November 7, 2017 – 7:00 p.m.
 District Headquarters
 999 Rush Creek Place
 Novato, California

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Est. Time	Item	Subject
7:00 p.m.	CALL TO ORDER	
	1.	APPROVE MINUTES FROM REGULAR MEETING , October 3, 2017
	2.	APPROVE MINUTES FROM REGULAR MEETING , October 17, 2017
	3.	GENERAL MANAGER'S REPORT
	4.	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.
	5.	STAFF/DIRECTORS REPORTS
	6.	QUARTERLY FINANCIAL STATEMENT
	CONSENT CALENDAR <p>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.</p>	
	7.	Consent – Approve: WaterLine Newsletter Fall 2017 Novato, Volume 18, Issue 39
	8.	Consent – Approve: Final Annual Report Fiscal Year 2016-2017
	9.	Consent – Approve: Designate Voting Delegate to the ACWA 2017 Fall Conference and Authorize Vote in support of proposed ACWA Bylaws Amendment
	10.	Consent – Approve: Adopt Hazard Mitigation Grant Program Resolution – Project Subapplication Oceana Marin Treatment and Storage Pond Repair
	ACTION CALENDAR	
	11.	Approve: Award Construction Contract to Wildcat Engineering: Recycled Water Central Onsite Private Retrofit Project
	12.	Approve: Follow-Up to Request for Bill Adjustment – 265 Saddlewood Dr.
	13.	Approve: Fire Disaster Leave For Employees
	INFORMATION ITEMS	

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.	Water Conservation Quarterly Update (July-September 2017)
	15.	Quarterly Progress Report - Engineering Department
	16.	MISCELLANEOUS Disbursements John Stuber Obituary SCWA- Multiple Local Agencies Act to Prevent Post-Fires Floods, Pollution Salinity Notices SMSWP WaterSense Award <u>News Articles:</u> Sonoma concerned that toxic ash from fire could hurt water quality What the coming La Nina means for California rains Novato's Measure E tax sets flood control as a priority Information sessions set on water rate hike Researchers propose an open 'internet of water' tracking use, quality and costs Marin resident to head Golden Gate National Recreation Area Point Reyes winemaker wins permits in appeal Pension change reflects prudent fiscal outlook Marin County pension contributions to rise
	17.	CLOSED SESSION: In accordance with California Government Code Section 54957 for Public Employment, Title: District Secretary
8:30 p.m.	18.	ADJOURNMENT

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DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
October 3, 2017

CALL TO ORDER

President Petterle called the regular meeting of the Board of Directors of North Marin Water District to order at 7:00 p.m. at the District headquarters and the agenda was accepted as presented. Present were Directors Rick Fraites, James Grossi, and Stephen Petterle. Also present were General Manager Drew McIntyre, District Secretary Katie Young, Chief Engineer Rocky Vogler and Auditor-Controller David Bentley. Director Jack Baker and Michael Joly were absent.

Fedak and Brown representative Chris Brown, Novato residents Jean Harris, Chris DeGabriele, and Brigid Flagerman, District employees Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

Director Fraites requested that the October 3, 2017 North Marin Water District Board of Directors meeting be dedicated to Stacey Etchber, a Novato wife and mother who tragically lost her life in the Las Vegas incident on Sunday night.

On motion of Director Grossi, seconded by Director Fraites, the Board approved dedicating the October 3, 2017 meeting to Stacey Etchber by the following vote:

AYES: Director Fraites, Grossi, and Petterle

NOES: None

ABSENT: Directors Baker and Joly

Director Grossi advised the Board and staff that Novato Resident and longtime civil engineer, John Stuber passed away this morning.

MINUTES

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

AYES: Director Fraites, Grossi, and Petterle

NOES: None

ABSENT: Directors Baker and Joly

1 **GENERAL MANAGER'S REPORT**

2 **Potter Valley Project Relicensing Workshop**

3 Mr. McIntyre advised the Board that he attended a PVP Relicensing workshop in Ukiah on
4 October 26th. He noted that there are currently 21 proposed studies by PG&E. He stated that the
5 objective and scope of these studies will be reviewed over the next two months via technical working
6 group meetings and final comments to the Study Plan are due Dec. 17th.

7 **Meeting with Mike Thompson**

8 Mr. McIntyre informed the Board that last Wednesday, he, Director Grossi, and Rocky
9 Vogler had a "meet and greet" with Mike Thompson, Acting Sonoma County Water Agency General
10 Manager. He stated that the purpose of the meeting was for Mr. Thompson to solicit input from
11 each water contractor on their perspective on how the Agency is meeting their needs.

12 **North Bay Water Associations Fish Ladder Tour**

13 Mr. McIntyre advised the Board that he and Director Fraites will be attending NBWA's
14 Russian River Water Supply and Fish Ladder Tour on Friday, October 6th.

15 **LAFCo Meeting**

16 Mr. McIntyre informed the Board that he will also be attending the next LAFCo meeting on
17 Thursday, Oct 12th where the District's final Sphere of Influence Update will be considered. He
18 noted that Rachael Jones is the interim Executive Officer for LAFCo.

19 **OPEN TIME**

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

22 **STAFF / DIRECTORS' REPORTS**

23 President Petterle asked if staff or Directors wished to bring up an item not on the agenda
24 and the following items were discussed:

25 Tony Arendell advised the Board that on the 29th, crews received a call that a customer's
26 basement on Albatross was full of water. He noted that crews started to dig out two PB services on
27 the hill and found a pinhole size leak. Mr. Arendell advised the Board that a claim has been started
28 and will bring more information back in the future.

29 Mr. Bentley advised the Board that with Dianne Landeros (Accounting/HR Supervisor)
30 retiring on November 1st staff has been recruiting for a successor and selected a candidate Luisa
31 Fonseca who will begin next Tuesday, October 10th.

1 Director Fraites inquired about a private water main leak at San Marin High School that he
2 heard about from concerned customers. Mr. McIntyre stated that staff started communication with
3 Novato Unified School District staff reported that they were hesitant to shut the water off during
4 school hours to fix the leak. He noted that the repairs were scheduled for this weekend.

5 Director Fraites asked about the pressure at Novato Heights and stated that there should be
6 a more user friendly navigation through the District's website for the AMI meters.

7 Director Fraites also requested an update on the District is participating in Marin Clean
8 Energy's clean energy program.

9 **CONSENT CALENDAR**

10 On the motion of Director Grossi, seconded by Director Fraites the Board approved the
11 following items on the consent calendar by the following vote:

12 AYES: Directors Fraites, Grossi and Petterle

13 NOES: None

14 ABSENT: Directors Baker and Joly

15 **AUDITOR CONTROLLER'S STATEMENT OF INVESTMENT POLICY**

16 The Board approved the District's Investment Policy regarding collateralization of District's
17 deposits. There were no changes made to the policy.

18 **AMEND THE 2017 GENERAL CONSULTING SERVICES AGREEMENT ESA**

19 The Board approved an amendment to the Consulting Services Agreement of \$16,000 with
20 Environmental Science Associates to support the District's CEQA permitting, monitoring, and
21 implementation requirements.

22 **ACTION CALENDAR**

23 **ADDITIONAL BILL ADJUSTMENT – 265 SADDLEWOOD DRIVE**

24 Mr. Bentley introduced Novato Resident Jean Harris who was requesting to have an
25 additional bill adjustment on her \$944 water bill. He advised the Board that under the Board Bill
26 Adjustment Policy customers are only allowed to receive bill adjustments on one bill every two years.
27 He noted that Ms. Harris received an adjustment in October 2016. Mr. Bentley provided the Board
28 with three options to consider: 1) Allow an additional bill adjustment \$495 credit); 2) Eliminate the tier
29 charges from the August bill (\$275 credit); or 3) Deny any additional bill adjustment.

30 Ms. Harris addressed the Board and stated she has lived in Novato for over 19 years and is
31 very conservative with her water. She stated that she received a note on the door that she had a

possible leak and immediately addressed it. Ms. Harris was upset that there was no Board policy available to view on the District website and that she feels it's important for customers to be able to read a policy that is so strictly enforced.

Director Fraites stated that the Directors have a difficult choice when it pertains to additional water bill adjustments and that the Board tries to remain as consistent as possible.

Director Grossi stated that someone must be responsible for the water used and he feels that the Board should follow the policy.

Director Petterle stated that the rate payers have to pay for the leak adjustment in the end but feels sympathy towards the customer and realizes that it was not intentional. He stated that he would support going with option 2 – eliminating the tier charges from the August Bill (\$275 credit). Director Fraites agreed.

~~The~~On motion of Director Fraites, seconded by Director Petterle, the Board approved Option 2 – Eliminating the Tier charge from the August Bill by the following vote:

AYES: Directors Fraites and Petterle

NOES: Director Grossi

ABSENT: Directors Baker and Joly

The motion failed to pass because it lacked three affirmative votes. Mr. McIntyre advised the Board that staff will work on getting the Bill Adjustment Policy on the website.

Ms. Harris left the meeting.

PRESENTATION AND ACCEPTANCE OF OUTSIDE AUDITOR'S 2017 REPORT AND MANAGEMENT REPORT

Dianne Landeros acknowledged her accounting staff, Connie Filippi, Nancy Holton and Nancy Williamson on their hard work and dedication to the audit. She then introduced Chris Brown of Fedak & Brown, the District's Outside Independent Auditor, who stated that the financial statements of the District present fairly in all material respects the financial position of the District as of June 30, 2017 and 2016 in accordance with accounting principles generally accepted in the United States. He noted that this unmodified opinion is the best or highest opinion that an outside auditor can render on an entity's financial statements. Mr. Brown commented that the audit went very well, that the District accounting staff do a good job and congratulated the District on the 2016 GFOA award for reporting excellence and stated that he expects the District will receive the 2017 GFOA award as well.

1 Director Joly arrived to the meeting during the presentation.

2 On motion of Director Fraites, seconded by Director Joly the Board accepted the Outside
3 Auditor's FY16/17 Financial Report and Management letter by the following vote:

4 AYES: Directors Fraites, Grossi, Joly, and Petterle

5 NOES: None

6 ABSENT: Director Baker

7 Chris Brown and Dianne Landeros left the meeting.

8 **SOLICITATION OF SUCCESSOR TO AUDITOR-CONTROLLER AND BUDGET**
9 **AUGMENTATION**

10 Mr. McIntyre reminded the Board of the recruitment plan for the Auditor-Controller's position.
11 He stated that the plan is to have a successor begin in January 2018. He stated that the recruitment
12 brochure, created by Ralph Anderson & Associates, was included in the Board packet and asked for
13 any final comments. He requested the Boards approval of the recruitment plan, including solicitation
14 of the position starting tomorrow, October 4th and a \$70K budget augmentation for the training
15 overlap.

16 On motion of Director Fraites, seconded by Director Grossi, the Board approved the
17 recruitment plan for the Auditor-Controller position and the budget augmentation of \$70k to fund the
18 plan by the following vote:

19 AYES: Directors Fraites, Grossi, Joly, and Petterle

20 NOES: None

21 ABSENT: Director Baker

22 **RECYCLED WATER CENTRAL PROJECT – EAST: APPROVE CONSTRUCTION**
23 **CONTINGENCY CEILING INCREASE**

24 Mr. Vogler reminded the Board of the Mountain Cascade agreement that was approved in
25 September for the Recycled Water Central project of \$3.5M with a construction contingency of
26 \$300K. He advised the Board that the contingency will not be enough in anticipation of final
27 reconciliation. He requested an additional \$60K in construction contingencies. Mr. Vogler informed
28 the Board that when the project went out for bid there was no knowledge of the hard rock excavation
29 or the additional paving requirements by the City of Novato. He reminded the Board of the similar
30 increase in construction contingencies for the West Side project back in April which turns out that
31 the District will be spending less money on the west project then projected.

1 Director Grossi asked if the bids were considerably different for the East and West projects.

2 Mr. Vogler responded yes because of the hard rock and more paving requirements on the
3 east side.

4 Director Joly inquired that approximately \$200K would not be used for the West Side
5 Recycled Water Project. Mr. Vogler stated that it will most likely not be needed.

6 On motion of Director Joly, seconded by Director Grossi, the Board approved a contingency
7 cost ceiling increase from \$300K to \$360K by the following vote:

8 AYES: Directors Fraites, Grossi, Joly, and Petterle

9 NOES: None

10 ABSENT: Director Baker

11 **ADOPTING STATEMENT OF BENEFITS TO NORTH MARIN WATER DISTRICT FROM**
12 **PROPOSED FLOOD CONTROL PARCEL TAX FOR NOVATO**

13 Mr. McIntyre requested that the Board adopted a Statement on Benefits to North Marin
14 Water District from proposed Flood Control Parcel Tax for Novato. He advised the Board that the
15 District has a long cooperative working relationship with the Marin County Flood Control and Water
16 Conservation District and that many of the potential projects developed from the Novato Watershed
17 Program could be implemented with passage of this parcel tax and benefit the District.

18 Mr. DeGabriele urged the Board to adopt the Statement of Benefits as it would be a good
19 item on the ballot. He reminded the Board that the District has participated in the County Flood
20 Control District with the County of Marin and City of Novato, most recently with the Novato
21 Watershed Study.

22 Director Grossi stated that he along with Mr. McIntyre serve on the Flood Advisory Board and
23 stated that there is a large list of projects needed to be completed and the parcel tax will help
24 tremendously.

25 On motion of Director Fraites, seconded by Director Grossi, the Board adopted Resolution
26 17-20 entitled: "Statement on Benefits to North Marin Water District from Proposed Flood Control
27 Parcel Tax For Novato" by the following vote:

28 AYES: Directors Fraites, Grossi, Joly, and Petterle

29 NOES: None

30 ABSENT: Director Baker

1 Mr. DeGabriele asked the Board members to support and/or endorse Measure E as
2 individuals not as members of the Board.

3 **INFORMATION ITEMS**

4 **CENTER ROAD CONSTRUCTION AND CONTRACTING UPDATE**

5 Mr. Vogler provided the Board with an update on the Center Road construction and
6 contracting project. He stated that the District crews will be working with Ghilotti Construction to
7 relocate services along Center Road with pipeline extensions on to side streets. He stated that
8 outreach was made to the Lu Sutton Elementary School principal along with notices sent out to all
9 residents along the construction area. He noted that electronic message boards were posted and a
10 notice was added on the District's website and Facebook page. He noted that the overall project
11 cost increased but the District did defer one project by a year in order to stay within the Capital
12 Improvement Projects budget.

13 Director Joly inquired about the additional \$210K that was added a week prior to the project
14 commencing. Mr. Vogler stated that the District is attempting to complete the project prior to the wet
15 weather and holidays. He stated that next year there are other anticipated projects that need to be
16 completed. He also added that the project scope has increased since the last estimate.

17 **NBWRA MEETING – AUGUST 28, 2017**

18 Mr. McIntyre provided the Board with a summary of the North Bay Water Reuse Authority
19 Meeting on August 28, 2017. He advised the Board that the 4th Amendment Memorandum of
20 Understanding was accepted and is being executed by all participants.

21 **MISCELLANEOUS**

22 The Board received the following miscellaneous information: Disbursements, Salinity
23 Notices, Notice of Public Scoping Session, and Marin LAFCO Public Hearing.

24 The Board received the following news articles: Novato pledges to switch to 100 percent
25 clean energy by 2050, Marin IJ Editorial: Novato is right to take a look at hotel limits, and Novato
26 residents get their hands dirty fixing up Hamilton SMART station.

27 The Board also received the following miscellaneous item at the meeting: San Diego
28 LAFCO Executive Director – Keene Simonds.

29 **ADJOURNMENT**

30 President Petterle adjourned the meeting at 8:37 p.m.

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Submitted by

Katie Young
District Secretary

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DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
October 17, 2017

CALL TO ORDER

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

Novato Resident Mike Landeros, District employees Nancy Holton (Sr. Accountant), Nancy Williamson (Sr. Accountant), Connie Filippi (Account Credit Clerk II), Dianne Landeros (Accounting/HR Supervisor), Robert Clark (Operations/Maintenance Superintendent) and Tony Arendell (Construction/Maintenance Superintendent) were in the audience.

MINUTES

The approval of the October 3, 2017 minutes were deferred to the next meeting with request to check with District legal counsel on an item.

GENERAL MANAGER'S REPORT

Marin LAFCo

Mr. McIntyre informed the Board that last Thursday, Marin LAFCo approved the Sphere of Influence Update for the District. He reminded the Board they received the draft report at the June 6, 2017 meeting. The report concludes that LAFCo will expand the District's Sphere of Influence to include six outside service area customers north of the District's West Marin service territory along State Route 1.

Meetings

Mr. McIntyre advised that he will be attending the Water Supply Coordination Council next week and the next WAC/TAC meeting will be on November 6th.

AWWA Conference

Mr. McIntyre will be out of the office Tuesday and Wednesday next week attending the AWWA Conference in Reno. He advised the Board that David Bentley will be acting General Manager in his absence.

1 **OPEN TIME**

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

4 **STAFF / DIRECTORS' REPORTS**

5 President Petterle asked if staff or Directors wished to bring up an item not on the agenda
6 and the following items were discussed:

7 David Bentley advised the Board that the original claim of water damage to a customer's
8 basement on Albatross a couple weeks ago was caused by the homeowner and the District is not
9 responsible for the damage.

10 Robert Clark announced the retirements of Kerry Lemos in April, 2018 and Roman
11 Latanyzsyn in December, 2017 and informed the Board that interviews for the Maintenance
12 Supervisor position will occur this week.

13 Director Grossi informed the Board and staff that a memorial service for John Stuber is on
14 November 2nd at 10:30am at Our Lady of Lorretto, with a reception following at Marin Country Club.

15 **MONTHLY PROGRESS**

16 Mr. McIntyre provided the Board with the Monthly Progress Report for September. He stated
17 that in Novato potable water production was up 2% and in West Marin up 14% compared to one
18 year ago. He informed the Board that the Stafford Treatment plant continues to operate with good
19 quality water and Recycled Water is up 3%. Mr. McIntyre advised the Board that on the Summary of
20 Complaints and Service orders, high bill complaints are up 33% compared to one year ago. He
21 stated that on the customer questionnaire, the \$2 incentive rate was effective in improving the
22 response rate.

23 Mr. Bentley provided the Monthly Report of Investments stating that that at the end of
24 September the cash balance was \$12.6M and the average weighed portfolio is 1.07%

25 **CONSENT CALENDAR**

26 On the motion of Director Fraites, seconded by Director Joly the Board approved the
27 following item on the consent calendar by the following vote:

28 AYES: Director Baker, Fraites, Grossi, Joly, and Petterle

29 NOES: None

30 **BOARD OF DIRECTORS MANUAL – BOD POLICY NO.14**

31 The Board approved the update of the Board of Directors Manual (BOD Policy No. 14).

1 **ACTION CALENDAR**

2 **RESOLUTION OF APPRECIATION FOR DIANNE LANDEROS**

3 Mr. Bentley and Mr. McIntyre congratulated Dianne Landeros on her upcoming retirement,
4 thanked her for her hard work, dedication and loyalty to the District and its procedures and policies
5 and David read aloud her accomplishments over the last 23 years at the District from a Resolution of
6 Appreciation.

7 Mr. Landeros stated how impressed and proud he was of all his wife Dianne's
8 accomplishments with the District.

9 Dianne Landeros thanked the Board and staff and stated that she couldn't have
10 accomplished all that she did without her staff. She introduced Nancy Williamson, Nancy Holton and
11 Connie Filippi and stated that they were the best staff and dedicated to everything that was asked of
12 them. She noted that Shawn Kane, who was unable to attend the meeting tonight, is a big piece of
13 the warehouse and her staff loves working with him. Ms. Landeros thanked Mr. Bentley for being her
14 task master and always challenging her.

15 Director Baker thanked Ms. Landeros for her years of good work and service to the District,
16 Director Joly stated what a tremendous accomplishment Ms. Landeros' career was and Director
17 Petterle thanked Ms. Landeros for making the District audit painless and was very impressed with
18 her resume.

19 On motion of Director Fraites, seconded by Director Joly, the Board approved Resolution 17-
20 21 entitled: "North Marin Water District Resolution of Appreciation to Dianne Landeros" by the
21 following vote:

22 AYES: Director Baker, Fraites, Grossi, Joly, and Petterle

23 NOES: None

24 Mike Landeros, Nancy Holton , Nancy Williamson, Connie Filippi, and Dianne Landeros left
25 the meeting.

26 **EXCEPTION TO CALPERS 180-DAY WAITING PERIOD REQUIREMENT FOR RETIRING**
27 **EMPLOYEE**

28 Mr. McIntyre requested that the Board approve a Resolution regarding the exception to
29 CalPERS 180-day waiting period requirement for retiring employee Dianne Landeros. He advised
30 the Board that staff is requesting to enter into an agreement with Dianne Landeros to perform the
31 duties of a special advisor to help with a new software upgrade for the Sage Accounting program

1 with a limit of 250 hours and a salary of \$63/hour. He noted that this item was reviewed by District
2 legal counsel.

3 On motion of Director Fraites, seconded by Director Baker, the Board approved Resolution
4 17-22 entitled: "Resolution of the North Marin Water District for Exception To The 180-Day Wait
5 Period for Hiring Retiree (Government Code Sections 7522.56 & 21224)" by the following vote:

6 AYES: Director Baker, Fraites, Grossi, Joly, and Petterle

7 NOES: None

8 **INFORMATION ITEMS**

9 **SONOMA/NAPA FIRE STORM UPDATE – IMPACT TO NMWD**

10 Mr. McIntyre provided the Board with a summary of the impact the Sonoma/Napa firestorm
11 caused the District. He stated that 27% of District employees underwent mandatory or voluntary
12 evacuations but fortunately no staff members lost their homes.

13 Mr. Clark advised the Board that he has been in discussions with North Bay Agencies
14 regarding emergency response and what the District can do to help. He noted that staff is going to
15 review the District's Emergency Response Plan.

16 **DRAFT ANNUAL REPORT**

17 Mrs. Young presented the Draft Annual Report to the Board and requested that
18 comments/corrections be returned to her by the end of the month.

19 Director Joly asked to receive a list of District assets to develop a better understanding of
20 the District's property and infrastructure values.

21 **MISCELLANEOUS**

22 The Board received the following miscellaneous information: Disbursements, Self-Insured
23 Workers' Compensation Update, FY18 1st Quarter Labor Cost Report, STP Solar Power Facility – 5th
24 Year Status Report, and AWWA CA-NV Leadership Award.

25 The Board received the following news article: Marin Supervisors pledge support for fire
26 victims.

27 The Board also received the following news article at the meeting: North Bay Fires: Why are
28 they so deadly, destructive and difficult to stop? and Stinson considers desalination plant.

29 **ADJOURNMENT**

30 President Petterle adjourned the meeting at 7:45 p.m.

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Submitted by

Katie Young
District Secretary

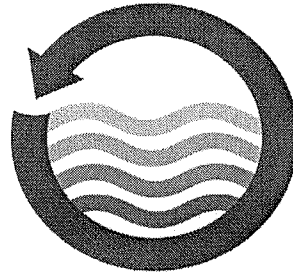
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NORTH MARIN WATER DISTRICT



FINANCIAL STATEMENT FISCAL YEAR 2017-18

September 30, 2017

**NORTH MARIN WATER DISTRICT
FINANCIAL STATEMENTS
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MEMORANDUM

To: Board of Directors
 From: David L. Bentley, Auditor-Controller
 Subj: Information – FY17/18 September Financial Statement
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November 3, 2017

FISCAL YEAR PERFORMANCE COMPARED TO THE ANNUAL BUDGET

<u>CONSOLIDATED SUMMARY</u>	Sep-17	FY17/18	FY17/18	FYTD /
Actual vs. Budget	Actual	Actual YTD	Budget	Budget %
Operating Revenue	\$2,470,981	\$7,208,486	\$19,692,000	37%
Operating Expense	1,793,634	5,283,074	19,080,000	28%
Non-Operating Revenue / (Expense)	(39,755)	(74,684)	(345,000)	22%
Net Income / (Loss)	\$637,592	\$1,850,728	\$267,000	693%
Other Sources / (Uses)*	655,446	671,065	(833,000)	-
Cash Increase / (Decrease)	\$1,293,038	\$2,521,792	(\$566,000)	-

* See Page 8.

For the first quarter of the fiscal year the District generated a net income of \$1,850,728 and saw a net cash increase of \$2,521,792. On a seasonally adjusted basis, Operating Revenue came in 9% over budget and Operating Expense came in 1% under budget. \$1,190,508 (7%) of the Capital Improvement Projects Budget has been expended this fiscal year-to-date. At September 30, \$3,146,225 in loan and grant funds was owed the District for the Recycled Water Distribution System expansion to Central Novato. The September cash increase (\$1,293,038) was due primarily to receipt of SRF loan proceeds (\$1,828,922) offset by SRF loan payment for the Recycled Water North Project (\$116,129) and payments for Recycled Water Central Project (\$216,389) and purchase of granular activated carbon for STP (\$166,606).

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

<u>NOVATO WATER</u>	Sep-17	FY17/18	FY16/17	FY18 vs 17
Year over Year Comparison	Actual	Actual YTD	Actual YTD	Up/(Down)
Operating Revenue	\$2,231,120	\$6,443,835	\$5,548,824	16%
Operating Expense	1,630,590	4,783,643	4,709,047	2%
Other Income / (Expense)	(12,424)	10,025	(21,061)	-
Net Income / (Loss)	\$588,107	\$1,670,216	\$818,716	104%
Active Accounts	20,548	20,548	20,534	0%
Consumption (MG)	318	901	795	13%
Average Commodity Rate / 1,000 gal (net)	\$5.83	\$5.89	\$5.53	7%
Income / (Loss) / Active Account	\$28.62	\$81.28	\$39.87	104%
Income / (Loss) / 1,000 Gal	\$1.85	\$1.85	\$1.03	80%
Connection Fee Revenue	\$0	\$709,200	\$201,185	253%
Caltrans Capital Contribution	\$0	\$735	\$8,766	(92%)
MMWD AEEP Capital Contribution	\$0	\$245,000	\$245,000	0%
Developer 'In-Kind' Contributions	\$6,832	\$19,046	\$101,889	(81%)

Consumption for the fiscal year-to-date was 13% more than the prior year same period. Total operating revenue, which includes wheeling and other miscellaneous service charges, increased 16% (\$895,012) from the prior year same period due to the consumption increase and the 5% rate increase effective June 1, 2017. Total operating expense was 2% (\$74,596) more than last year same period. The Stafford Treatment Plant produced 317 MG this fiscal year-to-date at a cost of \$2,545/MG¹ versus \$2,721/MG³ from SCWA. The budget for Stafford is 750 MG at a cost of \$2,944/MG.

Staff time (hours) charged to Novato operations was about the same as last year same period. Salary and benefit cost was \$1,614,480, which was 25% of the \$6,532,000 budget for Novato operations.

The fiscal year-to-date net income (which includes non-operating items such as interest revenue and expense) of \$1,670,216 compares to a budgeted net income for the year of \$283,000 and to a net income of \$818,716 for the prior year same period. \$227,344 (2%) of the Novato Water Capital Improvement Project Budget was spent versus \$252,581 (3%) for the prior year same period. \$709,200 in connection fees have been collected (\$780,000 is budgeted). Connection Fee reserves totaling \$266,435 were transferred this fiscal year-to-date to the Recycled Water Fund to cover the debt service for expansion of the RW distribution system. The Novato Connection Fee Reserve has a deficit of \$5,404,695 arising from transfers to the RW Fund in advance of Connection Fee receipts. That deficit will be reimbursed by future Connection Fee revenue. The Novato cash balance increased \$1,271,629 in September, and stood at \$10,039,079 at month end, compared to a budgeted projection of \$7,000,000 at fiscal year-end.

NOVATO RECYCLED	Sep-17	FY17/18	FY16/17	FY18 vs 17
Year over Year Comparison	Actual	Actual YTD	Actual YTD	Up/(Down)
Operating Revenue	\$107,479	\$414,128	\$366,335	13%
Operating Expense	81,646	266,948	260,685	2%
Other Income / (Expense)	(26,787)	(83,753)	(54,856)	53%
Net Income / (Loss)	<u>(\$953)</u>	<u>\$63,427</u>	<u>\$50,794</u>	25%
Active Accounts	53	53	44	20%
Consumption (MG)	22.7	73.3	68.2	8%
Average Commodity Rate / 1,000 gal (net)	\$4.61	\$5.52	\$5.26	5%
Deer Island Production (MG)	4.1	7.0	4.3	63%
Novato Sanitary Production (MG)	13.1	47.4	48.2	(2%)
Las Gallinas Production (MG)	7.8	24.4	23.8	2%
Potable Water Input (MG)	0.0	0.8	0.0	-

73.3 MG was delivered to RW customers this fiscal year-to-date, 8% more than the prior year same period. Operating revenue was 13% more than last year same period due to the June 1, 2017 5% rate increase and the consumption increase. Total operating expense was \$6,263 (2%) more than the prior year same period. The recycled water was produced at a cost of \$2,169/MG² versus \$2,721/MG³ from SCWA. The budgeted production cost of recycled water is \$2,725/MG.

The fiscal year-to-date net income of \$63,427 compares to a budgeted net loss for the year of \$203,000 and a net income of \$50,794 for the prior year same period. \$924,016 (14%) of the Capital Improvement Project Budget has been expended this fiscal year-to-date. The Novato Recycled cash balance stood at \$869,672 at month end, which amount resides in a restricted reserve required by State loan covenant for

¹ Stafford production cost = TP op expense (\$601,305) + SRF loan interest (\$65,306) + plant depreciation (\$140,266) / 317 MG produced

² Recycled Water production cost = purchase water cost (\$100,437) + treatment expense (\$9,545) + Deer Island RW Facility SRF loan interest (\$14,566) + Deer Island plant depreciation (\$31,805) / 72.1 MG produced

³ SCWA production cost per MG = O&M charge (\$2,202) + debt service charge (\$154) + Russian River conservation charge (\$325) + Russian River projects charge (\$40)

payment of debt service on the North, South and Central RW Expansion Projects, compared to a budgeted projection of \$1,263,000 at June 30, 2018. At September 30 the Recycled Water fund owed the Novato potable water fund \$2,285,884 pending receipt of \$3,146,225 in SWRCB loan and grant funds for the Recycled Water Distribution System expansion to Central Novato.

WEST MARIN WATER	Sep-17	FY17/18	FY16/17	FY18 vs 17
Year over Year Comparison	Actual	Actual YTD	Actual YTD	Up/(Down)
Operating Revenue	\$112,515	\$290,625	\$245,446	18%
Operating Expense	67,602	193,663	176,476	10%
Other Income / (Expense)	(1,066)	(3,296)	(4,840)	(32%)
Net Income / (Loss)	<u>\$43,848</u>	<u>\$93,666</u>	<u>\$64,129</u>	46%
Active Accounts	781	781	781	0%
Consumption (MG)	9.0	23.1	19.9	16%
Average Commodity Rate / 1,000 gal (net)	\$10.94	\$10.68	\$10.16	5%
Income/ (Loss) / Active Account	\$56.14	\$119.93	\$82.11	46%
Income / (Loss) / 1,000 Gal	\$4.87	\$4.05	\$3.22	26%
Connection Fee Revenue	\$0	\$0	\$8,000	(100%)
Developer 'In-Kind' Contributions	\$0	\$0	\$0	-

Consumption for the fiscal year-to-date was 23.1 MG, 16% more than prior year same period. Operating revenue of \$290,625 was \$45,180 (18%) more than last year due to the consumption increase and the 5% rate increase effective July 1, 2017.

Operating expenditures were \$193,663, 10% more than the previous year same period. The expenditure increase is due primarily to the unanticipated rehab of the Gallagher Well. The fiscal year-to-date net income of \$93,666 compares to a budgeted annual net income of \$138,000 and to a net income of \$64,129 for the prior year same period. \$27,085 (4%) of the Capital Improvement Project Budget was expended this fiscal year-to-date, and no connection fees were collected (\$23,000 is budgeted). The West Marin Water cash balance increased \$34,825 in September, and stood at \$1,322,969 at month end, compared to a budgeted projection of \$942,000 at June 30, 2018.

OCEANA MARIN SEWER	Sep-17	FY17/18	FY16/17	FY18 vs 17
Year over Year Comparison	Actual	Actual YTD	Actual YTD	Up/(Down)
Operating Revenue	\$19,866	\$59,898	\$53,820	11%
Operating Expense	13,797	38,820	45,672	(15%)
Other Income / (Expense)	522	2,341	2,107	11%
Net Income / (Loss)	<u>\$6,591</u>	<u>\$23,419</u>	<u>\$10,255</u>	128%
Active Accounts	231	231	230	0%
Monthly Sewer Service Charge	\$86	\$86	\$78	10%
Income / (Loss) / Active Account	\$28.53	\$101.38	\$44.59	-
Connection Fee Revenue	\$0	\$0	\$0	-

Operating revenue of \$59,898 was 11% more than the previous year same period due to the 10% rate increase effective July 1, 2017 and an additional account. Operating expenditures were 15% (\$6,852) less than the previous year same period. The fiscal year-to-date net income of \$23,419 compares to a budgeted annual income of \$49,000 and to a net income of \$10,255 for the prior year same period. 5% of the Capital Improvement Project Budget has been expended this fiscal year-to-date.

No connection fees have been collected (\$30,000 is budgeted). The Oceana Marin cash balance decreased \$13,436 in September, and stood at \$384,925 at month end, compared to a budgeted projection of \$342,000 at June 30, 2018.

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING SEPTEMBER 30, 2017**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
ASSETS					
Cash & Investments					
Unrestricted/Undesignated Cash	\$577,932	(\$65)	\$0	\$266,019	\$311,977
Restricted Cash (Note 1)					
Connection Fee Fund	\$93,345	\$0	\$0	\$93,345	\$0
Wohler Pipeline Financing Fund	409,424	409,424	0	0	0
Collector #6 Financing Fund	1,609,749	1,609,749	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	632,478	35,482	0	596,996	0
Deer Island RWF Replacement Fund	0	0	0	0	0
Capital Replacement & Expansion Fund	0	0	0	0	0
Tax Receipts Held in Marin Co Treasury	515	0	0	508	7
STP SRF Loan Fund-Marlin Co Treasury	844,171	844,171	0	0	0
RWS North/South SRF Payment Fund	614,299	0	614,299	0	0
RW Central Area SRF Payment Fund	255,373		255,373	0	0
Designated Cash (Note 2)					
Liability Contingency Fund	922,285	823,400	0	98,885	0
Self-Insured Workers' Compensation Fund	617,783	590,273	0	20,551	6,959
Retiree Medical Benefits Fund	3,968,114	3,968,114	0	0	0
Maintenance Accrual Fund	1,670,702	1,670,702	0	0	0
Conservation Incentive Rate Fund	147,081	104,369	0	42,712	0
Operating Reserve Fund	240,000	0	0	174,000	66,000
Total Cash	\$12,633,249	\$10,055,619	\$869,672	\$1,323,015	\$384,943
Gain/(Loss) on MV of Investments	(16,604)	(16,604)	0	0	0
Market Value of Cash & Investments	\$12,616,645	\$10,039,014	\$869,672	\$1,323,015	\$384,943
Current Assets					
Net Receivables - Consumers	\$2,388,362	\$2,221,340	\$97,330	\$10,094	\$59,598
Accrued Water Sales	2,513,424	2,137,155	195,498	180,770	0
Accounts Receivable-Other	439,083	63,067	180,765	0	195,250
RWS Central Expansion SRF Loan Rec	682,393	0	682,393	0	0
RWS Central Expansion Grant Rec	2,461,278	0	2,461,278	0	0
Prepaid Expense	533,695	522,059	0	11,400	236
Reimbursable Small Jobs	99,812	91,164	0	5,413	3,235
Interest Receivable	36,211	33,244	2,967	0	0
Inventories	530,670	530,670	0	0	0
Deposits Receivable	35,800	35,800	0	0	0
Total Current Assets	\$9,720,742	\$5,634,514	\$3,620,230	\$207,678	\$258,319

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING SEPTEMBER 30, 2017**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Loans Receivable					
Employee Loans (Note 3)	\$934,200	\$934,200	\$0	\$0	\$0
Due From Other Funds (Note 9)	2,283,299	2,283,299	0	0	0
Other Long Term Receivables (Note 4)	1,302,617	0	1,302,617	0	0
Loans Receivable	\$4,520,116	\$3,217,499	\$1,302,617	\$0	\$0
Property and Plant					
Land & Land Rights	\$1,473,091	\$1,368,872	\$0	\$103,411	\$808
Dam, Lake, & Source Facilities	5,596,066	5,103,654	0	492,412	0
Treatment Facilities	21,184,413	17,603,974	2,666,198	319,913	594,328
Storage Facilities	20,903,086	18,278,500	519,014	2,105,572	0
Transmission Facilities (16"+)	28,896,399	28,774,076	0	122,324	0
Distribution and Pumping Facilities	83,861,355	60,755,188	17,301,278	5,804,890	0
Sewer Mains, Pumps, & Laterals	1,193,077	0	0	0	1,193,077
Sub-Total	\$163,107,487	\$131,884,263	\$20,486,489	\$8,948,522	\$1,788,214
Less Accumulated Depreciation (Note 5)	(51,060,643)	(43,558,079)	(2,927,015)	(3,596,086)	(979,463)
Net Property and Plant	\$112,046,844	\$88,326,184	\$17,559,474	\$5,352,435	\$808,750
Buildings and Equipment (Note 6)					
Buildings	\$1,902,893	\$1,902,893	\$0	\$0	\$0
Office Equipment	697,537	697,537	0	0	0
Laboratory Equipment	317,047	317,047	0	0	0
Trucks & Automobiles	1,232,465	1,232,465	0	0	0
Construction Equipment	843,914	843,914	0	0	0
Tools, Shop Equipment	224,977	224,977	0	0	0
Sub-Total	\$5,218,832	\$5,218,832	\$0	\$0	\$0
Less Accumulated Depreciation (Note 5)	(3,999,956)	(3,999,956)	0	0	0
Net Buildings and Equipment	\$1,218,876	\$1,218,876	\$0	\$0	\$0
Construction In Progress					
Developer	\$336,567	\$318,808	\$13,357	\$0	\$4,402
District	15,320,931	2,256,270	12,642,429	315,766	106,466
Total Construction in Progress	\$15,657,497	\$2,575,078	\$12,655,785	\$315,766	\$110,868
Net Utility Plant	\$128,923,217	\$92,120,138	\$30,215,260	\$5,668,202	\$919,618
Deferred Outflow of Resources	\$2,931,861	\$2,931,861	\$0	\$0	\$0
TOTAL ASSETS	\$158,712,581	\$113,943,026	\$36,007,778	\$7,198,895	\$1,562,881

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING SEPTEMBER 30, 2017**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
LIABILITIES AND NET ASSETS					
Current Liabilities					
Trade Accounts Payable	\$2,139,532	\$1,555,494	\$582,624	\$0	\$1,414
Reimbursement Prog. Unclaimed Funds	(19,933)	(21,883)	0	1,950	0
Bond Debt Principal Payable-Current	33,000	0	0	33,000	0
Loan Debt Principal Payable-Current	1,361,440	790,074	571,367	0	0
Bank of Marin Principal Payable-Current	346,944	302,536	0	44,409	0
Bond/Loan Debt Interest Payable-Current	1,975	0	0	1,975	0
Accrued Interest Payable-SRF Loan	161,132	65,306	95,826	0	0
Deposits/Performance Bonds	217,051	193,840	0	20,212	3,000
Unemployment Insurance Reserve (Note 8)	26,778	26,778	0	0	0
Workers' Comp Future Claims Payable	156,694	145,725	4,074	5,171	1,724
Payroll Benefits (Note 9)	916,313	839,657	28,472	36,138	12,046
Due To Other Funds (Note 10)	2,283,299	0	2,283,299	0	0
Deferred Revenue	178,794	0	0	0	178,794
Total Current Liabilities	\$7,803,021	\$3,897,526	\$3,565,663	\$142,854	\$196,977
Restricted Liabilities					
Construction Advances	\$329,470	\$317,905	\$10,000	\$0	\$1,565
Total Restricted Liabilities	\$329,470	\$317,905	\$10,000	\$0	\$1,565
Long Term Liabilities (Note 7)					
Bonds Outstanding - PR6 (FmHA)	\$35,000	\$0	\$0	\$35,000	\$0
Bonds Outstanding - PRE1 (FmHA)	26,000	0	0	26,000	0
STP Rehab SRF Loan	10,050,647	10,050,647	0	0	0
RWF SRF Loan	2,189,287	0	2,189,287	0	0
RWS North/South Expansion SRF Loan	7,551,587	0	7,551,587	0	0
RWS Central Expansion SRF Loan	4,615,767	0	4,615,767	0	0
Bank of Marin Loan	5,824,884	5,079,299	0	745,585	0
Net Pension Liability @ 6/30/16 (Note 17)	11,040,789	11,040,789	0	0	0
Retiree Health Benefits Payable (Note 2)	1,224,557	1,224,557	0	0	0
Total Long Term Liabilities	\$42,558,517	\$27,395,292	\$14,356,640	\$806,585	\$0
Deferred Inflow of Resources	655,355	655,355	0	0	0
TOTAL LIABILITIES	\$51,346,363	\$32,266,079	\$17,932,303	\$949,440	\$198,542
Net Assets					
Invested in Capital Assets					
Contributions in Aid of Construction	\$81,744,374	\$74,808,727	\$4,117,788	\$2,138,348	\$679,511
Grants in Aid of Construction	13,239,197	396,477	10,015,532	2,827,187	0
Connection Fees	32,860,256	24,367,802	6,647,215	1,294,476	550,763
Total Investment	\$127,843,827	\$99,573,006	\$20,780,535	\$6,260,011	\$1,230,274

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING SEPTEMBER 30, 2017**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Restricted Reserves					
Connection Fee Fund	(\$5,349,144)	(\$5,404,695)	\$0	\$93,345	(\$37,794)
Wohler Pipeline Financing Fund	409,424	409,424	0	0	0
Collector #6 Financing Fund	1,609,749	1,609,749	0	0	0
Revenue Bond Redemption Fund	30,000	0	0	30,000	0
Bank of Marin Project Fund	632,478	35,482	0	596,996	0
Deer Island RWF Replacement Fund	1,250,789	0	1,250,789	0	0
Capital Replacement & Expansion Fund	1,198,480	0	1,198,480	0	0
RWS North/South SRF Payment Fund	614,299	0	614,299	0	0
RW Central Area SRF Payment Fund	255,373	0	255,373	0	0
Designated Reserves					
Liability Contingency Fund	922,285	823,400	0	98,885	0
Maintenance Accrual Fund	4,340,681	4,340,681	0	0	0
Self-Insured Workers' Compensation Fund	471,932	444,705	7,082	14,910	5,235
Retiree Medical Benefits Fund	2,743,557	2,743,557	0	0	0
Conservation Incentive Rate Fund	147,081	104,369	0	42,712	0
Operating Reserve Fund	240,000	0	0	174,000	66,000
Earned Surplus - Prior Yrs	(33,038,424)	(25,824,067)	(6,067,860)	(1,228,763)	82,266
Net Income/(Loss)	1,843,328	1,662,720	63,458	93,712	23,438
Prior Period Adjustment	0	0	0	0	0
Transfer (To)/From Reserves (see below)	1,200,505	1,158,617	(26,680)	73,649	(5,080)
Total Restricted & Designated	(\$20,477,609)	(\$17,896,058)	(\$2,705,060)	(\$10,555)	\$134,065
TOTAL NET POSITION	\$107,366,218	\$81,676,948	\$18,075,475	\$6,249,456	\$1,364,339
Transfer (To)/From Reserves					
Connection Fee	1,223,387	1,223,734	0	(347)	0
Maintenance Reserve	(25,000)	(25,000)	0	0	0
RWF Replacement Fund	(28,750)	0	(28,750)	0	0
Capital Replacement & Expansion Fund	0	0	0	0	0
Retiree Medical Insurance Fund	(14,063)	(14,063)	0	0	0
(Gain)/Loss Self-Insured WC Fund	83,666	77,658	2,070	3,018	920
Bank of Marin Project Fund	65,968	658	0	65,310	0
RW North/South SRF Loan Payment Fund	0	0	0	0	0
RW Central Area SRF Loan Payment Fund	0	0	0	0	0
Conservation Incentive Rate Fund	(104,369)	(104,369)	0	0	0
Operating Reserve Fund	(333)	0	0	5,667	(6,000)
Total Transfer	\$1,200,505	\$1,158,617	(\$26,680)	\$73,649	(\$5,080)

NORTH MARIN WATER DISTRICT
SOURCES AND USES OF FUNDS STATEMENT - ALL SERVICE AREAS COMBINED
FOR THE PERIOD ENDING SEPTEMBER 30, 2017

	YTD Actual	Annual Budget	YTD/ Budget %	Prior YTD Actual
OPERATING REVENUE				
Water Sales	\$5,962,051	\$14,532,000	41%	\$4,955,333
Bimonthly Service Charge	1,084,787	4,562,000	24%	1,120,906
Sewer Service Charge	59,598	239,000	25%	53,820
Wheeling & Misc Service Charges	102,051	359,000	28%	84,366
TOTAL OPERATING REVENUE	\$7,208,486	\$19,692,000	37%	\$6,214,425
OPERATING EXPENDITURES				
Source of Supply	\$1,656,003	\$5,065,000	33%	\$2,019,164
Pumping	147,130	401,000	37%	115,544
Operations	211,509	810,000	26%	218,098
Water Treatment	836,932	2,340,000	36%	596,116
Sewer Service	22,166	143,000	16%	27,787
Transmission & Distribution	773,754	3,260,000	24%	732,432
Consumer Accounting	152,606	677,000	23%	150,050
Water Conservation	61,882	450,000	14%	79,712
General & Administrative	566,761	2,408,000	24%	393,658
Depreciation	861,732	3,526,000	24%	859,464
TOTAL OPERATING EXPENDITURES	\$5,290,474	\$19,080,000	28%	\$5,192,026
NET OPERATING INCOME (LOSS)	\$1,918,012	\$612,000	313%	\$1,022,399
NON-OPERATING REVENUE/(EXPENSE)				
Tax Proceeds	\$708	\$109,000	1%	\$617
Interest Revenue	70,347	161,000	44%	37,527
Miscellaneous Revenue	67,046	137,000	49%	79,900
Bond & Loan Interest Expense	(212,397)	(732,000)	29%	(195,759)
Miscellaneous Expense	(388)	(20,000)	2%	(936)
TOTAL NON-OP REVENUE/(EXPENSE)	(\$74,684)	(\$345,000)	22%	(\$78,650)
NET INCOME/(LOSS)	\$1,843,328	\$267,000	690%	\$943,749
OTHER SOURCES/(USES) OF FUNDS				
Add Depreciation Expense	\$861,732	\$3,526,000	24%	\$859,464
Connection Fees	709,200	833,000	85%	209,185
Loan Proceeds	2,033,836	6,200,000	33%	0
Grant Proceeds	636,756	5,333,000	12%	42,047
Caltrans AEEP Capital Contribution	735	0	-	8,766
StoneTree RWF Loan Principal	35,686	217,000	16%	34,842
MMWD AEEP Capital Contribution	245,000	245,000	100%	245,000
Capital Equipment Expenditures	0	(210,000)	0%	0
Capital Improvement Projects	(1,187,965)	(17,745,000)	7%	(401,635)
Bond & Loan Principal Payments	(250,851)	(1,802,000)	14%	(254,100)
Change in Working Capital	(2,405,665)	2,570,000	-94%	(1,084,592)
TOTAL OTHER SOURCES/(USES)	\$678,465	(\$833,000)	-	(\$341,023)
CASH INCREASE/(DECREASE)	\$2,521,792	(\$566,000)	-	\$602,726

