

REVISED



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
February 1, 2022 – 6:00 p.m.
Location: Virtual Meeting
Novato, California

NOTE: REVISED INFORMATION FOR ITEM #11 IS PROVIDED AT THE END OF THE AGENDA PACKET

Information about and copies of supporting materials on agenda items are available for public review at 999 Rush Creek Place, Novato, at the Reception Desk, or by calling the District Secretary at (415) 897-4133. A fee may be charged for copies. District facilities and meetings comply with the Americans with Disabilities Act. If special accommodations are needed, please contact the District Secretary as soon as possible, but at least two days prior to the meeting.

ATTENTION: This will be a virtual meeting of the Board of Directors pursuant to Assembly Bill 361 issued by the Governor of the State of California.

There will not be a public location for participating in this meeting, but any interested member of the public can participate telephonically by utilizing the dial-in information printed on this agenda.

Video Zoom Method

CLICK ON LINK BELOW:

Go to: <https://us02web.zoom.us/j/82191971947> OR

Password: 466521

SIGN IN TO ZOOM:

Meeting ID: 821 9197 1947

Password: 466521

Call in Method:

Dial: +1 669 900 9128
+1 253 215 8782
+1 346 248 7799
+1 301 715 8592
+1 312 626 6799
+1 646 558 8656

Meeting ID: 821 9197 1947#

Participant ID: #

Password: 466521#

For clarity of discussion, the Public is requested to MUTE except:

1. During Open Time for public expression item.
2. Public comment period on agenda items.

Please note: In the event of technical difficulties during the meeting, the District Secretary will adjourn the meeting and the remainder of the agenda will be rescheduled for a future special meeting which shall be open to the public and noticed pursuant to the Brown Act.

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

Est. Time	Item	Subject
6:00 p.m.		CALL TO ORDER
	1.	APPROVE MINUTES FROM REGULAR MEETING , January 18, 2022
	2.	GENERAL MANAGER'S REPORT
	3.	OPEN TIME: (Please observe a three-minute time limit) This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
	4.	STAFF/DIRECTORS REPORTS
	5.	QUARTERLY FINANCIAL STATEMENT
		CONSENT CALENDAR The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.
	6.	Consent –Approve: Authorize Signatories on District Accounts
	7.	Consent –Approve: West Marin 2021 Dry Year Water Conditions Report
	8.	Consent –Approve: Proposed FY22/23 Budget Review Schedule
	9.	Consent –Approve: Proposed FY 22/23 Rate Hearing Schedule
		ACTION CALENDAR
	10.	Approve: Gallagher Well No. 2 Well Installation –Award Construction Contract to Maggiora Bros. Drilling, Inc.
	11.	Approve: Resolution 22-XX moving from Stage 2 to Stage 1 of the West Marin Water Shortage Contingency Plan, discontinuing the drought surcharge, and amending Emergency Water Conservation Ordinance No. 39 for the West Marin Service Area NOTE: REVISED INFORMATION IS PROVIDED AT THE END OF THE AGENDA PACKET Resolution.
	12.	Approve: Extension of Supplemental Paid Sick Leave for COVID-19 Related Reasons
		INFORMATION ITEMS
	13.	NMWD Administration and Laboratory Upgrade Project Update
	14.	NBWRA Meeting – November 29, 2021
	15.	MISCELLANEOUS Disbursements – Dated January 20, 2022 Disbursements – Dated January 27, 2022 Information - FY21 2 ND Quarter Labor Cost Report NOAA Three-Month Outlook Temperature and Precipitation Probability- January 20, 2022 <u>News Articles:</u> Marin IJ – Editorial – District must carefully ease water rules Marin IJ – Marin water officials lift drought limits, penalties Marin IJ – Novato reviews new election district maps – FOUR PROPOSALS

Est. Time	Item	Subject
7:00 p.m.	16.	<i>ADJOURNMENT</i>

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

1

DRAFT
NORTH MARIN WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
January 18, 2022

CALL TO ORDER

President Petterle announced that due to the Coronavirus outbreak and pursuant to the Brown Act as modified by Assembly Bill 361, this was a virtual meeting. President Petterle called the regular meeting of the Board of Directors of North Marin Water District to order at 6:00 p.m. and the agenda was accepted as presented. President Petterle added that there was not a public location for participating in this meeting, but any interested members of the public could participate remotely by utilizing the video or phone conference dial-in method using information printed on the agenda. President Petterle announced in the event of technical difficulties during the meeting, the District Secretary will adjourn the meeting and the remainder of the agenda will be rescheduled for a future special meeting which shall be open to the public and noticed pursuant to the Brown Act.

President Petterle welcomed the public to participate in the remote meeting and asked that they mute themselves, except during open time and while making comments on the agenda items. President Petterle noted that due to the virtual nature of the meeting he will request a roll call of the Directors. A roll call was done, those in remote attendance established a quorum. Participating remotely were Directors Jack Baker, Rick Fraites, Jim Grossi, Michael Joly and Stephen Petterle.

President Petterle announced all public attendees will be invited to speak and will need to use the raised hand icon in Zoom or dial *9 to be called upon.

Mr. McIntyre performed a roll call of staff, participating remotely were Drew McIntyre (General Manager), Tony Williams (Assistant GM/Chief Engineer), Terrie Kehoe (District Secretary), Julie Blue (Auditor-Controller), Tony Arendell (Construction/Maintenance Superintendent), Robert Clark (Operations/Maintenance Superintendent) and Ryan Grisso (Water Conservation Coordinator). Also participating remotely were; Morgan Biggerstaff (Legal Counsel), Chris Chaffee (Redistricting Partners) and Kristen Mah Rogers (Olson Remcho, LLP), and IT consultant Clay Smedshammer (Core Utilities).

President Petterle announced for those joining the virtual meeting from the public to identify themselves. Also participating remotely were Ken Levin (Point Reyes Village Association), Jim Homet (EEC Environmental), Novato residents David Halleck and Zachary Griggy.

36 **MINUTES**

37 On motion of Director Joly seconded by Director Baker, the Board approved the minutes
38 from the December 21, 2021 Regular Board Meeting with minor revisions by the following vote:

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

40 NOES: None

41 ABSTAIN: None

42 ABSENT: None

43 **REDISTRICTING PROCESS PUBLIC HEARING NO. 1: Review and Receive Public Input on**
44 **Current Electoral Division Maps**

45 Mr. McIntyre provided an overview of the 2019 redistricting process. Mr. McIntyre stated
46 on December 7, 2021 the Board received a report from staff and legal counsel regarding the 2020
47 Census, which did not reveal significant population shifts that require adjustments in division lines
48 and, at that time the Board directed staff and legal counsel to prepare materials and invite the
49 public to provide input on the possibility of re-adopting the current electoral divisions map. Mr.
50 McIntyre added it was staff's recommendation that the Board receive an updated presentation by
51 Redistricting Partners and legal counsel, and subsequently solicit public input as part of the first
52 public hearing.

53 Mr. Biggerstaff reiterated per California Election Code the Board must review the
54 boundaries every ten years and be sure the divisions are equally populated and compliant with
55 the federal voting rights acts and state law.

56 Chris Chaffee from Redistricting Partners gave a brief presentation and reviewed the
57 information that was presented at the December 7, 2021 meeting.

58 President Petterle opened the public hearing at 6:16 p.m. for public comment.

59 Zachary Griggy introduced himself as a student from UC Irvine who is studying
60 redistricting. He also stated he is a resident of Novato and lives in the Hamilton area. Mr. Griggy
61 expressed his concern with the current division map and did not think the Board should adopt it.
62 He thought the map was flawed, not compact and did not represent the communities of Novato.
63 Mr. Griggy noted Point Marin and Ignacio Valley is in Division 3, and downtown is in Division 2
64 which could be avoided with a different map. He stated most of Novato wraps around over three
65 to four ridgelines and it is hard to know who the representatives are. Mr. Griggy stated he knows
66 a family in Indian Valley that has a different representative than their neighbors across the street.
67 He emphasized that the final map will be used over the next ten years and it is critical we get this

right. Mr. Griggy suggested the Board should direct the demographer that neighborhoods are not split up and added he will also submit a map for consideration.

Upon hearing no further public comment, President Petterle closed public meeting at 6:19 p.m.

President Petterle asked if there were any further comments from the counsel, consultants or Directors.

Mr. Chaffee stated the map is legally conforming, but that is not to say there may be other alternatives that are preferable. Ms. Mah Rogers from Olson Remcho, LLP, stated the map is compliant and meets all requirements. She added other maps can be considered and that it is at the discretion of the Board. Mr. Chaffee stated in reference to Division 1, rural urban interfaces were taken into consideration. He added when working through options it was decided to put all rural urban interface in one division so they can speak on issues that arise and have one leader on the Board to represent them, this is what drove the Division 1 boundary line.