**NORTH MARIN WATER DISTRICT
INCOME STATEMENT AND CASH FLOW BY SERVICE AREA
FOR THE PERIOD ENDING SEPTEMBER 30, 2017**

<u>SUMMARY INCOME STATEMENT</u>	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Operating Revenue	\$7,208,486	\$6,443,835	\$414,128	\$290,625	\$59,898
Operating Expense	5,290,474	4,791,140	266,916	193,617	38,801
OPERATING INCOME/(LOSS)	\$1,918,012	\$1,652,695	\$147,211	\$97,008	\$21,097
Non-Operating Revenue/(Expense)	(74,684)	10,025	(83,753)	(3,296)	2,341
NET INCOME/(LOSS)	\$1,843,328	\$1,662,720	\$63,458	\$93,712	\$23,438
CAPITAL CONTRIBUTIONS					
RW Central Area Expansion Grant	\$598,919	\$0	\$598,919	\$0	\$0
Developer In-Kind Contributions	19,227	19,046	180	0	0
Caltrans AEEP Capital Contributions	735	735	0	0	0
MMWD Capital Contribution	245,000	245,000	0	0	0
Connection Fees	709,200	709,200	0	0	0
FRC Transfer	0	(266,435)	266,435	0	0
CAPITAL CONTRIBUTIONS	\$1,610,918	\$745,384	\$865,534	\$0	\$0
CHANGE IN NET POSITION	\$3,454,246	\$2,408,104	\$928,992	\$93,712	\$23,438
Net Position June 30, 2017	103,911,972	79,269,006	17,146,483	6,155,744	1,340,740
Net Position September 30, 2017	<u>\$107,366,218</u>	<u>\$81,677,110</u>	<u>\$18,075,475</u>	<u>\$6,249,456</u>	<u>\$1,364,177</u>

CASH FLOW STATEMENT

Net Income/(Loss)	\$1,843,328	\$1,662,720	\$63,458	\$93,712	\$23,438
Add Depreciation	861,732	685,469	118,605	48,235	9,423
Cash Generated From Operations	\$2,705,060	\$2,348,189	\$182,063	\$141,947	\$32,860
Other Sources (Uses) of Funds					
Connection Fee Revenue	\$709,200	\$709,200	\$0	\$0	\$0
Loan Proceeds	2,033,836	0	2,033,836	0	0
Grant Proceeds	636,756	37,838	598,919	0	0
Capital Assets Acquisition	(1,187,965)	(227,344)	(924,016)	(27,085)	(9,519)
Caltrans AEEP Capital Contribution	735	735	0	0	0
StoneTree RWF Loan Principal Pmts	35,686	0	35,686	0	0
MMWD AEEP Capital Contribution	245,000	245,000	0	0	0
Principal Paid on Debt	(250,851)	(91,759)	(146,254)	(12,838)	0
Consumer Receivables Decr (Incr)	(1,365,767)	(1,202,282)	(33,080)	(72,851)	(57,554)
Construction Advances (Decr) Incr	93,549	93,549	0	0	0
Other Assets Decr (Incr)	63,388	(621,253)	871,402	(3,364)	(183,397)
Other Liabilities (Decr) Incr	184,717	(247,363)	259,513	(5,806)	178,373
Trade Accounts Payable (Decr) Incr	(1,381,551)	(1,510,856)	129,305	0	0
Connection Fee Transfer	0	(266,435)	266,435	0	0
Interdistrict Loan Due To (From)	0	3,273,809	(3,273,809)	0	0
Total Other Sources (Uses)	(\$183,267)	\$192,838	(\$182,063)	(\$121,944)	(\$72,098)
Net Cash Provided (Used)	\$2,521,793	\$2,541,027	\$0	\$20,003	(\$39,238)
MV Cash & Investments June 30, 2017	10,094,852	7,497,987	869,672	1,303,012	424,181
MV Cash & Investments Sept 30, 2017	<u>\$12,616,645</u>	<u>\$10,039,014</u>	<u>\$869,672</u>	<u>\$1,323,015</u>	<u>\$384,943</u>

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING SEPTEMBER 30, 2017

	SEPTEMBER 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$1,858,676	\$5,330,467	41%	\$4,426,351
Bill Adjustments	(5,688)	(21,410)	-25%	(32,087)
Bimonthly Service Charges	344,743	1,034,230	24%	1,071,282
Account Turn-on Charges	7,735	23,840	33%	19,340
New Account Charges	900	2,165	31%	2,280
Returned Check Charges	81	297	30%	682
Hydrant Meter Up/Down Charges	800	2,160	216%	500
Backflow Service Charges	12,131	35,350	25%	33,797
Lab Service-Outside Clients	1,253	9,108	36%	7,529
Wheeling Charges - MMWD	10,489	27,628	30%	19,150
Regulation 15 Forfeiture	0	0	0%	0
TOTAL OPERATING REVENUE	\$2,231,120	\$6,443,835	36%	\$5,548,824
TOTAL EXPENDITURES				
SOURCE OF SUPPLY				
Supervision & Engineering	\$431	\$2,299	11%	\$2,727
Operating Expense - Source	28	468	5%	2,748
Maint/Monitoring of Dam	652	12,455	20%	16,913
Maint of Lake & Intakes	0	452	3%	1,027
Maint of Structures	0	0	-	0
Maint of Watershed	2,304	4,095	8%	15,206
Water Quality Surveillance	563	2,306	9%	97
Erosion Control	0	0	-	382
Purchased Water	538,699	1,524,301	33%	1,870,181
SOURCE OF SUPPLY	\$542,677	\$1,546,377	32%	\$1,909,281
PUMPING				
Operating Expense - Pumping	\$0	\$0	0%	\$0
Maint of Structures & Grounds	652	5,460	20%	8,276
Maint of Pumping Equipment	2,560	9,449	14%	2,440
Electric Power	36,243	105,996	42%	92,669
PUMPING	\$39,455	\$120,905	35%	\$103,385
OPERATIONS				
Supervision & Engineering	\$15,605	\$59,313	35%	\$64,033
Operating Expense - Operations	28,934	85,230	24%	78,126
Maintenance Expense	2,974	12,000	21%	10,907
Telemetry Equipment/Controls Maint	6,428	22,227	24%	23,665
Leased Lines	1,438	4,270	25%	4,622
OPERATIONS	\$55,378	\$183,040	26%	\$181,352

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING SEPTEMBER 30, 2017

	SEPTEMBER 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER TREATMENT				
Supervision & Engineering	\$9,965	\$29,875	28%	\$34,451
Operating Expense - Water Treatment	46,813	131,908	36%	125,412
Purification Chemicals	51,789	302,323	71%	82,102
Sludge Disposal	11,502	23,060	23%	31,886
Maint of Structures & Grounds	1,731	5,556	7%	14,498
Maint of Purification Equipment	6,824	40,822	23%	34,030
Electric Power	12,123	67,762	49%	40,042
Water Quality Programs	10,362	31,644	30%	31,262
Laboratory Direct Labor	24,799	86,857	22%	102,640
Lab Service-Outside Clients	4,251	15,492	22%	12,412
Water Quality Supervision	6,280	21,485	27%	24,824
Laboratory Supplies & Expense	4,343	16,161	19%	20,361
Customer Water Quality	3,703	13,177	19%	13,939
Lab Cost Distributed	(3,535)	(8,399)	34%	(7,457)
WATER TREATMENT	\$190,950	\$777,723	36%	\$560,401
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$52,143	\$167,543	28%	\$139,954
Maps & Records	9,795	41,960	25%	43,464
Operation of T&D System	7,308	31,176	16%	25,792
Facilities Location	11,434	35,320	36%	39,981
Safety: Construction & Engineering	2,495	6,500	10%	5,747
Customer Service Expense	18,219	53,483	27%	37,728
Flushing	91	91	0%	2,000
Storage Facilities Expense	2,139	33,667	23%	29,410
Cathodic Protection	0	3,153	12%	3,539
Maint of Valves/Regulators	3,200	57,900	27%	38,836
Maint of Mains	27,256	66,594	54%	36,987
Leak Detection - Mains	286	1,645	24%	1,956
Backflow Prevention Program	12,011	35,692	12%	40,257
Maint of Copper Services	8,105	30,599	17%	47,898
Maint of PB Service Lines	57,423	120,311	27%	161,134
Single Service Installations	3,917	7,974	-	1,766
Maint of Meters	4,079	21,520	20%	16,947
Detector Check Assembly Maint	17,196	17,205	26%	12,121
Maint of Hydrants	3,448	11,197	15%	8,828
TRANSMISSION & DISTRIBUTION	\$240,547	\$743,530	24%	\$694,346
CONSUMER ACCOUNTING				
Meter Reading	\$12,263	\$34,593	17%	\$38,297
Collection Expense - Labor	2,303	7,755	20%	6,336
Collection Expense - Agency	215	475	16%	927
Billing & Consumer Accounting	17,733	67,526	25%	68,811
Contract Billing	1,046	3,864	21%	4,357
Stationery, Supplies & Postage	3,429	12,886	23%	14,684
Credit Card Fees	1,718	11,987	39%	7,353
Lock Box Service	912	2,736	25%	2,736
Uncollectable Accounts	(229)	3,195	23%	1,552
Office Equipment Expense	860	6,235	42%	1,390
Distributed to West Marin (4.1%)	(1,072)	(4,407)	28%	(4,104)
CONSUMER ACCOUNTING	\$39,178	\$146,845	23%	\$142,339

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING SEPTEMBER 30, 2017

	SEPTEMBER 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER CONSERVATION				
Residential	\$17,014	\$49,491	14%	\$67,910
Commercial	218	1,090	6%	647
Public Outreach/Information	327	1,409	4%	1,900
Large Landscape	2,684	8,532	32%	6,524
TOTAL WATER CONSERVATION	\$20,243	\$60,522	14%	\$76,980
GENERAL AND ADMINISTRATIVE				
Directors Fees	\$2,365	\$7,804	19%	\$18,393
Legal Fees	(727)	6,494	38%	4,257
Human Resources	2,503	7,158	26%	9,634
Auditing Fees	9,100	15,300	90%	16,100
Consulting Services/Studies	1,860	4,925	1%	2,428
General Office Salaries	115,438	347,202	27%	344,266
Safety: General District Wide	2,461	9,850	15%	7,001
Office Supplies	140	6,854	15%	4,634
Employee Events	480	2,241	19%	316
Other Administrative Expense	979	3,300	19%	2,889
Dues & Subscriptions	16,583	33,639	49%	18,848
Vehicle Expense	676	2,028	25%	2,028
Meetings, Conferences & Training	9,083	26,437	11%	43,850
Recruitment Expense	75	659	22%	326
Gas & Electricity	5,235	11,524	30%	11,470
Telephone	503	1,885	24%	2,160
Water	0	259	13%	380
Buildings & Grounds Maint	3,564	12,276	22%	11,772
Office Equipment Expense	6,424	36,567	31%	38,859
Insurance Premiums & Claims	7,364	22,091	19%	24,279
Retiree Medical Benefits	13,008	39,250	23%	40,041
(Gain)/Loss on Overhead Charges	129,945	52,584	-135%	(131,881)
G&A Applied to Other Operations (5.9%)	(15,457)	(39,556)	23%	(32,937)
G&A Applied to Construction	(30,715)	(84,039)	22%	(79,646)
GENERAL & ADMINISTRATIVE	\$280,885	\$526,729	24%	\$359,466
Depreciation (Note 5)	228,774	685,469	24%	681,495
TOTAL OPERATING EXPENSE	\$1,638,086	\$4,791,140	28%	\$4,709,047
OPERATING INCOME/(LOSS)	\$593,034	\$1,652,695	317%	\$839,776

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING SEPTEMBER 30, 2017

	SEPTEMBER 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest:				
General Funds	\$0	\$0	0%	\$0
Wohler Pipeline Financing Fund	530	1,461	37%	1,319
Collector #6 Financing Fund	2,083	5,745	38%	5,188
Retiree Medical Insurance Fund	5,125	14,063	37%	12,090
Self-Insured Workers' Comp Fund	889	2,475	35%	2,022
Aqueduct Energy Efficiency Proj Fund	46	128	-	127
Funds Held in County Treasury	0	1,082	14%	802
Recycled Water Advance (Note 10)	9,185	30,647	-	0
Total Interest Revenue	\$17,858	\$55,603	56%	\$21,547
Rents & Leases	4,938	48,294	58%	32,207
Other Non-Operating Revenue	6,136	16,486	33%	48,896
Gain/(Loss) on MV of Investments	(4,487)	1,765	-	(1,703)
NON-OPERATING REVENUE	\$24,445	\$122,148	52%	\$100,947
NON-OPERATING EXPENSE				
Bank of Marin AEEP Loan Interest Exp	\$15,406	\$46,430	24%	\$48,917
STP SRF Loan Interest Expense	21,295	65,306	25%	72,209
Drought Loan Interest Expense	0	0	0%	218
Other Non-Operating Expense	167	388	2%	663
NON-OPERATING EXPENSE	\$36,869	\$112,124	24%	\$122,008
NET INCOME/(LOSS)	\$580,610	\$1,662,720	588%	\$818,716
BEGINNING FUND EQUITY				
		\$79,268,844		\$79,479,151
NET INCOME/(LOSS)	580,610	1,662,720		818,716
CONTRIBUTED CAPITAL				
SCWA 84 Water Conservation Grant	35,098	37,838	-	0
Developer 'In-Kind' Contributions	6,832	19,046	-	101,889
Caltrans AEEP Capital Contribution	0	735	-	8,766
MMWD AEEP Capital Contribution	0	245,000	100%	245,000
Connection Fees	0	709,200	91%	201,185
FRC Transfer to Recycled Water	(122,720)	(266,435)	15%	(242,225)
Prior Period Adjustment (Note 12)	0	0	-	(247,077)
ENDING FUND EQUITY		\$81,676,948		\$80,365,405

**NOVATO RECYCLED WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING SEPTEMBER 30, 2017**

	SEPTEMBER 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Recycled Water Sales	\$104,621	\$404,879	46%	\$358,893
Bimonthly Service Charges	2,948	8,364	25%	7,430
Water Loads	(90)	885	-	0
Account Turn-on Charges	0	0	-	12
Returned Check Charges	0	0	-	0
TOTAL OPERATING REVENUE	\$107,479	\$414,128	45%	\$366,335
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Purchased Water - NSD	\$18,341	\$66,314	43%	\$67,462
Purchased Water - LGVSD	10,905	34,124	54%	33,282
SOURCE OF SUPPLY	\$29,246	\$100,437	46%	\$100,743
PUMPING				
Maint of Structures & Grounds	\$0	\$0	0%	\$0
Electric Power	400	1,207	40%	1,253
PUMPING	\$400	\$1,207	30%	\$1,253
OPERATIONS				
Supervision & Engineering	\$656	\$3,063	26%	\$4,218
Operating Expense - Operations	1,191	3,903	19%	5,861
Potable Water Consumed	0	3,949	36%	424
Maintenance Expense	2,380	5,837	117%	2,533
Telemetry Equipment/Controls Maint	606	2,680	21%	5,832
OPERATIONS	\$4,834	\$19,432	31%	\$18,868
WATER TREATMENT				
Purification Chemicals	\$842	\$842	21%	\$809
Maint of Purification Equipment	654	8,703	97%	906
Electric Power	0	0	0%	0
Laboratory Direct Labor	510	923	15%	1,034
Lab Expense Distributed from Novato	328	593	20%	642
WATER TREATMENT	\$2,334	\$11,061	46%	\$3,391
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$0	\$369	2%	\$2,821
Maps & Records	0	0	0%	72
Operation of T&D System	0	0	0%	0
Facilities Location	0	112	-	0
Cathodic Protection	0	0	0%	0
Customer Service Expense	0	0	0%	541
Storage Facilities Expense	0	26	0%	2,060
Maint of Valves/Regulators	0	357	36%	22
Maint of Meters	0	717	72%	0
Maint of Mains	0	887	-	7
TRANSMISSION & DISTRIBUTION	\$0	\$2,468	4%	\$5,522

**NOVATO RECYCLED WATER
DETAIL INCOME STATEMENT**

FOR THE PERIOD ENDING SEPTEMBER 30, 2017

	SEPTEMBER 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
CONSUMER ACCOUNTING				
Distributed from Novato (0.2%)	\$52	\$214	21%	\$197
CONSUMER ACCOUNTING	\$52	\$214	21%	\$197
GENERAL AND ADMINISTRATIVE				
Distributed from Novato (2.4%)	\$5,272	\$13,492	23%	\$11,986
GENERAL & ADMINISTRATIVE	\$5,272	\$13,492	23%	\$12,709
Depreciation (Note 5)	39,477	118,605	25%	118,003
TOTAL OPERATING EXPENSE	\$81,614	\$266,916	29%	\$260,685
OPERATING INCOME/(LOSS)	\$25,865	\$147,211	3680%	\$105,651
NON-OPERATING REVENUE				
Interest:				
General Funds	\$0	\$0	0%	\$0
RWF Replacement Fund	0	0	-	694
Capital Repl & Exp Fund	0	0	-	96
Self-Insured Workers' Comp Fund	0	0	-	39
StoneTree RWF Loan	2,967	9,043	27%	10,311
Total Interest Revenue	\$2,967	\$9,043	21%	\$11,140
Other Non-Operating Revenue	0	0	-	0
NON-OPERATING REVENUE	\$2,967	\$9,043	21%	\$11,140
NON-OPERATING EXPENSE				
RWF SRF Loan Interest Expense	\$4,750	\$14,566	25%	\$15,840
Expansion SRF Loan Interest Expense	15,818	47,582	25%	50,045
Other Non-Operating Expense	0	0	-	111
Interest-Advance from Novato (Note 10)	9,185	30,647	-	0
NON-OPERATING EXPENSE	\$29,754	\$92,796	37%	\$65,996
NET INCOME/(LOSS)	(\$922)	\$63,458	(32%)	\$50,794
BEGINNING FUND EQUITY		\$17,146,483		\$16,993,634
NET INCOME/(LOSS)	(922)	63,458		50,794
Developer 'In-Kind' Contributions	0	180		0
FRC Transfer from Novato	122,720	266,435	15%	242,225
RW Central Area Expansion Grant	331,538	598,919	11%	42,047
ENDING FUND EQUITY		\$18,075,475		\$17,328,700

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING SEPTEMBER 30, 2017**

	SEPTEMBER 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$98,671	\$255,080	40%	\$211,525
Bill Adjustments	(220)	(7,850)	-	(9,350)
Bimonthly Service Charges	14,065	42,194	24%	42,194
Account Turn-on Charges	0	144	14%	70
New Account Charges	0	40	4%	30
Returned Check Charges	0	9	-	51
Backflow Service Charges	0	1,009	20%	926
TOTAL OPERATING REVENUE	\$112,515	\$290,625	36%	\$245,446
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Supervision & Engineering	\$424	\$424	-	\$44
Operating Expense	159	565	9%	910
Maint of Structures	0	8,200	103%	7,925
Water Quality Surveillance	0	0	0%	261
SOURCE OF SUPPLY	\$583	\$9,189	61%	\$9,140
PUMPING				
Maint of Structures and Grounds	\$7	\$383	5%	\$2,293
Maint of Pumping Equip	15,862	17,588	176%	127
Electric Power	2,893	7,047	25%	8,341
PUMPING	\$18,762	\$25,018	56%	\$10,761
OPERATIONS				
Supervision & Engineering	\$1,747	\$3,985	40%	\$3,501
Operating Expense	493	1,659	10%	3,509
Maint of Telemetry Lines	0	0	-	163
Maint of Telemetry Equipment	1,356	2,200	10%	9,557
Leased Lines	394	1,191	20%	1,148
OPERATIONS	\$3,990	\$9,036	17%	\$17,878
WATER TREATMENT				
Supervision & Engineering	\$424	\$1,187	17%	\$1,062
Operating Expense	989	9,232	44%	3,436
Purification Chemicals	1,297	3,281	66%	2,940
Maint of Structures & Grounds	0	242	24%	0
Maint of Purification Equipment	0	3,227	13%	1,301
Electric Power	3,487	9,670	46%	5,797
Laboratory Direct Labor	4,195	11,350	34%	9,776
Laboratory Services	0	880	22%	560
Water Quality Supervision	228	570	7%	0
Customer Water Quality	575	1,215	30%	1,380
Lab Expense Distributed from Novato	2,696	7,295	38%	6,071
WATER TREATMENT	\$13,891	\$48,148	33%	\$32,324

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING SEPTEMBER 30, 2017**

	SEPTEMBER 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$545	\$2,454	18%	\$1,450
Maps & Records	0	0	0%	0
Facilities Location - USA	1,214	5,449	78%	1,714
Customer Service Expense	476	5,823	97%	1,759
Flushing	0	0	0%	0
Storage Facilities Expense	747	4,105	14%	4,561
Cathodic Protection	0	485	7%	538
Maint of Valves	172	378	6%	768
Valve Operation Program	0	0	0%	0
Maint of Mains	0	16	0%	204
Water Quality Maintenance	0	0	0%	0
Maint of Backflow Devices	0	0	0%	0
Backflow Dev Inspection/Survey	0	840	28%	1,760
Maint of Copper Services	0	14	0%	4,035
Maint of PB Service Lines	1,884	2,792	14%	11,764
Maint of Meters	123	988	20%	4,459
Detector Check Assembly Maint	0	0	0%	0
Maint of Hydrants	0	0	0%	0
Hydrant Operation	0	0	0%	0
Single Service Installation	0	4,412	-	(446)
TRANSMISSION & DISTRIBUTION	\$5,162	\$27,757	21%	\$32,565
CONSUMER ACCOUNTING				
Meter Reading	\$0	\$1,198	10%	\$3,506
Collection Expense - Labor	0	156	16%	0
Uncollectable Accounts	0	0	0%	102
Distributed from Novato (3.6%)	896	3,706	29%	3,483
CONSUMER ACCOUNTING	\$896	\$5,059	19%	\$7,090
WATER CONSERVATION				
Water Conservation Program	\$476	\$1,360	14%	\$2,732
TOTAL WATER CONSERVATION	\$476	\$1,360	14%	\$2,732
GENERAL AND ADMINISTRATIVE				
Consulting Services/Studies	\$0	\$0	0%	\$0
Distributed from Novato (3.6%)	7,743	19,815	23%	15,578
GENERAL & ADMINISTRATIVE	\$7,743	\$19,815	21%	\$15,578
Depreciation (Note 5)	16,052	48,235	25%	48,409
TOTAL OPERATING EXPENSE	\$67,555	\$193,617	27%	\$176,476
OPERATING INCOME/(LOSS)	\$44,960	\$97,008	98%	\$68,969

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING SEPTEMBER 30, 2017**

	SEPTEMBER 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest - General Funds	\$470	\$1,316	-	\$750
Interest - FRC	123	347	12%	295
Interest - Self-Insured WC Fund	31	87	-	70
Interest - Bank of Marin Project Fund	860	2,372	24%	2,142
Interest - CIR Fund	55	104	-	133
Rents & Leases	0	0	0%	0
Tax Proceeds - OL-2 G.O. Bond	0	0	-	0
Tax Proceeds - PR-2 Tax Allocation	5	342	1%	299
Other Non-Operating Revenue	0	0	-	0
NON-OPERATING REVENUE	\$1,545	\$4,569	7%	\$3,689
NON-OPERATING EXPENSE				
Bank of Marin Loan Interest Expense	\$2,262	\$6,815	28%	\$7,180
PRE-1 Revenue Bond Interest Exp	158	475	16%	625
PR-6 Revenue Bond Interest Exp	192	575	19%	700
Drought Loan Interest Expense	0	0	0%	24
NON-OPERATING EXPENSE	\$2,612	\$7,865	25%	\$8,529
NET INCOME/(LOSS)	\$43,894	\$93,712	68%	\$64,129
BEGINNING FUND EQUITY		\$6,155,744		\$6,150,369
NET INCOME/(LOSS)	43,894	93,712		64,129
CONTRIBUTED CAPITAL				
Connection Fees	0	0	0%	8,000
ENDING FUND EQUITY		\$6,249,456		\$6,222,498

**OCEANA MARIN SEWER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING SEPTEMBER 30, 2017**

	SEPTEMBER 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Sewer Service Charges	\$19,866	\$59,598	25%	\$53,820
Inspection Fees	0	300	-	0
TOTAL OPERATING REVENUE	\$19,866	\$59,898	25%	\$53,820
OPERATING EXPENSE				
SEWAGE COLLECTION				
Supervision & Engineering	\$1,523	\$2,545	14%	\$3,289
Inspection	384	384	38%	540
Operating Expense	466	1,632	23%	1,518
Facilities Location	229	563	56%	1,231
Maint of Telemetry Equipment	20	389	10%	3,098
Sewer Service Installation	0	104	-	0
Maint of Lift Stations	281	1,182	24%	750
Maint of Manholes	0	0	0%	0
Maint of Sewer Mains	0	0	0%	0
Electric Power	1,207	3,519	29%	3,156
SEWAGE COLLECTION	\$4,110	\$10,317	19%	\$13,580
SEWAGE TREATMENT				
Operating Expense	\$1,164	\$1,490	5%	\$4,326
Maint of Structures	0	0	0%	0
Maint of Equipment	0	183	2%	628
Laboratory Direct Labor	795	795	13%	1,197
Lab Expense Distributed from Novato	511	511	26%	743
Electric Power	1,009	2,987	50%	1,525
SEWAGE TREATMENT	\$3,478	\$5,966	10%	\$8,419
SEWAGE DISPOSAL				
Operating Expense	\$55	\$1,073	9%	\$4,525
Maint of Pump Stations	183	1,130	14%	255
Maint of Storage Ponds	141	1,962	49%	628
Maint of Irrigation Field	0	1,718	21%	380
SEWAGE DISPOSAL	\$378	\$5,883	18%	\$5,787
CONSUMER ACCOUNTING				
Collection Expense - County of Marin	\$0	\$0	-	\$0
Distributed from Novato (0.6%)	124	488	24%	424
CONSUMER ACCOUNTING	\$124	\$488	24%	\$424

**OCEANA MARIN SEWER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING SEPTEMBER 30, 2017**

	SEPTEMBER 2017	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
GENERAL AND ADMINISTRATIVE				
Consulting Services/Studies	\$0	\$0	0%	\$0
Distributed from Novato (1.1%)	\$2,442	\$6,250	23%	\$5,373
Liability Insurance	159	476	24%	532
GENERAL AND ADMINISTRATIVE	\$2,601	\$6,725	12%	\$5,905
Depreciation (Note 5)	3,087	9,423	18%	11,557
TOTAL OPERATING EXPENSE	\$13,779	\$38,801	16%	\$45,672
OPERATING INCOME/(LOSS)	\$6,087	\$21,097	(192%)	\$8,148
NON-OPERATING REVENUE				
Rents & Leases	\$0	\$500	-	\$500
Interest - Connection Fee Reserve	0	0	-	18
Interest - General Funds	506	1,446	36%	1,408
Interest - Self Insured WC Fund	10	29	-	24
Tax Proceeds - OM-1/OM-3 Tax Alloc	6	365	1%	318
Other Non-Operating Revenue	0	1	-	0
NON-OPERATING REVENUE	\$522	\$2,341	4%	\$2,269
NON-OPERATING EXPENSE				
Other Non-Operating Expense	\$0	\$0	-	\$162
NON-OPERATING EXPENSE	\$0	\$0	-	\$162
NET INCOME/(LOSS)	\$6,609	\$23,438	48%	\$10,255
BEGINNING FUND EQUITY		\$1,340,901		\$1,339,774
NET INCOME/(LOSS)	6,609	23,438		10,255
CONTRIBUTED CAPITAL				
Contribution in Aid of Construction	0	0	-	0
Connection Fees	0	0	0%	0
ENDING FUND EQUITY		\$1,364,339		\$1,350,029

**NORTH MARIN WATER DISTRICT
ANALYSIS OF WORKERS' COMP, CIR AND CONNECTION FEE FUNDS
FOR THE PERIOD ENDING SEPTEMBER 30, 2017**

		NOVATO WATER	WEST MARIN WATER	OCEANA MARIN SEWER	RECYCLED WATER
WORKERS' COMPENSATION FUND	TOTAL				
WC Cash Balance 6/30/17	\$733,571	\$701,035	\$24,268	\$8,268	\$0
Less: Projected Prior FY Claims Liability	192,121	178,673	6,340	2,113	4,995
Add: Funds borrowed to subsidize operations	14,147	0	0	0	14,147
WC Reserve Balance 6/30/17	\$555,597	\$522,362	\$17,928	\$6,155	\$9,152
Add: WC Expense Charged to Operations FYTD	27,315	25,376	983	300	656
Interest Earned	2,592	2,475	87	29	0
Subtotal	\$585,504	\$550,214	\$18,998	\$6,485	\$9,808
Less: Claims Expense Paid	98,075	91,112	3,531	1,079	2,354
Excess Insurance Premium	12,497	11,610	450	137	300
Administration Fees	3,000	2,787	108	33	72
WC Reserve Balance 9/30/17	\$471,932	\$444,705	\$14,910	\$5,235	\$7,082
Add: Projected Claims Liability	156,694	145,568	5,641	1,724	3,761
Funds borrowed to subsidize operations	(10,842)	0	0	0	(10,842)
WC CASH BALANCE 9/30/17	\$617,783	\$590,273	\$20,551	\$6,959	\$0

CONNECTION FEE FUND

Connection Fee Cash Balance 6/30/17	\$98,780	\$0	\$98,780	\$0
Add: funds borrowed to subsidize operations	(5,693,040)	(5,655,246)	0	(37,794)
Connection Fee Reserve Balance 6/30/17	(\$5,594,260)	(\$5,655,246)	\$98,780	(\$37,794)
Add: Connection Fees Collected FYTD	709,200	709,200	0	0
Interest Earned	347	0	347	0
Subtotal	(\$4,884,713)	(\$4,946,046)	\$99,127	(\$37,794)
Less: Fees Expended FYTD	197,996	192,214	5,782	0
Fees transferred to RWS FYTD (Note 14)	266,435	266,435	0	0
Connection Fee Reserve Balance 8/31/17	(\$5,349,145)	(\$5,404,696)	\$93,345	(\$37,794)
Less: Funds borrowed to subsidize operations	(5,442,489)	(5,404,696)	0	(37,794)
CONNECTION FEE CASH BALANCE 9/30/17	\$93,346	\$0	\$93,345	\$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
CONNECTION FEE ANALYSIS
FOR THE PERIOD ENDING SEPTEMBER 30, 2017**

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

FY17 CONNECTION FEE EXPENDITURES	TOTAL EXPENDITURE	% FUNDED BY CONNECTION FEES	TOTAL FROM CONNECTION FEES¹
Novato Water			
Bank of Marin AEEP Debt Service	120,510	25%	30,128
STP Rehab SRF Loan Debt Service	65,306	25%	16,326
Water Conservation Expenditures	60,480	100%	60,480
San Marin Pump Station Can Rehab	29,077	25%	7,269
Center Rd 6" CIP	41,081	50%	20,541
Grant Ave Bridge Pipeline Replacement	88,471	50%	42,751
Detector Check Assembly Upgrades	32,885	25%	8,221
San Mateo Tank Recoat	25,993	25%	6,498
	<u>\$463,803</u>		<u>\$192,214</u>
Recycled Water			
NBWRA Grant Program Administration	\$18,508	100%	\$18,508
RW Expansion Central Area Local Share	31,566	100%	31,566
RW Expansion North Area Debt Service	116,129	100%	116,129
RW Expansion South Area Debt Service	100,233	100%	100,233
	<u>\$266,435</u>		<u>\$266,435</u>
West Marin Water			
Bank of Marin Debt Service	\$17,690	25%	\$4,422
Water Conservation Expenditures	1,360	100%	1,360
	<u>\$19,050</u>		<u>\$5,782</u>
Oceana Marin Sewer	<u>\$0</u>		<u>\$0</u>
	<u>\$749,288</u>		<u>\$464,431</u>

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

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**NORTH MARIN WATER DISTRICT
EQUIPMENT EXPENDITURES
PERIOD ENDING SEPTEMBER 30, 2017**

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	SEPTEMBER 2017	FYTD TOTAL	FY 17/18 BUDGET	(OVER) UNDER	Notes
1 ADMINISTRATION					
a. Virtual Server		\$0	\$6,000	\$6,000	
	\$0	\$0	\$6,000	\$6,000	
2 CONSTRUCTION					
a. Fittings & Hose for Emergency Hose Trailer		\$0	\$6,000	\$6,000	1
	\$0	\$0	\$6,000	\$6,000	
3 OPERATIONS/MAINTENANCE					
a. Replacement Closed Circuit TV System		\$0	\$15,000	\$15,000	1
b. Replacement Incubator		0	15,000	15,000	1
c. Metals Analyzer		0	105,000	105,000	1
	\$0	\$0	\$135,000	\$135,000	
3 VEHICLE & ROLLING EQUIPMENT EXPENDITURES					
a. Hybrid 4x4 SUV		\$0	\$35,000	\$35,000	1
b. 1/2 Ton Pickup w/Tool Box & Radio		0	28,000	28,000	1
	\$0	\$0	\$63,000	\$63,000	
TOTAL EQUIPMENT EXPENDITURES	\$0	\$0	\$210,000	\$204,000	

Notes:

(1) Replacement item.

**NORTH MARIN WATER DISTRICT
OVERHEAD ACCOUNT ANALYSIS
FOR PERIOD ENDING SEPTEMBER 30, 2017**

	YEAR TO DATE ACTUAL	ANNUAL BUDGET	YTD/ BUDGET%	PRIOR YTD ACTUAL
<u>Material Handling</u>				
Material Overhead Recovered (15%)	\$12,578	\$130,000	10%	\$12,864
Labor	\$17,079	\$110,000	16%	\$15,252
Materials, Supplies & Expense	2,480	10,000	25%	495
Correction to Inventory Counts	524	0	-	(1,147)
Depreciation	1,673	10,000	17%	2,509
	<u>\$21,754</u>	<u>\$130,000</u>	17%	<u>\$17,109</u>
Net Material Handling Gain / (Loss)	<u>(\$9,176)</u>	<u>\$0</u>	-	<u>(\$4,245)</u>
<u>Construction Supplies</u>				
Const Supplies Overhead Recovered (10%)	\$62,450	\$260,000	24%	\$67,419
Labor	\$14,491	\$95,000	15%	\$13,227
Materials, Supplies & Expense	25,171	94,000	27%	18,364
Small Tools	7,768	24,000	32%	1,407
Depreciation	249	2,000	12%	789
	<u>\$47,679</u>	<u>\$215,000</u>	22%	<u>\$33,787</u>
Net Constr Supplies Gain / (Loss)	<u>\$14,771</u>	<u>\$45,000</u>	33%	<u>\$33,632</u>
<u>Vehicle & Equipment</u>				
Vehicle & Equipment Recovered ¹	\$95,498	\$388,000	25%	\$89,538
Labor	\$14,554	\$98,000	15%	\$12,691
Materials, Supplies & Expense	22,560	84,000	27%	14,831
Fuel	17,163	83,000	21%	16,529
Depreciation	32,428	132,000	25%	33,119
	<u>\$86,705</u>	<u>\$397,000</u>	22%	<u>\$77,170</u>
Net Vehicle & Equip Gain / (Loss)	<u>\$8,793</u>	<u>(\$9,000)</u>	-98%	<u>\$12,368</u>
<u>Payroll</u>				
Overheaded Payroll Recovered	\$1,966,327	\$8,155,000	24%	\$1,993,361
Salary Including Leave Time	\$1,316,813	\$5,473,000	24%	\$1,227,595
Employer FICA & Medicare Tax	103,176	408,000	25%	94,434
Insurance ²	232,218	1,007,000	23%	226,661
Worker's Compensation	78,145	115,000	68%	10,097
Retiree Medical Accrual	20,438	83,000	25%	19,625
CalPERS Retirement	256,275	1,066,000	24%	243,606
Unreconciled Difference	26,236	0	-	81,217
	<u>\$2,033,299</u>	<u>\$8,152,000</u>	25%	<u>\$1,903,235</u>
Net Payroll Gain / (Loss)	<u>(\$66,972)</u>	<u>\$3,000</u> ³		<u>\$90,126</u>
Total Overhead Gain / (Loss)	<u>(\$52,584)</u>	<u>\$39,000</u>	-135%	<u>\$131,881</u>

¹ Vehicle & Equipment Recovered is the amount charged to projects and operations to recover the expense of owning and operating the asset. The recovery rate is \$7/hr for vehicles 3/4-ton and under and \$14/hr for larger vehicles. An additional 50% is charged to developer projects to reflect the fair market value of the asset used.

² Insurance Includes Medical, Dental, Vision, Cafeteria, Life & Unemployment.

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

**NORTH MARIN WATER DISTRICT
EXPENDITURES BY CATEGORY
FOR PERIOD ENDING SEPTEMBER 30, 2017**

OPERATING EXPENSE		Novato	Recycled	West Marin	Oceana Marin	YTD Total	Annual Budget	YTD Budget %	Prior YTD Actual	% Change
1	Salaries & Benefits	\$1,614,480	\$20,276	\$54,489	\$11,293	\$1,700,538	\$6,938,000	25%	\$1,724,596	-1 %
2	Water Purchases	1,524,301	100,437	0	0	1,624,738	4,867,000	33%	1,970,924	-17 %
3	Depreciation	685,469	118,605	48,235	9,423	861,732	3,526,000	24%	859,464	0 %
4	Materials, Services & Supplies	363,851	8,677	32,979	3,091	408,599	1,903,000	21%	367,700	11 %
5	Consulting Services/Studies	4,925	0	0	0	4,925	382,000	1%	3,151	56 %
6	Chemicals	302,323	842	3,281	0	306,446	434,000	71%	85,851	256 %
7	Electric Power	173,758	1,207	16,717	6,507	198,189	459,000	43%	152,783	29 %
8	Vehicles and Equipment (Distrib)	60,868	1,095	3,781	637	66,380	287,000	23%	68,941	-3 %
9	Tools & Supplies (Distrib)	50,392	1,479	3,319	638	55,828	185,000	30%	62,373	-10 %
10	Retiree Medical Expenses	39,250	0	0	0	39,250	172,000	23%	40,041	-1 %
11	Water Conservation Rebates	6,109	0	0	0	6,109	104,000	6%	16,990	-64 %
12	Insurance & Claims	22,091	0	0	476	22,566	144,000	16%	24,810	-9 %
13	Office Supplies & Postage	19,740	0	0	0	19,740	102,000	19%	26,671	-25 %
14	GASB 68 Adjustments	0	0	0	0	0	0	-	0	-
15	Overhead Charges (Gain)/Loss	52,584	0	0	0	52,584	(39,000)	-135%	(131,881)	-139 %
16	Distributed Costs (Lab,G&A,ConsAcctg)	(136,497)	14,330	30,862	6,756	(84,550)	(384,000)	22%	(80,390)	5 %
17	Total Operating Expense	\$4,783,643	\$266,948	\$193,663	\$38,820	\$5,283,074	\$19,080,000	28%	\$5,192,025	1 %
18	Interest Expense & Other	112,124	92,796	7,865	0	212,785	752,000	28%	196,695	8 %
19	Total Expense	\$4,895,767	\$359,744	\$201,529	\$38,820	\$5,495,859	\$19,832,000	28%	\$5,388,720	1 %
Warehouse, Shop & Yard										
20	Salaries & Benefits	\$46,123	\$0	\$0	\$0	\$46,123	\$299,000	15%	\$41,170	12 %
21	Materials, Services & Supplies	74,358	0	0	0	74,358	307,000	24%	\$50,479	47 %
22	Depreciation	35,310	0	0	0	35,310	0	0%	\$36,417	-3 %
23	Distributed Costs	(155,791)	0	0	0	(155,791)	(606,000)	26%	(128,065)	21 %
24	Total W/H, Shop & Yard	\$0	\$0	\$0	\$0	\$0	\$0	-	\$0	-
District Capital Outlay										
25	Salaries & Benefits	\$93,558	\$50,537	\$7,459	\$5,964	\$157,518	\$817,000	19%	\$160,270	-1 %
26	Equipment Expenditures	0	0	0	0	0	210,000	0%	0	-
27	Debt Principal Payments	91,759	146,254	12,838	0	250,851	1,799,000	14%	254,100	-1 %
28	Materials, Services & Supplies	133,786	873,479	19,626	3,555	1,030,447	16,928,000	6%	246,029	318 %
29	Total District Capital Outlay	\$319,103	\$1,070,271	\$39,923	\$9,519	\$1,438,815	\$19,754,000	7%	\$660,399	117 %
Developer Funded Projects										
30	Salaries & Benefits	\$55,778	\$132	\$0	\$6,238	\$62,148	\$222,000	28%	\$45,752	35 %
31	Materials, Services & Supplies	47,424	49	(2,049)	2,641	48,064	130,000	37%	59,483	-19 %
32	Total Developer Projects	\$103,202	\$180	\$(2,049)	\$8,879	\$110,212	\$352,000	31%	\$105,235	4 %
33	Total	\$5,318,072	\$1,430,194	\$239,402	\$57,218	\$7,044,886	\$39,938,000	18%	\$6,154,354	14 %

**NORTH MARIN WATER DISTRICT
VEHICLE FLEET ANALYSIS
FOR PERIOD ENDING SEPTEMBER 30, 2017**

Fiscal Year to Date								Vehicle Cost per Mile				
Year	Description	Veh#	Assigned	Mileage	Expense ¹	Recovery ²	Gain/(Loss)	Mileage	Life to Date	FY18	FY17	FY16
1	1999 Dodge Ram 1500	32	STP	38	\$138	\$672	\$534	84,559	\$0.44	\$3.62	\$0.29	\$1.21
2	2002 Chev K1500 4x4	47	Latanyshyn	3,017	\$681	\$1,106	\$425	132,703	\$0.36	\$0.23	\$0.38	\$0.42
3	2003 Dodge Dakota 4x4	49	Stompe	1,293	\$1,924	\$940	(\$984)	100,232	\$0.43	\$1.49	\$0.46	\$0.33
4	2004 Chev C1500	53	STP	1,191	\$614	\$529	(\$85)	124,740	\$0.46	\$0.52	\$0.46	\$0.67
5	2004 Chev C1500 Xtra Cab	54	Pool	513	\$721	\$257	(\$465)	97,850	\$0.47	\$1.41	\$0.79	\$3.67
6	2005 Honda Civic Hybrid	56	Engineering	377	\$688	\$494	(\$194)	78,309	\$0.29	\$1.82	\$1.81	\$0.44
7	2005 Honda Civic Hybrid	57	Clark	823	\$591	\$455	(\$136)	75,264	\$0.24	\$0.72	\$0.15	\$0.20
8	2005 Ford Ranger	58	Pool	458	\$190	\$410	\$220	128,622	\$0.45	\$0.41	\$1.07	\$0.33
9	2005 Ford Ranger	59	Bynum	0	\$0	\$0	\$0	127,821	\$0.47	-	\$0.66	\$0.39
10	2006 Chev Colorado	501	Pool	629	\$285	\$350	\$65	138,617	\$0.37	\$0.45	\$0.20	\$0.40
11	2007 Chev K2500 4x4	502	Corda, Joe	1,731	\$2,493	\$2,524	\$31	98,756	\$0.58	\$1.44	\$0.77	\$0.67
12	2007 Chev Colorado	504	Rodriguez	3,570	\$742	\$3,024	\$2,282	63,004	\$0.41	\$0.21	\$0.36	\$0.35
13	2008 Ford F250 4x4	505	Cilia	924	\$3,447	\$1,477	(\$1,970)	91,554	\$0.76	\$3.73	\$1.80	\$0.56
14	2008 Ford F250 4x4	506	STP	1,897	\$443	\$581	\$138	67,338	\$0.76	\$0.23	\$0.63	\$0.57
15	2008 Chev Colorado 4x4	509	Engineering	985	\$266	\$882	\$616	97,317	\$0.34	\$0.27	\$0.29	\$0.41
16	2009 Toyota Prius Hybrid	510	Engineering	3,467	\$480	\$1,547	\$1,066	108,462	\$0.20	\$0.14	\$0.13	\$0.40
17	2010 Ford F150 4x4	511	STP	1,824	\$479	\$700	\$221	73,615	\$0.50	\$0.26	\$0.69	\$0.54
18	2010 Ford F150	512	Kurfirist	1,878	\$531	\$2,884	\$2,353	96,375	\$0.48	\$0.28	\$0.44	\$0.74
19	2010 Ford F150	513	On-Call	3,313	\$1,405	\$2,648	\$1,243	68,671	\$0.46	\$0.42	\$0.54	\$0.69
20	2012 Ford F250	515	Reed	2,625	\$812	\$3,143	\$2,331	43,815	\$0.62	\$0.31	\$0.84	\$0.47
21	2012 Ford F250	516	Castellucci	2,354	\$978	\$2,156	\$1,178	50,490	\$0.51	\$0.42	\$0.47	\$2.44
22	2014 Ford F150	517	Grisso	383	\$106	\$798	\$692	9,095	\$0.37	\$0.28	\$0.21	\$0.66
23	2015 Ford F250 4x4	518	Kehoe, Chris	3,449	\$1,622	\$4,868	\$3,246	55,172	\$0.41	\$0.47	\$0.41	\$0.38
24	2015 Ford Escape 4X4	520	Arendell	4,336	\$1,256	\$2,542	\$1,286	35,402	\$0.24	\$0.29	\$0.18	\$0.31
25	2015 Ford F150 4X4	521	Lemos	2,756	\$632	\$1,136	\$505	25,752	\$0.27	\$0.23	\$0.17	\$0.36
26	2016 Nissan Frontier	522	Roberto	3,848	\$1,150	\$3,332	\$2,182	18,625	\$0.37	\$0.30	\$0.38	-
27	2017 Ford Escape 4X4	523	Lab	1,844	\$347	\$1,124	\$776	9,144	\$0.27	\$0.19	\$0.30	-
28	2016 Nissan Frontier	524	Pearce	2,699	\$1,175	\$2,846	\$1,671	5,099	\$0.30	\$0.44	-	-
Total 3/4 Ton & Under				52,222	\$24,194	\$43,422	\$19,228	2,106,403	\$0.44	\$0.46	\$0.47	\$0.48
1	1999 Ford F350 W/Svc Body	19	Pool	395	\$810	\$980	\$170	134,052	\$0.80	\$2.05	\$2.08	\$2.42
2	2002 Int'l 5 Yd Dump	44	Construction	825	\$2,033	\$3,766	\$1,733	97,241	\$1.76	\$2.46	\$6.81	\$1.51
3	1999 Ford F550 3-Yd Dump	52	Construction	694	\$980	\$2,134	\$1,154	89,279	\$0.99	\$1.41	\$1.68	\$1.15
4	2006 Int'l 4300 Crew	503	Breit	827	\$804	\$5,138	\$4,334	38,714	\$2.62	\$0.97	\$3.75	\$2.19
5	2009 Peterbilt 335 Crew	508	Lemos/Reed	718	\$667	\$7,210	\$6,543	29,876	\$2.15	\$0.93	\$4.04	\$1.35
6	2012 Int'l 5 Yd Dump	514	Rupp	1,566	\$2,445	\$3,976	\$1,531	31,582	\$1.42	\$1.56	\$1.14	\$1.15
7	2015 Int'l 5 Yd Dump	519	Sjoblom	1,669	\$1,622	\$4,868	\$3,246	23,113	\$0.98	\$0.97	\$1.10	\$0.78
8	2017 Ford F350 4x4	525	LeBrun	2,834	\$1,330	\$5,670	\$4,340	3,717	\$0.48	\$0.47	\$0.52	\$0.78
Total 1 Ton & Over				9,528	\$10,691	\$33,742	\$23,051	447,574	\$1.34	\$1.12	\$2.50	\$1.14

¹ Expense amount shown excludes depreciation (approximately \$85,000 for FY18).