Director Grossi stated he is satisfied with the current map and feels it works well. He added Division 1 is difficult, because of the demography and density, ensuring they had enough people to make it compliant. Director Grossi noted we could go through a number of different maps and would probably end up where we are now. Director Petterle acknowledged he appreciated the public comment received. He stated we have a small District and there may be some imperfections, but ultimately you must make sure the map is as inclusive as possible. He added we are meeting the cohesive requirements and the map does not look like gerrymandering, it is contiguous and meets all legal requirements.

Mr. Biggerstaff noted no motion is needed, and this topic will be revisited at the next meeting. Director Joly thanked Mr. Griggy for taking the time and effort to participate in tonight's meeting. He requested Mr. Griggy put a map together and give it to Mr. Chaffee and Ms. Mah Rogers in enough time so they can look at it before the next meeting.

GENERAL MANAGER'S REPORT

Item #11, Gallagher Well No. 2 Installation

Mr. McIntyre announced Item #11, "Gallagher Well No. 2 Installation – Rejection of Apparent Low Bid as Non-Responsive and Award of Construction Contract of Second Lower Bidder" will be pulled from the agenda. He added staff recently received additional information and would like to do further review.

Stafford Lake Backfeeding

Mr. McIntyre noted, as stated in the Monthly Progress Report Stafford Lake capacity is now at 73%, which is well above our targeted backfeed quantity of 1,100-acre feet. Therefore,

there will not be any additional backfeeding in Stafford Lake this year. He apprised the Board that the District backfed the lake for five days in early December and then stopped due to recent rainfall. Mr. McIntyre expressed that even though Stafford Lake capacity is over 70%, more rain is needed to increase the capacity of Lake Sonoma above its current 62% level.

Emergency Water Conservation Ordinances

Mr. McIntyre reported that with the recent rainfall the Kent Lake gauge is above 38-inches and Lagunitas Creek is now under normal water year conditions. He noted, we will be looking at Ordinance 39 revisions now that we are no longer in dry year conditions and will come back to the Board in February with proposed changes to the Ordinance. Mr. McIntyre added with respect to emergency water conservation Ordinance 41 impacting our Novato Service Area, he does not anticipate any changes to the current mandates until at least March since Lake Sonoma is still experiencing low water supply conditions.

SCWA Regional Water Supply Resiliency Study

Mr. McIntyre updated the Board on the status of Sonoma County Water Agency's Regional Water Supply Resiliency Study. He stated the study consultant, Jacobs Engineering has recently suffered some setbacks, but staff hopes to have a draft study available for Board review soon.

Director Joly stated California is still under a 15% conservation request and asked what effect this has on local agencies. Mr. McIntyre replied in Novato we have to look at Lake Sonoma and will continue to have to conserve above 15% unless there is some drastic improvement.

Director Petterle commented on the Marin IJ article that referenced MMWD's water supply for this year is above average. Director Petterle warned, we need to proceed with caution when reducing restrictions until we know how much water we have in the bank. Director Grossi agreed. He noted the upside is that at Novato Creek the ground is saturated and water is still coming in to Stafford Lake. However, Director Grossi stressed, we still need to be diligent as the drought situation is not over even though we are fortunate to have received the rain we had.

Director Joly asked if the Board will have the Local Water Supply Enhancement Study materials on January 21st for the January 25th meeting. Mr. McIntyre confirmed the materials will be ready. Director Joly added water supply is more important than pursuing the building renovation and he would like to look at the cost of that. Additionally, Director Joly stated he needs to understand the cost of long-term water supply enhancements and the timeline for these projects. He added we need a suitable long-term water supply for our citizens and know it is there before addressing renovation of the building. Director Joly stated he needs this information to make an informed decision.

OPEN TIME

President Petterle asked if anyone from the public wished to bring up an item not on the agenda. Jim Homet from EEC Environmental asked if the District is considering expanding recycled water for industrial customers. He asked if the District plans to extend the recycled water pipelines, adding he has two private clients that may influence those extensions. Director Petterle stated the Board typically does not answer questions during open time that the staff can handle. Mr. McIntyre requested Mr. Homet to contact Mr. Williams for additional exchange of information regarding recycled water expansion options.