² Recovery is the amount charged to projects and operations to recover the expense of owning and operating the vehicle. Commencing 7/1/17 the recovery rate for vehicles 3/4-ton and under is \$7/hr and the recovery rate for vehicles 1-ton and over is \$14/hr. An additional 50% is charged to developer projects to reflect the fair market value of the vehicle being used.

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

**NORTH MARIN WATER DISTRICT
WATER CONSERVATION PROGRAM DETAIL
FOR PERIOD ENDING SEPTEMBER 30, 2017**

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Description			COST THRU JUNE 2017	SEPTEMBER 2017	FYTD TOTAL	FY 17/18 BUDGET	(OVER) UNDER	TOTAL COST	
NOVATO									
a. Residential									
1-7700-01	1-7700-26	1	Cash for Grass	\$378,476	\$2,669	\$6,123	\$65,000	\$58,878	\$384,599
1-7700-02	1-7700-27	2	Landscape Efficiency Rebates	22,667	19	215	5,000	4,785	22,882
1-7700-03		3	Fixtures Purchases	44,652	0	0	5,000	5,000	44,652
1-7700-06	1-7700-28	4	Washing Machine Rebates	343,746	69	314	10,000	9,686	344,060
1-7700-07		5	Demonstration Garden Improvements	54,416	0	0	1,000	1,000	54,416
1-7700-11	1-7700-29	6	Toilet Rebate SF	964,946	857	3,710	30,000	26,290	968,656
1-7700-12	1-7700-30	7	Toilet Rebate MF	18,173	0	0	2,000	2,000	18,173
1-7700-13		8	Residential Audits	328,236	1,480	3,803	67,000	63,198	332,038
1-7700-15		9	High Efficiency Toilet Distribution	242,177	0	0	0	0	242,177
1-7700-16		10	Water Waste Ordinance Monitoring	85,576	630	2,343	10,000	7,658	87,919
1-7700-17	1-7700-31	11	Swimming Pool Cover Rebate	2,997	0	81	1,000	919	3,078
1-7700-19	1-7700-32	12	ET Controller Rebate	30,385	20	938	5,000	4,062	31,323
1-7700-08		13	Administration	1,312,551	9,059	26,243	140,000	113,758	1,338,794
1-7700-20		14	New Development Wtr Cons Program	73,519	1,611	4,657	15,000	10,343	78,176
1-7700-21	1-7700-33	15	Demand Offset Rebate Program	2,797	19	19	2,000	1,981	2,816
1-7700-23		16	Grant Administration	2,314	539	648	1,000	352	2,962
1-7700-24	1-7700-34	17	Hot Water Recirculation Rebate	1,927	0	0	2,000	2,000	1,927
1-7700-25		18	Residential Fill Station	66,064	0	357	0	(357)	66,421
b. Commercial									
1-7701-02	1-7701-05	1	Toilet Rebate Program	66,961	0	0	10,000	10,000	66,961
1-7701-03	1-7701-04	2	Commercial Audits	15,890	218	1,090	9,000	7,910	16,980
c. Public Outreach/Information									
1-8672-16		1	Fall Newsletter	56,769	0	0	8,000	8,000	56,769
1-8672-17		2	Spring Newsletter	74,879	0	0	9,000	9,000	74,879
1-8672-18		3	Summer Newsletter	20,290	0	0	0	0	20,290
1-7700-04		4	Public Outreach / H ₂ O Fair	110,892	327	1,329	7,000	5,671	112,221
1-7700-05		5	Marketing	149,846	0	80	16,000	15,920	149,926
1-7700-22		6	Public Outreach/Leadership Novato	11,098	0	0	0	0	11,098
d. Large Landscape									
1-8653-02		1	Large Landscape Audits	89,427	0	0	3,000	3,000	89,427
1-7702-01		2	Large Landscape Budgets	36,181	107	723	1,000	277	36,904
1-7702-02	1-7702-04	3	Large Landscape Irrig Efficiency Rebates	14,460	0	0	4,000	4,000	14,460
1-8653-01		4	CIMIS Station Maintenance	18,653	0	78	2,000	1,922	18,731
1-7702-03		5	Administration-Large Landscape	40,984	2,577	7,731	10,000	2,269	48,715
TOTAL NOVATO WATER CONSERVATION			\$4,681,949	\$20,201	\$60,480	\$440,000	\$379,520	\$4,742,428	
WEST MARIN WATER									
2-5166-00	a. Water Conservation Program		\$81,581	\$476	\$1,360	\$10,000	\$8,640	\$82,941	
TOTAL WATER CONSERVATION EXPENDITURES ¹			\$81,581	\$476	\$1,360	\$10,000	\$8,640	\$82,941	

¹ FY18 total excludes \$254,457 (5,813.5 AF x \$43.77) paid to SCWA for water conservation services provided to NMWD.

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING SEPTEMBER 30, 2017**

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Description	COST THRU JUNE 2017	SEPTEMBER 2017	FYTD TOTAL	FY 17/18 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
1 PIPELINE REPLACEMENTS/ADDITIONS						
a. Main/Pipeline Replacements						
1-7161-00 1 Ridge Road 6" ACP (8" @ 1,400')	\$52,152	\$2,325	\$6,838	\$325,000	\$318,162	\$58,990
1-7168-00 2 Center Rd 6" CIP (8"@1,200')	30,329	26,618	41,081	175,000	133,919	71,410
b. Main/Pipeline Additions						
1-7150-00 1 San Mateo 24" Inlet/Outlet Pipe (2,200')	27,824	547	3,672	50,000	46,329	31,495
c. PB Service Line Replacements						
1-7139-21 1 Replace PB in Sync w/City Paving (30 Svcs)	0	78	78	70,000	69,922	78
1-7123-20 2 Other PB Replacements (85 Services)	0	3,454	3,454	180,000	176,546	3,454
1-7169-00 3 Country Lane 2" Plastic	5,997	0	0	0	0	5,997
1-7174-00 4 Grant Ave Bridge Pipe Replacement	0	80,575	88,471	0	(88,471)	88,471
d. Relocations to Sync w/City & County CIP						
1-8737-xx 1 Other Relocations	0	0	0	80,000	80,000	0
TOTAL PIPELINE REPLACEMENTS/ADDITIONS	\$116,301	\$113,598	\$143,595	\$880,000	\$736,406	\$259,896
e. Aqueduct Replacements & Enhancements						
1-7118-02 1 MSN B2-Utility Agreement Costs*	\$74,192	\$0	\$735	\$0	\$0	\$74,927
1-7118-11 2 AEEP Post Construction Costs	816	0	786	0	(786)	1,602
	\$75,008	\$0	\$1,521	\$0	(\$786)	\$76,529
2 SYSTEM IMPROVEMENTS						
1-8677-21 a. Flushing Taps at Dead-Ends (12 biennially)	\$0	\$0	\$0	\$50,000	\$50,000	\$0
1-7007-11 b. Detector Check Assembly Repair/Repl (~14/yr)	0	76	32,885	190,000	157,115	32,885
1-7090-04 c. Anode Installations (150/yr)	0	0	0	30,000	30,000	0
1-7132-04 d. Radio Telemetry	0	1,372	1,922	25,000	23,078	1,922
1-7157-00 e. Automate Zone Valve-Slowdown Ct	1,112	0	0	100,000	100,000	1,112
1-7158-00 f. Advanced Meter Information Retrofit ¹	860,747	2,706	7,077	4,700,000	4,692,923	867,824
1-7136-00 g. Facilities Security Enhancements	50,091	925	1,225	0	(1,225)	51,316
TOTAL SYSTEM IMPROVEMENTS	\$911,951	\$5,079	\$43,108	\$5,095,000	\$5,001,892	\$955,059
3 BUILDINGS, YARD, & S.T.P. IMPROVEMENTS						
a. Administration Building						
1-6501-43 1 Electronic Document Management System	\$0	\$0	\$0	\$150,000	\$150,000	\$0
1-6501-44 2 Office/Yard Building Renovation ²	51,870	0	727	1,500,000	1,499,273	52,598
b. Corp Yard/Warehouse/Construction Office						
1-6502-47 1 Other Yard Improvements	0	0	0	30,000	30,000	0
c. Stafford Treatment Plant						
1-6600-69 1 Stafford Dam Concrete Repair	142,844	0	390	50,000	49,610	143,234
1-6600-89 2 Coat Concrete Clearwells (Both Units)	0	0	0	490,000	490,000	0
1-6600-70 3 Watershed Erosion Control	0	0	3,534	0	(3,534)	3,534
1-6600-90 4 Stafford Dam Armoring Retrofit	0	156	156	0	(156)	156
TOTAL BUILDING, YARD, & STP IMPROVEMENTS	\$194,714	\$156	\$4,808	\$2,220,000	\$2,215,192	\$199,522

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING SEPTEMBER 30, 2017**

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Description	COST THRU JUNE 2017	SEPTEMBER 2017	FYTD TOTAL	FY 17/18 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
4 STORAGE TANKS & PUMP STATIONS						
1-6221-21 a. San Mateo Tank Recoat (5 MG)	\$39,156	\$17,579	\$25,993	\$1,900,000	\$1,874,007	\$65,149
1-7170-00 b. Hydropneumatic Tank Repairs	0	7,792	7,792	30,000	22,208	7,792
1-6112-24 c. Lynwood Pump Station Motor Control Center	102,499	0	0	100,000	100,000	102,499
1-6112-25 d. Lynwood Pump Station Can Rehab	0	0	0	15,000	15,000	0
1-6117-27 e. San Marin Pump Station Can Rehab	29,077	0	0	15,000	15,000	29,077
1-6141-00 f. Crest P.S.(Design/Const)/Reloc School Rd P.S.	43,169	234	527	60,000	59,473	43,697
TOTAL STORAGE TANKS & PUMP STATIONS	\$213,901	\$25,606	\$34,313	\$2,120,000	\$2,085,687	\$248,214
5 RECYCLED WATER						
5-7127-00 a. NBWRA Grant Program Administration	\$1,268,876	\$0	\$18,508	\$80,000	\$61,492	\$1,287,384
5-6058-10 b. Expansion to Central Area ³	1,118,933	0	3,044	6,365,000	6,361,956	1,121,976
5-6058-15 c. RW Central Right of Way Costs ³	86,978	238	238	0	(238)	87,217
5-6058-20 d. RW Central Private Onsite Retrofit ³	154,940	2,756	18,606	0	(18,606)	173,546
5-6058-25 e. RW Central Public Onsite Retrofit ³	29,038	52	313	0	(313)	29,351
5-6058-30 f. RW Exp-Central-East Side Const ³	3,230,293	42,477	100,329	0	(100,329)	3,330,622
5-6058-35 g. RW-Central East-Rowland Way ³	346,919	5,793	6,743	0	(6,743)	353,662
5-6058-40 h. RW Exp-Central-West Side Const ³	6,334,951	115,406	330,369	0	(330,369)	6,665,321
5-6058-50 i. RW Central-Norman Tank Rehab/Const ³	141,522	27,342	241,934	0	(241,934)	383,456
5-6058-60 j. RW Central-Highway101 Crossing	9,252	187,813	203,932	0	(203,932)	213,184
5-6234-20 k. Upgrade Auto-Fill Valve at Reservoir Tank	0	0	0	50,000	50,000	0
l. Other Recycled Water Expenditures	0	0	0	50,000	50,000	0
TOTAL RECYCLED WATER	\$12,721,702	\$381,878	\$924,016	\$6,545,000	\$5,620,984	\$13,645,718
6 WEST MARIN WATER SYSTEM						
2-6263-20 a. Replace PRE Tank #4A (25K Gal w/82K Gal)	\$77,648	\$5,250	\$12,595	\$550,000	\$537,405	\$90,243
2-7160-00 b. Green Sand Filter Media Replace	21,977	0	0	75,000	75,000	21,977
2-8829-00 c. PB Replace in Sync w/County Paving	0	0	0	50,000	50,000	0
2-6604-21 d. Gallagher Well Motor Operated Valve	0	2,487	14,490	0	(14,490)	14,490
TOTAL WEST MARIN WATER SYSTEM	\$99,625	\$7,737	\$27,085	\$675,000	\$647,915	\$126,710
7 OCEANA MARIN SEWER SYSTEM						
8-8672-28 a. Infiltration Repair	\$39,195	\$0	\$0	\$40,000	\$40,000	\$39,195
8-7163-00 b. Design/Install 8th Disposal Trench (300')	15,674	0	595	80,000	79,405	16,269
8-7085-02 c. Tahiti Way Lift Pumps Rebuild (2)	33,114	0	0	20,000	20,000	33,114
8-7164-00 d. Tahiti Way Power Relocation	0	0	0	20,000	20,000	0
8-7171-00 e. Pond Dredging & Relining	0	0	0	50,000	50,000	0
8-6607-22 f. OM Waste Water Treatment Pond-FEMA	3,964	1,666	2,763	0	(2,763)	6,727
8-7173-00 g. OM Treatment Pond Rehab	0	1,901	2,291	0	(2,291)	2,291
8-7172-00 h. OM Force Main & Lift Station Upgrade	0	3,869	3,869	0	(3,869)	3,869
TOTAL OCEANA MARIN SEWER SYSTEM	\$91,946	\$7,436	\$9,519	\$210,000	\$200,481	\$101,465
TOTAL PROJECT EXPENDITURES	\$14,425,148	\$541,490	\$1,187,965	\$17,745,000	\$16,507,771	\$15,613,113

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING SEPTEMBER 30, 2017**

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Description	COST THRU JUNE 2017	SEPTEMBER 2017	FYTD TOTAL	FY 17/18 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
8 LESS FUNDED BY GRANTS, LOANS & REIMBURSEMENTS						
(Accrued)/Deferred						
a. RW Expansion - Central Service Area SRF Loan ³	(\$2,796,097)	(\$500,568)	\$2,112,376	\$0	(\$2,112,376)	(\$683,721)
b. RW Expansion - Central Service Area Grant ³	(3,664,767)	135,848	1,242,264	0	(1,242,264)	(2,422,503)
c. MSN Aqueduct Caltrans Reimb-Segment B2 ⁴	(270)	0	(735)	0	735	(1,005)
d. Advanced Meter Information Retrofit ¹	(860,747)	(2,706)	(7,077)	0	7,077	(867,824)
e. Office/Yard Building Renovation ²	(51,870)	0	(727)	0	727	(52,597)
FUNDING BY OTHERS (ACCRUED)/DEFERRED	(\$7,373,751)	(\$367,426)	\$3,346,101	\$0	(\$3,346,101)	(\$4,027,650)
Received						
a. RW Expansion - Central Service Area SRF Loan ³	(\$1,899,538)	(\$934,331)	(\$2,033,836)	(\$2,773,160)	(\$739,324)	(\$3,933,374)
b. RW Expansion - Central Service Area Grant ³	(1,881,701)	(894,591)	(1,741,755)	(\$2,559,840)	(818,085)	(3,623,456)
c. MSN Aqueduct Caltrans Reimb-Segment B2 ⁴	(59,974)	0	0	0	0	(59,974)
d. Advanced Meter Information Retrofit ¹	0	0	0	(4,700,000)	(4,700,000)	0
e. Office/Yard Building Renovation ²	0	0	0	(1,500,000)	(1,500,000)	0
FUNDING BY OTHERS RECEIVED	(\$3,841,213)	(\$1,828,922)	(\$3,775,591)	(\$11,533,000)	(\$7,757,409)	(\$7,616,804)
NET PROJECT EXPENDITURES	\$3,210,184	(\$1,654,858)	\$758,475	\$6,212,000	\$5,404,261	\$3,968,659

CIP SUMMARY-GROSS EXPENDITURES:	Current Month	FYTD Total	FY 17/18	FYTD/
			Budget	Budget%
Novato Water Capital Projects	\$144,439	\$227,344	\$10,315,000	2%
Novato Recycled Water Capital Projects	381,878	924,016	6,545,000	14%
West Marin Water Capital Projects	7,737	27,085	675,000	4%
Oceana Marin Sewer Capital Projects	7,436	9,519	210,000	5%
Gross Capital Improvement Project Outlays	\$541,490	\$1,187,965	\$17,745,000	7%

CIP SUMMARY-NET EXPENDITURES:	Current Month	FYTD Total	FY 17/18	FYTD/
			Budget	Budget%
Novato Water Capital Projects	\$141,733	\$218,805	\$4,115,000	5%
Novato Recycled Water Capital Projects	(1,811,764)	503,065	1,212,000	42%
West Marin Water Capital Projects	7,737	27,085	675,000	4%
Oceana Marin Sewer Capital Projects	7,436	9,519	210,000	5%
Net Capital Improvement Project Outlays	(\$1,654,858)	\$758,475	\$6,212,000	12%

Notes to Capital Improvement Projects Schedule:

- (1) Radio Read Meter Retrofit to be funded by SRF or Bank Loan.
- (2) Office/Yard Refurbish to be funded by Bank Loan.
- (3) \$11.7M RW Central Expansion funded by Federal Grants, SRF Loan, local contribution & Marin Country Club contribution. Debt service paid from FRC Funds.
- (4) Funding provided 100% by Caltrans.

CONSULTING SERVICES/STUDIES						
1-4055-00	a. Stafford Lake Sanitary Survey	\$12,068	\$0	\$0	\$0	\$12,068
1-4056-00	b. Novato Creek Steelhead Recovery	33,482	0	2,308	0	35,790
1-4057-00	c. Local Water Supply Enhancement Study	0	0	0	150,000	0
1-7039-02	d. Novato Water Master Plan Update	458	399	570	45,000	1,028
1-4058-00	e. Cost of Service Study Peer Review	0	0	0	30,000	0
1-4059-00	f. Stafford Lake Water Rights Update	0	0	0	50,000	0
1-4060-00	g. STP Efficiency Improvements	0	0	0	75,000	0
1-4063-00	h. Novato Asset Management Study	0	342	342	75,000	342
1-4064-00	i. Pipe Crossing Repairs-Novato & Rush Creek & Leveroni Bank	11,506	1,119	1,705	0	13,211
2-4061-00	j. Digitize West Marin Water Facility Maps	10,200	0	0	10,000	10,200
5-4045-00	k. RW Engineering Report Update	31,589	0	0	0	31,589
8-4062-00	l. Oceana Marin Vulnerability Study	0	0	0	25,000	0
		\$99,303	\$1,860	\$4,925	\$460,000	\$104,228

North Marin Water District Financial Statement Notes

Note 1 - Restricted Cash

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

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

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

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

Bank of Marin Project Fund: The District received an \$8 million loan from the Bank of Marin in October 2011 to fund the Aqueduct Energy Efficiency Project. The 20-year, 3.54% annual percentage rate loan requires monthly payments of \$46,067 and will be fully amortized on 10/27/2031. In June 2012 the Board authorized reallocating \$1 million of this loan to West Marin Water to repay Novato Water \$223,000 owed for previous loans to fund Long Range Improvement Projects and the remainder to fund the Solids Handling Facility at the Point Reyes Water Treatment Plant. The unexpended fund balance accrues interest monthly.

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

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

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

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

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

RWS Central SRF Payment Fund: The State Water Resource Control Board Agreement for the Clean Water State Revolving Fund Loan made for expansion of the Recycled Water System distribution system requires that the District establish a reserve fund equal to one year's debt service (\$255,373) prior to the construction completion date.

Note 2 - Designated Cash

Liability Contingency Fund: Established in 1986 when the District first elected to self-insure its general liability risk. This reserve was funded with \$1 million initially and \$200,000 annually thereafter until it reached a balance of \$2 million. In FY98 the West Marin Water System was included in the fund and built-up a proportional reserve of \$74,000 over several years. Commencing FY93, \$1 million of the reserve was made available to fund loans to eligible employees under the District's Employer Assisted Housing Program. In August 2008, \$500,000 was transferred into this reserve from the Self-Insured Workers' Compensation Fund and made available to fund Employer Assisted Housing Program loans. Currently there are \$1,234,200 in Employer Assisted Housing Loans outstanding (see Note 3). In March 2005, \$652,400 was expended from the fund to purchase a home at 25 Giacomini Road in Point Reyes Station. The home is currently rented. In 2006, \$8,885 was added from the sale of surplus property in West Marin. The fund balance does not accrue interest.

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

Retiree Medical Benefits Fund: NMWD pays the cost of health insurance for retirees between the ages of 55 and 65 and spouse under any group plan offered by CalPERS. The retiree must be at least 55 and have a minimum of 12 years of NMWD service at the date of retirement. NMWD's contribution toward the chosen plan is capped in the same manner as all other NMWD employees in the same class. Coverage terminates for the spouse when the spouse becomes eligible for Medicare, or for both the retiree and spouse when the retiree becomes eligible for Medicare. When the retiree or spouse becomes eligible for Medicare, NMWD pays up to the couple annuitant rate, which is capped at \$3,830 per year (\$319/month). In August 2003, NMWD transferred \$2.55 million (\$2.3 million for current retirees plus \$250,000 for future retirees) from unrestricted cash into a reserve to fund this obligation. In 2010 the Board directed staff to add \$1,500 per employee annually as a payroll overhead to accrue and accelerate amortization of this liability. The accrual is maintained as a Long-Term Liability entitled Retiree Health Benefits Payable. The Retiree Health Benefits Payable plus the Retiree Medical Benefits Reserve Fund currently has a balance of \$3.9M. In 2015 an Actuarial Analysis calculated NMWD's total actuarial liability at \$5.6 million. The Retiree Medical Benefits cash fund earns interest monthly. Accounting Standards require that the \$5.6M reserve be fully funded in 20 years.

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

water commodity sales. In FY09 \$50,335 was added to the reserve. The fund was fully depleted in FY10. The fund balance accrues interest monthly.

Maintenance Accrual Fund: Established in FY91 to provide a source of maintenance money for replacement of treatment, storage, transmission and distribution facilities as they wear out. The annual contribution from operating reserves was initially \$200,000. Net polybutylene claim settlement proceeds of \$671,060 were closed into the fund in FY93. In FY94 the annual contribution was reduced to \$100,000. The District's goal is to build a reserve equal to 10% of the net book value of Novato's existing plant, currently \$7.0M. Funds are borrowed from the Maintenance Accrual Fund to offset the shortfall in unrestricted Cash & Investments. The fund balance does not accrue interest.

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

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

Note 3 – Employee Loans

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

Note 4 – Other Long Term Receivables

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

Note 5 – Depreciation

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

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

Note 6 - Capitalization Policy

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

Note 7 – Bond & Loan

Servicing Schedule for Fiscal Year 2017-2018

Service Area	Description	Issue Date	Rate	Original Amount	Payment Due	Final Pmt	FY18		6/30/18 Outstanding Balance
							Interest Expense	Principal Paid	
1 Novato	SRF Loan - STP	2004	2.39%	\$16,528,850	7/1 & 1/1	7/1/29	\$254,401	\$790,074	\$10,050,647
2 Novato	Bank Loan Marin	2011	3.54%	\$7,000,000	27 th /mo	10/27/31	\$181,888	\$300,153	\$5,155,896
Novato Total							\$436,289	\$1,090,227	\$15,206,543
3 RW TP	SRF Loan	2006	2.4%	\$4,302,560	6/19	6/19/27	\$57,718	\$215,648	\$2,189,287
4 RW North	SRF Loans (4)	2013	2.6%	\$4,375,605	Varies	Varies	\$89,924	\$189,808	\$3,351,885
5 RW South	SRF Loans (3)	2013	2.2%	\$5,359,858	Varies	Varies	\$96,062	\$233,145	\$4,278,721
6 RW Central	SRF Loan	2016	1.0%	\$4,610,852	12/18	12/31/47	\$0	\$0	\$4,610,852
Recycled Water Total							\$243,704	\$638,601	\$14,430,745
7 PRE	PRE-1 Revenue	1980	5.0%	\$240,000	10/1 & 4/1	4/1/20	\$1,900	\$12,000	\$26,000
8 Point Reyes	PR-6 Revenue	1981	5.0%	\$217,800	7/1 & 1/1	7/1/21	\$2,300	\$11,000	\$45,000
9 WM Water	Bank Loan Marin	2012	3.54%	\$1,000,000	27 th /mo	10/27/31	\$26,699	\$44,059	\$756,524
West Marin Water Total							\$30,899	\$67,059	\$827,524
FY18 Total							\$710,892	\$1,795,887	\$30,464,812

1. In April 2004 the California State Department of Water Resources approved a 2.39% 20-year loan for reconstruction of the Stafford Water Treatment Plant. The project was completed in FY09 with repair of the Outlet Tower Sluice Gate. Interest paid during construction totaled \$1,636,378. The loan covenants require an annual reserve fund contribution of \$104,447 (10% of the annual debt service obligation) be deposited into the Marin County Treasury during each of the first ten years of the repayment period. Debt service is funded 25% by Facility Reserve Charges. The first payment was made in December 2009.
2. In October 2011 Bank of Marin made a 20-year 3.54% (APR) loan of \$8 million to fund the District's share of the Aqueduct Energy Efficiency Project. See Note 15, and note to loan 11 below.
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. With the addition of \$38,015 in Construction Period Interest, the loan principal totaled \$4,302,560. The project was completed in June 2007, and the first payment was made June 19, 2008.

4. In July 2011 the California State Department of Water Resources approved a series of four 2.6% 20-year loans which totaled \$4,375,605 for the Recycled Water North Service Area Expansion Project. The projects were completed on October 31, 2012, and the first payment was made in November of 2012.
5. In March 2012 the California State Department of Water Resources approved a series of three 2.2% 20-year loans totaling \$5,361,952 for the Recycled Water South Service Area Expansion Project. The projects were completed on September 4, 2013, and the first payment was made in December of 2013.
6. In May 2016 the California State Department of Water Resources approved a 1.0% 30-year loan of \$6,592,295 for the Recycled Water Central Service Area Expansion. The project will be completed in December 2017, and the first payment will be made December 31, 2018.
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.
9. In June 2012 the Board authorized reallocating \$1 million of the Bank of Marin loan to West Marin Water to repay Novato Water \$223,000 owed for loans to fund Long Range Improvement Projects and the remainder to fund the Solids Handling Facility at the Point Reyes Water Treatment Plant. See note to loan 2 above.

Note 8 – Unemployment Insurance Reserve

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

Note 9 – Payroll Benefits

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

Note 10 - Interest Policy on Inter-District Loans

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

No interest shall be paid by an improvement district on funds borrowed from that improvement district's Board Designated Fund reserves. Interest on loans from the Novato Improvement District shall be paid by

the recipient district to the Novato district based upon the outstanding loan balance at the close of the previous accounting period. Interest shall be calculated at the higher of: 1. The weighted average interest rate of Novato improvement district debt (2.78% at 6/30/17); or 2. The average interest rate earned on the District treasury since the close of the previous accounting period; plus \$50 per month.

Note 11 – Budget Augmentations

Note 12 – Prior Period Adjustment

Note 13 – Explanation of Financial Statement Components

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

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

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

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

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

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

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

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

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

	Expansion Local Share			SRF RWF		Expansion		Total	Transfer Executed
	North	South	Central	NBWRA	Loan	SRF Loan	CIP		
FY07				\$29,725				\$29,725	
FY08				\$50,478	\$22,795			\$73,273	
FY09				\$150,455	\$22,795			\$173,250	
FY10	\$133,659			\$75,198	\$22,795			\$231,652	\$133,659
FY11				\$133,319	\$22,795			\$156,114	
FY12	\$233,478	\$265,500		\$115,883	\$22,795			\$637,656	
FY13				\$315,023	\$22,795	\$464,572		\$802,390	\$1,970,400
FY14	\$236,291	\$723,525	\$4,024	\$63,035	\$22,795	\$500,529		\$1,550,200	\$1,550,200
FY15		\$17,563	(\$4,024)	\$38,283	\$22,795	\$614,299		\$688,916	\$688,916
FY16	\$0	\$0	\$66,729	\$102,842	\$22,795	\$614,299		\$806,664	\$806,664
FY17			\$362,524	\$194,636	\$22,795	\$614,299	\$36,687	\$1,230,939	\$1,230,940
FY18			\$31,566	\$18,508		\$216,362		\$266,435	\$266,435
	\$603,428	\$1,006,589	\$460,819	\$1,287,385	\$227,949	\$3,024,359	\$36,687	\$6,647,217	\$6,647,216

Note 15 –Debt Service Coverage Ratio

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

	FY14	FY15	FY16	FY17	Budget FY18
Net Income/(Loss)	\$3,815,820	\$1,050,523	\$91,719	(\$117,451)	\$267,000
Depreciation	\$3,128,302	\$3,183,725	\$3,286,353	\$3,416,411	\$3,526,000
Interest Expense	\$830,830	\$847,951	\$807,035	\$757,781	\$732,000
Connection Fees	\$152,800	\$801,600	\$278,690	\$1,034,585	\$833,000
Total Available For Debt Service	\$7,927,751	\$5,883,799	\$4,463,797	\$5,091,326	\$5,358,000
Annual Debt Service	\$2,448,968	\$2,534,473	\$2,528,938	\$2,527,022	\$2,534,000
Debt Service Coverage Ratio	3.24	2.32	1.77	2.01	2.11

Bank of Marin Debt Service

Coverage Calculation ¹	FY14	FY15	FY16	FY17	FY18
Change in Net Position ²	\$1,999,996	\$5,051,394	\$4,230,767	\$11,525,937	\$4,850,000
Interest Expense	\$830,830	\$847,951	\$807,035	\$757,781	\$732,000
Depreciation & Amortization	\$3,128,302	\$3,183,725	\$3,286,353	\$3,416,411	\$3,526,000
Total Available for Debt Service	\$5,959,128	\$10,269,919	\$8,324,154	\$15,700,129	\$9,108,000
Bank of Marin Annual Debt Service	\$552,800	\$552,800	\$552,800	\$552,800	\$552,800
Bank of Marin Coverage Ratio	10.78	18.58	15.06	28.40	16.48

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

² FY18 Budgeted Net Income (\$267,000) + FRC (\$833,000) + Grants (\$3,750,000) = \$4,850,000. See page 9 for YTD.

Note 16 – Deferred Inflow and Deferred Outflow of Resources

Deferred Inflow of Resources is the changes in actuarial assumptions and the differences between the actual contribution & proportionate share of contribution, which for FY16 was \$655,355 and is recognized in FY17. *Deferred Outflow of Resources* is the fiscal year 2017 pension contribution (\$926,447) adjusted by the difference in actual & expected experience, difference between projected and actual earnings on investments, and the differences in proportions of net pension liability share of contributions from the CalPERS Actuarial Report (\$2,005,413) for a total of \$2,931,860 at June 30, 2017

	Deferred Outflow	Deferred Inflow
FY17 Pension Contributions	\$926,447	
Differences between actual & expected experience	\$22,831	
Changes in actuarial assumptions		(\$280,202)
Net difference between projected & actual earnings on investments	\$1,458,356	
Differences between actual contribution & proportionate share of		(\$375,153)
Adjustment due to differences in proportions of net pension liability	\$524,226	
Total at June 30, 2017	\$2,931,860	(\$655,355)

Note 17 – Net Pension Liability

The net pension liability¹ is required by GASB68 for accounting purposes and is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside in a trust and restricted to paying benefits to current employees, retirees, and their beneficiaries.

	FY17 Entries	PY Deferral Amortization	Net Pension Adjustment
Net Pension Liability 6/30/2016	\$8,619,837		\$8,619,837
Reclassify FY16 Contributions to FY17	(\$828,792)		(\$828,792)
Defer FY17 Contributions	\$926,447		\$926,447
Difference between Expected & Actual Experience ²	(\$6,490)	(\$13,561)	(\$20,051)
Change in Proportion ³	\$308,659	(\$267,014)	\$41,645
Pension Expense ⁴	\$544,527	\$147,431	\$691,958
Change in Actuarial Assumptions ⁵	(\$26,574)	\$152,076	\$125,502
Difference in Actual Contrib & Proportionate Share of Contrib ⁶	(\$339,974)	\$162,477	(\$177,497)
Difference between Projected & Actual Earnings on Investments	\$1,843,149	(\$181,409)	\$1,661,740
Net Pension Liability 6/30/2017	\$11,040,789	\$0	\$11,040,789

¹ *Net Pension Liability (NPL)* = Total Pension Liability (TPL) – fiduciary net position (market value of assets)

² The *Difference between the Expected and Actual Experience* measures the difference between what the projected actuarial factors for retirement age, salary increases, and mortality rates were assumed to be with what NMWD's factors actually turned out to be.

³ *Change in Proportion* reflects the difference from the prior year of NMWD's net pension liability as a percentage of the CalPERS Miscellaneous Pool aggregate net pension liability

⁴ *Pension Expense* = service cost + interest on TPL + current period benefit changes – member contributions – expected earnings on plan investments + administrative expenses + recognition of deferred outflows – recognition of deferred inflows

⁵ Actuarial Assumptions include projections of retirement age, discount and inflation rates, salary increases, return on investment, mortality rates, and retiree cost-of-living adjustments.

⁶ The Difference in Actual Contribution and Proportionate Share of Contributions identifies the difference between NMWD's actual pension contribution compared to its proportionate share of the actuarially required cumulative contribution of all employers in the CalPERS Miscellaneous Pool based on NMWD's net pension liability relative to the CalPERS Miscellaneous Pool aggregate net pension liability.

Unfunded Accrued Liability (UAL) is the Actuarial Valuation which relates to funding and is a calculation of Entry Age Normal Accrued Liability and Plan's Market Value of Assets. This District's UAL at June 30, 2016 (latest available) is \$12,242,255.

7

MEMORANDUM

To: Board of Directors


November 3, 2017

From: Ryan Grisso, Water Conservation Coordinator *RG*Subject: Approve Text for Fall 2017 Novato "*Water Line*", Volume 18, Issue 39
V:\Memos to Board\Fall 2017 WaterLine Text 1017.doc**RECOMMENDED ACTION:** Approve Fall 2016 Novato "*Water Line*" Text**FINANCIAL IMPACT:** \$8,000 (Included in FY 2017/2018 Budget)

Draft text and design for the Fall 2017 Novato "*Water Line*", Volume 18, Issue 39 is attached for your review. Should any Board member have individual comments please provide them to the General Manager at the Board meeting on November 7, 2017. It is expected the "*Water Line*" will be mailed in November 2017.

RECOMMENDATION

Board authorize General Manager to approve final text and design of Fall 2017 Novato "*Water Line*", Volume 18, Issue 39.

Approved by GM Date 11/3/17



THE WATER LINE

NOVATO'S SERVICE AREA NEWSLETTER • VOLUME 18 ISSUE 39 FALL 2017

Update on Water Supply *Drew McIntyre, General Manager*

Last winter, rainfall was well above average and all of the water supply reservoirs supplying Novato (Stafford Lake, Lake Sonoma and Lake Mendocino) were at capacity. Prior to Governor Brown declaring an end to the statewide drought emergency in April, Novato water customers did a great job complying with the state-imposed water use restrictions. During the subsequent summer months, Novato water production increased slightly, but remained well below production levels of 2013. Thank you for your continued efforts to use water efficiently. The end of this drought doesn't mean the end of water use restrictions, and through the governor's executive order, long-term water conservation measures will be aimed at making conservation a way of life in California. Most notably, the state continues to require some "common sense" water use prohibitions and NMWD will

continue to report monthly water production numbers to the state for monitoring (**see website for remaining restrictions**). With fall upon us and winter approaching, customers are urged to participate in the many indoor water conservation programs offered by NMWD. We also want to remind you to protect your exposed water lines from freezing this winter. We appreciate your help in preserving our water supply!

Following are highlights of the District's important projects and accomplishments. These endeavors reflect the ongoing commitment by our staff to the District's mission of providing an adequate supply of safe, reliable and high quality water at a reasonable cost consistent with good conservation practices and minimum environmental impact.

AMI is coming to NMWD *David Bentley, Auditor/Controller*

To improve water use efficiency as well as meter reading efficiency, accuracy, and customer service, NMWD has implemented an Advanced Meter Information (AMI) pilot project. The pilot project included meter upgrades for approximately 200 customers throughout NMWD's Novato service territory and was designed to test the effectiveness of the technology within the region's hilly terrain. With the AMI system, digital meter data is sent securely to NMWD headquarters via radio. This technology provides early leak detection and enables customers to view near real-time water use information online, thereby gaining a better

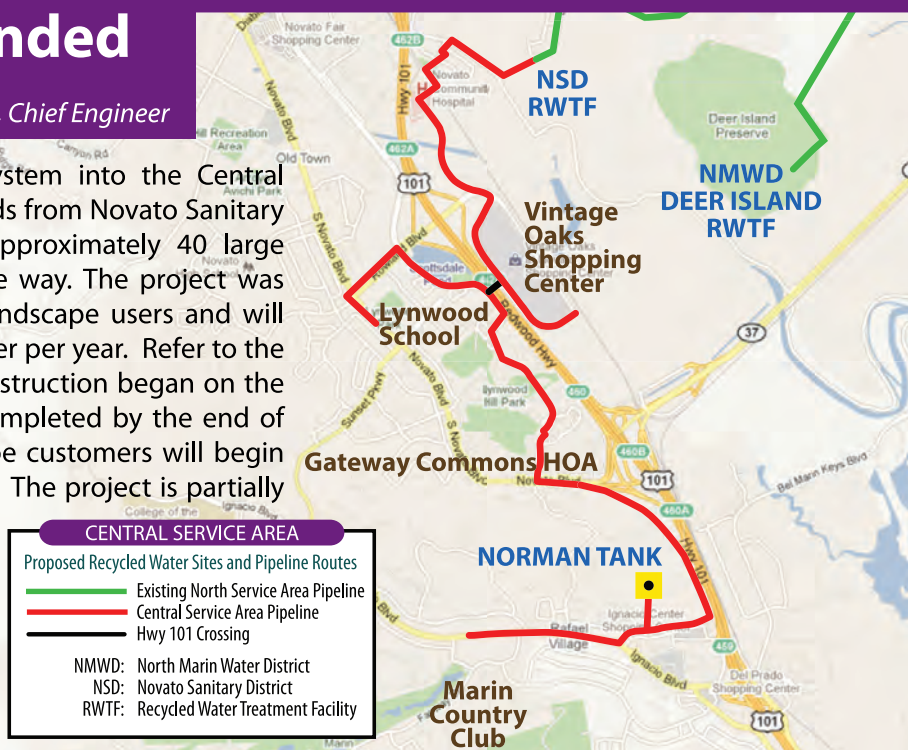
understanding of water use patterns. We are happy to report that the initial implementation and effectiveness of the AMI system in the pilot project have been successful, and full deployment is expected over the next two years. As a part of this AMI system, a new online payment and Water Smart Portal has been developed. We encourage you to sign in on the portal to get acquainted with the system. Visit <https://www.onlinebiller.com/nmwd>



Recycled Water has Expanded in the Central Area *Rocky Vogler, Chief Engineer*

NMWD has expanded the recycled water system into the Central Service Area of Novato. This expansion extends from Novato Sanitary District's treatment plant, and will serve approximately 40 large landscape customers and three car washes along the way. The project was designed to reach the maximum number of large landscape users and will offset approximately 65 million gallons of potable water per year. Refer to the map for a general diagram of the pipeline route. Construction began on the pipeline project in November 2016 and should be completed by the end of 2017. Onsite irrigation retrofits for the large landscape customers will begin in December 2017 and be completed by March 2018. The project is partially

funded by federal and state grant funds with the remainder funded by low interest loans to be repaid with new development connection fees. For more information on the Recycled Water Expansion Project, please visit www.nmwd.com or <http://nmwdcentralexpansion.blogspot.com>



Solar Projects in the Stafford Lake Watershed *Robert Clark, Operations and Maintenance Manager*

In 2012, NMWD completed a large solar power project to help offset the energy demands of the Stafford Lake Water Treatment Plant. With over 1,360 solar panels mounted to the hillside, adjacent to Stafford Lake, the system was designed to optimize the available land space for maximum solar production. The system generates over 650,000 kilowatt hours (kWh) annually and we are pleased to report that this past year we were able to produce 690,000 kWh or 77 percent of the power needed to run the treatment plant.

Each year NMWD receives numerous inquiries about the equipment floating in Stafford Lake. To add to our solar portfolio, solar powered water circulators were installed back in 2006. These floating solar powered mixers circulate cooler water from a depth of 20-60 feet to the surface and aerate the lake to improve Stafford Lake water quality.



Hillside solar panels power the Stafford Lake Water Treatment Plant

SolarBee East, solar powered water circulators



Pay your bills online at: <https://www.onlinebiller.com/nmwd>

Cash for Grass

NMWD offers a cash incentive for removing regularly maintained and automatically irrigated lawn areas and replacing them with District-approved low water use plantings on drip irrigation. The incentive will pay you up to \$50 per 100 square feet of lawn area (maximum \$400 per single family dwelling). Pre-qualification site visit and re-landscaping plan approval is required for participation.



OR

Lawn be Gone

This program is for “do-it-yourselfers” who want to replace lawn areas by covering and composting in place - a process known as “sheet-mulching”. NMWD offers delivery of free compost, cardboard and mulch for eligible sheet-mulching projects. Pre-qualification site visit and landscape plan approval required prior to participation. Delivery will be performed by NMWD’s designated contractor.



See www.nmwd.com for rules and application forms, and then call 415-761-8944 to schedule an appointment.

Water Smart Savings Program

Call (415) 761-8944 for program details or visit www.nmwd.com

North Marin Water District wants to help customers use water efficiently. That’s why we’ve put all of our water saving promotions under one umbrella. The Water Smart Savings Program encompasses all you need to get started on saving water and saving money. Call (415) 761-8944 for program details or visit www.nmwd.com

Water Smart Home Survey:

This free service includes thorough indoor and outdoor water efficiency checks.

Water Conserving Fixtures:

Free showerheads, faucet aerators and self-closing hose nozzles are available upon request.

Rainwater Catchment Rebate:

Rebate for collection and storage of rainwater.

High Efficiency Clothes Washer Rebate:

NMWD offers a rebate to customers when they purchase a qualifying high efficiency clothes washer.

Cash for Grass Rebate:

Get Cash for removing irrigated and maintained lawn and replacing it with low water use plants. Pre-qualification required.

Water Smart Landscape Rebate:

Rebates available for water efficient landscape equipment, such as a new drip irrigation system replacing a spray system or a rain shut off device.

Smart Controller Rebate:

A Smart Controller uses weather data and site specific information to automatically adjust run times.

High Efficiency Toilet Rebate:

Customers who replace an old water-guzzling toilet with a high efficiency toilet may be eligible for a rebate.

Greywater Rebate:

Rebate for the reuse of water from washing machine, shower or bathroom sink to water landscape plants.

Other Programs:

Other programs include pool cover rebate, hot water recirculation system rebate and “Lawn Be Gone” sheet mulching program.



NORTH MARIN
WATER DISTRICT



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Novato, CA 94948

www.nmwd.com



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Free Water Smart Home Survey Program

The Water Smart Home Survey Program offers customers a chance to have a NMWD representative complete a FREE water use efficiency survey. Our friendly and knowledgeable survey technicians can show you how to easily become more water use efficient and we will help you understand how to program your irrigation controller in this post-drought time. You'll also get free low-flow showerheads and sink aerators as needed to achieve maximum water use efficiency. During the Fall and Winter months we focus on the indoor portions of the survey but can provide landscape irrigation inspections upon request.

On the Survey we will inspect:


- Sprinklers & irrigation systems
- Landscaping
- Water meter
- Faucets
- Showerheads
- Toilets
- Clothes washers
- Other water-using devices in the home



Call today to schedule your Free Water Smart Home Survey: 707-547-1909

8

MEMORANDUM

To: Board of Directors
From: Katie Young, District Secretary 
Subject: Final Annual Report Fiscal Year 2016-2017
L:\gm\admin\secty\admin asst\annual report\16-17\bod memo re final17.doc

November 3, 2017


RECOMMENDED ACTION: Approve Fiscal Year 2016-2017 Annual Report

FINANCIAL IMPACT: None

The Annual Report for Fiscal Year 2016-2017 was provided to you at the October 3rd meeting. There were minor changes made as shown in highlight strikeout mode, to the draft Annual Report. You will receive the final hard copy at the November 21st meeting.

RECOMMENDATION:

Board Approve Fiscal Year 2016-2017 Annual Report.

Approved by GM 
Date 11/3/17



NORTH MARIN WATER DISTRICT

ANNUAL REPORT

2016-2017

HISTORICAL HIGHLIGHTS

- 1948** The Novato community approves formation of North Marin Water District and purchase of the Novato Water Company.
- 1949** Novato voters impose a significant tax upon themselves (77¢/\$100 assessed value) to finance a \$2 million bond issue to purchase and upgrade the private water system and to construct a dam at Stafford Lake and build a water treatment plant.
- 1951** Contractor T.E. Connolly of San Francisco constructs Stafford Lake Dam, designed by Kennedy Engineers, to impound 560 million gallons (MG) of water.
- 1952** Stafford Water Treatment Plant, designed by Kennedy Engineers and built by C. Norman Peterson, goes into operation. It has a capacity of 3.75 million gallons per day (mgd).
- 1954** The spillway at Stafford Lake is raised to increase the reservoir capacity to 1.45 billion gallons, boosting the annual safe yield of Stafford Lake to 620MG.
- 1960** Voters approve a \$3.79 million bond issue to finance system improvements, Notably construction an aqueduct connecting Novato to the Russian River.
- 1961** The North Marin Aqueduct, a 9.4-mile, 30" pipeline from Petaluma to Novato is completed.
- 1963-66** Multiple water storage tanks are constructed, increasing storage from 2MG to 16MG.
- 1970s** Five small West Marin improvement districts are annexed into NMWD at the request of West Marin citizens: Oceana Marin Sewer in 1969; Point Reyes Station/Inverness Park Water in 1970; Olema Water in 1973; Tomales Sewer in 1975; and Paradise Ranch Estates Water in 1979.
- 1973-75** System storage capacity is increased to 26MG with construction of the Atherton (5MG welded steel) and Pacheco (5MG concrete) Tanks.
- 1974** Stafford Treatment Plant is modified to increase production capacity to 6.3 mgd.
- 1980s** North Marin assumes a leadership role in the water conservation field, pioneering programs such as connection fee discounts for installation of xeriscapes in new residential construction and "Cash-For-Grass" rebates for existing customers who replace irrigated turf with xerophytic plants.
- 1983** The US Army Corps of Engineers completes the construction of the Warm Springs Dam, creating a water supply pool in Lake Sonoma of 69 billion gallons.
- 1990s** Marin United Taxpayers twice touts NMWD as the Best Managed Public Agency in Marin County.
- 1998** The District celebrated 50 Golden Years of Quality, Excellent Service and Tradition.
- 2001** Marin Municipal Water District agrees to reorganize boundaries at Hamilton AFB to be coincident with Novato city limits, enabling NMWD to serve areas within Novato formerly served by MMWD.
- 2002** Amaroli Tank, a 4.5MG buried concrete tank adjacent to Highway 101 on Ammo Hill, is completed and increases total Novato area storage capacity to 33MG.
- 2005** A 180,000-gallon concrete storage tank is constructed in Point Reyes Station to replace a 36-year-old 100,000-gallon redwood tank serving the West Marin community.
- 2006** The Restructured Agreement for Water Supply with Sonoma County Water Agency (SCWA) is executed, authorizing SCWA to construct facilities to increase North Marin's water delivery entitlement to meet Novato's future needs consistent with the community general plan.
- 2006** The Stafford Water Treatment Plant \$16 million reconstruction project is completed enabling Stafford Lake water to meet anticipated future water quality standards.
- 2007** The 0.5 mgd Deer Island Recycled Water Facility, located adjacent to Highway 37 immediately south of Deer Island, commenced operation in June 2007 serving Stone Tree Golf Course.
- 2008** The 500,000-gallon Center Road Tank in west Novato is completed.
- 2009** Palmer Drive Tank is completed adding 3MG of first-zone storage in southern Novato, and increasing total Novato area storage capacity to 37MG.
- 2013** Expansion of the recycled water distribution system to north and south Novato is completed. Utilizing federal grant and loan funds and recycled water from both working-in-conjunction-with Novato & Las Gallinas Valley Sanitary Districts, the project will provide 130MG annually to large-landscape customers.
- 2015** The Gallagher Well Pipeline is completed principally with state grant financing, connecting the West Marin system to a new well located further upstream of Point Reyes Station in Lagunitas Creek, which is less susceptible to supply free from salt water intrusion.
- 2016** The \$22 million "Aqueduct Energy Efficiency Project" is completed, replacing the North Marin Aqueduct 30" diameter pipeline with a 42" pipeline from South Petaluma to Redwood Landfill, thereby eliminating the need for the Kastania Pump Station.
- 2017** To improve water use efficiency, accuracy and customer service, the District implemented an Advance Meter Information System (AMI) pilot project. The AMI project replaces the mechanical water meter register with an electronic register that transmits water use data securely to NMWD headquarters.