STAFF/DIRECTORS REPORTS

President Petterle asked if any Directors or staff wished to bring up an item not on the agenda and the following were discussed.

Mr. Kehoe announced Item #7 of the agenda had a revision of dates and the revised information was added at the end of the agenda. She noted the section addressing the dates for the Meeting by Teleconference should be from January 18, 2022 to February 17, 2022.

Mr. Williams reminded the Board of the Local Water Supply Enhancement Study Workshop scheduled for the January 25th Board meeting. He added West Yost will be presenting alternatives as well as preliminary indicators of viability.

Mr. Williams also apprised the Board that staff has received good news from the Department of Water Resources that a grant for \$464,000 was awarded for Gallagher Well No. 2 which will cover a significant percentage of the estimated cost. Mr. McIntyre commended Mr. Williams and staff for their work on getting the grant. Director Joly added this is a terrific accomplishment for staff.

Mr. Clark announced the current weather gave staff a window of opportunity to complete the PRE Tank 4A work, noting the demolition started January 18th. He added redwood from the tank will be used in the building renovation project. Mr. Clark also reported the Kastania Pump Station passed a bacteriological test and the major portion of work is complete other than finishing some remote-control work. He added staff will continue testing and working closely with Sonoma County Water Agency and Marin Municipal Water District.

Director Joly stated on our website it shows 17.21 inches of rainfall and our normal is 27 inches. He stated Stafford is at 73% so far this year, exclaiming that is remarkable. He noted however, historically we had a unique atmospheric river in October, then no rain in November, rain in December and now no rain again in January. Director Joly stated it has been an unsettling hydrological year and this should be a sanity check for us all.

MONTHLY PROGRESS REPORT

The Monthly Progress Report for December was reviewed. Mr. McIntyre reported that

water production in Novato was down 25% from one year ago and down 26% fiscal year to date. In West Marin, water production was down 21% from one year ago and down 29% fiscal year to date. Recycled Water production was down 2% fiscal year to date. Stafford Treatment Plant production was down 20% fiscal year to date. The Board was apprised that Stafford Lake is at 65% capacity, Lake Sonoma is at 60% and Lake Mendocino is at 67% capacity. Mr. McIntyre also reported the COVID 19 costs were up \$1,200 from last month and the water bill delinquency impacts were up \$23,000 from last month. He noted the state had approved paying \$57,000 for the Novato service area and ~\$30,000 for the West Marin service area as part of their COVID grant program.

Ms. Blue reported on the December 2021 Investments, where the District's portfolio holds \$26.4M earning a 0.27% average rate of return. She noted that during December the cash balance decreased by \$583,745 and the LAIF rate was at 0.21%.

CONSENT CALENDAR

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

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

NOES: None

ABSTAIN: None

ABSENT: None

RE-AUTHORIZING MEETINGS BY TELECONFERENCE OF LEGISLATIVE BODIES OF NORTH MARIN WATER DISTRICT

Resolution 22-01 will extend the continuation of teleconference meetings and "Finding Proclaimed State of Emergency, that Local Officials Continue to Recommend Physical Distancing, and that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees; and Re-Authorizing Meeting by Teleconference of Legislative Bodies of North Marin Water District" from January 18, 2022 through February 17, 2022 pursuant to Brown Act provisions.

RECRUITMENT FIRM AGREEMENT

With the retirement of the General Manager in May of 2022, the transition plan calls for the appointment of the current Assistant General Manager/Chief Engineer into the General Manager's position. The Board has directed staff to commence with recruitment of a successor and staff recommended the Board approve the General Manager to enter into an agreement with Ralph Anderson and Associates to recruit a successor Assistant General Manager/Chief Engineer.

204 **AGREEMENT WITH SONOMA WATER FOR DROUGHT TOOL KIT PURCHASES**

205 The Board authorized the General Manager to execute an agreement with Sonoma
206 County Water Agency for the purchase of 1,200 Drought Tool Kits, for a total reimbursement cost
207 of \$17,817.

208 **ACTION CALENDAR**

209 **GALLAGHER WELL NO. 2 – EASEMENT ACQUISITION COST**

210 Mr. McIntyre reported District staff has been negotiating with the Gallagher Ranch family
211 over the value of the easements for several months. He stated recently District staff reached an
212 agreement with the Gallagher family to pay \$50,000 for these easements. Mr. McIntyre noted the
213 easement agreement has already been executed by both Gallagher brothers and Marin
214 Agricultural Land Trust (MALT) previously indicated their approval and staff expects to have their
215 signature on the agreement within the next couple of weeks. Mr. McIntyre added he is also in
216 communication with the property owners in regards to helping fund safety railing repair on the
217 bridge. He stated the wood railing is unsafe and falling apart, and it was agreed to split the cost
218 of the repair, noting he expects the Districts contribution to be approximately \$5,000.

219 Director Joly commended Mr. McIntyre's good work on this project. Director Grossi asked
220 if we are beyond the point that anyone can appeal or get in the way of the project. Mr. McIntyre
221 replied yes.

222 President Petterle asked if anyone from the public would like to speak and there was no
223 response.

224 On the motion of Director Grossi, and seconded by Director Fraites the Board approved
225 payment of \$50,000 to compensate the Gallagher Ranch owners for receipt of a fully executed
226 easement by the following vote:

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

228 NOES: None

229 ABSTAIN: None

230 ABSENT: None

231 **GALLAGHER WELL NO. 2 WELL INSTALLATION – REJECTION OF APPARENT LOW BID**
232 **AS NON-RESPONSIVE AND AWARD OF CONSTRUCTION CONTRACT TO SECOND**
233 **LOWER BIDDER**

234 Mr. Williams announced the "Gallagher Well No. 2 well installation rejection of apparent
235 low bid as non-responsive and award of construction contract to the second low bidder", Item #11,
236 was pulled from the agenda and will be rescheduled for a future meeting.

237 **AMI OPT-OUT REQUEST – 609 ROWLAND BLVD.**

238 Ms. Blue apprised the Board that in October 2020 staff was contacted by Mr. Halleck, the
239 customer at 609 Rowland Blvd. in Novato. She stated he expressed health concerns related to
240 the Advanced Meter Information (AMI) system which is installed on his water meter. Ms. Blue
241 added Mr. Halleck asked about the District's AMI Opt-Out Policy and was provided a copy of the
242 policy and a copy of the letter provided to each customer prior to installation. Ms. Blue advised
243 the Board that Mr. Halleck has requested to remove his AMI meter and the Board can either leave
244 the AMI meter installed as is; or allow Mr. Halleck an exception to the AMI opt-out policy and have
245 staff reinstall a non-AMI meter and bill him \$10/bimonthly to manually read the meter.

246 President Petterle asked if anyone from the public would like to speak.

247 Mr. Halleck stated he appreciated the Board and Ms. Blue for putting this item on the
248 agenda. He also thanked staff and the Board for everything they do to bring water to their
249 customers. Mr. Halleck explained his wife is sensitive to electronic magnetic frequency. He noted
250 they try to reduce the amount of radio waves she is exposed to, which is why they opted out of
251 the PG&E Smart Meter. Mr. Halleck stated he did a test at the street and there were only short
252 bursts from the AMI meter, but they were considerable. He stated the meter is at the sidewalk
253 and located where they park in front of the house. Mr. Halleck noted there are some things that
254 cannot be changed, but this is something on their property and they would like to have the meter
255 manually read. In closing, he stated he appreciated the time he was given to speak and hoped
256 the Board understood his reasons for his request.

257 President Petterle thanked Mr. Halleck and asked if the Board or staff had any further
258 discussion.

259 Mr. McIntyre asked Ms. Blue to review the policy for the benefit of the Board. Ms. Blue
260 replied that in April 2018, the Board approved the current policy and at the time staff did a survey
261 and seven agencies responded. She noted some were in different implementation stages of their
262 AMI program; one had an Opt-Out policy, one was considering one, and the remaining five did
263 not give the public an option to Opt-Out. Director Grossi stated he understands the customer's
264 concern with sensitivity and the Board has talked about this before when we dealt with a similar
265 situation. He added he has no problem with allowing the Opt-Out, but he would like to know the
266 cost to replace the meter. Ms. Blue responded an estimate to replace the AMI meter is around
267 \$170, and the fee to read the meter every two months is ten dollars. Director Grossi asked if the
268 AMI meter that is removed can be used somewhere else. Mr. Blue replied the intention is to
269 switch back to AMI if a new person moves on to the property. She added initially the District had
270 about 50 Opt-Out customers, and now we are down to 41. Director Petterle stated the District's
271 policy does not include the cost of installation, when a new customer moves in and we have to

reinstall the AMI meter, therefore it becomes two installations that our policy does not cover. He added his concern was not with one family, but if the District gets several requests, then we could be looking at serious money. Director Petterle recommended the current policy should be modified to include the customer is responsible for the cost of installation of the new meter and at the end when the AMI meter needs to be reinstalled. Additionally, Director Petterle noted ten dollars to read the meter sounds like a pretty good deal considering it is a special case to send someone out to read these non-AMI meters. He added he would like to see the policy modified to include updated meter reading costs and costs for installation of the new meter and for replacement when the customer moves out. Director Grossi stated he would approve the Opt-Out request, but also asked staff to review the policy so in the future requests such as these do not cost the District money. Director Fraites agreed.