For a narrative description of North Marin Water District history of formation and expansion in Novato and West Marin, please visit our website at www.nmwd.com and click on Service Area.

NORTH MARIN WATER DISTRICT

BOARD OF DIRECTORS

Jack Baker, served since 1983
Rick Fraites, served since 2003
James Grossi, served since 2017
Michael Joly, served since 2017
Steve Petterle, served since 2001

OFFICERS

Drew McIntyre, General Manager, appointed 1998
Katie Young, District Secretary, appointed 2012
David L. Bentley, Auditor-Controller, appointed 1987
Rocky Vogler, Chief Engineer, appointed 2017

DEPARTMENT MANAGERS

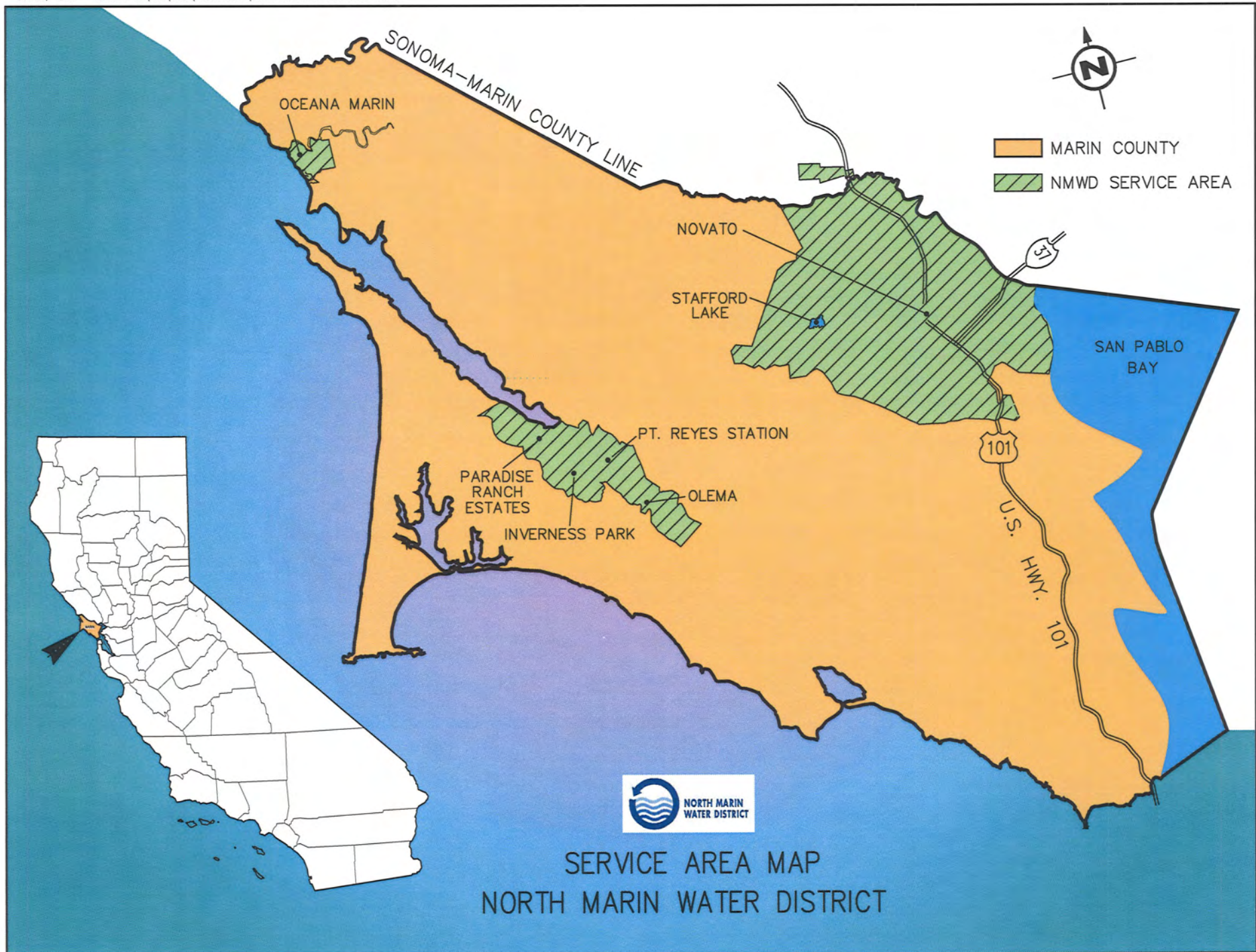
Administration & Finance	David L. Bentley
Construction/Maintenance	Tony Arendell
Engineering	Rocky Vogler
Operations/Maintenance	Robert Clark

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.

BOARD MEETINGS

Regular Board meetings are held on the first and third Tuesday of each month at 7:00 p.m. Meetings are normally held at North Marin Water District headquarters, 999 Rush Creek Place, Novato. For meeting agendas, contact the District Secretary at 415-761-8921 or visit the website at www.nmwd.com





MESSAGE FROM THE GENERAL MANAGER ... *Drew McIntyre*

The North Marin Water District (North Marin) carries out its Mission with a highly-motivated and competent staff empowered to conduct the District's business by placing customer needs and welfare first. Each day, District employees strive to carry out their work mindful of these basic principles: Good Water, Good Service, Good Value, and A Safe Place to Work. This annual report updates customers on the North Marin accomplishments in Fiscal Year (FY) 2017 and provides a snapshot of our current efforts and financial performance.

The Russian River water delivery system from Sonoma County Water Agency (SCWA) typically provides 80% of Novato's water supply. Rainfall in FY 2017 totaled 43.2", which is 160 percent of average and the eighth highest annual rain fall since records began in 1916. On April 7, 2017, Governor Brown terminated the emergency drought declaration that had been in effect since January, 2014, but continued permanent prohibitions on wasteful water use. Fiscal year water production was down 25% compared to calendar year 2013 as Novato customers responded to the Governor's conservation mandate. Ample water was available in the Russian River system for fish, agriculture and urban deliveries. North Marin's Stafford Lake Water Treatment Plant was utilized to augment Russian River supplies with local potable water supply. With regard to local recycled water supply, the Deer Island, Novato Sanitary and Las Gallinas treatment facilities delivered highly-treated recycled water to StoneTree Golf Course and a growing customer base along North Marin's expanded recycled water distribution system in North and South Novato.

North Marin is currently expanding the recycled water system into the Central Service Area of Novato-. This expansion extends from Novato Sanitary District's treatment plant, serving approximately 40 large landscape customers (including Vintage Oaks Shopping Center,

Lynwood School and Marin Country Club) and three car washes along the way. Construction began in November, 2016 and should be complete by Spring, 2018. To improve water use efficiency, accuracy and customer service, North Marin has implemented an Advanced Meter Information (AMI) pilot project. With the AMI system, the customer's mechanical water meter register is replaced with an electronic register allowing digital meter data is to be transmitted ~~sent~~ securely to North Marin's headquarters via wireless communication radio. This technology provides early leak detection and enables customers to view near real-time water use information online. Upon successful completion of the pilot project, full implementation is expected within the next two years.

SCWA continues focus on the 2008 Biological Opinion for water supply in the Russian River watershed issued by the National Marine Fisheries Service. This document establishes requirements to preserve, protect and restore the fisheries over the next 15 years, and to maintain the existing Russian River water supply. It is anticipated that state legislation will be passed in 2018 that will force additional reductions in water use below the 2009 (SB7X-7) mandate that requires a 20% reduction in per capita water use by 2020. Accordingly, North Marin must achieve more water conservation and expansion of recycled water to further stretch its local source of supply in future years.

In West Marin, normal year water supply conditions on Lagunitas Creek prevailed, however, some common-sense prohibitions against water waste and non-essential use remain in effect. With respect to capital improvement projects, design is underway for replacement of the Paradise Ranch Estates Tank 4A, and planning continues for a second upstream well on Lagunitas Creek that that is free from salinity intrusion.

In June 2017, a 5% water rate increases became effective. At \$656 per year, the cost of water service for a typical Novato single family home using 90,900 gallons of water a year is just below the median of Bay Area urban area water agencies (see chart page 17). Water remains a good value for Novato customers.

WATER SUPPLY

STAFFORD LAKE – Local Source Provides 20% of North Marin's Supply

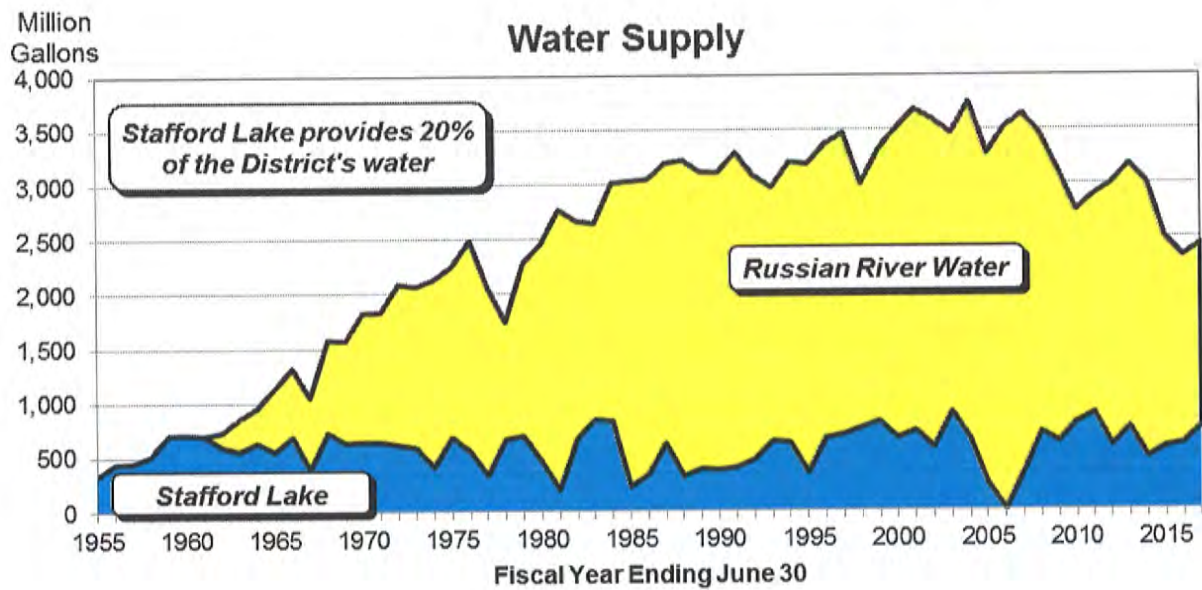
Stafford Lake lies four miles west of downtown Novato and collects the runoff from 8.3 square miles of watershed land adjacent to the upper reaches of Novato Creek. The lake has a surface area of 230 acres and holds 4,450 acre feet or 1,450 million gallons (MG) of water. Water from Stafford Lake is fed into the Stafford Lake Water Treatment Plant, (located just

below the dam) at a maximum rate of 6 million gallons per day (MGD). In FY 2017, 2,320 acre feet (756 MG) of water was produced from the facility.

RUSSIAN RIVER – Provides 80% of North Marin’s Annual Supply

Russian River water originates from both the Eel River and the Russian River watersheds northeast of the City of Ukiah (Lake Mendocino) and west of Healdsburg (Lake Sonoma). The Coyote Dam at Lake Mendocino impounds the Eel River diversions and winter runoff from the local watershed. Warm Springs Dam at Lake Sonoma impounds winter runoff from the Dry Creek and Warm Springs local watersheds. Lakes Mendocino and Sonoma combined can store 367,500 acre feet to meet regional water supply needs, which totaled 40,360 acre feet in FY 2017. Releases from the lakes flow to a point about 10 miles upstream of Guerneville (see map on page 16 of this report), where six collector wells draw river water that has been filtered through 60 to 90 feet of natural sand and gravel to perforated pipes located at the bottom of each well. The thick layer of sand and gravel through which the water must pass before reaching the intake pipes provides a highly-efficient, natural filtration process which, with chlorination treatment, produces a clear, potable, bacteria-free water. This water is then fed directly into the SCWA aqueduct system.

In FY 2017, North Marin received 5,158 acre feet (1,681 MG) of Russian River water. North Marin has an agreement in place with SCWA to provide sufficient supply and meet Novato’s current and future water supply needs. There continues to be competing interests for Russian River water, principally to protect steelhead and salmon listed as threatened or endangered species under the Endangered Species Act.



ADMINISTRATION

The Administration Department is comprised of the Administrative Services, Consumer Services, Finance, Human Resources and Information Systems.

CONSUMER SERVICES

Consumer Services is responsible for accurate and timely meter reading and billing, rendering and accounting for 139,000 bills annually. During the year, field staff responded to 1,362 customer calls for water service assistance and received a 94% positive response from customers pertaining to the service rendered.

- The Conservation Incentive Rate, enacted in Novato in June 2004 and focused on residential water use exceeding 1,845 gallons per day, continued to prove successful in reducing water demand. Residential consumption in the targeted tier was down 78% in FY 2017 compared to FY 2003. Only 1% of residential customers used in excess of 1,845 gallons per day sometime during the fiscal year. In addition to reducing consumption, the incentive rate has generated \$891,000 in additional revenue since inception, which funds are dedicated to further promote water conservation measures in Novato.
- In January 2007 a Conservation Incentive Tier Rate (CITR) was implemented in Novato. The Conservation Incentive Tier Rate is applicable to residential water use between 615 and 1,845 gallons per day. About 17% of residential customers used in excess of 615 gallons per day sometime during the year (83% of residential customers never used more than 615 gallons per day). The CITR is designed to further encourage high-use residential customers to review and tighten-up their landscape irrigation practices. FY2017 water use within the CITR range had declined 61% compared to FY2006.
- In February, the District's 2017 Urban Area Water Cost Comparison (see chart on page 17) showed that North Marin's cost of water service ranked 10th out of the seventeen urban agencies serving the greater San Francisco Bay Area. The annual cost for water service to a typical single-family home in Novato was \$656/yr.

ACCOUNTING

The Accounting Department (pictured below) is responsible for general accounting and budgeting, payroll, purchasing, treasury management, risk management, materials inventory and human resources. The accounting staff renders a full financial statement monthly with



extensive cost-accounting detail allowing District managers to closely monitor revenue and expenditures relative to the adopted budget.

The Government Finance Officers Association (GFOA) has awarded the District a Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report (CAFR) for fiscal year ended June 30, 2016. This is the eighth consecutive year the District has received this award. The GFOA states that this Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The following staff members made significant contributions to this CAFR: Retired General Manager Chris DeGabriele, David Bentley, Dianne Landeros, Nancy Holton, and Nancy Williamson.

Fiscal Year 2017 financial highlights include:

- The District, on a consolidated basis, received 95% of budgeted operating revenue and expended 99% of budgeted operating expenditures, resulting in a net loss of \$117,000. \$12.4 million (73%) of the Capital Improvement Project Budget was expended. During the year the District received \$4.8 million in Capital Contributions from CalTrans and \$5.1 million in grant proceeds to finance its capital improvement projects program, and ended the year with a cash balance of \$10.1 million, a decrease of \$2.9 million from the prior year.
- Novato potable water consumption increased 8% from the prior year. Stafford Lake Water Treatment Plant produced 756 MG, up 26% from the prior year. The net loss of \$8,000 fell short of \$755,000 budgeted net income, and compares to a net income of \$322,000 million the prior year.

- The Novato Sanitary District and Las Gallinas Valley Sanitary District, along with the Deer Island Recycled Facility combined to produce 144 MG of Recycled Water, up 3% from the prior year. The fiscal year net loss of \$337,000 exceeded the \$300,000 budgeted loss.
- West Marin Water consumption was up 9% from the prior year. The \$79,000 net income compares to a budgeted net income of \$73,000 and to net income of \$96,000 the prior year. West Marin Water ended the fiscal year with a cash balance of \$1.3 million. A 5% increase applicable to West Marin water customers was approved effective July 1, 2017.
- Oceana Marin Sewer's net income of \$54,000 compares to a budgeted net income of \$51,000 and to net income of \$53,000 the prior year. Oceana Marin ended the year with a \$424,000 cash balance. A 10% increase applicable to Oceana Marin Sewer customers was approved effective July 1, 2017.

ENGINEERING

The Engineering Department consists of professional and technical staff that oversee the planning, permitting, design, construction and project management of water supply, treatment, transmission and distribution facilities necessary to serve North Marin's customers in Novato and West Marin. Engineering functions for wastewater-related facilities are also provided by the Department to support North Marin's wastewater collection, treatment and disposal system in Oceana Marin. Property owners or developers desiring new water or wastewater service or an upgrade to their existing service are assisted by the Engineering Department pursuant to North Marin regulations.



In the Novato service area, twenty-five capital projects were budgeted. An additional eight projects were added, two projects were carried over from the previous fiscal year, and two projects were deferred, resulting in an adjusted total of thirty-three projects. The Engineering Department oversaw seventeen of the thirty-three projects, and approximately half of the total

number of projects were completed within the fiscal year with total expenditures at \$12.1M. Some of the significant projects included the Plum Street Meter Relocations, Detector Check Assembly Relocations, Zone A Pressure Improvements, and majority construction completion of the Recycled Water Central Expansion Project.

In the West Marin service area, including Oceana Marin, nine projects were budgeted, five projects were added and three were deferred, resulting in a total of eleven projects. The Engineering Department oversaw five of the eleven projects, and combined fiscal year expenditures totaled \$235K. The most significant project completed in West Marin was the Oceana Marin Dosing Siphon Repairs project.



WATER CONSERVATION

North Marin Water District maintains a comprehensive and innovative Water Conservation Program aimed at both residential and non-residential customers (commercial and large landscape). Each program element is analyzed to assure that it will efficiently produce long-lasting water savings mutually worthwhile to the customer and the District.



Residential activities include residential water use surveys (385), high-efficiency washing machine (HEW) rebates (55 paid), high-efficiency toilet (HET) replacements (198 rebates paid), a Cash-for-Grass Program (59 rebates paid), flapper rebates, weather-based irrigation controller rebates, landscape efficiency rebates, a plumbing retrofit-on-resale program (toilets, showerheads, and bathroom sink faucets) and rainwater collection and gray water rebates. Hot Water Circulation and Pool Cover rebates

were added in recent years along with the "Lawn Be Gone" program aimed at promoting the sheet mulching technique of removing lawn. Water conservation programs for non-residential customers include HET rebates, high-efficiency washing machine rebates, and free water audits/surveys. Large landscape customers are provided landscape water budgets comparing actual use to calculated use based on local weather data and landscape area. Large landscape audits and landscape efficiency upgrade rebates are also offered to mixed-use accounts and dedicated metered sites.

The public outreach program includes a School Education Program (in cooperation with SCWA), the "WaterLine" newsletter (sent in spring and fall), bill inserts and text, newspaper advertisements and articles, and a variety of other customer outreach events and campaigns (including participation in the Sonoma Marin Saving Water Partnership "Drought" and "Take It From the Tap" campaigns). The District maintains an interactive website where customers can look at everything from a graph of their water use history, to water use efficiency rebate

information and can even pay their water bill. The District also maintains and regularly updates a Facebook page. The outreach program is designed to increase customer participation in the various conservation programs offered by the District and to increase customer awareness and stewardship of the water resource.

Finally, the District requires new development to meet some of the most stringent water-use efficiency standards in the nation, including: installation of ~~a~~ high-efficiency washing machines~~s~~, high-efficiency toilets, weather-based irrigation controllers, a maximum of 600 square feet of turf for new residential development and no turf for new commercial development, soil amendment and mulching requirements, drip or other subsurface irrigation for all irrigated non-turf areas, and other landscape irrigation efficiency measures consistent with the updated State Model Water Efficient Landscape Ordinance.



OPERATIONS AND MAINTENANCE DEPARTMENT

The Operations and Maintenance Department is comprised of three groups –Operations, Maintenance and Water Quality – which work together to provide Novato and West Marin customers with good water and good service at a good value while continuing to provide a safe place to work. Along with these groups, the O&M Technical Assistant provides document control for the Cross Connection Control, Maintenance Management and Asset Management programs, as well as managing the District's Recycled Water Monitoring Reports.

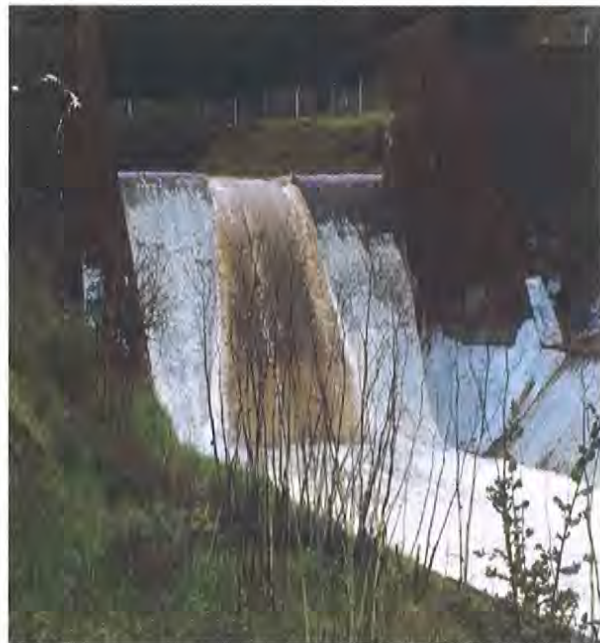
OPERATIONS

The Operations Group is comprised of six Distribution and Treatment Operations staff who work closely with the Water Quality Group, sharing the responsibility of monitoring the Stafford Lake watershed and working cooperatively with landowners, the Indian Valley Golf Course and Marin County Parks.

Approximately two lake volumes of water spilled over the spillway during the winter storms of 2016/2017. The Operations Group manages the potable water supply and distribution systems for Novato and West Marin communities. In Novato, this department balances the tasks of treating and distributing water from Stafford Lake and imported Russian River water while maintaining appropriate water storage and pressure levels to reliably meet all water system demands and fire protection requirements.

In Novato, the group managed storage of 37 million gallons (MG) of potable finished water in 35 tanks through four hydraulic pressure zones with 27 pump stations. There are 1 million gallons of recycled water storage and 11 miles of distribution mains providing 48 customer sites with recycled water from the Deer Island, Novato Sanitary District and the Las Gallinas Valley Sanitary District Recycled Water Treatment Facilities.

In West Marin, the group operates the Lagunitas Creek wells and Point Reyes Treatment Plant. Water is supplied through 6 pump stations and 13 storage tanks to Point



Reyes Station, Olema, Inverness Park, Paradise Ranch Estates, and Bear Valley. Additionally, the department oversees the wastewater collection and treatment operations in Oceana Marin.

Operations activities and accomplishments during 2016-17 included 15 improvement projects, 2 major maintenance tasks during the winter shutdown and over 700 routine maintenance tasks throughout the year.

Work was performed to complete the Frosty Lane aqueduct intertie, and Stafford Treatment Plant filter underdrain in Novato and, green sand media replacement and filter optimization in Point Reyes to ensure continued production of high quality water.

MAINTENANCE

The Maintenance Group is comprised of Electrical/Mechanical, Building/Grounds, Fleet, and Distribution Cross Connection and Control staff and is responsible for all maintenance tasks throughout the Novato, West Marin and Oceana Marin service areas.



District Corporation Yard in Novato on February 17, 2017.

Maintenance works closely with Operations to ensure proper operation of Treatment and Distribution equipment for continuous service to our customers. In Novato, this equipment includes the Stafford Lake Water Treatment plant, Deer Island Recycled Water Treatment Facility, pump stations, tanks, pressure regulators and cross connection devices.

In West Marin, the Maintenance group maintains the Lagunitas Creek wells, Point Reyes treatment plant, tanks and pump stations in Point Reyes Station, Olema, Inverness Park, Paradise Ranch Estates, and Bear Valley. Additionally, the group maintains the collection and wastewater treatment infrastructure in Oceana Marin.

Maintenance accomplishments during 2016-17 included 23 facilities improvement projects and over 500 routine maintenance tasks. Staff continued to execute the day-to-day

activities while performing the various improvement projects including the remote telemetry unit upgrades, radio communication links at three Novato Tank sites, tank access monitoring and security enhancements, radio read meter communication network, and ~~Frosty Lane aqueduct NMWD-MMWD Bel Marin Keys aqueduct~~ intertie control/s-and-alarm ~~upgrades to improve Zone A pressure.~~

WATER QUALITY



The Water Quality Group is comprised of chemists and lab technicians providing oversight to all aspects of North Marin operations to ensure that water quality is protected, using a multi-barrier approach. Surveillance and monitoring is performed at multiple points from source to tap. North Marin's laboratory performs thousands of water quality tests each year (as required under state and federal drinking water regulations) to support the work performed by other District departments. Annually, a water quality report is sent to all District customers in both Novato and West Marin. In addition,

Water Quality staff responds to customer calls with specific information on water quality.

During the year, Water Quality staff implemented an update to the Laboratory Information Management System to help improve our water quality monitoring and reporting requirements.

CONSTRUCTION/MAINTENANCE DEPARTMENT

The Construction/Maintenance Department installs, repairs and replaces water pipelines and their appurtenances (valves, hydrants, services and meters, etc.) in upgrading and maintaining District facilities. The Construction/Maintenance Department may be contracted by developers to install new water mains, services, fire hydrants and fire services. In addition, staff upgrades ¾" service lines to 1" to comply with the Novato Fire Protection District's requirements for sprinklers in new building construction. Staff is on call at all times to respond to emergencies such as service leaks, main breaks, or knocked-over hydrants. Construction/Maintenance staff work hand-in-hand with the public, City, and developers to install high-quality and reliable facilities to serve North Marin customers.



During FY 2016/17, North Marin Water District's Construction crews replaced 107 polybutylene water service laterals and 18 copper water service laterals because of leaks in Novato and West Marin service areas.

The Construction Crews work with developers on small main installations projects such as: Mendocino Lane main extension, Redwood Landfill main extension and fire services at Novato Chevrolet (7123 Redwood Blvd), 35 Leveroni Ct, and Shell Gas Station on Olive Ave. The Crews also upsized various service laterals for residential fire service construction.

Crews worked on the following Capital Improvement Projects in the Novato system: Bel Marin Keys Blvd backflow upgrades, Detector Check Assembly (DCA) replacements, installation

of anodes on existing copper services, Polybutylene Replacement ahead of City and County paving (14 Services), Novato Recycled Water system, PG&E Power to Reservoir Hill Tank, Overflow Drain at Recycled Water Facility at NSD Reclamation, and crews assisted contractors on the Recycled Water Central projects.

Crews worked on the following Capital Improvement Project in Oceana Marin: repair and upgrade of the dosing siphon at the Sewer Treatment Plant (pictured to the right).





***In Memory Of
John Schoonover
Director, North Marin Water District
Served 1984-2017***

North Marin Water District's Director John Schoonover passed away on Monday, July 3, 2017. Director Schoonover served on the NMWD Board for 33 years, and had been a long time Novato resident and community leader. Prior to Director Schoonover's involvement with NMWD, he served 13 years as a member of the Novato Planning Commission. Director Schoonover was a dedicated and conscientious leader on the Board. His knowledge and insight proved to be invaluable when serving the growing needs of the Novato and West Marin communities over the last three decades.

Some of the many accomplishments achieved under Director Schoonover's tenure on the Board included the Hamilton Air Base boundary reorganization with Marin Municipal Water District, a new 4.5 million gallon buried Amaroli Water Tank, Stafford Water Treatment Plant Rehabilitation, a new 0.8 Megawatt Solar Panel project, expansion of recycled water throughout Novato and completion of the Aqueduct Energy Efficiency Project.

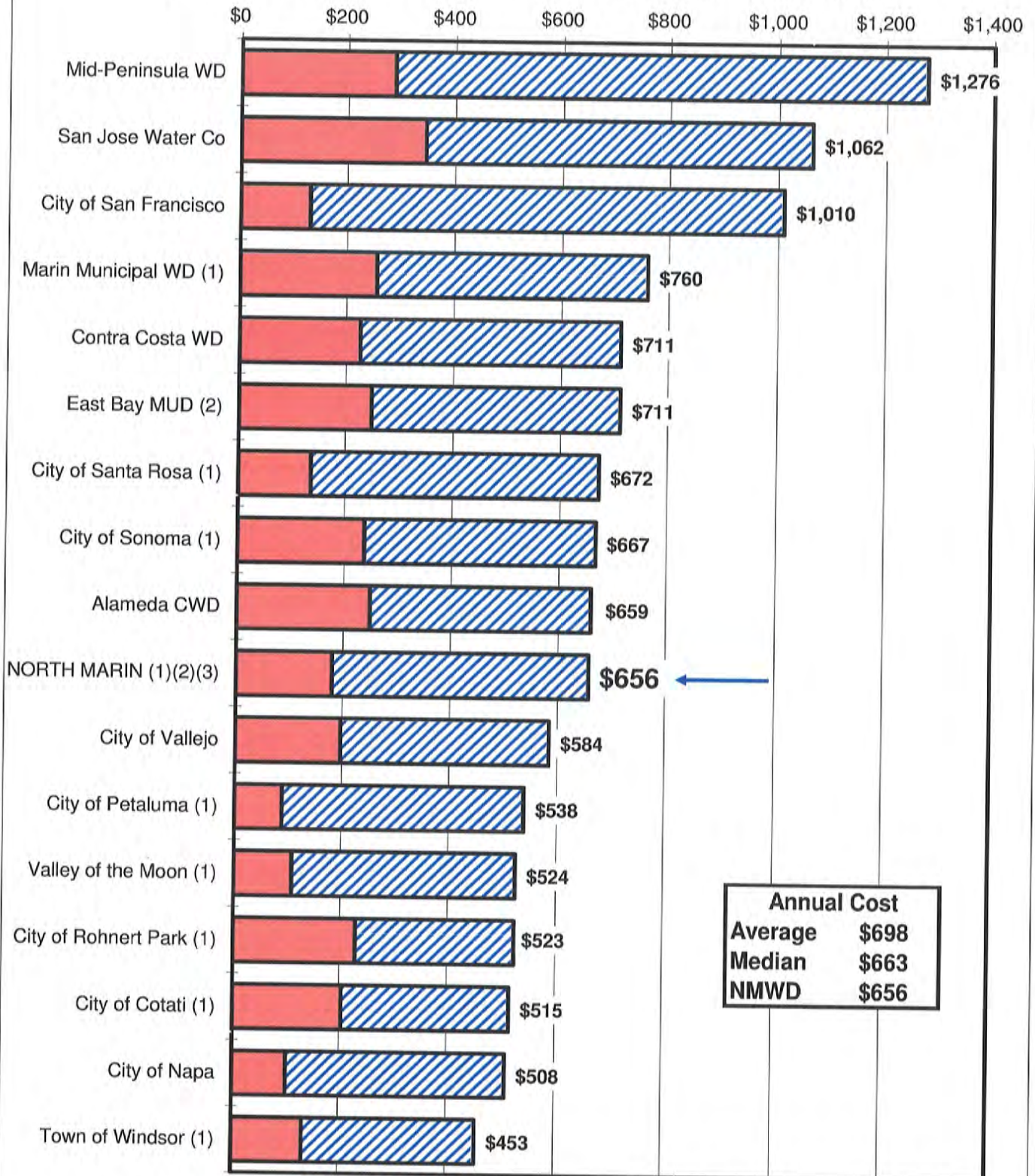
Fellow North Marin Board member Jack Baker, who knew John for many years said, "John cared a lot about the community served by the Water District, not only our Novato customers, but also those served by the District's West Marin operations." North Marin's General Manager Drew McIntyre added, "Director Schoonover's service on the Board for over 30 years is a testament to his dedication and loyalty to the District. He loved his job and took it very seriously. His contributions to the District and the community were immeasurable and he will be sorely missed."



Russian River Water System

2017 URBAN AREA TOTAL ANNUAL WATER COST COMPARISON

Typical Detached Single-Family Home Annual Consumption = 90,900 Gallons



Annual Cost	
Average	\$698
Median	\$663
NMWD	\$656

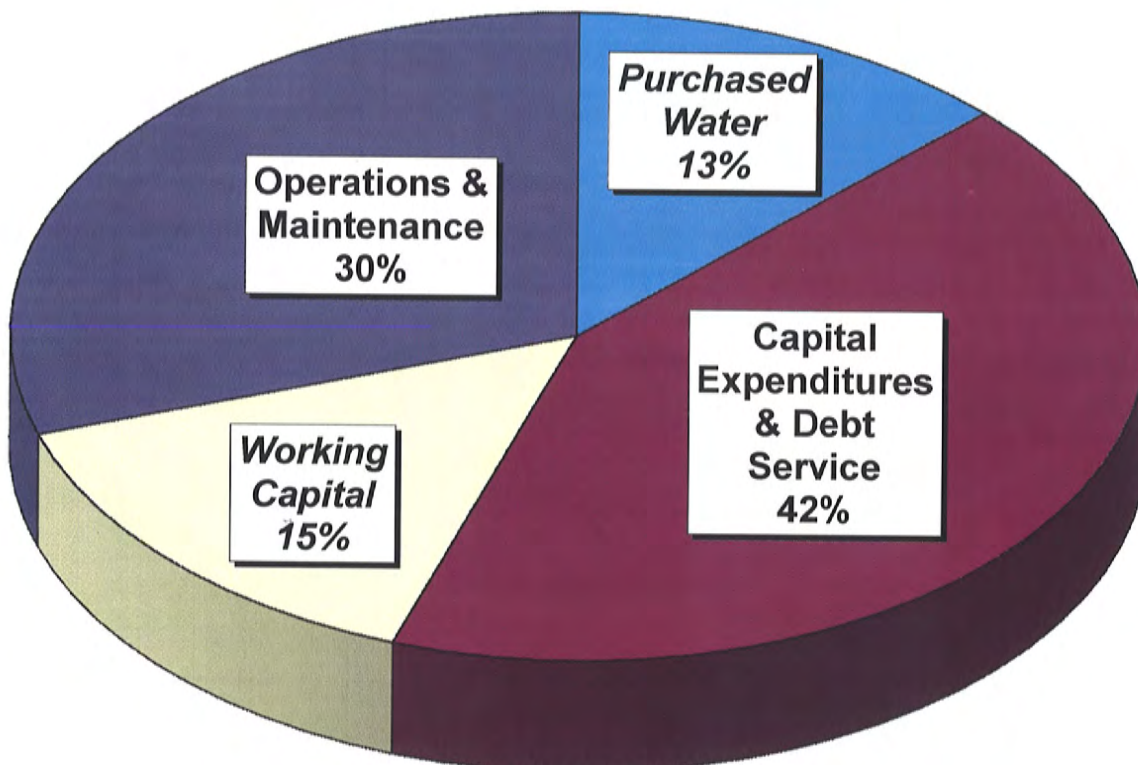
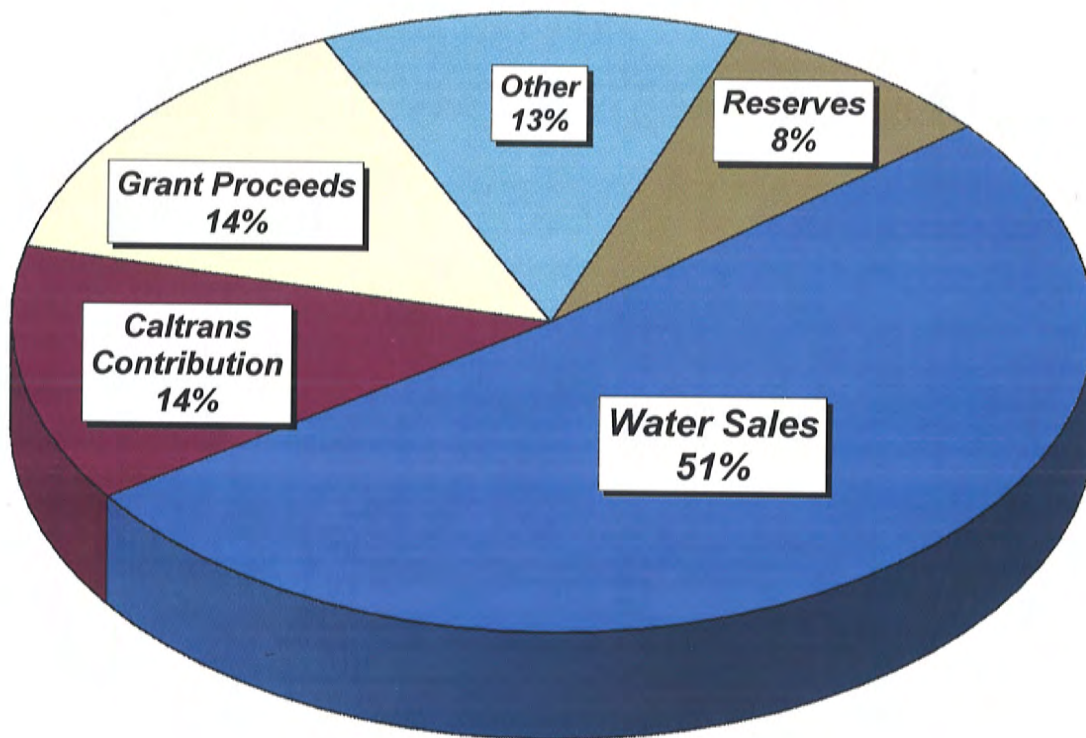
LEGEND

■ Service ■ Commodity

- (1) Sonoma County Water Agency Prime Contractor.
 (2) Based on weighted average commodity charge - all zones.
 (3) Excludes West Marin rates and charges.

North Marin Water District - Fiscal Year 2016-17

Source of Funds: \$35.3 Million



Use of Funds: \$35.3 Million

CHARACTERISTICS OF SERVICE AREAS

Statistics (at June 30, 2017)	Water		Sewer	Total
	Novato Potable & RW	West Marin Service Area	Oceana Marin	
Service Area (Square Miles)	75	24	1	100
Active Connections	20,591	780	231	21,602
Dwelling Units	24,003	829	231	25,063
Estimated Population	61,400	1,700	400	63,500
Average Household Size (People)	2.6	2.1	1.9	2.5
FTE Employees	53.7	-	-	53.7
Fire Hydrants	2,656	168	-	2,824
Miles of Pipeline	333	26	5	364
Storage (million gallons)	38.4	1.0	-	39.4

Annual Water Volumes (MG) (FY2016-17)

Russian River Water Purchases	1,681			1,681
Stafford Water Treatment Plant	756			756
Recycled Water	144			144
Point Reyes Water Treatment Plant		66		66
Oceana Marin Wastewater Treatment			8	8
Total Water Production	2,581	66	8	2,655
RR Water Wheeled to MMWD	1,670			1,670

Annual Budget - FY2017-18

Operating Revenue	\$18,636,000	\$817,000	\$239,000	\$19,692,000
Connection Fees/Misc	4,089,000	93,000	90,000	4,272,000
Grant/Loan Proceeds	11,533,000	0	0	11,533,000
Contribution (To)/From Reserves	98,000	388,000	80,000	566,000
Total Sources	\$34,356,000	\$1,298,000	\$409,000	\$36,063,000
Operating Labor	\$6,632,000	\$231,000	\$75,000	\$6,938,000
Other Operating Expense (less Deprec)	8,200,000	292,000	124,000	8,616,000
Capital Expenditures	17,070,000	675,000	210,000	17,955,000
Debt Service & Other Expenditures	2,454,000	100,000	0	2,554,000
Total Outlays	\$34,356,000	\$1,298,000	\$409,000	\$36,063,000

Annual Water/Sewer Cost (FY2016-17)

to Typical Single-Family Detached Residence

Service Charge	\$30.00/2 mo.	\$30.00/2 mo.	\$78.00/mo.
Annual Consumption (Typical)	90,900 gal	55,400 gal	
Wt'd Avg Water Rate / 1,000 gal ¹	\$5.24	\$8.96	

Typical Annual Cost:

Service Charge	\$180	\$180	\$936
Commodity Charge	\$476	\$496	\$0
Allocated Tax ²	\$0	\$59	\$211
Total Annual Cost	\$656	\$735	\$1,147

Notes

1 FY17 weighted average commodity rate. Rates vary by elevation zone to reflect different energy, pumping and storage costs. Novato rates ranged from \$4.77 to \$6.60 per 1,000 gallons, and in West Marin from \$8.14 to \$13.58. Average excludes tier rate charges as typical residential consumption is below tier threshold.

2 FY17 allocated share of Marin County 1% ad valorem tax per active connection. Tax is collected by the County and allocated by formula to the West Marin districts.

SUMMARY FINANCIAL INFORMATION

June 30, 2017

NET ASSETS

	Total	Novato Water	Novato Recycled	West Marin Water	Oceana Marin Sewer
Assets					
Cash & Investments	10,094,853	7,495,030	869,672	1,302,999	427,152
Receivables & Other Assets	21,211,033	13,231,512	7,830,691	131,464	17,367
Construction-in-Progress	14,554,336	2,432,717	11,731,589	288,681	101,349
Property, Plant & Equipment (net)	114,026,060	90,129,137	17,678,079	5,400,671	818,173
Total Assets	\$159,886,280	\$113,288,396	\$38,110,031	\$7,123,815	\$1,364,041
Liabilities					
Current Liabilities	\$13,129,758	\$6,173,938	\$6,796,356	\$139,294	\$20,170
Long-Term Debt	42,844,550	27,848,569	14,167,191	828,790	-
Total Liabilities	\$55,974,308	\$34,022,507	\$20,963,547	\$968,084	\$20,170
Net Assets					
Invested in Capital Assets	\$127,953,618	\$100,554,114	\$19,915,002	\$6,254,229	\$1,230,274
Restricted & Designated Reserves	9,241,780	4,783,798	3,299,343	1,130,278	28,361
Earned Surplus	(33,283,426)	(26,069,066)	(6,067,860)	(1,228,763)	82,266
Net Assets	\$103,911,972	\$79,268,846	\$17,146,485	\$6,155,744	\$1,340,901

REVENUE & EXPENSE

Operating Revenue	\$18,703,476	\$16,984,885	\$728,534	\$773,468	\$216,589
Operating Expense	18,516,099	16,748,581	824,236	719,931	223,350
Operating Income/(Loss)	\$187,378	\$236,304	(\$95,702)	\$53,537	(\$6,761)
Non-Operating Revenue/(Expense)	(304,829)	(149,417)	(241,787)	25,669	60,707
Net Income/(Loss)	(\$117,451)	\$86,887	(\$337,489)	\$79,206	\$53,946

CASH FLOW

Net Income/(Loss)	(\$117,451)	\$86,887	(\$337,489)	\$79,206	\$53,946
Add Back Depreciation	3,416,411	2,710,627	472,017	192,151	41,616
Cash Generated	\$3,298,961	\$2,797,514	\$134,528	\$271,357	\$95,562

Other Sources/(Uses)

Connection Fees	\$1,034,585	\$973,385	-	30,800	30,400
Loan Proceeds	\$1,899,538	-	1,899,538	-	-
Capital Asset Acquisition	(12,488,621)	(1,634,612)	(10,623,266)	(79,064)	(151,679)
Principal Paid on Debt	(1,769,241)	(1,078,441)	(623,719)	(67,081)	-
Grant Proceeds	5,061,105	33,750	5,027,355	-	-
Caltrans Capital Contributon	4,750,845	4,750,845	-	-	-
Interdistrict Loan	0	(5,557,108)	5,557,108	-	-
Connection Fee Transfer	0	(1,230,940)	1,230,940	-	-
Working Capital & Miscellaneous	(4,724,422)	(2,168,259)	(2,555,823)	10,289	(10,629)
Total Other Sources/(Uses)	(\$6,236,211)	(\$5,911,380)	(\$87,867)	(105,055)	(131,909)
Net Cash Generated/(Used)	(\$2,937,250)	(\$3,113,864)	\$46,658	\$166,301	(\$36,345)

HISTORICAL STATISTICS

Fiscal Year Ending June 30:		<u>2017</u>	<u>2015</u>	<u>2013</u>	<u>2011</u>
Active Services	-Novato Water	20,544	20,498	20,492	20,464
	-Novato Recycled	47	44	17	3
	-West Marin Water	780	778	776	770
	-Oceana Marin Sewer	231	229	227	227
	Total Active Services	21,602	21,549	21,512	21,464
Full-Time Equivalent (FTE) Employees		53.7	51.7	50.5	50.5
FTE Employees per 1,000 Active Services		2.5	2.4	2.3	2.4
Property, Plant and Equipment (millions)		\$182.8	\$158.9	\$137.9	\$119.6
FTE Employees per \$1M Capital Assets		0.29	0.33	0.37	0.42
Miles of Pipeline		364	357	350	346
Storage (MG)		39.4	39.4	39.4	37.9

Water Production (MG)

Point Reyes Treatment Plant	66	70	83	79
Stafford Treatment Plant	756	573	755	884
Recycled Water	144	148	58	55
Russian River Water Purchases	1,681	1,928	2,423	2,013
Total Water Production	2,647	2,719	3,319	3,031
Wheeled to Marin Municipal WD	1,670	2,333	1,919	1,748

Novato Service Area Average Day Potable Water Production (MG)

Annual	6.7	6.9	8.7	7.9
Peak Month	10.0	10.3	12.8	12.2
Peak Week	10.6	11.3	13.7	12.7
Peak Day	15.6	13.7	14.4	14.2

Financial History

Source of Funds

Water Sales	\$18,136,626	\$17,492,130	\$17,543,511	\$13,443,983
Investment Earnings	156,662	134,464	96,683	143,278
Tax Revenue	107,089	94,398	90,336	96,768
Grant Proceeds	5,061,105	1,259,624	1,761,450	287,494
Connection Fees	1,034,585	801,600	876,350	387,610
Loan Proceeds	1,899,538	0	4,265,184	335,811
Other Sources	5,981,896	11,761,694	1,281,102	594,656
Reserves	2,937,250	608,242	478,875	2,149,073
	<u>\$35,314,751</u>	<u>\$32,152,152</u>	<u>\$26,393,491</u>	<u>\$17,438,673</u>

Use of Funds

Purchased Water	\$4,469,632	\$4,545,345	\$5,205,519	\$4,015,679
Operation & Maintenance	10,630,056	8,780,314	7,940,826	7,862,934
Debt Service	2,527,022	2,534,473	2,118,314	1,613,712
Capital Expenditures	12,488,621	16,192,913	9,005,790	3,649,953
Other Uses	5,199,420	99,107	2,123,042	296,395
	<u>\$35,314,751</u>	<u>\$32,152,152</u>	<u>\$26,393,491</u>	<u>\$17,438,673</u>

Where We Stand


Assets	\$159,886,280	\$134,483,310	\$125,911,331	\$96,881,570
Liabilities	55,974,308	46,328,041	44,795,910	23,588,114
Net Assets	<u>\$103,911,972</u>	<u>\$88,155,269</u>	<u>\$81,115,421</u>	<u>\$73,293,456</u>

9

MEMORANDUM

To: Board of Directors

November 3, 2017

From: Drew McIntyre, General Manager 

Subj: Designate Voting Delegate to the ACWA 2017 Fall Conference and Authorize Vote in support of proposed ACWA Bylaws Amendment

t:\gm\acwa\authorize vote 2017.docx

RECOMMENDED ACTION: Authorize Auditor-Controller to be the District's Voting Delegate at the upcoming ACWA Fall Conference and Authorize vote in the affirmative for the proposed ACWA Bylaws Amendments

FINANCIAL IMPACT: None at this time


Attached is a memo from the Association of California Water Agencies (ACWA) Executive Director with information on the upcoming General Session Membership meeting to be held on November 29 at the Fall 2017 ACWA Conference. David Bentley will attend the conference including the General Membership Meeting. Elections for President and Vice President will be held as well as voting on proposed Bylaws amendments. The attached ACWA memo summarizes the election process and proposed amendments to ACWA's Bylaws. The Bylaws amendments make changes in five areas:

1. Provides flexibility in appointing members to standing committees and provides an odd number committee composition total.
2. Revises committee composition description for better uniformity.
3. Creates an agriculture committee to increase engagement from ACWA's agricultural members.
4. Changes legal affairs committee so there is a resulting odd number committee composition total.
5. Revises the deadline to submit amendment requests from 30 to 90 days to provide more time for review and analysis.

A copy of the proposed Bylaws amendments are enclosed with the Attachment.

RECOMMENDED ACTION:

1. Board designate the Auditor-Controller as the District's voting delegate at the ACWA General Session Membership meeting on November 29, 2017.
2. Authorize the Auditor-Controller to cast North Marin Water District's vote for Brent Hastey as ACWA President and Steven LaMar for ACWA Vice President.
3. Authorize the Auditor-Controller to vote in the affirmative for the proposed ACWA Bylaw amendments.

Approved by GM Date 11/3/17

TO: ACWA Members: General Managers and Board Presidents

CC: ACWA Board of Directors

FROM: Timothy Quinn, ACWA Executive Director

DATE: October 11, 2017

SUBJECT: General Session Membership Meeting at ACWA 2017 Fall Conference

RECEIVED

OCT 17 2017

North Marin Water District

There will be a General Session Membership Meeting at the 2017 Fall Conference in Anaheim, California, on Wednesday, November 29. The meeting will be held in the Platinum Ballroom 1-6, Marriott Anaheim, at 1:20 p.m. The purpose of the meeting is to formally nominate and elect ACWA's President and Vice President for the 2018-2019 term and to conduct a vote by the membership on proposed amendments to ACWA's Bylaws as recommended by the Board of Directors at its meeting on September 29, 2017.

Election of President/Vice President

The ACWA Nominating Committee has announced a 2018-2019 slate that recommends current **Vice President Brent Hastey for ACWA President** and current **Federal Affairs Committee Chair Steven LaMar for ACWA Vice President**. As provided by ACWA's Bylaws (Article 9, Section 9) nominations from the floor will be accepted prior to the vote. Such nominations and seconds must be supported by a resolution of the governing body of the member agency making and seconding such nomination. **(See attached for General Session/Election Procedures.)**

Proposed Amendments to ACWA's Bylaws

As part of the ongoing efforts to ensure ACWA's Bylaws are current and reflect consistency with other governance documents and daily operations, the Board of Directors is recommending several amendments to the bylaws for consideration by the membership. A Legal Affairs Committee (LAC) Workgroup reviewed the proposed amendments and provided an analysis pursuant to ACWA's Bylaws (Article 9, Section 8).

Following is a list of the proposed amendments to the bylaws along with the rationale for the change and the LAC Workgroup's analysis.

Article 7 – Standing Committees

1. **Section 4. Committee Composition.** Each limited standing committee shall have a membership composition that is comprised of members in the quantity and with qualifications as defined by the provisions of these bylaws. The committee chair position shall not be included in the maximum count for determining the committee composition total of any given limited committee. The committee chair shall, however, be a voting member of their respective committee subject to the rules and procedures of each committee.

Rationale: Staff is recommending this amendment to the bylaws to allow the President flexibility in appointing members to limited standing committees and to provide an odd number committee composition total.

LAC Workgroup Analysis: The proposed revision is clear and meets its intended purpose.

2. **Committee Composition Terms in Sections 5 through 17.**

Rationale. Staff noted that the use of the term “individual” versus “representative” (and one instance of “member”) was inconsistent throughout the committee composition description for each of the standing committees in Article 7. Staff asked the LAC Workgroup to review Section 1, Qualifications, as well as each of the committee descriptions to make a determination as to which term best applies for all of the committees for purposes of consistency throughout Article 7.

LAC Workgroup Analysis: Reading of the various ACWA committee sections suggests that “Member” would be the most appropriate word for consistency throughout the bylaws. However, the use of a single term, may require some minor revisions to surrounding text for clarity (for an example see Section 15 (State Legislative Committee) where “member” is separately used to denote a “member agency” and so would need to state “member-agency” consistently to accommodate the more general use of “member” throughout the bylaws).

Staff Response: Staff revised the terms in the committee section descriptions (Sections 5 through 17) to “member” for consistency and the surrounding language where needed in response to the LAC Workgroup’s analysis. **(See attached bylaws for proposed amendments to these sections.)**

3. **Section 5. Agriculture Committee.** There shall be an Agriculture Committee whose duty it shall be to recommend Association policy, positions and programs to the Board of Directors, State Legislative Committee, Federal Affairs Committee or other committees, as appropriate, regarding agricultural issues affecting the interests of ACWA and its members. The committee shall consist of at least one member from each region.

Rationale: The 2016-2017 Business and Strategic Plan initiative to increase involvement and engagement from ACWA's agricultural members has successfully generated momentum amongst ACWA's agricultural members and a renewed attention to and involvement in key policy issues that uniquely affect agricultural water suppliers. Amidst this success, a concern has arisen that the momentum could be lost once the Board of Directors finishes its current term and the initiative sunsets. This concern has sparked the suggestion that ACWA should consider creating an Agriculture Committee as the thirteenth standing committee of the Association to continue the objectives of the Ag Initiative long-term.

LAC Workgroup Analysis: The proposed revision is clean and meets its intended purpose.

4. **Section 12. Legal Affairs Committee.** There shall be a Legal Affairs Committee whose duty it shall be to support the mission of the Association, and more particularly to deal with requests for assistance involving legal matters of significance to members of the Association agencies, including but not limited to state and federal court litigation, water rights matters, selected regulatory and resources agency matters, proposed bylaw revisions, review of legislation as requested by the State Legislative Committee, etc. The committee shall consider matters and issues submitted to it in order to determine which ones are of major significance to the members of the Association agencies and, assuming a finding of major significance, recommend to the Board of Directors the position(s) which the committee believes the Association should take with respect thereto. The committee shall be composed of between ~~35~~ 34 and ~~45~~ 44 attorneys, each of whom shall be a member of the California Bar and shall be, or act as, counsel for a member of the Association agency, representing diverse interests within the Association, including but not limited to, different geographical areas throughout the state, large and small agencies, agricultural and urban agencies, agencies created under the various enabling statutes, etc. ~~Further, there shall be at least one representative from each region on the committee.~~ The committee shall consist of a least one member from each region.

Rationale: Change the committee composition range so there is a resulting odd number total when the chair is added.

LAC Workgroup Analysis: Considered together with the general change in Section 4, Committee Composition, above, this change accomplishes its purposes and maintains the current overall LAC membership numbers.

Article 9 – Meeting of Members

5. **Section 8. Amendments, Revisions, and Resolutions.** Before any amendments or revisions to the bylaws, or resolutions, may be considered at any meeting of the Association, any such amendment, revision, or resolution shall be submitted to the executive director/secretary at least ~~30~~ 90 days prior to the first day of such meeting. The executive director/secretary shall promptly distribute any



proposed amendments or revisions to the Legal Affairs Committee for the Legal Affairs Committee to develop an unbiased analysis of the amendments or revisions. Following development of an analysis for the proposed amendments or revisions, the executive director/secretary shall distribute copies of any resolutions, amendments or revisions, including any applicable analyses, to all members of the Association ~~at least five~~ not less than 10 days or more than 90 days prior to presentation at such meeting. The written notice of the membership meeting shall be given to each voting member of the Association consistent with the provisions defined in Section 3. The ~~30~~ 90-day rule may be suspended at any meeting of the Association by consent of three-fourths of the members present. Voting on resolutions, amendments, or revisions shall proceed as provided by Sections ~~3~~ 5 and 4 6 of this Article.

Rationale: Staff recommended that the deadline for submitting requests for amendments, revisions, and resolutions be changed from 30 to 120 days prior to any membership meeting to provide the Legal Affairs Committee sufficient time to review and develop the required analysis and for staff to provide adequate notice to the members as set forth in Article 9, Sections 3 and 4 of the bylaws. **Note: Staff typically notifies ACWA members at least 45 days prior to a given membership meeting to allow the member agency boards adequate time to designate their authorized voting representative.**

LAC Workgroup Analysis: This proposed revision is clear and meets its intended purpose. However, workgroup members did express some concern that the 120-day submission requirement may unduly limit the Association's ability to quickly respond to state or federal legislative or administrative acts appropriately. A supermajority of the Association may vote to suspend the requirement, however, it may be advisable to require only 90-days for submission while retaining the general Association distribution timing of no later than 10-days and no earlier than 90-days prior to presentation at an Association meeting.

Staff Response: Staff revised the proposed amendment to state 90 days instead of 120 days in response to the LAC Workgroup's analysis.

The Board of Directors recommends adoption of the proposed amendments to ACWA's Bylaws through a vote of the membership.

Webinar on Proposed Amendments to Bylaws

ACWA staff is hosting a webinar on **Tuesday, November 7, at 10:00 a.m.** in advance of the membership meeting to answer any questions members may have pertaining to the proposed amendments to the bylaws. Please register for the webinar at the link listed below:

Please register for Bylaws Webinar on Nov 07, 2017 10:00 AM PST at:
<https://attendee.gotowebinar.com/register/18153322847132675>

After registering, you will receive a confirmation email containing information about joining the webinar.



Membership Voting Process

ACWA will issue each member agency **present** one proxy card for voting purposes based on the designated voting representative identified by the member agency on the proxy designation form. The designated voting representative is required to register and sign as the proxy holder to receive the proxy card. Proxy cards will **only** be available for pick-up on **Wednesday, November 29**, between **9:00 a.m. and 12:00 p.m.** at the **ACWA General Session Desk** in the main foyer outside of the **Marquis Ballroom Center, Marriott Anaheim**. The luncheon and General Session Membership Meeting will be held in the Platinum Ballroom 1-6.

To expedite the sign-in process at the **ACWA General Session Desk**, please indicate your voting delegate on the enclosed proxy designation form and return it by email (**donnap@acwa.com**) or fax (**916-325-4857**) at your earliest convenience prior to conference. If there is a last minute change of delegate, please let us know before the meeting date by contacting ACWA's Clerk of the Board, Donna Pangborn, at 916-441-4545 or donnap@acwa.com.

If you have any questions regarding this process, please contact Clerk of the Board Donna Pangborn at the ACWA office at 916-441-4545 or donnap@acwa.com.

dgp

Enclosures:

1. General Session/Election Procedures
2. Proposed ACWA Bylaws Amendments – Redline Version
3. Proxy Designation Form

GENERAL SESSION/ELECTION PROCEDURES FOR ACWA 2017 FALL CONFERENCE

The following information is provided to inform the ACWA member agency delegates attending the 2017 Fall Conference of the procedures to be used pertaining to the nomination and election of ACWA officers and the vote by the membership on proposed amendments to the bylaws during the General Session Membership Meeting.

PROXY CARDS – (REQUIRED FOR VOTING)

ACWA will issue each member agency **present** one proxy card for voting purposes based on the designated voting representative identified by the member agency. In order to vote during the General Session Membership Meeting, the designated voting representative is required to register and sign as the proxy holder by 12:00 p.m. on Wednesday, November 29. Upon registration and sign-in, the voting delegate will receive the required proxy cards. Proxy cards will be available for pick-up on **Wednesday, November 29, between 9:00 a.m. and 12:00 p.m.** at the ACWA General Session Desk in the main foyer outside of the **Marquis Ballroom Center, Marriott Anaheim**. The luncheon and General Session Membership Meeting will be held in the Platinum Ballroom 1-6.

GENERAL SESSION MEMBERSHIP MEETING, WEDNESDAY, NOV. 29 (DOORS OPEN AT 1:05 P.M.)

1. The General Session Membership Meeting will be called to order at 1:20 p.m. and a quorum will be determined. The presence of 50 authorized voting representatives is required to establish a quorum for transacting business.
2. Legal Affairs Committee Chair Jeni Buckman will provide an overview of the agenda and election procedures.
3. Nominating Committee Chair John Coleman will present the committee's report and announce the candidate for ACWA President.
4. President Kathy Tiegs will call for floor nominations for ACWA President.
5. If there are no floor nominations for President, the election will proceed. President Tiegs will close the nominations and delegates will vote by holding up their "Yes" or "No" proxy voting cards.
6. If there are floor nominations for President, the nomination will follow the procedures established by Article 9 of ACWA's Bylaws, stating floor nominations and seconds must be supported by a resolution of the governing body of the member agency making and seconding such nomination. **Note: If there are floor nominations, the election of officers will proceed during Wednesday's General Session as outlined below and the proposed bylaws amendments will move to the Thursday General Session Membership Meeting as outlined in item 12 below.**
 - a. Ballots will be distributed to the voting delegates.
 - b. Delegates will complete their ballots and place them in the ballot box, which will be centrally located in the Platinum Ballroom 1-6 meeting room.
 - c. Tellers' Committee will count the ballots. President Tiegs has appointed the following staff members to serve as the Tellers' Committee: Clerk of the Board Donna Pangborn; Director, Business Development & Events Paula Currie; and Executive Assistant Lili Vogelsang.
 - d. Legal Affairs Committee Chair Jeni Buckman will serve as the proctor to oversee the ballot counting process.
 - e. Candidates are welcome to designate an observer to be present during the ballot counting process.
 - f. Results of the ballot count will be announced. Election of ACWA's officers will be determined by a majority of the members present and voting. If any one candidate does not receive a majority of the vote, successive ballot counts will be conducted until a candidate is elected, consistent with Robert's Rules of Order.

7. Nominating Committee Chair John Coleman will announce the candidate for ACWA Vice President.
8. President Kathy Tiegs will call for floor nominations for ACWA Vice President.
9. If there are no floor nominations for Vice President, the election will proceed. President Tiegs will close the nominations and delegates will vote by holding up their "Yes" or "No" proxy voting cards.
10. If there are floor nominations for Vice President, the nominations will follow the procedures described in item 6 above, and the election will proceed according to the steps outlined in 6.a. through 6.f.

IF THERE ARE NO FLOOR NOMINATIONS FOR THE ELECTION OF OFFICERS, THE WEDNESDAY GENERAL SESSION MEMBERSHIP MEETING WILL PROCEED WITH A VOTE ON THE PROPOSED AMENDMENTS TO THE BYLAWS.

11. Legal Affairs Committee Chair Jeni Buckman will provide an overview of the proposed amendments to the bylaws.
 - a. Consideration of amendments to the bylaws.
 - b. Request for motion / second from the floor to approve the proposed amendments to the bylaws.
 - c. Discussion of proposed amendments.
 - d. Opportunity for members to offer changes to proposed amendments to the bylaws. Any proposed changes to the bylaw amendments as currently proposed require **a majority vote of the voting members present**.
 - e. Call for the question. A two-thirds vote of the members present and voting is required to amend the ACWA Bylaws.

IF THERE ARE FLOOR NOMINATIONS FOR THE ELECTION OF OFFICERS, THE OVERVIEW AND VOTE ON THE PROPOSED AMENDMENTS TO THE BYLAWS WILL BE TAKEN UP AT THE GENERAL SESSION MEMBERSHIP MEETING ON THURSDAY AS FOLLOWS.

12. The vote by the membership on the proposed amendments to the bylaws will occur at the Thursday, General Session Membership Meeting, at the Platinum Ballroom 1-6, Anaheim Marriott, at 1:20 p.m.
 - a. The General Session Membership Meeting will be called to order at 1:20 p.m. and a quorum will be determined. The presence of 50 formally designated voting representatives is required to establish a quorum for transacting business.
 - b. Legal Affairs Committee Chair Jeni Buckman will provide an overview of the proposed bylaws amendments.
 - c. The meeting will proceed according to the steps outlined 11.a. through 11.e. above.



BYLAWS of the Association of California Water Agencies

Proposed Amendments – redline version: September 29, 2017



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BYLAWS OF THE
ASSOCIATION OF CALIFORNIA WATER AGENCIES

(As amended by the Members on December 2, 2015)

ARTICLE 1 – GENERAL

Section 1. Name. The name of this California nonprofit corporation shall be the Association of California Water Agencies (hereinafter referred to as the Association).

Section 2. Principal Office. The principal office for the transaction of business of the Association is located at 910 K Street, Suite 100, Sacramento, California; provided, however, that the Board of Directors may change the location of the principal office by resolution and without amendment of these bylaws.

Section 3. Purposes. The purposes of the Association shall be to work together with its members and others for the best interests of California and its citizens and landowners who use, need and depend upon water; to encourage the orderly development of the waters of the state; to seek means of obtaining and making available to all of California a dependable water supply of the best possible quality at the lowest possible cost, giving due consideration to environmental factors involved therein; to provide inspiration and leadership in meeting and solving the water supply problems of this state; to propose and advocate such policies and measures—local, state and federal—that serve the best interests of the Association, opposing those of contrary nature; to assist in promoting the health, safety and welfare of the employees of its members; and to do all other things that are in the best interests of its members.

ARTICLE 2 – MEMBERSHIP AND DUES

Section 1. Membership.

- A. **Members.** Only a public district, public agency, or public organization created and operated for the purpose of controlling, treating, developing, acquiring, using or supplying water for any purpose for inhabitants or lands within the state of California, or for the protection, drainage or reclamation of lands within the state of California, may become a member of the Association. Such an entity will become a member upon written application, approval by the Board of Directors, and the payment of the required dues. Acceptance to membership shall authorize full participation in Association activities. Except as otherwise provided in subsection (B) below, in no case may an organization other than a state, a political subdivision (as defined in § 1.103-1(b) of the Income Tax Regulations) of a state or an entity the income of which is excluded from gross income under § 115 of the Internal Revenue Code be a member of the Association.
- B. **Honorary Life Members.** Any person who has rendered conspicuous service in furthering the purposes of the Association may, by vote of the Board of Directors, be granted an honorary life membership in the Association without payment of dues or assessments. All past presidents of the Association shall automatically be honorary life members without vote of the Board of Directors. Honorary life members shall not be entitled to a vote or to hold office automatically because of their status as honorary life members.
- C. **Termination of Members.** Membership shall cease upon the failure of any member to pay the dues provided for in Section 2 of this Article. The membership of any member may be terminated at any time by such member sending written notification of its intention to withdraw to the Association's principal office. The Board of Directors may terminate the membership of any member upon 30 days' written notice by first-class mail when it is determined at any regular Board meeting or at any special Board meeting called for that purpose that continuance of such membership would not be in the best interests of the Association. Withdrawal or termination of membership ends any participation in Association activities and shall terminate a member's interest in the Association's assets.

Section 2. Dues. The annual dues of each member of the Association shall be established by the Board of Directors; provided, however, that any member may apply for a change in its dues because of conditions that differentiate such applicant from other members.

Section 3. Liability of Members. No member shall be liable for any obligation incurred by the Association with the following exception: (1) the payment of the annual dues while it remains a member; and (2) the payment of emergency assessments, which shall not exceed 10 percent of current annual dues for each member in any calendar year while it remains a member. No emergency assessment may be levied against any member during its first two years of membership in the Association.

ARTICLE 3 – OFFICERS

Section 1. President and Vice President.

- A. **General.** The president and vice president of the Association shall be the elected officers of the Association. At the time of their election the president and vice president shall each be an elected or appointed member of the governing body or commission (as appropriate) of a member agency of the Association. The president and vice president shall be elected by the members of the Association at its fall conference in each odd-numbered year, shall take office on January 1 of the calendar year following election, and shall hold office until such time as their successors take office or are appointed. An elected president shall not be permitted to succeed himself/herself to that office. Except as provided in this Article, should vacancies occur in either office of the president or vice president, the Board of Directors shall appoint persons to fill such offices for the unexpired terms thereof.
- B. **President.** The president shall preside at all meetings of the Board of Directors, the Executive Committee, and the general membership; shall appoint members of all committees, including the chair and vice chair of each, upon recommendation from members and regions (as communicated by the region chairs), with each such committee chair and vice chair ratified by the Board of Directors; and shall perform all other duties necessary to carry out the functions of the office. The president shall be a non-voting *ex officio* member of each committee, but shall not be an *ex officio* member of the Nominating Committee or the region boards.

The president may be expelled from office with or without cause, upon the satisfaction of the following two events: (1) a two-thirds vote of the Board of Directors; and (2) a subsequent simple majority vote of the members of the Association during a meeting of the membership.

- C. **Vice President.** The vice president shall, in the absence of the president, assume all of the duties of that office and, if a vacancy occurs, succeed thereto for the unexpired term. The vice president shall sit as a member of the Executive Committee of the ACWA Joint Powers Insurance Authority and shall perform such other duties as assigned by the president.

Section 2. Executive Director/Secretary and Controller/Treasurer.

- A. **General.** The executive director/secretary and controller/treasurer of the Association shall also be officers of the Association. The executive director/secretary shall be appointed by and hold office at the pleasure of the Board of Directors of the Association.
- B. **Executive Director/Secretary.** The executive director/secretary shall: (1) advise and assist the Board of Directors, all committees, the boards of each region, and the workgroups of each region; (2) be responsible for administering the total operations of the Association; (3) employ, direct, and release all employed staff in accordance with the policies adopted by the Board of Directors and consistent with the budget adopted by the Board of Directors; (4) provide relevant

information to the Board of Directors needed by the Board to take actions; (5) give members notice and record minutes of all meetings of the membership, Board of Directors, and Executive Committee; and (6) have such other powers and perform such other duties as may be provided and assigned by the Board of Directors directly or through the president of the Board or the Executive Committee. The executive director/secretary, with the assistance of the controller/treasurer, shall render a report to the Board of Directors at the first meeting following the close of each calendar year showing the membership of the Association, the receipts and expenditures during the year, and the work accomplished during the previous year.

- C. **Controller/Treasurer.** The controller/treasurer shall report to and act under the direction of the executive director/secretary. The controller/treasurer shall be a signatory on all accounts held by the Association and shall act as a fiduciary for all assets of the Association.

ARTICLE 4 – BOARD OF DIRECTORS

Section 1. Membership. The Board of Directors shall consist of:

- A. The Association president and vice president.
- B. The chair and vice chair of each region.
- C. The chair of each standing committee.
- D. The most immediate active past president.
- E. The vice president of the ACWA/Joint Powers Insurance Authority.

Section 2. Term of Office. The term of office of all members of the Board of Directors shall commence on January 1 of the calendar year following election of the president and vice president, except for those persons who serve on the Board of Directors by nature of their position as chairs of standing committees, whose terms shall instead commence upon their ratification by the Board of Directors. Except as provided in Article 4, Section 11, the term of office for all members of the Board of Directors shall terminate on December 31 of the following odd-numbered year two years later, or until their successors take office.

Section 3. Attendance Requirement. Any member of the Board of Directors who misses two consecutive regular Board meetings without being excused by the Board will no longer be a member of the Board of Directors.

Section 4. Regular Meetings. Regular meetings of the Board of Directors shall be held bimonthly at such times and places as the Board may determine.

Section 5. Special Meetings. Special meetings may be called by the president upon the president's own volition or shall be called by the president when requested in writing by five directors. Prior to conducting such a special meeting, the president shall consult with the Executive Committee to ensure

that adequate information is available to the Board of Directors for any necessary decisions; and where such meeting is called upon the president's own volition, the president shall also consult with the Executive Committee as to the necessity of the special meeting. Notice for special meetings shall be provided in the following manner: (1) upon 10 days' written notice sent by mail to each director and addressed to each at the address as shown upon the records of the Association; or (2) upon 48 hours' notice with notice provided by electronic means. When the meeting is called upon the president's own volition, the president shall choose the form of notice; when the meeting is called by a request of five directors, the five directors shall choose the form of notice and the president shall promptly call the meeting. No business except those items described in the notice shall be transacted at any special meeting, except by consent of three-fourths of the members of the Board of Directors present.

Section 6. Meeting Requirements and Quorums. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission. At any meeting of the Board of Directors, the attendance of 50 percent of the voting members of the Board of Directors, or their permitted alternates as specified in these bylaws, shall constitute a quorum for the transaction of any business. The Board may hold a closed session for discussion of personnel matters or enforcement of violations of the code of conduct.

Section 7. Alternates. Each region shall designate an alternate for each chair and vice chair, who shall meet the qualification requirements for chair and vice chair, to act at meetings of the Board of Directors when the chair or vice chair is unable to attend. The vice chair of each standing committee will be the alternate to act at meetings of the Board of Directors when the chair is unable to attend. An alternate may not act or vote on behalf of more than one member of the Board of Directors. A member of the Board of Directors may not act as an alternate for any other member.

Section 8. Vacancies for Standing Committee Chairs and Vice Chairs. Should a vacancy occur in the office of any standing committee chair or vice chair before the end of the term, the president shall appoint a new committee chair or vice chair to fulfill the unexpired term of such committee chair or vice chair subject to ratification by the Board of Directors. A vacancy in the office of any such standing committee chair or vice chair as described in the previous sentence shall be deemed to exist when the chair or vice chair: (1) resigns the office; (2) no longer is an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member; or (3) is otherwise removed by a member agency of the Association.

Section 9. Duties, Authorities, and Delegation. Subject to the provisions and limitations of California Nonprofit Corporation Law, other applicable laws, and the provisions of these bylaws, the Association's activities and affairs are to be exercised by or under the direction of the Association's Board of Directors. The Board of Directors is responsible for the overall supervision, control, and direction of the Association. The Board of Directors shall: (1) employ and release the executive director/secretary; (2) set performance expectations for the executive director/secretary; (3) receive, review, and consider approval of executive director/secretary recommended compensation, other terms and conditions of

employment, and annual evaluations as prepared by the Executive Committee; (4) annually adopt a budget; and (5) set the level of dues for the Association. Except as to the duties listed in the previous sentence, and subject to Article 3, Section 2, the Board of Directors may delegate the supervision, control, and direction of the Association's affairs to any person or group, including a committee, provided the Association Board retains ultimate responsibility for the actions of such person or group. Where such powers are delegated, the delegation shall be documented in writing.

Section 10. Immediate Past President. The immediate past president automatically assumes this position after serving as the Association's elected president and is a voting member of the Board of Directors and Executive Committee. The term of office for the immediate past president shall commence on January 1 of the calendar year following election of the president and vice president and shall terminate on December 31 of the following odd-numbered year two years later. In the event the most immediate active past president is unavailable to serve, the most recent and available active past president in succession shall serve in this capacity.

Section 11. Code of Conduct of Board Members.

- A. **Code of Conduct: Purpose and Adoption.** The Board of Directors shall establish, and update as appropriate, a code of conduct for its Directors that recognizes the Association's commitment of integrity, respect, and fair representation to its members and the public they serve and establishes minimum ethical standards for the performance of the duties of office. The code shall be consistent with the procedural processes contained in this section. The code shall be distributed to all new Directors and shall be distributed annually to all members of the Association.
- B. **Violations and Enforcement Process.** A violation of the code of conduct may result in removal, public censure, or private reprimand of a Director, or such other action as contained in the code of conduct. However, removal and public censure shall be reserved only for serious violations. A Director may not be removed or publically censured absent an affirmative vote of two-thirds of the voting members of the Board of Directors. A Director may be privately reprimanded for a violation of the code of conduct upon the majority vote of the quorum. Complaints of violation of the code of conduct may be filed with the president, or the vice-president if the allegations are made against the president. The president may refer a complaint of violation to the executive director/secretary for investigation. The executive director/secretary may retain a special investigator or special counsel to conduct or assist the investigation. A Director accused of a violation shall be provided a copy of the complaint. A Director that takes any hostile or retaliatory action, directly or indirectly, against a complainant is subject to removal from the Board in conformance with the process identified above. Prior to scheduling a Board action on a complaint, the president shall consult with the Executive Committee and the chair of the Legal Affairs Committee. A Director accused of a violation of the code of conduct shall be provided at least 15 days' written notice of any meeting of the Board at which a determination of enforcement will be considered. A determination of enforcement may be made only at a regular

meeting of the Board and shall be made in closed session. The determinations of the Board under this section shall not be admissible in any criminal or civil proceeding brought against the Director for conduct that violates any other law.

ARTICLE 5 – REGIONS

Section 1. Boundaries of Each Region.

- A. There shall be a maximum of 10 regions within the state. The Board of Directors shall determine the regional boundaries. Insofar as is practicable, the regions shall have a numerical balance in members of the Association; make geographic sense; and promote regional problem solving.
- B. A member of the Association may file a written petition to the Board of Directors requesting a change in regions. Such petition shall set forth the reasons for such requested change. The Board shall, within a reasonable time, act upon such petition and set forth the reasons for its action. Such action by the Board shall be based on factors in (A) above, as well as others deemed by the Board of Directors to be relevant to the decision.

Section 2. Officers.

- A. The officers of each region shall be a chair and vice chair and three to five region board members who shall be elected by the region by September 30, or the preceding Friday if September 30 falls on a weekend, of odd-numbered years. A region may maintain a board of fewer than five but not less than three members as provided in the region's rules and regulations. The officers of the region board shall take office on January 1 of the calendar year following election and shall hold office for two years, or until their successors take office. Regions shall hold elections by electronic ballot. ACWA staff shall verify the legitimacy of the ballots.
- B. The officers of each region shall: (1) exercise the powers and perform duties of the region during the interim between region meetings; and (2) make recommendations to the president regarding appointments to committees. The chair and vice chair shall be the region's representatives to the ACWA Board of Directors.
- C. Each officer of a region shall be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the term of the office, the individual may not serve during the remaining term of that office unless that individual can again meet the criteria for the office and is appointed to complete the term. The region board may adopt more stringent criteria for board member qualifications as part of the region's rules and regulations.
- D. Should a vacancy occur in any of the region board positions before the end of the term, the remaining members of the region board shall appoint a new member. A vacancy in the office of

any region board position shall be deemed to exist when a region board member: (1) resigns the office; (2) no longer is an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member of the Association to represent that member; or (3) is otherwise removed by a member agency of the Association.

Section 3. Nominating Committees. There shall be a nominating committee for each region consisting of three or more designees, each representing a member of the Association located within the region, appointed by the chair of the region and approved by the region board. Nominating committees shall be formed by February 28 of each odd-numbered year. The nominating committee shall announce its nominations for chair, vice chair, and region board members by August 1 of an election year. All regions must complete the election process by September 30 of the election year, or the preceding Friday if the September 30 falls on a weekend.

Section 4. Meetings. The meetings of each region shall be held at both the spring and fall conferences and at such other times and places as may be determined by the region chair. Representatives of five or more members of the Association from the region present at any region meeting shall constitute a quorum for purposes of conducting the business of the region. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission.

Section 5. Workgroups. Workgroups may be appointed by the region chair as needed.

Section 6. Rules. Each region shall organize and adopt rules and regulations for the conduct of its meetings and affairs not inconsistent with the Articles of Incorporation or bylaws of the Association. Each region shall abide by the code of conduct adopted by the Board of Directors of the Association.

ARTICLE 6 – EXECUTIVE COMMITTEE

Section 1. Membership. There shall be an Executive Committee consisting of the following: the president of the Association, who shall be the chair thereof; the vice president; the most immediate active past president; the chair of the Finance Committee; and three at-large representatives selected from and by the members of the Board of Directors. The election of the three at-large representatives to the Executive Committee shall occur at the first Board of Directors meeting held in each even-numbered year and the elected representatives shall serve immediately following their election and until such time as their successors take office. To the extent practical, the Executive Committee should be constituted so as to reflect the geographic extent of the Association and the functions of the members of the Association.

Section 2. Powers. The Executive Committee shall have the following authority:

- A. **Personnel.** Subject to the budget adopted by the Board of Directors, the Executive Committee shall perform the following personnel actions: (1) recommend compensation for the executive

director/secretary to the Board of Directors for approval; (2) perform annual reviews of the executive director/secretary and submit that review to the Board of Directors; (3) review and approve the classification and compensation plan and publicly posted salary schedule for Association employees submitted by the executive director/secretary, which shall be reviewable by the Board of Directors, in closed session, upon request of the Board of Directors; (4) establish personnel policies for the conduct and behavior of employees, which shall be reviewable by the Board of Directors; and (5) undertake such other personnel actions as may be requested by the executive director/secretary in support of his or her oversight of all other personnel matters, which shall be reviewable by the Board of Directors, in closed session, upon request of the Board of Directors.

- B. **Delegation.** The Executive Committee may act pursuant to any authority specifically delegated to it by the Board of Directors. The delegation shall indicate whether the authority is still subject to the ultimate authority of the Board.
- C. **Authority to Act Between Meetings.** The Executive Committee may act for the Board of Directors between Board meetings when calling a special meeting of the Board of Directors is impracticable, provided that no such action of the Executive Committee shall be binding on the Board of Directors until authorized or approved by the Board. The Executive Committee has the authority to authorize actions recommended by the Legal Affairs Committee (such as the filing of letter briefs and amicus curiae briefs) by electronic means without the need for an in-person or telephonic meeting, but such actions shall be ratified by the Board of Directors at its next meeting.

Section 3. Reporting. The president, or any person designated by the president, shall report to the Board of Directors, at each regular Board meeting, any action taken by the Executive Committee since the last preceding regular Board meeting. The minutes of Executive Committee meetings, which at that time may still be in draft form, shall be mailed (using the U.S. Postal Service, express delivery, electronic means, or otherwise) to each member of the Board of Directors at least five days prior to Board meetings, except in cases in which the Executive Committee meets during or immediately prior to a conference of the Association or immediately prior to a Board meeting, in which case the minutes, which may still be in draft form, shall be mailed to each director promptly thereafter.

Section 4. Meetings. The Executive Committee shall hold regularly scheduled meetings as set by the president. Special meetings of the Executive Committee may be called by the president upon notice to the members of that committee or upon written request of three Executive Committee members. Notice for special Executive Committee meetings shall be provided to the entire Board: (1) upon five days' written notice sent by mail, or (2) upon 24 hours' notice with notice provided by electronic means; and all such meetings shall be open to the Board of Directors. Any meeting, regular or special, may be held in person or by telephone conference, web video conference or other electronic video screen communication or electronic transmission. All members of the Board of Directors may attend any meeting of the Executive Committee. Meetings of the Executive Committee may be closed to others at

the discretion of the President or committee. Only members of the Executive Committee are allowed to vote on matters at a meeting of the committee.

Section 5. Minutes. The minutes of the Executive Committee meetings shall be kept by the executive director/secretary at the Association's principal office. Actions of the Executive Committee shall be reported to the Board of Directors as provided in Section 3 of this Article and shall be available to any member of the Board of Directors upon request to the executive director/secretary.

ARTICLE 7 – STANDING COMMITTEES

Section 1. Qualification. In order to serve on any ACWA standing committee, an individual must be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the term of the appointment, the individual may not serve during the remaining term of that appointment unless that individual can again meet the criteria for appointment and is appointed to complete the term.

Section 2. Term of Office. The term of office of standing committee members shall be two years commencing on January 1 of each even-numbered year. The term of office of standing committee chairs and vice chairs shall be approximately two years and shall commence as soon after January 1 of the even-numbered year as they may be appointed by the president and ratified by the then-seated Board of Directors, and shall terminate on December 31 of the odd-numbered year approximately two years later or until their successors are appointed and ratified.

Section 3. Meetings. Meetings of standing committees may be called at such times and places designated by the respective chair thereof except where provided otherwise by these bylaws. Subject to the provisions of these bylaws and any actions that may be taken by the Board of Directors, the chairs of each standing committee may establish their own rules for the efficient operation of the committee they each chair. The chairs of each standing committee are authorized to create subcommittees and workgroups in order to complete the work of the committee.

Section 4. Committee Composition. Each limited standing committee shall have a membership composition that is comprised of members in the quantity and with qualifications as defined by the provisions of these bylaws. The committee chair position shall not be included in the maximum count for determining the committee composition total of any given limited committee. The committee chair shall, however, be a voting member of their respective committees subject to the rules and procedures of each committee.

Rationale: Staff is recommending this amendment to the Bylaws to allow the President flexibility in appointing members to limited standing committees and to provide an odd number committee composition total.

LAC Workgroup Analysis: The proposed revision is clear and meets its intended purpose.

Committee Composition Terms in Sections 5 through 17.

Rationale: Review of Committee Composition Terms: Staff noted that the use of the term “individual” versus “representative” (and one instance of “member”) was inconsistent throughout the committee composition description for each of the standing committees in Article 7. Staff asked the LAC Workgroup to review Section 1, Qualifications, as well as each of the committee descriptions to make a determination as to which term would best apply for all of the committees for purposes of consistency throughout Article 7.

LAC Workgroup Analysis: Reading of the various ACWA committee sections suggests that “Member” would be the most appropriate word for consistency throughout the By-Laws. However, the use of a single term, may require some minor revisions to surrounding text for clarity (for an example see Section 15 (State Legislative Committee) where “member” is separately used to denote a “member agency” and so would need to state “member-agency” consistently to accommodate the more general use of “member” throughout the By-Laws).

Staff Response: Staff revised the terms in the committee sections to “member” for consistency and the surrounding language where needed in response to the LAC Workgroup’s analysis.

Section 5. Agriculture Committee. There shall be an Agriculture Committee whose duty it shall be to recommend Association policy, positions and programs to the Board of Directors, State Legislative Committee, Federal Affairs Committee or other committees, as appropriate, regarding agricultural issues affecting the interests of ACWA and its members. The committee shall consist of at least one member from each region.

Rationale: The 2016-2017 Business and Strategic Plan initiative to increase involvement and engagement from ACWA’s agricultural members has successfully generated momentum amongst ACWA’s agricultural members and a renewed attention to and involvement in key policy issues that uniquely affect agricultural water suppliers. Amidst this success, a concern has arisen that the momentum could be lost once the Board of Directors finishes its current term and the initiative sunsets. This concern has sparked the suggestion that ACWA should consider creating an Agriculture Committee as the thirteenth standing committee of the Association to continue the objectives of the Ag Initiative long-term.

LAC Workgroup Analysis: The proposed revision is clean and meets its intended purpose.

Section—4 6. Business Development Committee. There shall be a Business Development Committee whose duty it is to develop and recommend to the Board of Directors programs and activities to be provided or administered by the Association that generate non-dues revenue and provide a service or benefit to ~~Association members~~member agencies. The committee shall consist of at least one ~~representative member~~member from each region and ~~one representative~~may include members from ~~the any of the~~any of the other standing committees.

Section-5 7. Communications Committee. There shall be a Communications Committee whose duty it shall be to develop and make recommendations to the Board of Directors regarding a comprehensive internal and external communications program for the Association and to promote development of sound public information and education programs and practices among members of the Association agencies. The committee shall consist of no more than 40 individuals ~~members~~. ~~Of that number, The~~ committee shall consist of at least one individual member shall be from each region.

Section-6 8. Energy Committee. There shall be an Energy Committee whose duty it shall be to recommend policies and programs to the Board of Directors and to the State Legislative Committee and/or Federal Affairs Committee as appropriate. The committee shall consist of at least one ~~representative member~~ from each region.

Section-7 9. Federal Affairs Committee. There shall be a Federal Affairs Committee whose duty it shall be to review all federal legislative proposals and regulatory proposals affecting ~~members of the Association~~ member agencies, after consulting with other appropriate committees, and to develop Association positions consistent with existing policy, where it has been established; recommend sponsorship of bills that will resolve problems or improve conditions for ~~members of the Association~~ agencies; and assist in the establishment of the Association's federal legislative program. The committee shall consist of at least one ~~and, but~~ no more than five ~~individuals~~ members from each region.

Section-8 10. Finance Committee. There shall be a Finance Committee whose duty it shall be to make recommendations to the Board of Directors regarding annual budgets, dues formula and schedules and other revenue-producing income, annual audit and selection of an auditor, and investment strategies. The committee shall consist of the president and vice president of the Association as *ex officio* members, ~~the Finance Committee chair, one member~~ either the chair or vice chair from each of the Association's ~~of the region board from each of the Association's 10 regions boards (either chair or vice chair), and one additional representative member~~ from each region with experience in financial matters.

Section-9 11. Groundwater Committee. There shall be a Groundwater Committee whose duty it shall be to recommend policies and programs to the Board of Directors and to the State Legislative Committee and/or Federal Affairs Committee as appropriate. The committee shall consist of at least one ~~representative member~~ from each region.

Section-10 12. Legal Affairs Committee. There shall be a Legal Affairs Committee whose duty it shall be to support the mission of the Association, and more particularly to deal with requests for assistance involving legal matters of significance to ~~members of the Association~~ agencies, including but not limited to state and federal court litigation, water rights matters, selected regulatory and resources agency matters, proposed bylaw revisions, review of legislation as requested by the State Legislative Committee, etc. The committee shall consider matters and issues submitted to it in order to determine which ones are of major significance to the ~~members of the Association~~ agencies and, assuming a finding of major significance, recommend to the Board of Directors the position(s) which the committee believes the Association should take with respect thereto. The committee shall be composed of between ~~35~~ 34 and ~~45~~ 44 attorneys, each of whom shall be a member of the California Bar and shall be,

or act as, counsel for a member of the Association agency, representing diverse interests within the Association, including but not limited to, different geographical areas throughout the state, large and small agencies, agricultural and urban agencies, agencies created under the various enabling statutes, etc. ~~Further, there shall be at least one representative from each region on the committee~~ The committee shall consist of at least one member from each region.

Rationale: Change the committee composition range so there is a resulting odd number total when the chair is added.

LAC Workgroup Analysis: Considered together with the general change in Section 4, Committee Composition above, this change accomplishes its purposes and maintains the current overall LAC membership numbers.

~~Section-11~~ **13. Local Government Committee.** There shall be a Local Government Committee whose duty it shall be to recommend policies to the State Legislative Committee, as appropriate, and Board of Directors on matters affecting water agencies as a segment of local government in California. The committee shall consist of at least one, ~~and but~~ no more than three ~~individuals~~ members from each region.

~~Section-12~~ **14. Membership Committee.** There shall be a Membership Committee whose duty it shall be to assist staff in developing membership recruitment and retention programs, make recommendations to the Board of Directors regarding membership policies, eligibility, and applications for membership and review and make recommendations to the Finance Committee regarding an equitable dues structure. The committee shall consist of at least one member from each region.

~~Section-13~~ **15. State Legislative Committee.** There shall be a State Legislative Committee whose duty it shall be to review all state legislative proposals affecting members of the Association agencies and to establish Association positions, consistent with existing policy, where it has been established; sponsor bills that will resolve problems or improve conditions for member ~~s of the Association~~ agencies; and assist in the establishment of the Association's legislative program. The committee shall consist of ~~individuals~~ members representing a variety of types of ~~members~~ member agencies and at least one ~~and~~, but no more than four ~~individuals~~ members from each region.

~~Section-14~~ **16. Water Management Committee.** There shall be a Water Management Committee whose duty it shall be to recommend policy and programs to the Board of Directors on any area of concern in water management. The committee shall consist of at least one, ~~but and~~ no more than four ~~individuals~~ members from each region.

~~Section-15~~ **17. Water Quality Committee.** There shall be a Water Quality Committee whose duty it shall be to develop and recommend Association policy, positions, and programs to the Board of Directors, to promote cost-effective state and federal water quality regulations that protect the public health, to enable interested members of the Association agencies to join together to develop and coordinate with

other organizations, and to present unified comments regarding agricultural and domestic water quality regulations. The committee shall consist of at least one ~~individual~~ member from each region.

ARTICLE 8 – SPECIAL COUNCILS, COMMITTEES, AND TASK FORCES

Section 1. Council of Past Presidents. There shall be a Council of Past Presidents composed of all past presidents of the Association who serve on the council until each is no longer able to or wishes to serve. The council shall provide a mechanism for past presidents to continue to make valuable contributions to the Association. With approval of the Board of Directors, the president and/or executive director/secretary may assign specific responsibilities to the council from time to time. Members of the Council of Past Presidents are invited to attend and participate in the Association's Board meetings.

Section 2. Nominating Committee. There shall be a Nominating Committee consisting of five or more persons appointed by the president prior to the Association's fall conference in each odd-numbered year, whose purpose shall be to nominate qualified individuals for the offices of president and vice president of the Association. The Nominating Committee shall publish its nominations for the offices of president and vice president of the Association not less than 10 or more than 90 days before the membership meeting is held at fall conference. Additional nominations may be made by any member of the Association for candidates for the office of president and vice president. Additional nominations shall be made from the floor during the election of president and vice president at the membership meeting scheduled for said purposes.

Section 3. Other Committees and Task Forces. Other committees and task forces may be appointed by the president from time to time as needed, consistent with and supportive of the mission of the Association.

ARTICLE 9 – MEETINGS OF MEMBERS

Section 1. Meetings. Meetings of the members of the Association shall be held at the Association's conferences at such times as may be determined by the Board of Directors to conduct necessary business and to elect the president and vice president, which occurs at the fall conference in each odd-numbered year.

Section 2. Special Meetings. Special meetings of the members of the Association may be called by the Board of Directors, the president of the Board of Directors, or by 5 percent or more of the members of the Association. Except when called by the Board, a request for a special meeting must be in writing and must be delivered in person or mailed by first-class mail addressed to the president of the Board at the principal office of the Association, with a copy to the executive director/secretary. The request must state the general nature of the business proposed to be transacted at the meeting.

A special meeting that has been called by written request of 5 percent of the member agencies of the Association to the Board of Directors shall be set by the Board of Directors on a date that is not less than 35 or more than 90 days after receipt of the request.

Section 3. Notice Requirements for Membership Meetings. Written notice of any membership meeting shall be given to each voting member of the Association. The notice shall state the date, time, and place of the meeting; the means by which members may participate; and the general nature of the business to be transacted. The notice of any meeting at which Board officers are to be formally nominated and elected shall include the names of the recommended slate of candidates for the offices of president and vice president in addition to the election procedures. The member notification information shall also be posted on the Association's website.