Director Baker stated he cannot agree with the request and means it at no disrespect to the customer, however he believes it is the wrong way to go.

On the motion of Director Grossi, and seconded by Director Fraites the Board approved the AMI opt-out request for 609 Rowland Boulevard in Novato, have staff reinstall a non-AMI meter and bill the consumer \$10/bimonthly for the meter to be manually read, in addition to having staff modify the current policy by the following vote:

AYES: Director Fraites, Grossi, Joly and Petterle

NOES: Director Baker

ABSTAIN: None

ABSENT: None

INFORMATION ITEMS

WEST MARIN 2021 DRY YEAR WATER CONDITIONS REPORT – INITIAL REVIEW

Mr. Grisso provided an initial review on the 2021 Dry Year Water Conditions Report. Mr. Grisso also apprised the Board that Emergency Water Conservation Ordinance 39 for the West Marin service area will come back to the Board at the February 1st meeting, therefore he would like any comments to be submitted by January 21st.

President Petterle asked if there were any questions from the Board. Director Grossi noted we have the Local Enhancement Water Supply Workshop coming up and asked if staff should also be looking closely at the West Marin service area. Mr. McIntyre responded that our water supply conditions in West Marin are normal this year and during dry years we have an agreement with MMWD in which we can request water releases to Lagunitas Creek via the Kent Lake reservoir.

Director Fraites gave kudos to Mr. Grisso for an excellent detailed report.

SAN MARIN PUMP STATION BATTERY BACKUP SYSTEM

Mr. Clark reported on the San Marin Pump Station battery backup system. He stated he is waiting for legal review, but anticipates this will come back to the Board at the second meeting in February, noting if approved it could be installed as soon as November 2022.

Director Joly stated it looked like a win-win situation. Mr. Clark replied it is very promising, and has very low impact in regards to the location of the pump station. Director Grossi stated he thought it was a great idea, and it will have value in the event of an emergency when we lose power, that is an added benefit.

ETHICS TRAINING FOR BOARD OF DIRECTORS AND DISTRICT OFFICERS

Ms. Kehoe apprised the Board of the upcoming ethic training for Board of Directors and District Officers which is a required under state law AB1234 to be completed every two years.

Director Joly asked if the training could be broken up. Ms. Kehoe replied, that option is available, however she chose to complete the entire training in one sitting.

TECHNICAL ADVISORY COMMITTEE MEETING – DECEMBER 6, 2021

Mr. McIntyre reported on the Technical Advisory Committee Meeting for December 6, 2021.

MISCELLANEOUS

The Board received the following miscellaneous items: Disbursements – Dated December 23, 2021, Disbursements – Dated December 30, 2021, Disbursements – Dated January 6, 2022, Disbursements – Dated January 13, 2022, Point Reyes Light - Salinity Notice – December 23, 2021, Point Reyes Light - Salinity Notice – December 30, 2021, Marin IJ – NMWD Ad No. 8 – Did you know? – December 31, 2021, Marin IJ – NMWD Ad No. 9 – Did you know? – January 14, 2022, NMWD Response Letter – Proposed Accessory Dwelling Unit at 145 Silver Hills Road, Point Reyes Light – NMWD Notice of Public Hearing on Redistricting – January 6, 2022, Marin IJ - NMWD Notice of Public Hearing on Redistricting – January 7, 2022, Increase in Director's Compensation and Annual Report on Board Compensation.

The Board received the following news articles: San Francisco Chronical – Californians have a lot of ideas for how to get more water; Most of them are really bad; Marin IJ – Editorial – Water-supply roller coaster needs to end; Marin IJ – Hopeful signs amid historic drought – CONDITIONS EASING; Marin IJ – California adopts new water rules – OUTDOOR USE; Point Reyes Light – Editorial – Nature smiles on us; Marin IJ – Water district delays pipeline across bridge- MARIN MUNICIPAL; Marin IJ – Water officials consider rolling back restrictions – MARIN MUNICIPAL and Marin IJ – Slowing water pipeline plan best for MMWD board incumbents.