Except as otherwise provided in these bylaws or California law, a written notice of regular membership meetings shall be given not less than 10 or more than 90 days before the date of the meeting to each member who, on the record date for notice of the meeting, is entitled to vote; provided, however, that if notice is given by mail, and the notice is not mailed by first-class, registered, or certified mail, that notice shall be given not less than 20 days before the meeting.

Section 4. Notice Requirements for Special Meetings. The executive director/secretary shall cause notice to be given to all members of the Association of the date, time, and place of the meeting and the general nature of the business to be transacted at the meeting. No business except that specified in the request and notice may be transacted at said special meeting. If notice of the requested special meeting is not given within 20 days after receipt of the request, the person or persons requesting the meeting may give the notice.

Section 5. Voting. Each member of the Association shall be entitled to one vote that shall be cast by its authorized representative. All questions, except amendments or revisions of these bylaws, shall be determined by a majority of the members present and voting. A roll call may be requested by any representative.

Section 6. Amendment of Bylaws. These bylaws may be amended or revised by two-thirds of the member agencies of the Association present and voting at any meeting.

Section 7. Quorums. The presence of the authorized representative of 50 members of the Association at any meeting of the members shall constitute a quorum for transacting business.

Section 8. Amendments, Revisions, and Resolutions. Before any amendments or revisions to the bylaws, or resolutions, may be considered at any meeting of the Association, any such amendment, revision, or resolution shall be submitted to the executive director/secretary at least ~~30~~ 90 days prior to the first day of such meeting. The executive director/secretary shall promptly distribute any proposed amendments or revisions to the Legal Affairs Committee for the Legal Affairs Committee to develop an unbiased analysis of the amendments or revisions. Following development of an analysis for the proposed amendments or revisions, the executive director/secretary shall distribute copies of any resolutions, amendments or revisions, including any applicable analyses, to all members of the Association ~~at least five~~ not less than 10 days or more than 90 days prior to presentation at such meeting. The written notice of the membership meeting shall be given to each voting member of the Association consistent with the provisions defined in Section 3. The ~~30~~ 90-day rule may be suspended at

any meeting of the Association by consent of three-fourths of the members present. Voting on resolutions, amendments, or revisions shall proceed as provided by Sections ~~3~~ 5 and ~~4~~ 6 of this Article.

Staff Rationale: Staff is recommended that the deadline for submitting requests for amendments, revisions, and resolutions be changed from 30 to 120 days prior to any membership meeting to provide Legal Affairs Committee sufficient time to review and develop the required analysis and for staff to provide adequate notice to the members as set forth in Article 9, Sections 3 and 4 of the Bylaws. Note: Staff typically notifies ACWA members at least 45 prior to a given membership meeting to allow the agency boards to designate their authorized representative.

LAC Workgroup Analysis: This proposed revision is clear and meets its intended purpose. However, subcommittee members did express some concern that the 120-day submission requirement may unduly limit the Association's ability to quickly respond to state or federal legislative or administrative acts appropriately. A supermajority of the Association may vote to suspend the requirement, however, it may be advisable to require only 90-days for submission while retaining the general Association distribution timing of no later than 10-days and no earlier than 90-days prior to presentation at an Association meeting.

Staff Response: Staff revised the proposed amendment to state 90 days instead of 120 days in response to the LAC Workgroup's analysis.

Section 9. Nomination of President and Vice President.

- A. **Qualification.** At the time of their election, the president and vice president of the Association shall each be an elected or appointed member of the governing body or commission (as appropriate) of a member agency of the Association.
- B. **Nominating Committee Process.** All nominations for the positions of president and vice president shall be accompanied by an official resolution from the Association member agency on whose board the nominee serves. Said resolution shall be signed by an authorized signatory of the member agency's Board of Directors.
- C. **Nominations from the Floor.** Additional nominations may be made by any member of the Association for the office of president and vice president. Said nominations and seconds shall be made from the floor during the election of the offices of president and vice president at the membership meeting scheduled for said purposes (as provided for in the penultimate sentence of Article 8, Section 2). Such nominations and seconds shall be made by a member of the Association and must be supported by a resolution of the governing body of the member making and seconding such nomination. The member agency on whose board the nominee serves shall submit a resolution of support if they are not the agency making the floor nomination or second.

Section 10. Additional Procedures for Election of Officers. The Board shall have the authority to develop additional procedures for elections of president and vice president when not otherwise covered by these bylaws.

ARTICLE 10 – INDEMNIFICATION OF DIRECTORS, OFFICERS, AND OTHER AGENTS

Section 1. Right of Indemnity. To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. “Expenses,” as used in this bylaw, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

Section 2. Approval of Indemnity. On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board shall promptly determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Board shall authorize indemnification.

Section 3. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

Section 4. Insurance. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer’s, director’s, employee’s or agent’s status as such.

ARTICLE 11 – MISCELLANEOUS

Section 1. Conduct of Meetings. All meetings of the Association shall be conducted in accord with the code of conduct and in substantial accordance with the latest edition of Robert’s Rules of Order Newly Revised unless the Board adopts alternate rules of conduct for itself and/or its committees, region boards, and region workgroups.

Section 2. Funds. The funds of the Association shall be used to further the aims and purposes of this Association. They shall be kept by the controller/treasurer and paid out by checks or other electronic means, which shall only be valid with two authorized signatures. The Board of Directors shall designate

by resolution which persons, other than the controller/treasurer, may sign for expenditures. The Finance Committee shall implement procedures to ensure necessary internal controls over the receipt and expenditures of Association funds and arrange for an external audit. Audit reports shall be presented to the Board of Directors.

Section 3. Disposition of Assets upon Dissolution. The Association's properties and assets are irrevocably dedicated to the fulfillment of the Association's purposes as described in Article 2 of the Articles of Incorporation. No part of the Association's net earnings, properties and assets, on dissolution or otherwise, may inure to the benefit of any private person. Upon the dissolution of the Association, all debts thereof shall be paid and its affairs settled, and all remaining assets shall be distributed to the Association's member political subdivisions for a public purpose, consistent with the provisions of the California Nonprofit Corporation Law relating to public benefit corporations then in effect and with the Articles of Incorporation.

Section 3. Definitions. As used in these bylaws, the term "notice provided by electronic means" shall refer to notice given by fax or e-mail.

Amended comprehensively December 1, 2010

Amended May 9, 2012

Amended May 7, 2014

Amended December 2, 2015



PROXY DESIGNATION FORM

ASSOCIATION OF CALIFORNIA WATER AGENCIES GENERAL SESSION MEMBERSHIP MEETING(S)

WEDNESDAY, NOVEMBER 29, 2017 AT 1:20PM
THURSDAY, NOVEMBER 30, 2017 AT 1:20PM (IF NEEDED)

TO: Donna Pangborn, Clerk of the Board

EMAIL: donnap@acwa.com

FAX: 916-325-4857

The person designated below will be attending the ACWA General Session Membership Meeting(s) on **Wednesday, November 29, 2017 (and November 30, 2017 if necessary)** as our voting delegate.

MEMBER AGENCY'S NAME	AGENCY'S TELEPHONE No.
MEMBER AGENCY'S AUTHORIZING REPRESENTATIVE	SIGNATURE
DELEGATE'S NAME	SIGNATURE
DELEGATE'S EMAIL	DELEGATE'S TELEPHONE No.
DELEGATE'S AFFILIATION (if different from assigning agency) ¹	DATE

¹ If your agency designates a delegate from another entity to serve as its authorized voting representative, please indicate the delegate's entity in the appropriate space above. Note: Delegates need to sign the proxy form indicating they have accepted the responsibility of carrying the proxy.

REMINDER: Proxy cards will be available for pick up on **Wednesday, November 29**, between **9:00 a.m.** and **12:00 p.m.** at the **ACWA General Session Desk** in the main foyer outside of the **Marquis Ballroom Center, Marriott Anaheim**. The luncheon and General Session Membership Meeting will be held in the Platinum Ballroom 1-6.

10

MEMORANDUM

To: Board of Directors Date: November 3, 2017
From: Rocky Vogler, Chief Engineer *RV*
Subject: Adopt Hazard Mitigation Grant Program Resolution – Project Subapplication Oceana
Marin Treatment and Storage Pond Repair

X:\MAINT SUP\2018\2017 Storm\B-6607-22 OM Ponds\404 Documents\OM Treatment Pond FEMA Grant App 11-7-17 BOO Memo.doc

RECOMMENDED ACTION: That the Board adopt the Authorizing Resolution

FINANCIAL IMPACT: None at this time

At the September 19, 2017 Board meeting, the Board approved a contract amendment with GHD (consultant) to assist staff with preparing FEMA/CalOES grant applications for two projects in Oceana Marin, the Force Main and Lift Station Upgrade, as well as the Treatment and Storage Pond Rehabilitation. After preparing the Benefit Cost Analysis required for each of the project grant applications, it was determined that the Force Main and Lift Station Upgrade application would not move forward since its benefit to cost ratio was less than 1. However, the benefit to cost ratio for the Pond Rehabilitation was greater than 1, so that application was completed and submitted to CalOES on November 1, 2017.

Part of the requirement of the grant application is to provide confirmation that the Board will designate signature authority to the General Manager to execute and file an application for the Hazard Mitigation Program and Pre-Disaster Mitigation Program with the California Governor's Office of Emergency Service. As part of the grant application package submitted on November 1, 2017, a draft resolution and accompanying letter was provided indicating that this resolution would be brought to the Board for approval at the November 7, 2017 meeting.

RECOMMENDATION

That the Board adopt the Authorizing Resolution.

Approved by GM



Date

11/3/17

RESOLUTION NO. 17-XX

AUTHORIZING RESOLUTION

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE NORTH MARIN WATER DISTRICT (The "Entity"), AS FOLLOWS:

The General Manager (the "Authorized Representative") or designee is hereby authorized and directed to execute and file an application for the Hazard Mitigation Grant Program and Pre-Disaster Mitigation Program with the California Governor's Office of Emergency Service for the Oceana Marin Treatment and Storage Pond Repair project.

* * *

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 7th day of November 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

(SEAL)

Katie Young, Secretary
North Marin Water District

11

MEMORANDUM

To: Board of Directors November 3, 2017

From: Rocky Vogler, Chief Engineer *RW*
David Jackson, Associate Engineer *DJ*

Subject: Award Construction Contract to Wildcat Engineering: Recycled Water Central Onsite Private Retrofit Project

R:\Folders by Job No\6000 jobs\6058 RW Central\BOD Memos\6058_20 Onsite Private Retrofits Contract Award to Wildcat Engineering 11-7-17.docx

RECOMMENDED ACTION: Approve construction contract award to Wildcat Engineering and authorize the General Manager to execute an agreement with Wildcat Engineering

FINANCIAL IMPACT: \$564,675 plus \$56,000 contingency (10%)

Background

The Recycled Water Central Onsite Private Retrofit Project consists of onsite retrofits to convert thirty-six (36) customer sites currently using potable water for irrigation to recycled water use (see Attachment 1 for site maps). The Board authorized bid advertisement for the above referenced project on August 15, 2017. The District advertised the project in the Marin IJ and on the NMWD website on August 19, 2017, and bids were opened September 21, 2017. Five (5) contractors, all of them prime contractors, attended the mandatory pre-bid meeting on August 31, 2017. The bid period was thirty-three (33) days and included one addendum. As identified below, two bids were received.

	CONTRACTOR	BID
1.	Wildcat Engineering, Petaluma, CA	\$564,675
2.	CWS Construction Group, Novato	\$681,500

The Engineer's Estimate was \$498,000. The bid span between the Number 1 (Wildcat Engineering) and Number 2 (CWS Construction) bids was \$116,825 (for a variance of 21%).

Bid Evaluation

Wildcat Engineering of Petaluma, California submitted the lowest responsive bid of \$564,675 which is \$66,675 (13%) above the Engineer's construction cost estimate of \$498,000. A bid evaluation (Attachment 2) was performed by staff and found Wildcat Engineering's bid to be responsive. Wildcat Engineering was also the contractor for the South Service Area onsite retrofit Group 1S and Group 2 projects, and staff found Wildcat Engineering's work on the aforementioned projects to be satisfactory.

Project Description

The Onsite Private Retrofit Project is to furnish any and all plant, labor, services, material, tools, equipment, supplies, transportation, utilities, skills, and all other items and facilities necessary for the conversion of existing irrigation systems from potable to recycled

water. The contractors' work includes disconnecting the customer irrigation system from the potable water meter, installation of new piping from the recycled water meter to the irrigation system connection points, installation of signage, markers and tagging that identify the potable and recycled water appurtenances, and other tasks as specified in the design drawings. Ten (10) public agency sites require the final separation from the potable water system and reconnection to the recycled system. These ten sites were originally part of the Central West construction project. However, since construction of the Highway 101 crossing was delayed, no recycled water was immediately available to supply the public site irrigation systems. Consequently, those sites were not transferred to the recycled water system during the Central West project, and are being incorporated into this project instead.

Project Financing and Cost Update

At the July 19, 2016 meeting, staff provided the Board with an updated total project cost estimate of \$14.8M based on a combination of Recycled Water Central Service Area project elements that were either in conceptual or detailed design phases. The total project cost estimate has been increased 7% to \$15.9M based on actual bid prices and more updated change order costs since July 2016. Sufficient funds are available within the approved Recycled Water Central Service Area FY18 CIP budget to cover this new estimate. Fortunately, due to the District's success in receiving additional federal and state grant funding overall District contribution costs are estimated to be \$9.8M which is slightly below the 2015 District contribution estimate of \$9.9M.

CENTRAL SERVICE AREA PROJECT COST SUMMARY

DATE	EST. TOTAL PROJECT COST	EST. FEDERAL GRANT	EST. STATE GRANT	TOTAL NMWD COSTS
May 15	\$11,412,500	\$1,500,000	\$0	\$9,912,500
Jul 16	\$14,836,250	\$2,750,000	\$3,320,000	\$8,766,045
Oct 17	\$15,900,000	\$2,750,000	\$3,320,000	\$9,830,000

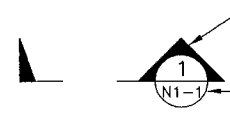
RECOMMENDATION

That the Board approve award of the Recycled Water Central Onsite Private Retrofit Project construction contract to Wildcat Engineering and authorize the General Manager to execute an agreement with Wildcat Engineering.


CENTRAL SERVICE AREA PRIVATE RETROFIT SITES - EAST

SECTION AND DETAIL NUMBERING SYSTEM:

- 1) SECTION CUT ON
DWG N1

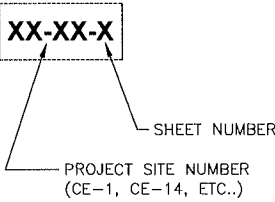



SECTION NUMBER
DRAWING ON WHICH
SECTION APPEARS
- 2) ON DWG N1
THIS SECTION IS
IDENTIFIED AS



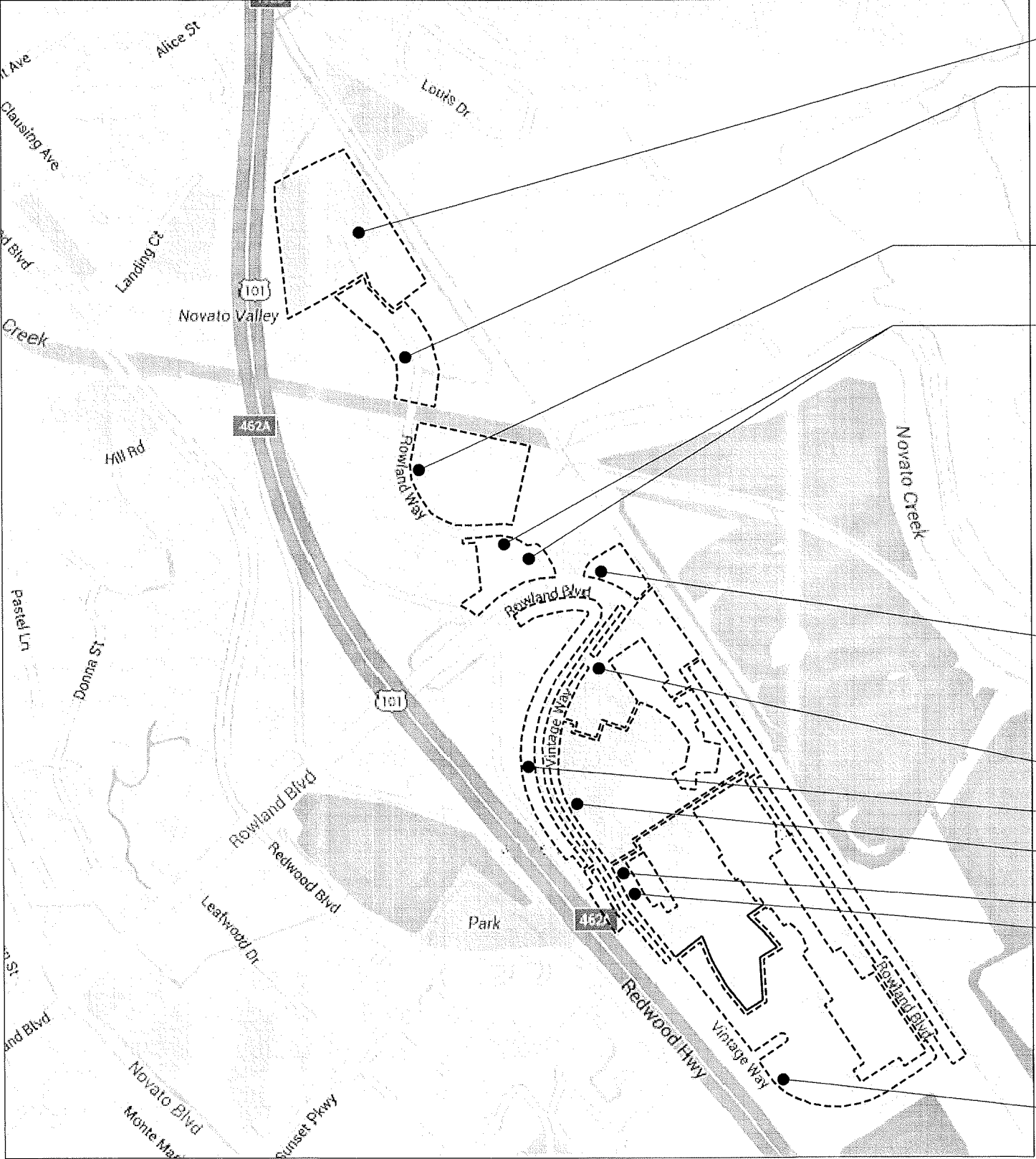
SECTION
SECTION NUMBER
DRAWING FROM
WHICH SECTION IS
TAKEN
- 3) DETAILS ARE CROSS-REFERENCED IN A SIMILAR MANNER,
EXCEPT THAT DETAILS ARE IDENTIFIED BY LETTER RATHER
THAN NUMBER.

RETROFIT SITE SHEET
NUMBERING SYSTEM:



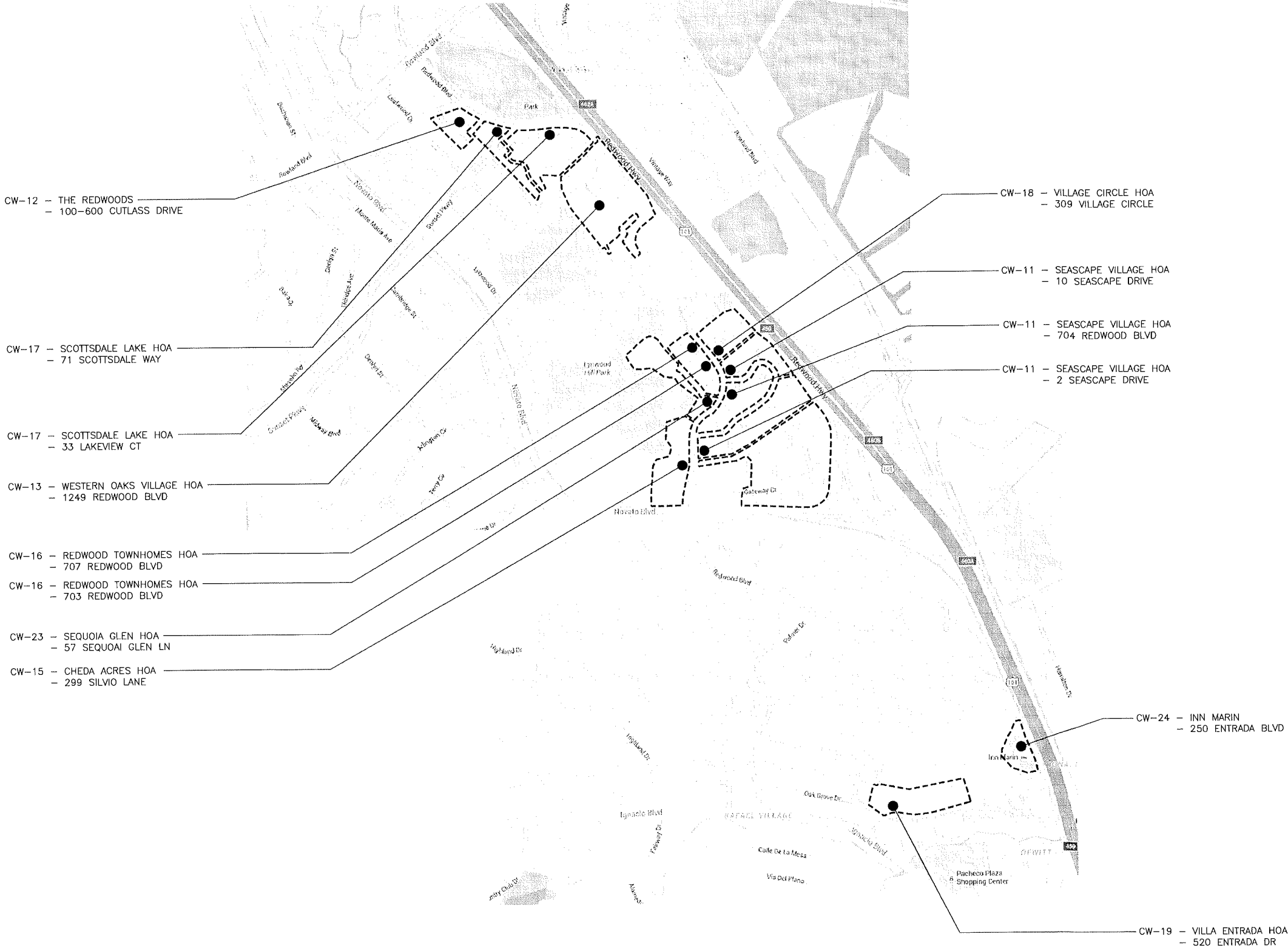
RECYCLED WATER ONSITE RETROFIT CONSTRUCTION PROJECT CENTRAL SERVICE AREA - TASK 2			
 NORTH MARIN WATER DISTRICT		Russell D. Mitchell Associates, Inc. 2760 Camino Diablo Walnut Creek, CA 94597 tel 925.939.3985 ♦ fax 925.932.5671 www.rdmirrigation.com	
NO.	DATE	ISSUED FOR BID	REVISION
8/21/17			
APPROVED: CHIEF ENGINEER		SHEET NO.	2 OF 63 SHEETS
R.E. C75980		SERVICE AREA	5
		JOB NO.	5.6058.20
		NO.	RG2

GENERAL SITE PLAN
EAST



- CE-5 - SUTTER HEALTH 165 ROWLAND WAY
- CE-9 - SUTTER HEALTH 101 ROWLAND WAY
- CE-13 - OFFICE BUILDING 84/88 ROWLAND WAY
- CE-8 - ROLAND PLAZA OWNERS ASSOCIATION 5 ROWLAND WAY
CE-12 - CHICK-FIL-A 35 ROWLAND WAY
- CE-4 - TACO BELL 180 ROWLAND BLVD
- CE-6 - VINTAGE OAKS SHOPPING CENTER 122 VINTAGE WAY
- CE-6 - VINTAGE OAKS SHOPPING CENTER 111 VINTAGE WAY
- CE-6 - VINTAGE OAKS SHOPPING CENTER 142 VINTAGE WAY
- CE-6 - VINTAGE OAKS SHOPPING CENTER 214 VINTAGE WAY
- CE-6 - VINTAGE OAKS SHOPPING CENTER 216 VINTAGE WAY-IN AND OUT
- CE-6 - VINTAGE OAKS SHOPPING CENTER 210 VINTAGE WAY

CENTRAL SERVICE AREA PRIVATE RETROFIT SITES - WEST



CW-12 - THE REDWOODS
- 100-600 CUTLASS DRIVE

CW-17 - SCOTTSDALE LAKE HOA
- 71 SCOTTSDALE WAY

CW-17 - SCOTTSDALE LAKE HOA
- 33 LAKEVIEW CT

CW-13 - WESTERN OAKS VILLAGE HOA
- 1249 REDWOOD BLVD

CW-16 - REDWOOD TOWNHOMES HOA
- 707 REDWOOD BLVD

CW-16 - REDWOOD TOWNHOMES HOA
- 703 REDWOOD BLVD

CW-23 - SEQUOIA GLEN HOA
- 57 SEQUOIA GLEN LN

CW-15 - CHEDA ACRES HOA
- 299 SILVIO LANE

CW-18 - VILLAGE CIRCLE HOA
- 309 VILLAGE CIRCLE

CW-11 - SEASCAPE VILLAGE HOA
- 10 SEASCAPE DRIVE

CW-11 - SEASCAPE VILLAGE HOA
- 704 REDWOOD BLVD

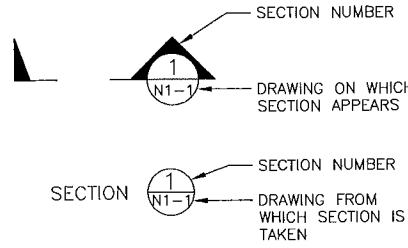
CW-11 - SEASCAPE VILLAGE HOA
- 2 SEASCAPE DRIVE

CW-24 - INN MARIN
- 250 ENTRADA BLVD

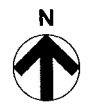
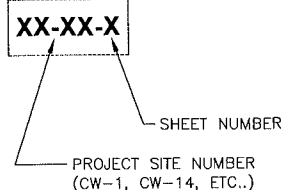
CW-19 - VILLA ENTRADA HOA
- 520 ENTRADA DR

SECTION AND DETAIL NUMBERING SYSTEM:

- 1) SECTION CUT ON DWG N1
- 2) ON DWG N1 THIS SECTION IS IDENTIFIED AS
- 3) DETAILS ARE CROSS-REFERENCED IN A SIMILAR MANNER, EXCEPT THAT DETAILS ARE IDENTIFIED BY LETTER RATHER THAN NUMBER.



RETROFIT SITE SHEET NUMBERING SYSTEM:



NOT TO SCALE

RECYCLED WATER ONSITE RETROFIT CONSTRUCTION PROJECT CENTRAL SERVICE AREA - TASK 2			
		Russell D. Mitchell Associates, Inc. 2760 Camino Diablo Walnut Creek, CA 94597 tel 925.939.3985 • fax 925.932.5671 www.rmatirrigation.com	
NO.	DATE	ISSUED FOR BID	BY APP.
8/21/17			
NORTH MARIN WATER DISTRICT NOVATO, CALIFORNIA			
GENERAL SITE PLAN WEST			
DES	DR	CH	SCALE : AS NOTED
CM	LB	CC	DATE : 08/18/2017
APPROVED: CHIEF ENGINEER		SHEET NO. : 3	OF 63 SHEETS
R.E. C75950		SERVICE AREA 5	JOB NO. 5.6058.20 NO. RG3

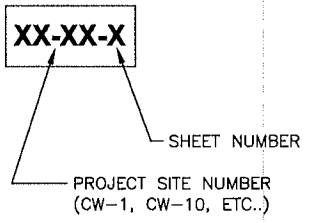
CENTRAL SERVICE AREA RETROFIT SITES - WEST



SECTION AND DETAIL NUMBERING SYSTEM:

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RETROFIT SITE SHEET NUMBERING SYSTEM:



RECYCLED WATER ONSITE RETROFIT CONSTRUCTION PROJECT
CENTRAL SERVICE AREA - WEST



Russell D. Mitchell Associates, Inc.
2760 Camino Diablo
Walnut Creek, CA 94597
tel 925.939.3985 ♦ fax 925.932.5671
www.rmairrigation.com

DES	DR	CH	SCALE	: AS NOTED
CM	LB	CC	DATE	: 10/09/2015
APPROVED: CHIEF ENGINEER	SHEET NO.	: 2	OF 27	SHEETS
R.E. C40936	SERVICE AREA	5	JOB.NO. 5.6058.40	NO. RG2

NORTH MARIN WATER DISTRICT NOVATO, CALIFORNIA				
GENERAL SITE PLAN AND DRAWING LIST				
DES	DR	CH	SCALE	: AS NOTED
CM	LB	CC	DATE	: 10/09/2015
APPROVED: CHIEF ENGINEER	SHEET NO.	: 2	OF 27	SHEETS
R.E. C40936	SERVICE AREA	5	JOB.NO. 5.6058.40	NO. RG2

North Marin Water District				Project No. 5 6058.20	
Recycled Water Central - Private On-site Retrofits Project					
Bid Items From Bid Schedule (00310)			Engineer's Estimate	CWS Construction Group	Aanenson Wildcat Inc
Item No.	Qty.	Description of Items	Total Amount	Total Amount	Total Amount
Items 1 - 16 All work to complete on-site retrofit to receive recycled water for irrigation at:					
1	LS	Taco Bell, 180 Rowland Blvd, shown in Dwg CE-4-1	\$10,000	\$29,500	\$8,675
2	LS	Sutter Health, 165 Rowland Way, shown in Dwgs CE-5-1 to -4	\$26,000	\$30,500	\$30,300
3	LS	Vintage Oaks Shopping Center: shown in Dwgs CE-6-1 to -16 111 Vintage Way 122 Vintage Way 142 Vintage Way 210 Vintage Way 214 Vintage Way 216 Vintage Way	\$115,000	\$54,500	\$88,750
4	LS	Rowland Plaza Owners Association – 5 Rowland Way & Chick-fil-A 35 Rowland Way, shown in Dwgs CE-8-1, -2	\$18,000	\$31,500	\$16,100
5	LS	Sutter Health – 101 Rowland Way, shown in Dwgs CE-9-1 thru -3	\$24,000	\$31,500	\$18,400
6	LS	Office Building- 88 Rowland Way, shown in Dwg CE-13-1	\$17,000	\$30,500	\$14,325
7	LS	Seascape Village HOA: shown in Dwgs CW-11-1 thru -6 8 Seascape Dr 702 Redwood Blvd 7 Seascape Dr 704 Redwood Blvd 4 Seascape Dr 2 Seascape Dr 6 Seascape Dr 10 Seascape Dr	\$110,000	\$101,500	\$236,500
8	LS	The Redwoods – 100-600 Cutlass Dr, shown in Dwg CW-12-1	\$12,000	\$39,500	\$8,800
9	LS	Western Oaks Village HOA – 1249 Redwood Blvd, shown in Dwgs CW-13-1 thru -5	\$16,000	\$30,500	\$14,400
10	LS	Cheda Acres HOA – 299 Silvio Lane, shown in Dwgs CW-15-1 thru -3	\$17,000	\$30,500	\$12,000
11	LS	Redwood Townhomes HOA: shown in Dwg CW-16-1 707 Redwood Blvd 703 Redwood Blvd.	\$17,000	\$30,500	\$13,200
12	LS	Scottsdale Lake HOA: shown in Dwgs CW-17-1 thru -4 33 Lakeview Ct 71 Scottsdale Way	\$18,000	\$35,500	\$30,450
13	LS	Village Circle HOA – 309 Village Circle, shown in Dwgs CW-18-1	\$10,000	\$29,500	\$10,000
14	LS	Villa Entrada HOA – 520 Entrada Dr, shown in Dwgs CW-19-1 thru 3	\$26,000	\$27,500	\$24,300
15	LS	Sequoia Glen HOA: shown in Dwgs CW-23-1 thru 3 57 Sequoia Glen Lane 120 Sequoia Glen Lane	\$23,000	\$36,500	\$26,475
16	LS	Inn Marin – 250 Entrada Dr, shown in Dwgs CW-24-1, -2	\$26,000	\$48,500	\$5,300
17	LS	City of Novato Medians - 1300 S. Novato Blvd (Dwg CW-1-3)City of Novato Medians - Redwood Blvd at Cutlass (Dwg CW-3-2 & -3) Rowland Blvd Redwood Blvd City of Novato Medians – 701 and 800 Redwood Blvd. (Dwg CW-4/6-3 & -4) So. Novato Blvd. Redwood Blvd Lynwood Elementary (Dwg CW-10-2)City of Novato Medians – 119 and 123 Ignacio Blvd.(Dwg CW-20-2 & -4) Ignacio Blvd West Ignacio Blvd Center - Left Ignacio Blvd Center - Right Ignacio Blvd East	\$10,000	\$60,500	\$3,700
18	LS	As-Built Drawings	\$3,000	\$3,000	\$3,000
Total Base Bid :			\$498,000	\$681,500	\$564,675

Bid Forms:				
"IN" Stamped before bid closing (00010)				Yes
Bid multiplies out and sums correctly				Yes
Bid value in word agrees with numerals				Yes
License Checks Out (00300) Possesses Class A (or C27) License				Yes
Bid Form (00300-1)				Yes
Bid Form - Contractor's Licensing Statement (00300-2)				Yes
Bid Form - Signed by Authorized Individual (00300-2)				Yes
Bid Form - Bid Guaranty Bond (00410)				Yes
Bid Form - Cert. of Bidders Experience and Qualifications (00420)				Yes
Bid Form - List of Subcontractors (not part of Specifications)				Yes
Bidders Affidavit of Non-Collusion (00480)				Yes
Escrow Agreement (00490)				N/A
Subcontractors:			Company	Company
Asphalt and Concrete				Delpino Construction, 15%
Plumbing				BC Plumbing, 10%
Boring				Schaffer Engineering, 5%
Pre-bid meeting and site visit				Company
Representative Present at pre-bid meeting				Yes

12

MEMORANDUM

To: Board of Directors

November 3, 2017

From: Drew McIntyre, General Manager

Subj: Follow-Up to Request for Bill Adjustment – 265 Saddlewood Dr.

\\nmwdsrv1\administration\cons svc\memo\harris second memo.doc

RECOMMENDED ACTION: Confirm the Bill Adjustment Credit Already Issued**FINANCIAL IMPACT:** \$275

At the October 3, 2017 meeting, Auditor-Controller David Bentley summarized a bill adjustment request by Ms. Jean Harris, 265 Saddlewood Drive, for her \$944 August water bill (see memo Attached). During the meeting Ms. Harris verbally expressed her concerns regarding the Bill Adjustment Policy and also her frustration that she could not find the policy on the District's website. (The policy is now on the website).

At the Board meeting that this item was under consideration, three of the five Board members were present (i.e., Director's Fraites, Grossi and Petterle). While there was a quorum allowing for the transaction of business, it was my error in not informing the Board that any motion must have at least the majority of the whole Board voting in the affirmative to pass. As the corrected meeting minute's state, while two Board members voted affirmatively for Option 2 (Eliminating the Tier charge of \$275), the motion failed because it lacked three affirmative votes.

The fact that the motion failed with a 2-1 vote did not become apparent until the October 17th Board meeting. In the interim, a bill adjustment credit was issued to Ms. Harris. Rather than retroactively removing a bill adjustment, I recommend the bill adjustment of \$275 stand.

RECOMMENDATION:

Confirm the \$275 Bill Adjustment Credit Already Issued.

MEMORANDUM

To: Board of Directors
From: David L. Bentley, Auditor/Controller
Subj: Request for Bill Adjustment – 265 Saddlewood Dr.
\\nrmwdsrv1\administration\cons srvc\memo\harris.doc

September 29, 2017

RECOMMENDED ACTION: Deny

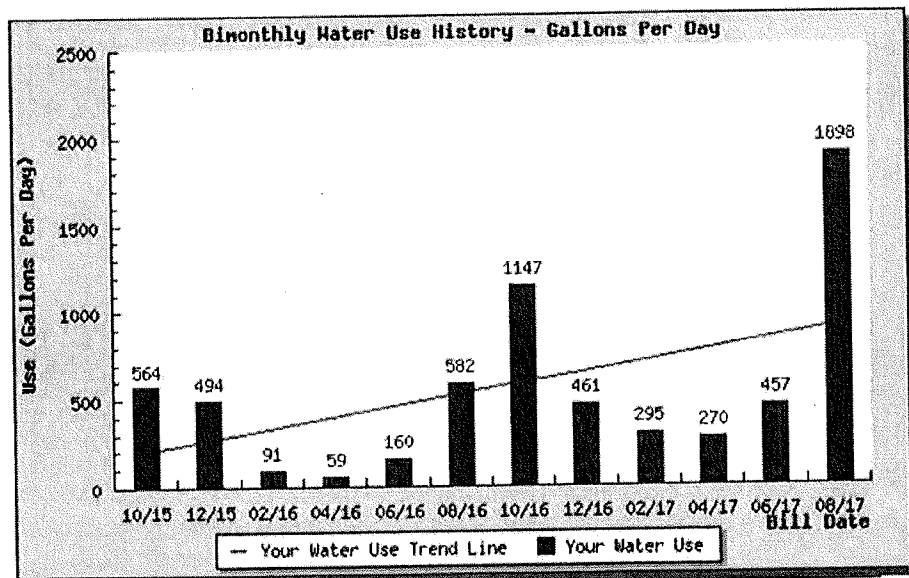
FINANCIAL IMPACT: None

Ms. Jean Harris, 265 Saddlewood Drive, has requested a bill adjustment for her \$944 August water bill. Ms. Harris received a \$174 bill adjustment for her October 2016 bill when she incurred an irrigation leak. In July, Ms. Harris incurred a leak in her pool fill-valve, a toilet overflow, and two irrigation leaks. Under Board Policy, one adjustment is allowed in any consecutive 24-month period.

Ms. Harris would like to address the Board concerning the Bill Adjustment Policy. She said that she could not find the policy on the District's website. Board policies are not on the website, but the bill adjustment policy, including the 2-year limitation, is explained on the website under Frequently Asked Questions, and staff emailed a link to her.

Board options to consider:

- 1) Allow an additional bill adjustment (\$495 credit);
- 2) Eliminate the tier charges from the August bill (\$275 credit);
- 3) Deny any additional bill adjustment.



RECOMMENDATION:

To be consistent with treatment of other customers, staff recommends option 3.

13

MEMORANDUM

To: Board of Directors
From: Drew McIntyre, General Manager
Subj: Fire Disaster Leave For Employees

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November 3, 2017

RECOMMENDED ACTION: Adopt a resolution to provide paid time off ("Fire Disaster Leave") for eligible employees who were directly impacted by the North Bay fires.

FINANCIAL IMPACT: Approximately \$11,500 (included in FY18 Operations Budget)

In response to the recent North Bay fires, public and private employers are exploring options to support their employees who have been directly affected by this unprecedented disaster. As reported during the October 17 meeting, a significant portion of the District's staff (i.e. 27%) who live in the North Bay were impacted in some way by the fires.

The greatest impact of the disaster was during the first week of the fires, October 9th through October 13th. On October 13th I approved all work absences for affected employees authorizing use of all types of accrued leave to cover their time off, including sick leave and compensatory time off.

The fire disaster has affected many staff, either directly or indirectly. Fortunately, no staff suffered the catastrophic loss of their homes. However, approximately 15 District employees were not able to report to work due to evacuation notices and warnings.

Staff is recommending that the District provide one-time paid Fire Disaster Leave relief of up to 40 hours to employees who were subject to mandatory or advisory evacuation as directed by public safety personnel in connection with the recent North Bay fires. This leave would not be charged against other leave balances. Since employees took time off during the week of October 9, the Fire Disaster Leave would be applied retroactively reversing the time taken off by staff. Human Resources will be responsible for administering the leave and verifying eligibility.

The direct cost for the Fire Disaster Leave, which totals approximately 130 hours, is estimated at \$11,500. If approved, this cost will be funded as part of the current FY18 Operations Budget and no budget augmentation is required.

RECOMMENDATION

Adopt the resolution to provide paid time off ("Fire Disaster Leave") for eligible employees who were directly impacted by the North Bay fires.

**DRAFT
RESOLUTION 17-XX**

**RESOLUTION OF THE BOARD OF DIRECTORS OF
NORTH MARIN WATER DISTRICT RESOLUTION APPROVING FIRE DISASTER LEAVE
FOR EMPLOYEES WHO WERE ADVERSELY AFFECTED BY THE
FIRES IN SONOMA AND NAPA COUNTIES DURING THE WEEK OF OCTOBER 9TH – 13TH
2017.**

WHEREAS, NORTH MARIN WATER DISTRICT employees were significantly impacted during the recent fires in Sonoma and Napa counties; and

WHEREAS, approximately 15 employees of the District were catastrophically affected through displacement or emergency evacuation advisories; and

WHEREAS, the District wants to support the individuals who were most severely impacted through forgiveness of leave hours taken during the week of October 9th through October 13th 2017; and

WHEREAS, approximately 150 hours of leave was taken by those employees who were the most severely impacted by the disaster.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the NORTH MARIN WATER DISTRICT hereby approves one-time paid Fire Disaster Leave of up to 40 hours per employee, for employees who were either forced to evacuate their homes or received evacuation advisory notices due to the Sonoma/Napa fires and needed to take time off work because of the extraordinary circumstances.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the General Manager, or designee, is authorized and directed to administer the application of Fire Disaster Leave and verify employee eligibility consistent with this resolution.

* * * * *

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 seventh day of November 2017 by the following vote

AYES: Directors
NOES:
ABSENT:
ABSTAINED:

Katie Young, District Secretary

North Marin Water District

(SEAL)

14

MEMORANDUM

To: Board of Directors
 From: Ryan Grisso, Water Conservation Coordinator *Rb*
 Subject: Water Conservation Quarterly Update (July-September 2017)
V:\Memos to Board\Quarterly Reports\Water Conservation FY 2017_2018 QTR1 Summary Report.doc

November 3, 2017

RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

Water Conservation:

This memo provides an update on water conservation and public outreach activities implemented during the first quarter of Fiscal Year 2017/2018 (FY 18). Water Conservation participation numbers for the first quarter of the current and previous two fiscal years are summarized in Table 1 below.

Table 1: Water Conservation Program Participation (July through September)

Program	FY 18	FY 17	FY 16
Water Smart Home Surveys (WSHS)	86	130	61
Water Smart Commercial Surveys	2	0	8
High Efficiency Toilet Rebates (Residential)	30	78	72
High Efficiency Toilet Rebates (Commercial)	0	1	1
Retrofit on Resale (Dwellings Certified)	78	66	60
High Efficiency Washing Machine Rebates	4	22	30
Cash for Grass Rebates	5	23	68
Water Smart Landscape Rebates	1	1	3
Weather Based Irrigation Controller Rebates	6	4	4
New Development Sign-offs (Residential)	8	5	6
New Development Sign-offs (Commercial)	6	5	8

Water Conservation participation has trended down this fiscal year, as expected, coming out of the drought years. The District's Water Smart Home Survey Program continues to have good participation levels (although down from last fiscal year), mainly from customers who have experienced "drought recovery" water use and from customers requesting bill adjustments. Cash for Grass program participation is substantially below normal, likely due to the accelerated participation during the drought, however, there are many customers currently in the program who have been pre-inspected and are working on completing their project, which may result in normal participation levels by the end of the fiscal year. Clothes washer rebates continue to trend downwards possibly as a result of the absence of an energy provider rebate in the market (PGE discontinued their rebate last year). Staff is working with local appliance retailers to advise that NMWD still has a rebate for

qualified washing machines, and verify they properly relay that information to the purchasing customer. Other water conservation programs have held steady or slightly decreased in the first quarter with continued interest in the Wi-Fi operated weather based irrigation controllers. In addition to the program participation numbers listed in Table 1, staff continues to monitor and follow up on water waste/non-essential use reports in accordance with the current State Water Conservation Requirements.

Public Outreach and Conservation Marketing

In the first quarter of FY18, staff prepared the Fall 2017 issue of the Novato "Water Line" (to be distributed in November/December 2017). The District also actively maintains a Facebook page with regular updates on water use efficiency and construction projects, and is embarking on posting in the Nextdoor website/app. Staff is also learning the WaterSmart AMI dashboard and customer portal to prepare for the AMI deployment and hopes to use this as a public outreach tool in the future.

Budget and Staffing

Table 2 summarizes the first quarter expenditures between the three fiscal years for (July-September). FY18 expenditures are significantly down from FY17 and FY16, due to reduced levels of program participation (mainly Cash for Grass) compared to the first quarter of the previous fiscal years.

Table 2: Water Conservation and Public Outreach Expenditures

	FY 18	FY 17	FY 16
Total FY Budget	\$440,000	\$400,000	\$410,000
July-September Expenditures	\$60,480	\$76,980	\$117,096


Water Conservation continues to be staffed by one full time Water Conservation Coordinator and one half-time Water Conservation Technician. The District also has a partnership with Sonoma County Water Agency through the Sonoma-Marin Saving Water Partnership to implement and staff some of the District Water Conservation Programs including the WSHS program (estimated at 250 hours per quarter).

15

MEMORANDUM

To: Board of Directors

Date: November 3, 2017

From: Rocky Vogler, Chief Engineer 

Subject: FY17-18 Quarterly Progress Report – Engineering Department

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The purpose of this memo is to provide a first quarter status report to the Board on the District's performance in completing budgeted FY17-18 Capital Improvements Projects (CIP) 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

Service Areas	Project Costs (\$)		% Complete		Earned Value (\$)	
	Budget (\$)	Forecast (\$)	Planned	Actual	Planned	Actual
Novato Water	\$10,315,000	\$8,725,000	25	18	\$2,362,500	\$1,582,450
Novato Recycled	\$6,545,000	\$3,465,000	25	33	\$1,623,750	\$1,707,500
West Marin	\$885,000	\$930,000	25	25	\$203,750	\$155,000
TOTAL	\$17,745,000	\$13,120,000	25	25	\$4,190,000	\$3,444,950

The above table summarizes the detailed tabulation of CIPs for both Novato and West Marin (including Oceana Marin) systems provided in Attachment A. In summary, CIP expenditures for the Novato Water, Novato Recycled Water and West Marin service areas are forecasted to be below the approved FY17-18 budget level. With respect to planned versus actual completion for the first quarter, the Novato Water, Novato Recycled Water and West Marin service areas (including Oceana Marin) are on track with planned progress.

Performance Status for Improvement Projects

A detailed milestone schedule update is provided in Attachment A. As shown on the following table (Page 3), a total of 31 projects (versus 34 in FY16-17) were originally budgeted in FY 17-18 for the Novato, West Marin and Oceana Marin service areas. Six new projects have been added, two have been carried over, and two have been deleted/deferred resulting in a new total of 39 projects. Of the 31 Capital Improvement Projects budgeted, 18 (versus 20 in FY16-17) are under the lead responsibility of the Engineering Department for completion (15 in Novato, 1 in West Marin and 2 in Oceana Marin). The remaining 13 (versus 18 in FY16-17) CIP projects are under the responsibility of the other departments (i.e., 5 – Operations, 5 - Maintenance and 3 - Admin) (Refer to the tabulation in Attachment B for a complete line item listing).

Novato Service Area Project Costs Variances

As shown in Attachment B, all but three of the FY17-18 Novato CIPs are currently projected to be completed at or below original budget.

Three new projects have been added: Grant Ave Bridge Pipe Replacement, Facilities Security Enhancements, and Stafford Spillway Repairs. Two projects have been carried over: Country Lane Pipeline Replacement and Watershed Erosion Control. One project has been deferred: Coat Concrete Clearwells. It is estimated that some additional funding may be required for two projects either currently in process, or to be constructed before the end of 2017, including: Center Road 6" CIP and the Stafford Dam Concrete Repair.

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

As shown in Attachment B, all of the FY17-18 West Marin CIPs expenditures are currently projected to be within the original budget. Three projects have been added: Gallagher Well Motor Operated Valve, Oceana Marin Treatment and Storage Pond Repair – FEMA (404), and Oceana Marin Treatment Pond Rehab (Storm Recovery). One project has been deleted: Design/Install 8th Disposal Trench 9300').

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., CIP) Projects. Out of the approximately 14,900 engineering labor hours available annually (less Conservation), the FY17-18 labor budget for Developer Projects and District Projects is 1,414 (10% of total) and 4,000 (27% of total), respectively. A chart of actual hours expended versus budgeted hours for both Developer and District projects during FY17-18 is provided in Attachment C. At the end of the first quarter, actual engineering labor hours expended for Developer work was 10% (135 hours) versus 25% (354 hours) budgeted. With respect to District Projects, 792 engineering labor hours (20% of budget) have been expended on Capital Improvement Projects which is slightly below the first quarter estimate (25%).

FY 17-18
CAPITAL IMPROVEMENTS PROJECTS

	NOVATO SERVICE AREA	WEST MARIN/ OCEANA MARIN	TOTAL
PROJECTS BUDGETED			
Original Budget	23	8	31
Added	3	3	6
FY 16-17 Carryover	2	0	2
Deferred/Dropped	1	1	2
Adjusted Budget	27	10	37

FY16-17 CARRYOVER

Date Brought to Board

Novato
Country Lane Pipeline Replacement

First Quarter Report

West Marin
None

DEFERRED/DROPPED

Novato
Coat Concrete Clearwells

First Quarter Report

West Marin
Design/Install 8th Disposal Trench (300')

First Quarter Report

PROJECTS ADDED

Novato
Grant Ave Bridge Pipe Replacement
Facilities Security Enhancements
Stafford Spillway Repairs

First Quarter Report
First Quarter Report
First Quarter Report

West Marin
Gallagher Well Motor Operated Valve
OM Wastewater Treatment and Storage Pond Repair – FEMA
OM Treatment Pond Rehabilitation

First Quarter Report
First Quarter Report
First Quarter Report

FY17_18 CAPITAL IMPROVEMENT PROJECTS

ID	Task Name	Start	Finish	% Complete	Resp	Qtr 1, 2018			Qtr 2, 2018			Qtr 3, 2018			Qtr 4, 2018		
						Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
1	1 A PIPELINE REPLACEMENTS/ADDITIONS	Sat 7/1/17	Sat 6/30/18	15%													
2	1A1 Ridge Rd 6" ACP (8"@1,400')	Sat 7/1/17	Thu 6/28/18	15%	ENG / CC												
3	1A2 Center Rd 6" CIP (8" @1,300') (NEW)	Sat 7/1/17	Fri 8/31/18	17%	ENG / DJ												
4	1B MAIN/PIPELINE ADDITIONS	Sat 7/1/17	Sat 6/30/18	5%													
5	1B1 San Mateo 24" Inlet/Outlet	Sat 7/1/17	Sat 6/30/18	5%	ENG / DJ												
6	2 SYSTEM IMPROVEMENTS	Fri 7/1/16	Fri 6/30/17	13%													
7	2A Flushing Taps at Dead-Ends	Wed 11/1/17	Fri 6/29/18	0%	ENG / CC												
8	2B DCA Repair/Replace (14/yr)	Sat 7/1/17	Sat 6/30/18	25%	ENG / DJ												
9	2C Anode Installations (150/yr)	Sat 7/1/17	Sat 6/30/18	0%	ENG / CC												
10	2D Radio Telemetry	Sat 7/1/17	Sat 6/30/18	25%	MAINT/RC												
11	2E Automate Zone Valve (Slowdown Ct)	Sat 7/1/17	Sat 6/30/18	0%	ENG / DJ												
12	2F AMI Retrofit (Pilot Study/Install)	Sat 7/1/17	Sat 6/30/18	25%	ADMIN / DB												
13	3 BUILDING, YARD, STP IMPROVEMENTS	Sat 7/1/17	Sat 6/30/18	1%													
14	3A ADMIN BUILDING	Sat 7/1/17	Sat 6/30/18	1%													
15	3A1 Electronic Document Management System	Sat 7/1/17	Sat 6/30/18	1%	ADMIN / KY												
16	3AS Office/Yard Building Refurbish Design	Sat 7/1/17	Sat 6/30/18	0%	ADMIN / DM												
17	3C STAFFORD TREATMENT PLANT	Sat 7/1/17	Sat 6/30/18	2%													



Current

Baseline

Inactive Task

Inactive Task

Inactive Milestone

Inactive Summary

Manual Task

Duration-only

Manual Summary Rollup

Manual Summary

Start-only

Finish-only

Progress



FY17_18 CAPITAL IMPROVEMENT PROJECTS

ID	Task Name	Start	Finish	% Complete	Resp	Qtr 1, 2018			Qtr 2, 2018			Qtr 3, 2018			Qtr 4, 2018		
						Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
18	3C1 Dam Concrete Repair (Apron)	Sat 7/1/17	Fri 12/8/17	5%	ENG / RV												
19	3C2 Coat Concrete Clearwells DEFERRED	Sat 7/1/17	Sat 6/30/18	0%	OPS / RC												
20	4 STORAGE TANKS/PUMP STATIONS	Sat 7/1/17	Sat 6/30/18	12%													
21	4B1 San Mateo Tank Recoat	Sat 7/1/17	Sat 6/30/18	5%	ENG / CC												
22	4B2 Hydropneumatic Tank Repairs	Sat 7/1/17	Sat 6/30/18	0%	OPS / RC												
23	4C Lynwood Pump Station Motor Control Center	Sat 7/1/17	Sat 6/30/18	0%	MAINT/RC												
24	4D San Marin & Lynwood PS Can Rehab	Sat 7/1/17	Fri 9/14/18	50%	ENG / DJ												
25	4E Crest PS (Design/Const)/Reloc School Rd PS	Sat 7/1/17	Sat 6/30/18	5%	ENG / DJ												
26	5 RECYCLED WATER	Sat 7/1/17	Sat 6/30/18	34%													
30	6 WEST MARIN WATER SYSTEM IMPROVEMENTS	Sat 7/1/17	Sat 6/30/18	10%													
31	6A Replace PRE Tank #4A	Sat 7/1/17	Sat 6/30/18	20%	ENG / CC												
32	6B Green Sand Filter Media Replace	Sat 7/1/17	Sat 6/30/18	0%	OPS / RC												
33	7 OCEANA MARIN SEWER SYSTEM	Sat 7/1/17	Sat 6/30/18	27%													
34	7A Infiltration Repair	Sat 7/1/17	Sat 6/30/18	25%	OPS / RC												
35	7B Design/Install 8th Disposal Trench (300') DELETED	Sat 7/1/17	Sat 6/30/18	0%	ENG / RV												
36	7C Tahiti Way Lift Pumps Rebuild	Sat 7/1/17	Sat 6/30/18	100%	MAINT/RC												
37	7D Tahiti Way Power Relocation	Sat 7/1/17	Sat 6/30/18	0%	OPS / RC												
38	7E Pond Dredging & Relining	Sat 7/1/17	Sat 6/30/18	10%	OPS / RC												



Current

Baseline

Inactive Task

Inactive Task

Inactive Milestone



Inactive Summary

Manual Task

Duration-only

Manual Summary Rollup

Manual Summary



Start-only

Finish-only

Progress

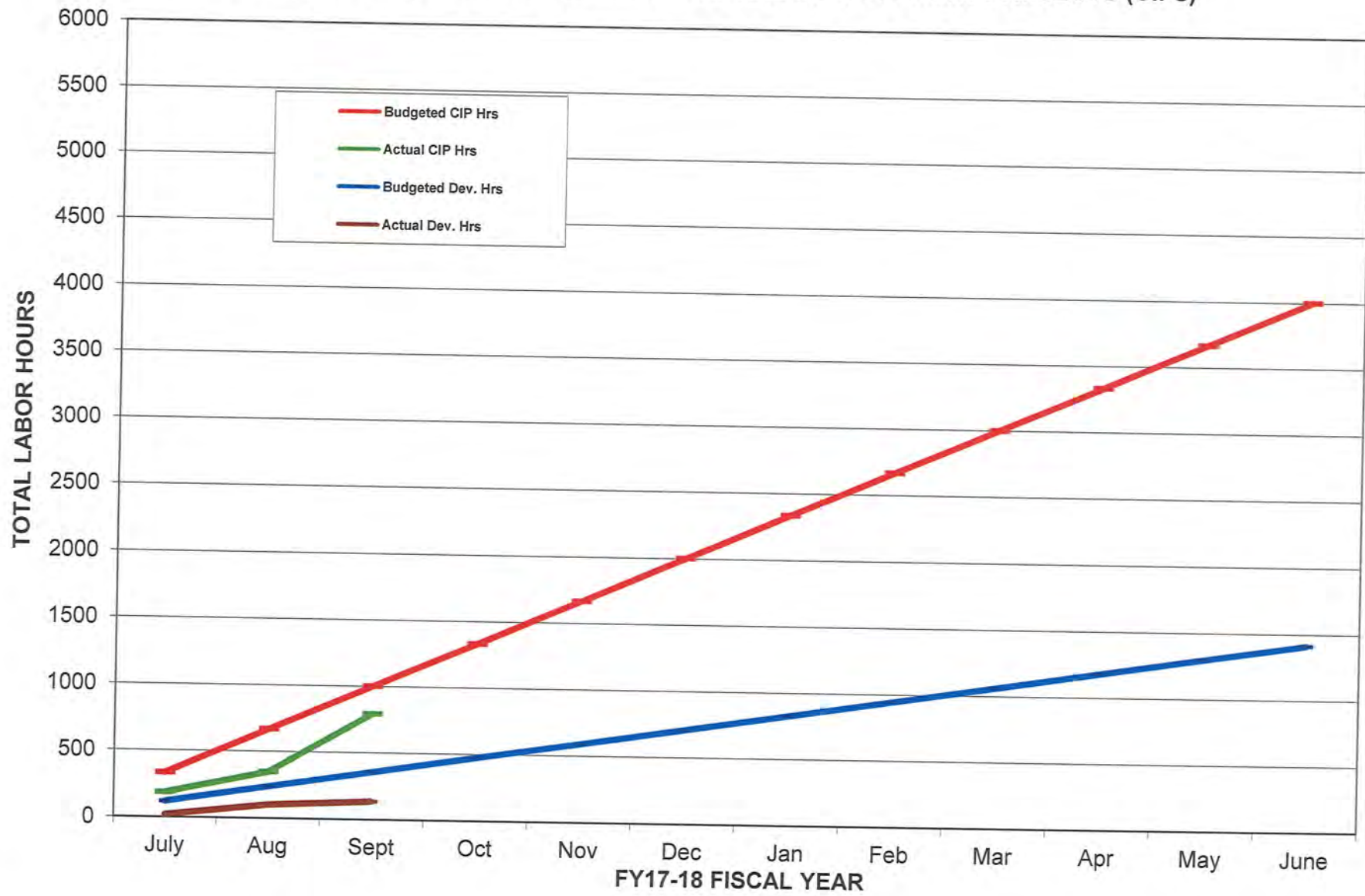


NOVATO SYSTEM CAPITAL IMPROVEMENT PROJECTS SUMMARY FY17-18
AS OF SEPTEMBER 30, 2017

STATUS	DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE	
					Budget	Forecast	Baseline	Actual	Planned	Actual
1. PIPELINE REPLACEMENTS/ADDITIONS										
PC	Eng	1	1.a.1	Ridge Rd 6" ACP (8" @ 1,400')	\$325,000	\$315,000	25	15	\$81,250	\$47,250
PC	Eng	2	1.a.2	Center Rd 6" CIP (8" @ 1,200')	\$175,000	\$485,000	25	17	\$43,750	\$82,450
PC	Eng	3	1.b.1	San Mateo 24" Inlet/Outlet Pipe	\$50,000	\$50,000	25	5	\$12,500	\$2,500
	Eng	4	1.c.1	Repl PB in Sync w/City Paving	\$70,000	\$60,000				
	Eng	5	1.c.2	Other PB Replacements	\$180,000	\$160,000				
	Eng	6	1.c.3	Country Lane Pipeline Replacement	\$0					
C	Eng	7	1.c.4	Grant Ave Bridge Pipe Replacement	\$0	\$100,000	25	100	\$0	\$100,000
	Eng	8	1.d.1	Other Relocations	\$80,000	\$0				
				SubTotal	\$880,000	\$1,170,000				
2. SYSTEM IMPROVEMENTS										
PC	Eng	9	2.a	Flushing Taps at Dead-Ends	\$50,000	\$15,000	25	0	\$12,500	\$0
PC	Eng	10	2.b	DCDA Repair/Replace	\$190,000	\$190,000	25	25	\$47,500	\$47,500
PC	Eng	11	2.c	Anode Installations	\$30,000	\$30,000	25	5	\$7,500	\$1,500
PC	Maint	12	2.d	Radio Telemetry	\$25,000	\$25,000	25	25	\$6,250	\$6,250
	Eng	13	2.e	Automate Zone Valve (Slowdown Ct)	\$100,000	\$0	25	0	\$25,000	\$0
PC	Admin	14	2.f	AMI Retrofit	\$4,700,000	\$4,700,000	25	25	\$1,175,000	\$1,175,000
	Maint	15	2.g	Facilities Security Enhancements	\$0				\$0	
				SubTotal	\$5,095,000	\$4,960,000				
3. BUILDINGS, YARD, & S.T.P. IMPROVEMENTS										
	Admin	16	3.a.1	Electronic Document Management System	\$150,000	\$150,000	25	1	\$37,500	\$1,500
	Admin	17	3.a.2	Office/Yard Building Renovation	\$1,500,000	\$150,000	25	0	\$375,000	\$0
	Maint	18	3.b.1	Other Yard Improvements	\$30,000	\$0				
PC	Eng	19	3.c.1	Dam Concrete Repair (Apron)	\$50,000	\$50,000	25	5	\$12,500	\$2,500
			3.c.2	Coat Concrete Clearwalls - DEFERRED	\$490,000	\$0				
	Ops	20	3.c.3	Watershed Erosion Control	\$0					
	Eng	21	3.c.5	Stafford Spillway Repairs	\$0	\$30,000				
				SubTotal	\$2,220,000	\$350,000				
4. STORAGE TANKS & PUMP STATIONS										
PC	Eng	22	4.a	San Mateo Recoat (1st year)	\$1,900,000	\$1,900,000	25	5	\$475,000	\$95,000
	Ops	23	4.b	Hydropneumatic Tank Repairs	\$30,000	\$30,000	25	0	\$7,500	\$0
	Eng	24	4.c	Lynwood PS Motor Control Center	\$100,000	\$165,000	25	0	\$25,000	\$0
	Ops	25	4.d	Lynwood PS Can Rehab	\$15,000	\$15,000	25	0		
C	Ops	26	4.e	San Marin PS Can Rehab	\$15,000	\$15,000	25	100	\$3,750	\$15,000
PC	Eng	27	4.f	Crest PS (design/const)/Reloc School Rd PS	\$60,000	\$120,000	25	5	\$15,000	\$6,000
				SubTotal	\$2,120,000	\$2,245,000				
				Novato Water Total	10,315,000	\$8,725,000	25	18	\$2,362,500	\$1,582,450
5. RECYCLED WATER FACILITY										
PC	Eng	28	5.a	NBWRA Grant Program Administration	\$80,000	\$80,000	25	25	\$20,000	\$20,000
PC	Eng	29	5.b-j	Recycled Water Central Service Area	\$6,365,000	\$3,365,000	25	50	\$1,591,250	\$1,682,500
PC	Maint	30	5.k	Upgrade Auto-Fill Valve at Reservoir Tank	\$50,000	\$20,000	25	25	\$12,500	\$5,000
	Maint	31	5.l	Other Recycled Water Expenditures	\$50,000	\$0				
				Novato Recycled Total	\$6,545,000	\$3,465,000	25	33	\$1,623,750	\$1,707,500
				Total Novato	\$16,860,000	\$12,190,000	25	25	\$3,986,250	\$3,289,950
C - 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 italics and brackets <>						

WEST MARIN CAPITAL IMPROVEMENT PROJECT SUMMARY FY17-18										
AS OF SEPTEMBER 30, 2017										
STATUS	DEPT	ITEM #	PROJECT NO.	DESCRIPTION	PROJECT COSTS		% COMPLETE		EARNED VALUE	
					Budget	Forecast	Baseline	Actual	Planned	Actual
				6. West Marin Water System						
				System Improvements						
PC	Eng	32	6.a	Replace PRE Tank #4A	\$550,000	\$550,000	25	20	\$137,500	\$110,000
	Ops	33	6.b	Green Sand Filter Media Replace	\$75,000	\$30,000	25	0	\$18,750	\$0
	Eng	34	6.c	PB Replace in Sync w/County Paving	\$50,000	\$50,000	25	0		
C	Ops	35	6.d	Gallagher Well Motor Operated Valve	\$0	\$10,000	25	100	\$0	\$10,000
					\$675,000	\$640,000				
				7. Oceana Marin Sewer System						
PC	Ops	36	7.a	Infiltration Repair	\$40,000	\$40,000	25	25	\$10,000	\$10,000
			7.b	Design/Install 8th Disposal Trench (300') - DELETED	\$80,000	\$0	0	0	\$0	\$0
C	Maint	37	7.c	Tahiti Way Lift Pumps Rebuild	\$20,000	\$20,000	100	100	\$20,000	\$20,000
	Ops	38	7.d	Tahiti Way Power Relocation	\$20,000	\$20,000	25	0	\$5,000	
	Eng	39	7.e	Pond Dredging & Relining	\$50,000	\$50,000	25	10	\$12,500	\$5,000
PC	Eng	40	7.f	OM Treatment and Storage Pond Repair - FEMA (404)	\$0	\$35,000	25	50	\$0	\$17,500
	Ops	41	7.g	OM Treatment Pond Rehab (Storm Recovery)	\$0	\$125,000	0	0	\$0	\$0
				SubTotal	\$210,000	\$290,000				
				Total West Marin	\$885,000	\$930,000	25	25	\$203,750	\$155,000
				FY17-18 TOTAL	\$17,745,000	\$13,120,000	25	25	\$4,190,000	\$3,444,950
C - 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 italics						

ENGR. DEPT DEVELOPER & DISTRICT CAPITAL IMPROVEMENT PROJECTS (CIPs)



16

DISBURSEMENTS - DATED NOVEMBER 2, 2017

Date Prepared 10/31/17

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	AAA Business Interiors	Quarterly Office Supply Order (Toner)	1,141.77
2	Aberegg, Michael	Prog Pymt#6: Drafting Services-Center Road Pipeline Replacement (Balance Remaining on Contract \$22,995)	2,310.00
3	Alphagraphics Marin	Cash for Grass Survey Postcard (585)	496.67
4	Amazon/Genuine-Hardware	Ergonomic Mouse, Additional RAM for Accounting Staff's PC's (\$422), AC Adaptor for Security Camera (\$111), Ergonomic Back Rest, Mini USB Keyboard, Weekly Calendar, Backup Drives (22) (\$1,312), Screen Protector for AMI Tablet, Heavy Duty Paper Cutter (\$151) (Engineering) & Chargers for District iPads (2)	2,434.64
5	A.S.T.I.	Fire Service Testing (46)	3,795.00
6	AT&T	Internet Service @ PRTP	88.17
7	Backflow Distributors	Backflow Tester Replacement Parts & Tester Calibrations (2)	1,035.04
8	Badger Meter	September Cellular Meter Charge (18)	15.84
9	Bartley Pump	Rehabilitate Gallagher Well & Repair Casing Holes (\$11,175) & Hydro Pneumatic Tank Repairs (Bahia Pump Station)	18,967.47
10	BATS	Flagging Service for Grant Avenue Bridge Project (2 Days)	2,970.00
11	Bay Area Barricade Service	White Marking Paint (36-17 oz cans), Blue & White Spray Chalk (36-17 oz cans)	284.81
12	Bay Area Air Quality Mgmt Dist	Annual Permit Renewal (To Operate Fuel Pumps)	338.00
13	Bergstrom, Kyle	Exp Reimb: Bionic Face Shield, Shield Lens & Dishwashing Liquid & Safety Boots (\$200)	240.66

Seq	Payable To	For	Amount
14	Biomarin Pharmaceutical	Refund Excess for Advance for Construction Over Actual Job Costs	2,569.77
15		Vision Reimbursement	368.00
16	Core Utilities	Consulting Services: September IT Support (\$5,000), Radio Telemetry (\$925), San Mateo Recoat (\$325), SCADA/Wonderware Cleanup (\$625), Program Security Camera PC & Software Update (\$100), Utility Billing Software Modifications (\$700), Website Revision (\$75) & Program Security Camera PC & Software Updates (\$825)	8,575.00
17	DataTree	Sept Subscription to Parcel Data Information	100.00
18	Environmental Management	Repair San Mateo Tank Road	3,600.00
19	Evoqua Water Technologies	Deionization System Rental (10/1/17-3/31/18) (Lab)	300.00
20	Fedak & Brown	Progress Billing #6: FY18 Audit (Balance Remaining on Contract \$1,270)	1,700.00
21	Ferguson Waterworks	Box Lids (34) (\$2,988), Hydrant Extension, Registers (80) (\$11,935), Bushings (21), Couplings (4), Gaskets (30), Double Check Valves (3) (\$324), Reduced Pressure Backflow Preventer (\$483), Saddles (27), Meter Register (\$117), Flanges (13), Brass Nipples (14) (\$261) & Brass Plugs (4)	16,741.81
22	GHD	Prog Pymt#4: San Mateo Tank Pipeline Project (Balance Remaining on Contract \$22,757) (\$1,305) & Prog Pymt#4: Engineering Services PRE Water Tank 4A Replacement (Balance Remaining on Contract \$69,942) (\$4,370)	5,675.00
23		Cafeteria Plan: Uninsured Medical Reimbursement	414.59
24	Grainger	Pond Conditioner (OM) (\$246), AA Batteries (144), Chemical Pump for Pt Reyes Distribution System (\$490), Clear Epoxy Compound (2), Bungee Straps (12) (\$76), Process Calibrator (\$790) & Epoxy Compound (2)	1,740.04
25	Hach	Chlorine Test Reagents (Lab)	244.81

Seq	Payable To	For	Amount
26	InfoSend	September Processing Fee for Water Bills (\$1,046) & Postage (\$2,924), September Monthly Support Fee (\$704) & Programming Fee: Add Variable Draft Data to Reminder Program	4,974.97
27	Landeros, Dianne	District Contribution Toward Cost of Retirement Party per Board Policy #29	200.00
28	Lucchesi, Sarah	Childcare Reimbursement	416.66
29	Maltby Electric	Connectors (57) (Less Credit of \$54 for Returned Part)	154.01
30	McLellan, WK	Traffic Control (\$5,122), Compaction Testing & Misc Paving (\$2,625)	8,490.83
31	McIntyre, Drew	Exp Reimb: AWWA Conference in Reno 10/23-25. Mileage (\$189), Lodging (\$164) & Food (\$39)	392.67
32	McMaster-Carr Supply Co	Tank Hatch Alarm Switch	65.10
33	Mutual of Omaha	November Group Life Insurance Premium	908.37
34	Neopost USA	Postal Meter Rental	108.20
35	NSI Solutions	QC Sample	51.25
36	Pace Supply	Couplings (9) (\$267), 6" Full Circle Clamps (3) (\$701), Gate Valves (3) (\$5,432), Meter Adaptors (4), Flange (Eng) (\$420), 6" & 8" PVC Restraints (11) (\$561), Corp Stops (16) (\$646), Bushings (4), Nipples (2), Valve Key (\$36) & Hot Tapping Drill Bits (21) (\$260)	8,382.44
37	Parkinson Accounting Systems	September Accounting Software Support	292.50
38	Piazza Construction	Prog Pymt#4: RW Expansion Central Service Area (Balance Remaining on Contract \$442,095)	159,940.82
39	Piazza Construction Escrow Acct	5% Retainer: Piazza Construction-RW Central Norman Tank Project	8,417.93
40	Randall Bros. Automotive	Smog Tests (2) ('02 & 04 Chevy Silverados)	100.00
41	Sequoia Safety Supply	Safety Vests (5)	59.40
42	Sonoma County Water Agency	September Contract Water	564,698.87

Seq	Payable To	For	Amount
43	Spencer, Aaron	Lockbox Payment-Wrong Water District	512.50
44	SPG Solar	September Energy Delivered Under Solar Services Agreement	12,038.47
45		Vision Reimbursement	368.00
46	Tamagno Green Products	Sludge Removal @ STP (133 yds)	3,325.00
47	Thatcher of California	Ferric Chloride (9 tons) (STP)	4,116.91
48	USA BlueBook	Safety Gloves (2,000)	451.40
49	VWR International	Chlorine & Fluoride Standard (Lab)	154.35
50	White & Prescott	Prog Pymt#17: 1305 Grant Avenue Water Line Easement (Balance Remaining on Contract \$10,360)	120.00
51	Young, Katie	Exp Reimb: Board Secretary Conference in Anaheim on 10/23-10/24. Lodging (\$463), Rental Car & Gas (\$49), Mileage (\$44) & Food (\$88)	649.11
52		Vision Reimbursement	368.00
		TOTAL DISBURSEMENTS	<u>\$855,904.85</u>

The foregoing payroll and accounts payable vouchers totaling \$855,904.85 are hereby approved and authorized for payment.


Auditor-Controller

10/30/17
Date


General Manager

10/30/17
Date

DISBURSEMENTS - DATED OCTOBER 26, 2017

Date Prepared 10/24/17

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:

<u>Seq</u>	<u>Payable To</u>	<u>For</u>	<u>Amount</u>
P/R*	Employees	Net Payroll PPE 10/15/17 (\$138,407) & Final Payout (Jennison)	\$140,822.48
EFT*	US Bank	Federal & FICA Taxes PPE 10/15/17	60,087.81
EFT*	State of California	State Taxes & SDI PPE 10/15/17	11,129.46
EFT*	CalPERS	Pension Contribution PPE 10/15/17	35,538.46
1	1107 Grant LLC	Refund Overpayment on Closed Account	44.81
2	Alpha Analytical Labs	Lab Testing	144.00
3	American Pavement Systems	Refund Security Deposit on Hydrant Meter Less Final Bill	654.30
4	A.S.T.I.	Backflow Testing (20)	1,870.00
5	AT&T	Leased Line	65.88
6	BATS	Flagging Service (3 Days-Grant Ave Bridge Project)	4,560.00
7	Bay Area Barricade Service	Metal Signs for Water Tanks (200) ("This Facility is Under Surveillance . . . ")	1,942.16
8	Bio-Acoustical	Annual Hearing Test (23)	552.50
9	Caltest Analytical Laboratory	Lab Testing	35.00
10	CDW-Government	Trend Anti-Virus Renewal (Budget \$1,080) & Adobe Pro Software (\$366-Dove)	1,415.93
11		Vision Reimbursement	368.00
12	Comcast	October Internet Connection	151.12
13	Contreras, Aaron	Refund Overpayment on Closed Account	91.85
14	CORE Safety Group	Confined Space Training (24 Employees)	2,975.00

Seq	Payable To	For	Amount
15	Cummings Trucking	Sand (\$898) (16 yds) & Rock (\$1,949) (50 yds)	2,847.12
16	CWEA	Grade 2 Certification Renewal (Reischmann) (Budget \$90) (1/18-12/18)	90.00
17	De La Vega, Kristin	Novato "Washer Rebate" Program	50.00
18	Dove, Susan	Exp Reimb: Safety Boots	185.74
19	Environmental Resource Assoc	Reference Samples (2)	195.53
20	Espulgar-Rowe, Mary Jean	Refund Overpayment on Closed Account	55.79
21	Evoqua Water Technologies	Sept Service on Deionization System	227.50
22	Fastenal	7/8" Hex Nuts (250)	187.16
23	Ferguson Waterworks	5/8" AMI Meters (75) (\$14,749) & 1" AMI Meters (50)	28,311.72
24	Fisher Scientific	Sulfate Standard (Lab)	42.22
25	Golden Gate Petroleum	Gas (\$2.63/gal) & Diesel (\$2.73/gal)	2,668.46
26	Grainger	Check Valve for Point Reyes Estate (\$361) & Fuses	419.99
27	Haji, Babak	Novato "Toilet Rebate" Program Refund	415.00
28	HERC Rentals	Excavator Rental (2 weeks) (Grant Avenue Bridge Project)	2,263.32
29		Vision Reimbursement	91.59
30		Cafeteria Plan: Uninsured Medical Reimbursement	20.00
31	Lincoln Life	Deferred Compensation PPE 10/15/17	15,233.75
32	Maltby Electric	Electrical Supplies (\$359) & Conduit Couplings (8) (Less Credit of \$48 Received for Returned Copper Wire)	315.89
33	Micro Technology	Fume Hood Certification (Lab)	440.21
34	Nationwide Retirement Solution	Deferred Compensation 10/15/17 PPE	2,300.00
35	NMWD Employee Association	NMWD Association Dues (8/31/17-10/15/17)	970.00

Seq	Payable To	For	Amount
36	Office Depot	Yearly Calendar Order (\$502), Quarterly Office Supply Order: Pens (102) (\$183), Chairmats (3) (\$267), Heavy Duty Stapler (\$84), Adjustable Monitor Stands (2) (\$176), Chairs (2) (\$547), Wireless Headset (\$212), Adding Machine (\$65), File Folders w/Fasteners (50), Scratch Pads (12), Copy Holder, Gel Pens (12), Permanente Markers (24) & Temporary Desk (Fonseca) (\$174)	3,271.90
37	O'Reilly Auto Parts	Tire Dressing (14-20oz Bottles)	86.43
38	Pace Supply	Meter Adaptors (6) (\$124), 6" Box Lids (6) (\$523), Leak Clamp (\$261), Elbows (14) (\$7,188), Flange Adaptors (7) (\$1,708), Reducers (5) (\$356), Bolt-Down Boxes (2) & Corp Stops (14) (\$565)	10,775.49
39	Point Reyes Light	Display Ad: Salinity Intrusion Into Pt Reyes Well Supply (9/21/17)	85.50
40	Point Reyes Prop Mgmt Assn	October HOA Fee (25 Giacomini Rd)	75.05
41	Pollard Water	Valve Strainer	44.22
42	Ramudo, Pablo	Exp Reimb: Mileage & Toll for BAWWA Board Meeting in Oakland & SCWA OPS/WQ Meeting Both on 9/28/17	76.16
43	Rowley, Claudette	Refund Overpayment on Closed Account	24.95
44	Rubens, Peter	Refund Security Deposit on Hydrant Meter Less	644.49
45	Schepps, Laura	Refund Overpayment on Closed Account	86.05
46	Soiland	Asphalt Recycling (22 tons)	69.24
47	SpeedTech Lights	LED Light Bar & Mini Light Bar ('15 F250)	468.73
48	S-Scapes	Annual Backflow Testing Service for Customer Owned Backflow Devices (100)	6,000.00
49	Staples Advantage	Copy Paper (70 reams-Letter Size) (Less Credit of \$264 for Returned Paper)	11.35
50	Talley Communications	50' Antenna Mast (Yard Office Building)	320.61
51	Thatcher of California	Ferric Chloride (10 tons) (STP)	4,291.68

Seq	Payable To	For	Amount
52	Township Building Services	September Janitorial Services (Office, Yard & STP)	1,822.84
53	U.S. Bank Card	Craigslist Ads for Laborer & Asst Water Distribution & TP Operator (\$150), DE9 & 941 Forms (\$33), Marin IJ Display Ad: Notice of Public Hearing for Water Conservation Requirement (\$47) & Retirement Book (\$49) (Landeros)	278.39
54	VWR International	Face Shields (4) (\$126) & Hydrochloride Acid	240.84
TOTAL DISBURSEMENTS			<u>\$348,453.67</u>

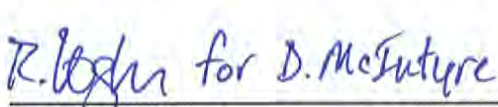
The foregoing payroll and accounts payable vouchers totaling \$348,453.67 are hereby approved and authorized for payment.



Auditor-Controller

10/24/17

Date



General Manager

10/24/17

Date

DISBURSEMENTS - DATED OCTOBER 19, 2017

Date Prepared 10/17/17

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
EFT*	CalPERS	October Health Insurance Premium (Employees \$46,045, Retirees \$10,508 & Employee Contribution \$10,580)	67,133.00
1	Able Tire & Brake	Tires (6) (Water Trailer-\$201, '09 JD Backhoe-\$1,611 & '05 Honda Civic-\$225) & Alignment ('03 Dodge Dakota) (\$108)	2,146.10
2	All Star Rents	Propane for STP Forklift	87.59
3	Alpha Analytical Labs	Lab Testing	103.00
4	Arrow Benefits Group	October Dental Administration Fee	310.75
5	Backflow Distributors	2" Reduced Pressure Ball Valve	122.05
6	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt 72 of 240)	46,066.67
7	Bay Area Traffic Solutions	Flagging Service for Grant Avenue Bridge Project (3 Days)	4,665.00
8		Vision Reimbursement	184.00
9	Bennett Trenchless Engineers	Progress Pymt#16: RW Central Hwy 101 Crossing (Balance Remaining on Contract \$1,167)	780.00
10	Buck's Saw Service	Air Filters (8) (\$97) & Spark Plugs	107.42
11	Clipper Direct	November Commuter Benefit Program (3)	479.00
12	Covello Group	Prog Pymt#13: August RW Central Project Management (Balance Remaining on Contract \$97,866)	97,732.23
13	DeGabriele, Chris	Retiree Exp Reimb (October Health Ins)	927.54
14	Diggs, James	Retiree Exp Reimb (October Health Ins)	340.83
15	Engineering News Record	Subscription Renewal (Vogler) (2/18-2/19) (Budget \$90)	87.00

Seq	Payable To	For	Amount
16	Environmental Science Assoc	Prog Pymt #1 & #2: Environmental Monitoring Service-RW Central Service Area (Balance Remaining on Contract \$662)	46,072.60
17	Eurofins Eaton Analytical	Lab Testing	400.00
18	Fastenal	Bolts (200) (\$582) & Nuts (700)	870.17
19	Freeman, Rita	Refund Overpayment on Open Account	314.41
20	Frontier Communications	Leased Lines	1,436.42
21	Gaya, DB	Prog Pymt#1: Atherton Tank Recoating 2-Year Warranty Inspection	407.60
22	GFOA	Application Fee for Government Financial Officer's Association -FY17 Comprehensive Annual Financial Report Award	435.00
23	Ghilotti Construction	Prog Pymt#11: RW Expansion Central Service Area-West Project (Balance Remaining on Contract (\$453,769)	62,621.63
24	Grainger	Outdoor CAT5 Cable (1,000') (\$417) & Carton Sealing Tape (2)	442.23
25	Hardy Diagnostics	Medium (Lab)	126.80
26	Idexx Laboratories	Bacteria Growth Vessels (400) (Lab)	214.57
27	Integra Chemical	Dechlorination Tabs (350 lbs) (\$5,625) & Sock	5,663.50
28	Jim-n-i Rentals	Traffic Plate Rental (Grant Avenue Bridge Project)	1,012.05
29	KP Promotions	Bucket Hats (19)	572.07
30	Landeros, Dianne	Mileage Reimbursement & Bridge Toll: Baywork Executive Committee Meeting to San Jose on 10/11/17	98.52
31	Marin Landscape Materials	Mason Mix (2 sacks) Lumber (\$76) & Staples	96.83
32	Marin County Recorder	Replenish Draw-Down Account for Official Records	100.00
33	Marin County Ford	License Plate Light Assemblies, Fuel Fill Pipe Assembly (\$173) ('10 F150), Motor Oil (15 qts), Oil Filters (2), Air Filters (2) & Grille, Shutter Assembly (\$292) ('15 F150)	637.22

Seq	Payable To	For	Amount
34	McMaster-Carr Supply	Cardstock Write-on Tags (250) (5" x 2")	16.61
35	Moore, Doug	Retiree Exp Reimb (October Health Ins)	927.54
36	North Marin Auto Parts	Oil Filters (3), Motor Oil (18 qts) (\$103), Starter (\$178) ('04 Chevy C1500), Wiper Blades (12) (\$240), Drive Belts for Yard Gate (2), Air Filter (2), Spark Plugs, Transmission Fluid (\$58), Gear Oil, Control Arm Bushing, Front/Rear Shocks (\$200) ('03 Dodge Dakota), Upper Control Arms (\$262) ('03 Dodge Dakota) & Wire Terminal Plugs Wire (25' Roll)	1,156.93
37	North Bay Gas	Welder Tips (10), Wire (2 rolls) (\$52), Nitrogen (STP) (\$617) & September Cylinder Rental (\$83)	777.27
38	Novato Builders Supply	Galvanized Bolts (20-5/8" x 4") (\$122), Drill Bits (2) Rebar & Concrete (2 yds) (\$388)	589.08
39	City of Novato	"No Parking" Signs (250) (Construction)	375.00
40	NSI Solutions	QC Sample (Lab)	60.00
41	NTU Technologies	Cationic Coagulant (48,000 gal) (STP)	28,042.70
42	Open Spatial	Onsite Training Setup & Configuration of Munsys Software (2 days) (Dove) (\$2,400) & Software Subscription Renewal (\$8,760) (Vogler) (10/17-10/18) (Budget \$9,020)	11,160.00
43	Pace Supply	Angle Meter Stops (2)	404.05
44	Pape Machinery	Outrigger Street Pads (4)	273.33
45	Peterson Trucks	Fuel Shut Down Solenoid Valve & Injection Control Pressure Sensor (\$240), Cam Position Sensor & Air Dryer Purge Valve Repair Kit	705.68
46	PG&E	Power: Bldgs/Yard (\$5,257), Rectifier/Controls (\$637), Pumping (\$45,255), Treatment (\$154) & Other (\$116)	51,419.04

Seq	Payable To	For	Amount
47	Pini Hardware	Spade Terminals (6), Hand Cleaner, Sanitizer, PVC Cap, Screws, RWF Key, Shovels (12) (\$252), Drill Bit, Chain Links, Tum Buckles for Wash Rack (2), Cable Clips, Hand Sprayers for Disinfecting Pumps, PVC Pipe, Fittings, Steel Rod for Pressure Washer, Hand Sanitizer, Spray Bottles (4), Flood Light, Electrical Supplies for Wash Rack (\$96) & Plumbing Supplies	681.67
48	Point Reyes Light	Display Ad: Salinity Intrusion Into Pt Reyes Well Supply (9/14/17)	85.50
49	Pollard Water	Pump Screens (2) (Construction)	101.89
50	Red Wing Shoe Store	Safety Boots (Steele)	190.63
51	Reed, Corey	Childcare Reimbursement	208.33
52	Sequoia Safety Supply	Earplugs (400) (\$70), Industrial First-Aid Kit (\$127), Burn Spray, First-Aid Spray, Eye Wash (2), Sting Relief (2), Ammonia Inhalant (2) & Burn Gel (2)	252.43
53	Soiland	Asphalt Recycling (6 tons)	16.53
54	Stafford, Vernon	Retiree Exp Reimb (October Health Ins)	304.16
55	Stericycle Transportation Svcs	Hazardous Waste Disposal for WQ Lab	221.00
56	T & T Valve & Instrument	Air Valve Control Solenoid for STP	305.75
57	Tube Service	6" Aluminum Pipe (140') (\$922) & 6" Aluminum Pipe (20')	1,050.54
58	USA BlueBook	Valve & Curb Key Kits (2)	280.67
59	US Bank	Sept Safekeeping Fee: Treasury Securities	110.25
60	Verizon Wireless	Cellular Charges: Data (\$296) & Airtime (\$131) (22)	427.46

Seq	Payable To	For	Amount
61	VWR International	Particulate Respirators (4)	94.64
		TOTAL DISBURSEMENTS	<u>\$375,899.48</u>

The foregoing payroll and accounts payable vouchers totaling \$375,899.48 are hereby approved and authorized for payment.



Auditor-Controller

10/17/17

Date



General Manager

10/16/17

Date

John Gordon Stuber(1928 - 2017)

John Gordon Stuber Age 88, passed away in Novato on October 3rd, 2017, with his loving family by his side. He was born on December 28th, 1928, in Seattle, Washington, to John and Irene Stuber. John proudly served in the US Army Air Corps from 1947 to 1951, followed by a stint in the newly formed Air Force until his discharge in 1954 at Hamilton AFB. While stationed in Japan from 1948-1950, his squadron directly contributed to the rebuilding of Japan's air defense after WWII. After military service, he worked for the Boeing Company in Washington, helping to design and test the new B-52 aircraft. After returning to the US from Japan in 1950, John met his first wife, Jolaine

Wilson, and they were married in October that year. Upon leaving Boeing in 1955, they left Seattle and moved to Marin County deciding that there would be no better place than Novato to raise their family. John worked in a number of consulting civil engineering firms in San Rafael and Novato in the 1950's-1970s. In 1980, he co-founded the Stuber-Stroeh Engineering Group, with his friend Dietrich Stroeh. John continued to run this successful business with Diet and later their third partner, Al Cornwell, until his retirement in 2010. For over 50 years, John positively influenced the planning, growth and infrastructure of Novato, and was instrumental in completing and recording surveys of countless land parcels and properties for projects throughout the county. An influential community leader, John was active in many organizations often with his second wife, Pauline. A dedicated member of Novato Rotary Club for over 50 years, he volunteered his expertise in the planning, design and construction of numerous community projects in Novato. One of his proudest accomplishments was the Nova-Ro senior living facility. Among his many awards and achievements, John was named Novato Citizen of the Year in 1973, and he was on the board of directors of the Novato National Bank. John was a true humanitarian. A humble man who always asked how you were doing, he silently gave of his time and talent in helping others in need on countless occasions. He truly embodied the Rotary motto: Service Above Self. John was a devoted husband, father and outdoorsman, who led his family on countless camping, fishing, backpacking and skiing trips. He was an avid reader, nature lover, fisherman, and world traveler. He was preceded in death by his parents, John and Irene; his half-sisters, Lois and Ruby Kay; his first wife, Jolaine, and his second wife, Pauline. He is survived by his four children, John (Angela) Stuber, Janet (Larry) Robideaux, Michael (Laura) Stuber and Karen (Tim) Long. He is also survived by his twelve grandchildren, Stephanie, Kelly, Cheryl, Brian, Jonathan, Hannah, Taylor, Kaitlin, Madison, Meghan, Garrett, Caroline, step-grand-daughter, Terra, five great-grandchildren, Liam, Logan, Roen, Norah, and Ava, and two step-great-grandchildren, Elliott and Cora. He will be greatly missed by his family and his many friends. In lieu of flowers, donations may be made to the American Cancer Society. A Celebration of John's life will be held on Thursday, November 2, 2017 at 11:00 at Our Lady of Loretto Church in Novato.

Published in Marin Independent Journal from Oct. 22 to Oct. 29, 2017

Santa Rosa / Tubbs Fire Response

We continue to provide safe drinking water to the cities and water districts in our service area. Currently our systems are fully operational.

Press Release: Multiple Local Agencies Act to Prevent Post-Fires Floods, Pollution

10/31/17

SANTA ROSA, CA – As the rainy season approaches, multiple state, regional and local agencies are preparing for the potential impacts of the recent wildfires on urban and rural communities. There are 617 streams in the areas affected by fire in Sonoma County. Drinking water is safe and continually monitored, but because the county's natural watersheds filter drinking water, it is critically important that ash, debris and other pollutants are prevented from entering stream systems to the maximum extent possible. In addition, creeks and streams within burned watersheds have elevated risk of flooding, debris flow and landslides due to increased rain runoff and potential for sediment and debris to fill and block channels and culverts.

Several local agencies are working collaboratively and independently, to assess and reduce the risk of flooding and to prevent fire-related debris, pollutants and sediment from burned areas from being carried into storm drains, creeks and rivers. Because of investment in data tools over the last several years, these agencies are rapidly performing hydrologic modeling to evaluate threats to the watersheds and to help establish priorities for recovery actions. Using data from NASA and other sources, agencies are able to track sources of pollution in the watershed that have the highest likelihood of moving into stream systems during this winter's storms.

Partners include the North Coast Water Regional Water Quality Control Board (Regional Water Board), Sonoma County (County), the City of Santa Rosa (City), the Sonoma County Water Agency (Water Agency), the Sonoma County Agricultural Preservation and Open Space District (Open Space District), Sonoma County Regional Parks (Regional Parks), Sonoma County Department of Transportation and Public Works (Public Works), Sonoma and Gold Ridge Resource Conservation Districts, non-profit organizations and private partners.

The mutual goal is to protect human health, critical infrastructure (bridges, roads, culverts, flood protection facilities), wildlife, and the natural environment including streams and waterways. Efforts include:

- In urban areas, the City and the County in coordination with the Regional Water Board are cleaning and checking storm drains, and installing straw wattles and sandbags to prevent debris from entering storm drains. In addition, plans are being developed to capture, store, and treat storm water runoff from the most impacted urban areas. The Water Agency is evaluating impacts to flood management facilities and planning for additional maintenance and possible different operations to respond to increased debris, sediment and flow.
- In rural areas, the County is checking and installing debris-capture devices in culverts and ditches along rural roadways. The Open Space District is assessing district-owned properties within the burned areas for hazardous conditions including downed and damaged trees and areas where erosion may affect streams and watersheds.
- The Water Agency, Regional Water Board, Lawrence Berkeley National Laboratories and US Geological Survey are developing a water quality monitoring strategy to assess water quality conditions in local waterways.
- The Regional Water Board is also working with local erosion control and sediment control companies to determine supplies they have on hand, and how they can assist local agencies in quickly mobilizing. Several companies (The Wattle Guys and Stevenson Supply) have donated supplies and equipment to agencies in this effort to keep potentially toxic ash from entering creeks and streams.

Information on what property owners can do to reduce erosion and help prevent flooding will be shared at <https://www.sonomacountyrecovers.org/shortly>.

CERTIFICATE OF ABANDONMENT OF FICTITIOUS BUSINESS NAME COUNTY OF MARIN

ABANDONMENT NO. 304793.
DATE OF ABANDONMENT: October 1, 2017. File Date: October 3, 2017. The undersigned hereby certifies that the below listed person(s) or other entity heretofore conducting business under the following fictitious business name, certificate of which was filed on the date indicated in the stated county under the listed number, have abandoned the use of said fictitious business name: Original File #s: 01: 2013131702, original date filed 3/18/2013 in County of Marin. Fictitious Business Name: Bay Area Pool and Spa Service. Name of registrants: Daniel Delcon Sandos, 851 Hacienda Way, San Rafael, CA 94903; 02: 2013131702, original date filed 1/15/2013 in County of Marin. Fictitious Business Name: Bay Area Pool and Spa Services. Name of registrants: Daniel Delcon Sandos, 851 Hacienda Way, San Rafael, CA 94903. I hereby certify that the foregoing is a correct copy of the original on file in my office. Richard N. Benson, Marin County Clerk, by C. Sanchez, Deputy. Published in the Point Reyes Light September 28, October 5, 12, 19, 2017.

NOTICE OF PUBLIC SCOPING SESSION
INITIAL STUDY FOR
PARADISE RANCH ESTATES
TANK 4A REPLACEMENT
PROJECT

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 and has caused sodium levels to increase from background levels of 15-30 milligrams per Liter (mg/L). The table below lists the most recent concentrations for sodium in the West Marin water supply:

Date	Chloride	Sodium	Units
10/17/17	--	13	mg/L
10/24/17	--	139	mg/L

*milligrams per liter

Drew McIntyre, General Manager
North Marin Water District

Pt Reyes
Light

Salinity Notices

Sonoma-Marín (California) Saving Water Partnership



Three-time WaterSense Professional Certifying Organization Partner of the Year Sonoma- Marin Saving Water Partnership (SMSWP) EXIT earned its first Sustained Excellence Award. SMSWP is the parent organization for the WaterSense labeled Qualified Water Efficient Landscaper (QWEL) professional certification program, which has helped certify more than 2,000 individuals to date through 16 organizations that offer the QWEL program.

SMSWP supported the expansion of training opportunities for irrigation professionals to students attending community colleges by conducting a train-the-trainer class for horticulture and irrigation instructors within the California Community College System in winter 2016. In the future, the system's Agriculture, Water, and Environmental Technology sector will adopt QWEL as a professional certifying organization to facilitate community college instructors throughout California in offering the program to students.



"This collaborative effort between the private sector, academia, professional associations and public utilities is a textbook case in how to work across various sectors and jurisdictions to achieve the worthy goal of protecting our water and our future."

James Gore, Director, Sonoma County Water Agency

In 2016, SMSWP also worked with other WaterSense partners and community groups to educate residents about improving outdoor water efficiency. Sonoma-Marín participated in The Home Depot Water Wise Plant Sale, and talked to customers about WaterSense labeled irrigation controllers, rebates, and low-water-use plants. SMSWP continued to promote QWEL and WaterSense at the Master Gardeners of Sonoma County Bloomin' Backyards Tour. In combination with WaterSense partner and professional certifying organization G3, Green Gardens Group and the Association of Professional Landscape Designers, the Partnership hosted "The Watershed Approach to Landscaping" event, which reached 100 landscape professionals and home gardeners.

Sonoma concerned that toxic ash from fires could hurt water quality



An aerial view of the devastation of the Coffey Park neighborhood after a wildfire swept through in Santa Rosa. Public works crews have placed 1,500 to 2,000 gravel bags around storm drains in Coffey Park to prevent harmful runoff from rain into creeks and rivers. Marcio Jose Sanchez — the associated press

By Kevin McCallum, The Press Democrat

POSTED: 11/01/17, 7:20 PM PDT | UPDATED: 6 HRS AGO0 COMMENTS

The specter of rain washing potentially toxic ash from thousands of burned homes into sensitive Sonoma County watersheds has injected a new sense of urgency to local fire cleanup efforts, with the immediate focus shifting to erosion control needed to safeguard water quality.

The risk comes at the outset of a historic government-funded debris removal program in the region, where the largest and most destructive wildfires that broke out Oct. 8 were finally brought under full containment Tuesday.

With rain in the forecast for Friday and next week, the health of the local watersheds, including 617 streams in fire-affected areas, has become a top priority, officials said.

"We consider it a very high threat," said Mona Dougherty, a senior water resource control engineer with the North Coast Water Quality Control Board in Santa Rosa. "We are very concerned about the impacts to aquatic life and drinking water."

The Tubbs and Nuns fires wiped out nearly 7,000 Sonoma County structures, including 2,900 homes in Santa Rosa alone.

Ash and debris from incinerated homes can contain numerous hazardous materials, including asbestos, heavy metals, by-products of burned plastics and other chemicals, according to the Sonoma County Department of Health Services.

While direct human contact with this material poses health risks to humans, the material also poses dangers to waterways, which feed local drinking water supplies and provide valuable habitat for a variety of species, including

endangered salmon.

"Drinking water is safe and continually monitored, but because the county's natural watersheds filter drinking water, it is critically important that ash, debris and other pollutants are prevented from entering stream systems to the maximum extent possible," stated a joint press release from Sonoma County, the Sonoma County Water Agency and the city of Santa Rosa.

The Water Agency provides Russian River drinking water to 600,000 North Bay residents from Windsor to northern Marin County.

HARMFUL RUNOFF

Local governments and other agencies have banded together in a task force to ensure measures are in place to prevent harmful runoff into creeks and rivers, said Rita Miller, deputy director of environmental service for Santa Rosa Water. The group's first meeting was Monday.

To date, Santa Rosa city public works crews have placed 1,500 to 2,000 gravel bags around storm drains in Coffey Park, as well as straw bale weirs in the Fountaingrove area, Miller said.

While those gravel bags might not do much to remove or neutralize toxins and heavy metals, additional wattles with organic material designed to do just that will be added as soon as possible, she said.

The hope is that the upcoming rains will be modest, Miller said.

"We're super grateful that this rain looks like is to going to be a light to moderate soaking that hopefully will not produce a lot of runoff," Miller said.

About a quarter of an inch of rain is forecast for Friday evening, with more possible on Sunday, according to AccuWeather. Since Oct. 1, Santa Rosa has received a paltry 0.21 inches, compared to more than 7 inches last year at this time.

SAVING FISH

Doug Allard, owner of The Wattle Guys, said local water quality officials "have been having a hell of a time getting the wheels moving" but now they seem to have begun taking the threat seriously.

Allard said his manufacturing plant in Petaluma is running full-tilt to produce straw wattles. A one-of-a-kind truck will start making special weighted wattles embedded with organic material Wednesday.

The goal is to keep the material in place until the cleanup efforts can get underway in earnest. The immediate risk, Allard indicated, is damage to riparian habitat and sensitive fish species.

"If we kill off the spawning capacity for salmon, I don't need to tell you what issues that is going to cause in the future," Allard said.

The plan is to get Allard's specialized wattles in place at the base of driveways in heavily impacted areas with lots of hardscape, such as Coffey Park, Dougherty said. Street sweepers also are going to be used to remove as much of the ash and other material from the streets, she said.

There is still concern, but somewhat less urgency, about more rural areas, she said. That's because those home sites are more likely to be surrounded by soil, which, as long as the rain is light, would tend to hold back the ash, she said.

DEBRIS IN CREEKS

Heavier rains would be a bigger problem. A "preliminary hazard assessment" map released recently by the United States Geological Survey shows the probability of debris from burned areas washing into local creeks during a significant rain.

The map shows the Tubbs fire that roared into Santa Rosa with a less than 40 percent chance of a "debris flow" following a storm dropping an inch of rain in 15 minutes. But some smaller areas of Mark West Creek and Porter Creek, to the east, showed an 80 percent chance of a debris flow. More details about risks to streams are expected soon from an emergency response team studying the fires, Miller said.

The city public works crews began dropping the burlap sacks full of gravel at the edges of the storm drains in burned-out areas about a week ago, but they held off going onto people's property, said Yarrow Bernhardt, the public works crew chief.

Residents had just been let back into the neighborhood, and crews wanted to respect their privacy and grieving process, Bernhardt said.

He said he was struck by how many people had brought new shovels to sift through the ashes but then upon seeing the devastation set the shovels aside.

“People just needed to see it,” Bernhardt said. “It was almost like a funeral.”

EROSION CONTROL

Crews on Tuesday were going onto the properties circling drains with straw wattles and staking them so cleanup crews don’t rip them up or bury them, he said.

Santa Rosa-based Stevenson Supply has already delivered several truckloads of wattles made from certified weed-free rice straw to projects in the Fountaingrove and Mark West Creek areas, said vice president Kent Stevenson.

They’ve also partnered with Selby’s Soil Erosion Control of Newcastle, a specialist in hydro-seeding and post-fire recovery work, he said. That work will involve spraying a mixture of mulch, binder and native seed onto hillsides to prevent erosion and encourage regrowth, he said.

There are so many sites, however, that the focus at the moment is on places where runoff might enter waterways, he said.

“They are not looking at the individual home sites,” Stevenson said. “They are looking at the creeks.”

Mark Newhouser, restoration program manager for the Sonoma Ecology Center, said he’s working with various groups on erosion control strategies but has been frustrated at the pace of the reaction to the threat.

“I, unfortunately, don’t think that people have embraced the need for triage and making rapid decisions and getting out information that is good enough for people to act on,” Newhouser said.

He said he’s confident that many of the various agencies working on the issue are well intentioned.

“What I’m not confident of is they are going to get to all the cleanups done before the heavy rains set in,” he said.

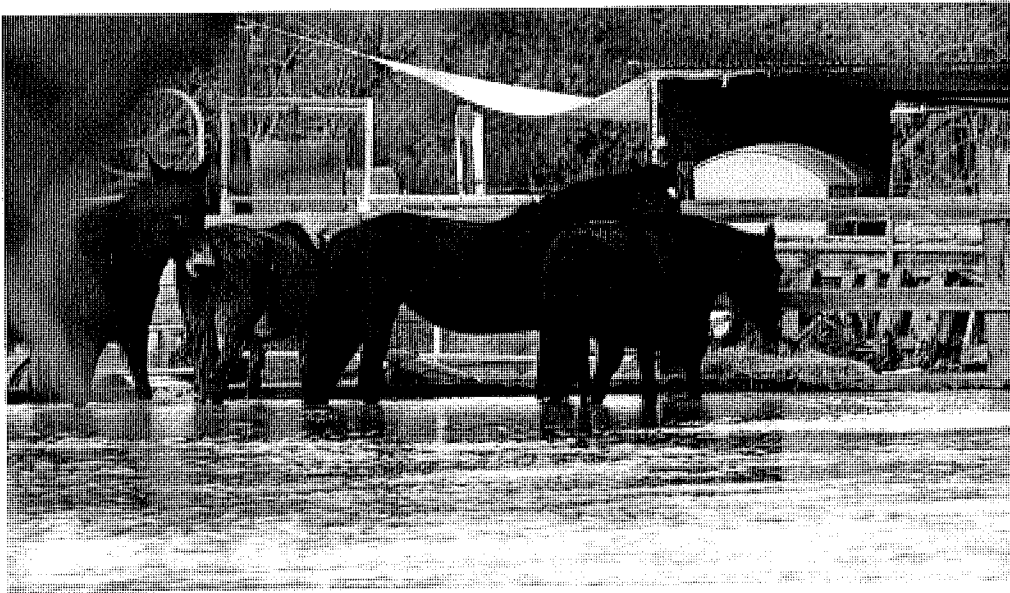
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News > California News

New federal forecast: What the coming La Niña means for California rains

50

Forecasters are scratching their heads for now



Four horses stand in flood waters at the Cooksy Family Stables near Kelley Park in San Jose, Calif., on Tuesday, Feb. 21, 2017. At least 28 horses and other animals were trapped in the flooded Cooky Family Stables after the Coyote Creek overran its banks, swollen by a weekend of heavy rainfall. (Josie Lepe/Bay Area News Group Archives)

By **PATRICK MAY** | pmay@bayareanewsgroup.com | Bay Area News Group
PUBLISHED: October 19, 2017 at 8:00 am | UPDATED: October 20, 2017 at 8:08 am

After enduring the driest stretch of years in our history, and then logging the wettest spell on record this past winter, befuddled Californians have one question on their minds these days:

What's next?

In two words: La Niña.

But whether the water temperature pattern hatching right now in the Pacific Ocean will leave the Golden State high and dry this winter as it's often done in the past is anyone's guess. Particularly since it's quite similar to the pattern we saw last year, and we know how that turned out.

"There's no way to know what this winter will be like," said meteorologist Jan Null with the Golden Gate Weather Services in Saratoga. "I can't tell you and I don't think anyone else can. The answer, I'm afraid, is: Wait and see."

What do you think about this? Join the conversation on our Facebook page.

Even the federal government's sharpest weather minds say the mild La Niña they're anticipating could bring us less rain than normal, more rain than normal or just a normal amount of rain.

"We're kind of shaking our heads a little bit, too," said Mike Halpert, deputy director, National Oceanic and Atmospheric Administration's Climate Prediction Center, during a press conference Thursday announcing its winter outlook report. "There's no way to say if you'll be on the wet side or on the dry side in California. Plan for it all."

ADVERTISING



Here's the problem, says Null: Storms are fickle. An El Niño is spawned when the eastern tropical Pacific is warmer than normal and it typically means more rain for California and less rain for the Pacific Northwest. The cooler La Niña is the opposite, often drying out California but leaving it wetter up north. This year's mild La Niña is now expected to result in equatorial ocean temperatures -0.5 degrees C below normal this winter.

The problem is, no two weather phenomena are identical. And historically, California has seen very dry El Niño years and very wet La Niña years.

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In other words, no matter how much time you spend trying to figure out what's coming our way this winter, there's a very good chance you'll be proved wrong.

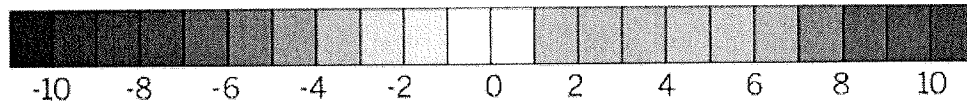
"A third of the US economy is weather-sensitive," says Null. So if someone could really know what the weather was going to be like 90 days out, think how much money they could make in commodity futures. That would make you the richest guy on the planet."

The past few years offer a textbook example of how El Niños and La Niñas often turn out to be the opposite of what's "typical."

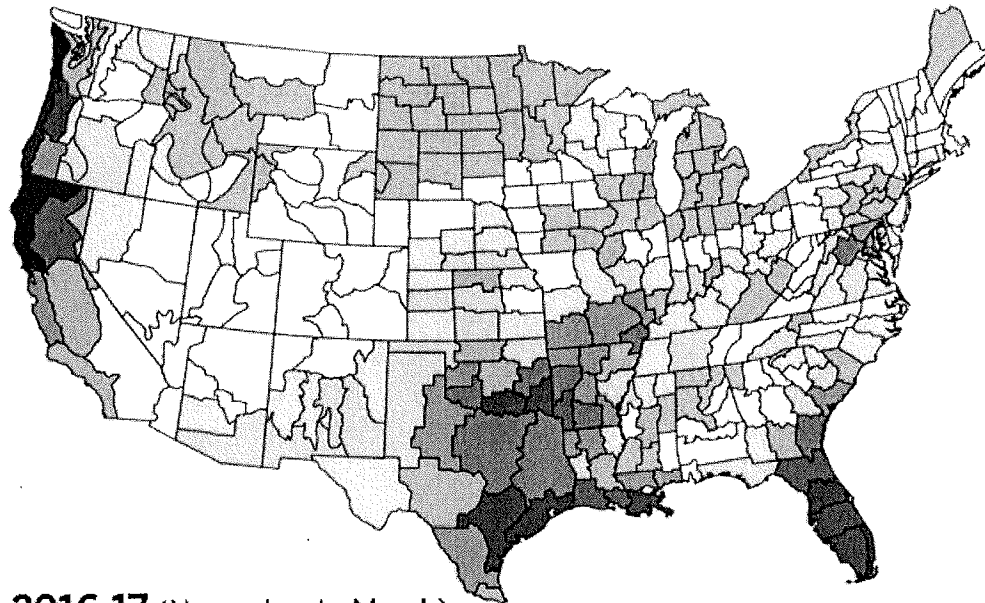
A TALE OF TWO NIÑAS

A mild La Niña is expected for this winter, but it will be hard to predict what effect it will have on precipitation. A comparison of the last two weak La Niñas in 2008 and last year shows opposite outcomes: a dry winter in 2008 and a very wet winter in 2016.

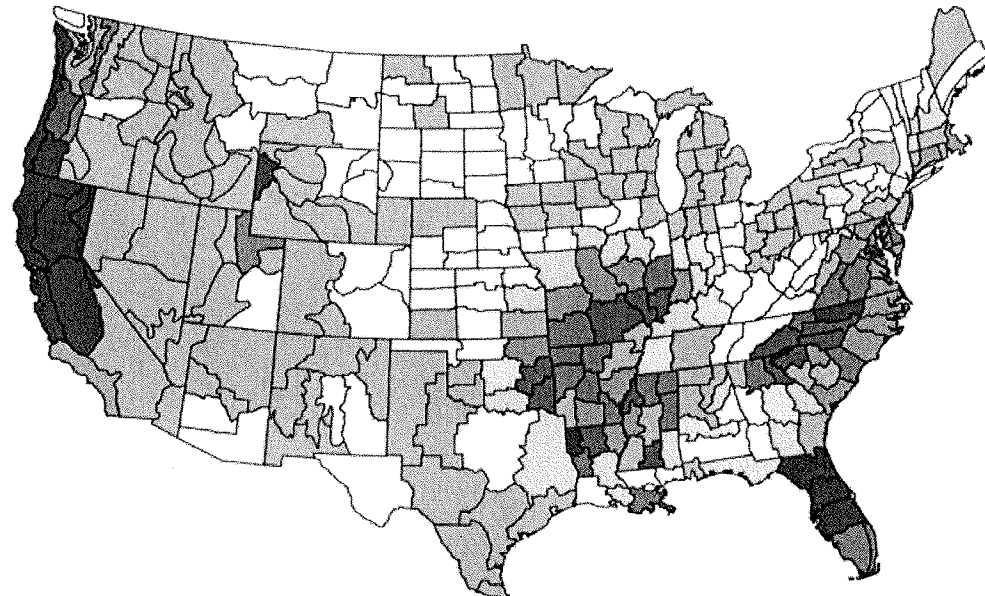
Precipitation anomaly compared to 1981-2010 average (in inches)



2008-09 (November to March)



2016-17 (November to March)

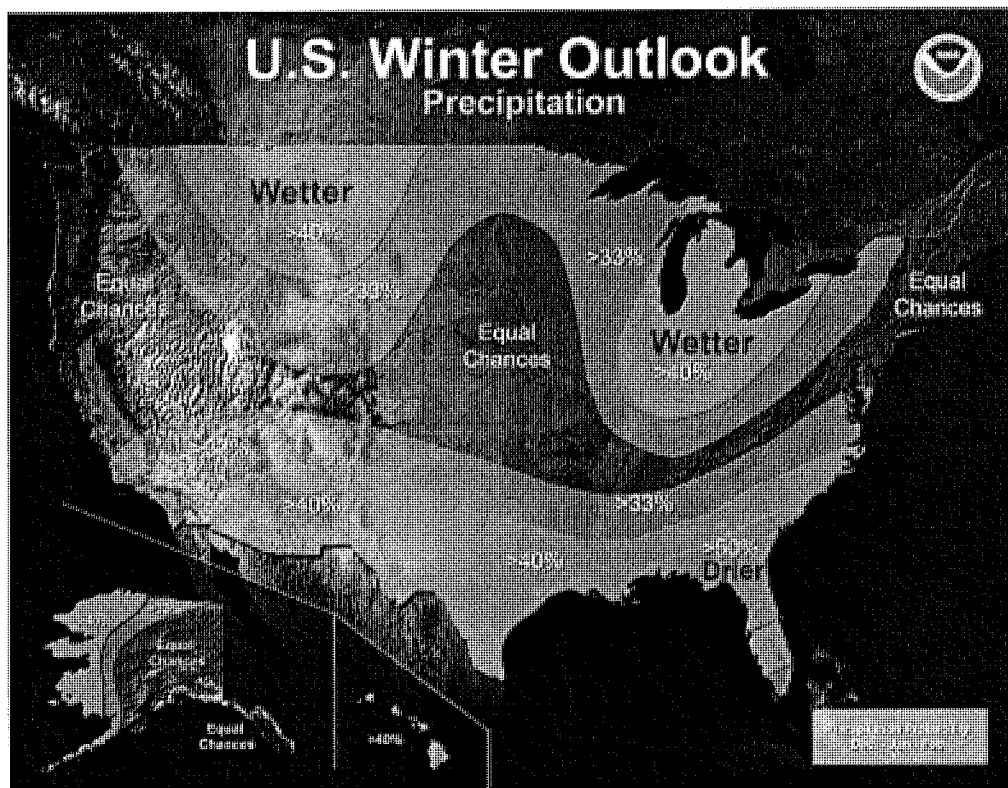


Source: NOAA, NCEI

PAI/BAY AREA NEWS GROUP

Take the past few years: Null points out that last winter was a La Niña year, albeit a mild one. So did we get a nice dry winter six months ago? No, we got pounded by record-breaking rainfall day after day, week after week, until our reservoirs were literally spilling over the rim. And what about the winter of 2015-16, when we had a very strong El Niño? Tons of rain? Hardly. That was back in our drought days.

Why are we so weak in the weather-prediction department? Null says it's partly due to the fact that the part of the Pacific where meteorologists monitor water-surface temperatures are just that: only a part. And there are many other parts of the ocean where weather-producing stuff is going on, like differing temperature patterns and barometric pressure. And those factors, which are constantly in flux, can conspire to dramatically change the way the actual "weather" looks when it finally comes ashore. Yes, the part of the Pacific where El and La are conceived does shift where the jet stream flows, helping to determine the paths that winter storms eventually take. But there are a ton of other factors in play.



The 2015 prediction of an El Niño bringing rains to California raised hopes of ending our drought. In the spring of that year, the NOAA said there was an 80-percent probability that El Niño conditions would last until the end of 2015. And as it turned out, the northernmost part of California did get more rain than typical. But the Bay Area saw normal flows while Southern California got less than normal. Looking back, sixteen winters between 1951 and 2015 experienced an El Niño. But six of those years saw below-average rainfall, while five had average rainfall and five had above-average rainfall.

So much for typical.

The winter of 2016–17 turned out to be the wettest on record in Northern California, breaking the previous record set in 1982–83.

Like many climate experts, frustrated by the failure of a predicted El Niño to bust California out of its drought, NOAA's Halpert on Thursday was befuddled. During the press conference, he said that while a mild La Niña was on its way, it's impossible at this point to know how that will translate on the ground. It will probably mean the winter in Southern California will be drier than normal, he said. When asked whether Northern California could see a repeat of the intense showers it saw last winter, Halbert was cautiously optimistic.

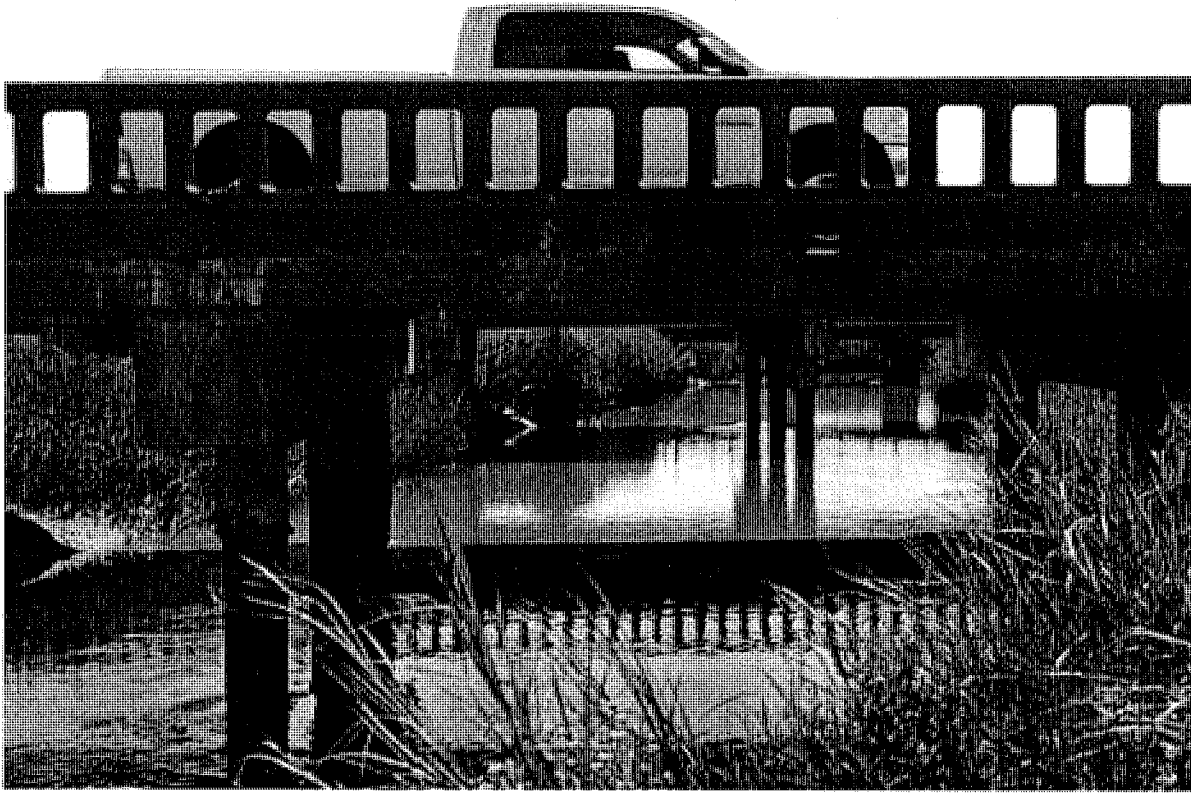
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"I wouldn't expect a second year of such extreme precipitation," he said. Then again, referring to the the less-normal-more conundrum, Halpert was clear about one thing: "We'll see an equal chance for any of those three outcomes for the northern part of California.

"Will we see what we saw last year?" he said. "There's a very rare chance . . . but not a zero chance."

Marin IJ Editorial: Novato's Measure E tax sets flood control as a priority



A vehicle crosses Novato Creek in the flood control district. (Robert Tong/Marin Independent Journal)

POSTED: 10/19/17, 11:32 AM PDT | UPDATED: 12 HRS AGO 13 COMMENTS

Among the ballot measures on the Nov. 7 ballot, Novato's proposed flood tax has drawn the most criticism.

More than 34,000 Novato voters, including more than 4,000 residents in unincorporated areas, are being asked to raise the flood control district's tax by \$47 per year for residential parcels for 18 years. The proposed tax is higher for multi-family residential developments.

Even its supporters admit the measure, placed on the ballot by the Marin Board of Supervisors, is not a slam dunk to receive the two-thirds majority vote needed for passage. A voter poll taken in 2016 showed 60 percent approval.

Among the measure's critics, Measure E is being promoted as a political stand, a way to send a message to county supervisors that voters are fed up with add-on taxes for a string of public services and projects they feel should be paid for out of the county's \$555 million annual budget, instead of levying special taxes.

They say the lengthening list of special taxes on the property tax bill is pricing people out of Marin.

There likely are a lot of voters who agree with them.

Defeat of Measure E, however, will not necessarily move these projects to be higher county spending priorities. In fact, they could delay them.

Measure E amounts to a \$4-per-month tax increase. The current \$9 annual tax hasn't been raised since it was approved by voters in 1984. Unfortunately, the cost for the projects and upkeep needed — levee repair and maintenance, emergency pump stations and clearing creeks — has grown considerably over 33 years.

In fact, last winter's flooding took a toll on flood-control protection, damaging pump stations and levees.

Measure E would also help fund the county's plan to widen the lower reach of Novato Creek as a flood-prevention measure, to help reduce the build-up of sediment in the creek and to better accommodate tidal flows.

Measure E also includes a provision for residents 65 and older, with annual incomes less than \$73,750, to apply for exemptions to the tax.

Approving Measure E sends a clear message that Novato residents want better flood protection — now, not later. The IJ endorses Novato's Measure E to improve local flood protection.

MUIR BEACH

Information sessions set on water rate hike

The Community Services District has scheduled a series of workshops to provide information on the proposed water rate increase.

The district wants to double the base bimonthly rate from \$49.92 per household to \$99.84. The district says revenues are no longer covering day-to-day operations and deferred maintenance needs to be addressed. The last rate increase was about seven years ago.

The workshops are scheduled for 10 to 11:30 a.m. Oct. 21; 7 to 8:30 p.m. Oct. 24; and 10 to 11:30 a.m. Oct. 28. They will be held in the community center office.

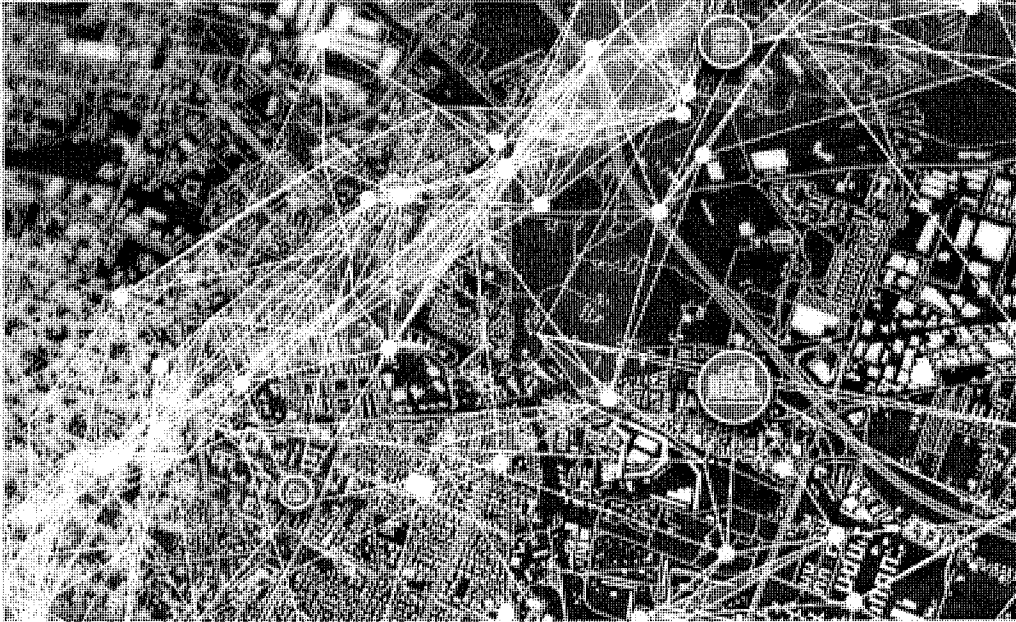
The proposed rate hike will go before the district board at a public hearing at 7:15 p.m. Nov. 15.

Marin IJ

10/19/17

Researchers propose an open 'internet of water' tracking use, quality and costs

Posted Oct 13, 2017 by Devin Goldewey



Where did the water coming out of your tap come from? How is it filtered and purified? How much does it cost the city and state per gallon to deliver? How can they improve that? These and other questions come naturally as fresh water becomes more and more valuable a resource — and we need a shared, open 'internet of water' to answer them, say researchers from Duke University and the Aspen Institute.

With natural disasters like droughts and flooding, and with man-made problems like overcrowded cities and factory runoff, the water system is frequently overtaxed and understudied. Local authorities and utilities produce reams of data on use, but there is little in the way of national databases, let alone standardized, open datasets.

Related Articles

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Kara Goldin of Hint talks about the future of water

PowerRay is an underwater drone for filmmakers or fishermen

"Our water world is data rich, but information poor," explained Martin Doyle, of Duke's Nicholas Institute. "If water data were shared openly and then integrated in a common digital platform, there would be game-changing opportunities ranging from private citizens' ability to

gauge the quality of local water to public officials' ability to warn populations of water-borne public health hazards."

It's not that some utility guy in Minneapolis wants to know the dollars per gallon being paid by someone in Phoenix. It's really more of a missed Big Data opportunity. The wider your perspective and the more data you have, the better you can make decisions as to how to optimize parts of the system, both at the macro and micro level.

But collecting and analyzing that data isn't free, let alone building a resource sharing system at a national level. So what researchers need to do, the researchers concluded, is explicate in very clear terms the benefits of doing so. After all, what cash-strapped state agency would shell out millions for some newfangled data effort when that money could be put into its existing, working services?

The researchers assert that water and water data are extremely under undervalued. They hope that by examining existing data collection efforts, like those done in California during the latest major drought, they can show tangible benefits to this kind of open, accessible data.

That said, it's not like fresh water is getting any easier to come by; scarcity and seasonal fluctuations are problems that will only get worse as natural resources are depleted and populations grow.

"With finite water resources and growing demand for them, we need open and accessible data to help us navigate tradeoffs," said Greg Gearheart, of California's State Water Board.

This hypothetical "internet of water," as the Duke team likes to call it, would be a clearinghouse for water data of all kinds, from all municipalities. Everyone from curious citizens to government data scientists and app developers would be able to access it.

Marin resident to head Golden Gate National Recreation Area



Laura Joss is the new Golden Gate National Recreation Area superintendent. (GGNRA photo)

By Mark Prado, Marin Independent Journal

POSTED: 10/27/17, 4:04 PM PDT | UPDATED: 3 DAYS AGO 0 COMMENTS

A Marin resident has been tapped to be the next superintendent of the Golden Gate National Recreation Area.

Laura Joss, regional director for the National Park Service's Pacific West Region, will assume the post in November.

Joss has worked for the park service for 27 years. She has served as park service deputy regional director and chief of staff, as well as associate regional director for resource stewardship and research for the Intermountain Region.

"It's been a dream job for years," Joss, 56, said of her appointment as superintendent of the Golden Gate National Recreation Area. "I'm so happy and amazed that this opportunity came about."

Joss said she plans to get to know the staff, volunteers and park partners in the coming days. While she plans to get familiar with the park before introducing initiatives, Joss hopes to improve access for all groups and address deferred maintenance.

Joss replaces Christine Lehnertz, who was named to the post in March 2015, but left in 2016 for the Grand Canyon National Park after a sexual harassment scandal that led to the retirement of that park's former chief.

The new superintendent arrives as the fiercely debated dog management plan has come to an end as the park service abandoned plans to enforce tighter rules earlier this month. But other issues remain, including managing traffic in and around Muir Woods National Monument. Joss' new job pays roughly \$170,000 a year.

The amount of GGNRA land in Marin is significant: of its approximately 80,000 acres, roughly 55 percent is in the county and represented by Muir Woods and areas such as the Bolinas Ridge, Fort Baker, Fort Cronkhite, Gerbode Valley, Kirby Cove, Marin Headlands, Muir Beach, Muir Beach Overlook, Nike Missile site, Olema Valley, Point

Bonita Lighthouse, Stinson Beach and Tennessee Valley. The GGNRA — which has more than 15 million visitors annually — also stretches into San Francisco and San Mateo counties.

Joss earlier served as superintendent at Arches National Park, deputy superintendent of the park service's Southeast Utah Group, superintendent of Fort McHenry National Monument and Historic Shrine and Hampton National Historic Site in Maryland, and chief of the cultural resources branch at Yellowstone National Park.

“Laura’s collaborative leadership skills and passion for urban parks makes her well suited for this position,” said acting National Park Service Director Michael Reynolds in a statement. “Her commitment to transparency, working with communities, partnerships and youth, coupled with her park management experience, will serve the park well.”

Joss is married to Skip Meehan, who is also an employee of the National Park Service. Joss, who lives in Northern Marin, enjoys running, biking, pottery and exploring national park sites and museums with her family.

Point Reyes winemaker wins permits in appeal

By Anna Guth
10/26/2017

The Marin County Planning Commission on Monday showed fierce support for a one-man winemaking business getting off the ground in Point Reyes Station.

In a 4 to 1 vote, commissioners overturned a county decision in July to deny permits to Inverness resident Avi Deixler to operate Absentee Winery out of a barn on the Gallagher Ranch.

"It seems to me this is exactly the type of thing that we want to support," commissioner Margot Biehle said. "Small winemaker, small input, small output, very light use of the property and an agricultural use that we have required for western Marin," she said in reference to the county's prioritization of protecting agriculture in the coastal zone.

Yet county staff will include a number of minor conditions in Mr. Deixler's use and coastal permits—a nod to both the dissenting commissioner, Don Dickenson, and county staff, who worried the operation could set a precedent for businesses wishing to truck in water.

The permits allow for Absentee Winery to operate out of a 1,780-square-foot defunct milking barn, yielding no more than 3,000 cases of wine a year. Mr. Deixler, who traveled from France to Australia to Oregon to learn the trade, plans to source his grapes from growers in Mendocino County who are "beyond organic." He said his product will eschew the additives and preservatives that are commonplace in the industry.

"True wine, with grapes as the only ingredient, does not give you a headache if you have a second glass. It's a journey of flavor that you just fall into," said Mr. Deixler, who named his winery "Absentee" to reflect his stripped-down approach.

This summer, his proposal was denied by the Deputy Zoning Administrator—the first threshold in the county's permitting process—on two counts. First, the administrator said plans to have potable water delivered to a 1,500-gallon holding tank on the property, rather than sourcing water from the site itself, "would not meet the minimum health and safety requirements."

Second, Mr. Deixler's sewage plan proposed using an existing, but unpermitted, bathroom on the ranch and storing wastewater produced by the winemaking process in a 2,500-gallon holding tank to haul offsite to a permitted facility.

It was the first count—the need to truck water to the site—that proved stickiest this week. Back in July, Environmental Health Services suggested three alternative water plans for the project: drilling a new well, permitting an existing well on the ranch or seeking a new service from the North Marin Water District.

Mr. Deixler explained at the time that these options were both too expensive and not justified for a business of his scale. The civil engineer he hired to help with his application estimated that the alternatives could cost between \$50,000 and \$60,000 up front, compared to the \$1,000 to \$2,000 it would cost him annually to truck in water.

Mr. Deixler said his startup costs already totaled \$50,000, including around \$24,000 on application materials for the county's permits.

Underscoring the small scale of his business, Mr. Deixler estimates he would use a 1:1 water-to-wine ratio, which is a far cry from the 5:1 ratio the county used to determine that he needed a 1,500-gallon tank, he said.

Both county staff and Environmental Health Services recommended rejecting his appeal at Monday's hearing.

But Commissioner Biehle challenged staff to "point to any mandate requiring where the [water] source needs to come from" for the project site, or to "any exclusion for bringing in potable water from external sources."

Though they looked, county staff could not find a suitable answer during the hearing.

Commissioner John Eller, who chairs the Planning Commission, seconded Commissioner Biehle's views, saying it was unclear "what public purpose, environmental or otherwise, is being served by requiring the water to be at the

source.”

Commissioner Biehle said the “argument that it has never been done before, and therefore it shall never be, is one that encourages stagnation. In this 21st century, where we are trying to encourage a spirit of entrepreneurship and we want people to think in new ways about environmental stewardship and agriculture, we need to be somewhat nimble in our thinking about codes and how they apply to new uses and new permits.”

Three other members of the committee echoed her support, agreeing that the fact that trucking water was uncommon in Marin did not make it problematic (Chris Desser, the commissioner for District Four, was absent Monday).

Yet Commissioner Dickenson, who represents the county at large, disagreed. “I actually think this would be a very unfortunate precedent. My involvement in the county goes back almost 40 years now, and I don’t know of any case where the county has approved a use like this,” he said.

Commissioner Dickenson suggested bringing in other experts within the county for another perspective before the commission acted.

He also highlighted that Mr. Deixler’s business is one of agricultural processing, not agricultural production, since he is not growing the grapes himself. Agricultural production, unlike agricultural processing, is a principally permitted land use in the county and doesn’t require a use permit.

County staff were aligned with these arguments, and questioned the precedent that an approval might set. “If we go ahead on something like this, what about someone in Bolinas, or elsewhere in the county, who thinks, ‘Gosh, this is onerous. I’m going to truck in my own water?’” the county’s principal planner, Curtis Havel, asked.

Ms. Biehle responded that she thought the commission could come back and argue that this was a specific decision for a specific business use; the three other commissioners agreed.

Commissioner Eller asked the representative from Environmental Health Services if the department would challenge a decision to approve the permits. The representative replied, “Likely so.” After the hearing, the assistant director for the Community Development Agency, Tom Lai, clarified that no county agency would appeal the decision.

In the end, the approval of the permits was made contingent upon a number of conditions, at Commissioner Dickenson’s request. Among other things, the schedules for water delivery and testing of the water in the holding tank must be finalized and the septic system for the Gallagher’s residence permitted. In addition, Mr. Deixler must confirm that there will be no wine tasting, onsite sales or other employees besides himself, as he proposed.

Finally, commissioners requested that Environmental Health Services be consulted to confirm that the water in the holding tank would remain potable after delivery, with the hope that any disputes would be resolved.

Marin IJ Editorial: Pension change reflects prudent fiscal outlook

POSTED: 10/26/17, 1:44 PM PDT | UPDATED: 12 HRS AGO 4 COMMENTS

The board that oversees the county's pension fund has decided the fund shouldn't be run on unrealistic expectations.

The board of the Marin County Employees Retirement Association, which manages the public pension fund for county workers and those in many public agencies across Marin, voted to reduce its protected return on investments to 7 percent.

One board member urged her colleagues to reduce the estimate even further.

It is insightful that the two of members of the seven-member board that supported reducing the fund's rate to 6.75 percent were two of the citizen members appointed by the Board of Supervisors. A majority of the board is composed of employees and county managers.

Investment returns are a vital source of funding for pension funds, but as we have learned since the recession of 2008-09, relying on lofty expectations can be dangerous — for workers, public agencies and taxpayers.

The current pension crisis has cost workers jobs, it has reduced and eliminated public services and programs and taxpayers have been asked to pay more in taxes and fees.

The MCERA board's decision is a step toward strengthening the long-term financial foundation of the pension fund. It also means that the annual contributions from member agencies and their workers will be increased to cover the gap created by the quarter-percentage-point shift.

That increased cost is why many have been reluctant to lower that part of the equation.

We pay our taxes for public services, projects and programs, but more and more of our tax dollars are needed to cover promises to current and future pensioners.

Is it any wonder that in the private industry, most employers saw the oncoming financial uncertainties of defined-benefits pensions and shifted employees to 401(k)s?

But government is still holding them dear, a sign of the political clout of workers' unions, an expectation that investment returns will bounce back to the heady double-digit days and fear that by reducing benefits they will not be able to recruit or retain good employees.

CalPERS, the state's largest public pension fund, has rolled its rate back to 7.25 percent for next fiscal year and to 7 percent for 2019-20, much like MCERA has done, making its second reduction since 2014 when its rate was 7.5 percent.

The move by MCERA will increase the annual pension bills of the county and other member agencies such as the city of San Rafael and the Novato Fire District. It will also, however, stem the agencies' growing long-term pension debt.

The MCERA board's vote was a fiscally prudent — albeit likely painful — correct step to take for the long-term health of the local public pension program.

Marin County pension contributions to rise



Bernadette Bolger. (IJ photo/Alan Dep) 2012

By Richard Halstead, Marin Independent Journal

POSTED: 10/17/17, 5:51 PM PDT | UPDATED: 2 HRS AGO 3 COMMENTS

The board that oversees the pension investments of a large chunk of Marin County's public employees decided Tuesday to cut a key investment return assumption, resulting in member agencies and employees paying more to finance the program.

The nine-member board of the Marin County Employees Retirement Association, known as MCERA, voted 7-2 to reduce the fund's assumed annual rate of return from 7.25 percent to 7 percent. The rate was last cut in 2014 from 7.5 percent to 7.25 percent.

MCERA is a multiple-employer governmental pension group whose members include the county of Marin, the city of San Rafael, the Novato Fire District and a number of smaller governmental entities.

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The two dissenting MCERA board members advocated shrinking the rate even more.

"I think it is time for this board to be bold; money doesn't grow on trees," said board member Bernadette Bolger of Novato, who made a motion to lower the rate to 6.75 percent.

"It is time for us to put more into the plan, reduce the unfunded liability and give more certainty to the generation that is coming up," said Bolger, a retired senior vice president of Mellon Capital Management and former chief trust counsel of Bank of California. Bolger was appointed to the board by the Board of Supervisors in 2008.

At the end of the previous fiscal year, the association had an unfunded liability of \$477.1 million; the county of Marin's share amounted to \$297.1 million. Those numbers, however, haven't yet been adjusted to reflect the public pension fund's 11.8 percent net return on investments for the fiscal year that ended June 30.

The only member of the board to support Bolger's motion was Kim Stevens of San Anselmo, a retired investment analyst and portfolio manager of Snyder Capital Management. Stevens was appointed to the retirement board by the Board of Supervisors in 2012.

Marin County Finance Director Roy Given, an ex-officio member of MCERA's board, said the reduction to 6.75 percent included an assumption that inflation will remain low, a concept with which he wasn't comfortable.

"One of the things the government is trying to do is bring up inflation," Given said. "I'm concerned that we take too much of a bold move up front."

Board member Phillip Thomas was absent so alternate board member Alan Piombo, a San Rafael police lieutenant, voted in his place.

"I just don't see the urgency for a move that big," Piombo said, referring to Bolger's motion for a 0.50 percentage-point cut in the assumed rate of return.

Piombo said such a move would not "bode well for people's willingness to commute to Marin and work for wages that are not keeping up with areas where it is much less expensive to live.

"I'm doing the hiring and it is difficult right now," Piombo said. "This will make it worse."

Bolger replied, "I don't believe that is in our purvey as trustees."

Piombo shot back, "Over-conservatism isn't either."

Cheiron actuary Graham Schmidt set the stage for the vote with a review of 2017 investment assumptions. MCERA's previous 7.25 percent, nominal assumed rate of return was based on a projected annual inflation rate of 2.75 percent and a real rate of return of 4.5 percent. The real rate of return is arrived at by subtracting the inflation rate from the nominal rate.

Schmidt told the board that the 4.5 percent real rate of return was slightly high and recommended reducing it to 4.25 percent, which would result in a nominal rate of 7 percent if the inflation rate was left unchanged. But Schmidt said the board could consider reducing the inflation rate to 2.5 percent in addition, which would result in a nominal rate of 6.75 percent.

Schmidt said the nation's annual inflation rate has averaged 4.1 percent since 1967, 2.6 percent since 1987 and 1.6 percent since 2007. He said the trend for public plans has been to gradually reduce inflation expectations but added that many plans are still at 3 percent or higher.

Jeff Wickman, the association's retirement administrator, said he won't know how much more member agencies and employees will be required to contribute due to the reduction in the rate of return assumption until new calculations are done integrating the healthy investment return for the fiscal year that ended June 30. The increases will be phased in over several years.

Wickman did, however, supply estimates of what the increases would have amounted to without that additional revenue.

By year three of the change, the new rate assumption would have increased the county of Marin's contribution by about 2.55 percent. The city of San Rafael would have seen its contribution grow by 4 percent; and the Novato Fire District would have had to boost its contributions by 5.35 percent.

MCERA's members also include Marin Superior Court, Marin City Community Services District, Southern Marin Fire Protection District, Marin Local Agency Formation Commission, Marin/Sonoma Mosquito and Vector Control District and the Tamalpais Community Services District. Wickman said all these entities were lumped together with the county of Marin when estimates for increased contributions were made.

The new rate of return came as no surprise to Marin County managers.

In January, Marin County Budget Manager Bret Uppendahl said he expected MCERA to follow the lead of the California Public Employees Retirement System, CalPERS, and reduce its assumed rate of return to 7 percent starting in 2018-19. Uppendahl estimated the change would cost the county's general fund an additional \$2 million annually.

On Tuesday, County Administrator Matthew Hymel said that remains the county's best estimate of what the change will cost.

In an email, San Rafael Finance Director Mark Moses wrote, "The MCERA Board decision was not a surprise. We have been anticipating an adjustment to the discount rate since the issue was brought up last year, and have incorporated it into our budget assumptions for fiscal year 2018-19 and thereafter."

Paul Premo of Mill Valley, a member of Citizens for Sustainable Pension Plans, attended Tuesday's meeting.

"The board took an important first step to recognize that the association's return on assets assumption has been higher than many of its peers," Premo said.

"The proposal to lower to 6.75 percent was defeated but the discussion was a good one," he said. "I believe that in the future movement to 6.75 percent is both likely and desirable."

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