The Board received the following social media posts: NMWD Web and Social Media

Report – December 2021.

Director Joly asked if a notice for the virtual workshop on January 25th will be posted on our website. Mr. McIntyre confirmed, adding another ad was also published in the Marin IJ on January 14th.

Director Petterle noted the article by Dick Spotswood in the January 9th edition of the Marin IJ. He stated there was a paragraph that stated Novato residents were in better shape, because practical Board members did their duty. Director Petterle recognized the District staff for helping the Board along the way, noting the compliment was for both the Board and staff at NMWD. Director Joly agreed and said the statement in the Marin IJ was very powerful. Director Fraites stated he also saw the article and was happy to read that.

ADJOURNMENT

President Petterle adjourned the meeting at 7:48 p.m.

Submitted by

Theresa Kehoe
District Secretary

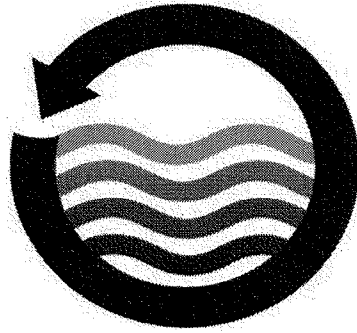
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NORTH MARIN WATER DISTRICT



FINANCIAL STATEMENT FISCAL YEAR 2021-22

December 31, 2021

**NORTH MARIN WATER DISTRICT
FINANCIAL STATEMENTS
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MEMORANDUM

To: Drew McIntyre, General Manager

January 27, 2022

From: Reviewed by: Julie Blue, Auditor-Controller

Prepared by: Nancy Holton, Accounting Supervisor and Nancy Williamson, Senior Accountant

Subj: Information – FY21/22 December Financial Statement

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FISCAL YEAR PERFORMANCE COMPARED TO THE ANNUAL BUDGET

CONSOLIDATED SUMMARY

Actual vs. Budget	Dec-21 Actual	FY21/22 Actual YTD	FY21/22 Budget	FYTD / Budget %
Operating Revenue	\$1,338,994	\$12,431,409	\$23,717,000	52%
Operating Expense	1,900,104	11,580,845	22,559,000	51%
Non-Operating Revenue / (Expense)	100,092	(47,525)	(1,383,000)	3%
Net Income / (Loss)	(\$461,018)	\$803,039	(\$225,000)	(357%)
Other Sources / (Uses)*	(113,218)	973,462	(2,784,000)	-
Cash Increase / (Decrease)	(\$574,236)	\$1,776,501	(\$3,009,000)	-

* See Page 8.

For the first six months of the fiscal year 2021-2022, the District generated a net income of \$803,039 and saw a net cash increase of \$1,776,501. On a seasonally adjusted basis, Operating Revenue came in 5% under budget and Operating Expense came in 1% under budget. \$1,955,885 (17%) of the Capital Improvement Projects Budget was expended this fiscal year to date. At month end the ratio of total cash to budgeted annual operating expense (sans depreciation) stood at 141%.

SUMMARY INCOME STATEMENTS BY SERVICE AREA

PRESENTED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPALS

NOVATO WATER

Year over Year Comparison	Dec-21 Actual	FY21/22 Actual YTD	FY20/21 Actual YTD	FY22 vs 21 Up/(Down)
Operating Revenue	\$1,243,534	\$10,813,159	\$11,763,731	(8%)
Operating Expense	1,719,929	10,294,743	10,706,321	(4%)
Other Income / (Expense)	46,219	(12,561)	(79,250)	(84%)
Net Income / (Loss)	(\$430,176)	\$505,856	\$978,161	(48%)
Active Accounts	20,663	20,663	20,569	(0%)
Consumption (MG)	109	1,090	1,473	(26%)
Average Commodity Rate / 1,000 gal	\$6.57	\$7.05	\$6.22	13%
Income / (Loss) / Active Account	(\$20.82)	\$24.48	\$47.56	(49%)
Income / (Loss) / 1,000 Gal	(\$3.94)	\$0.46	\$0.66	(30%)
Connection Fee Revenue	\$28,600	\$811,780	\$1,700,600	(52%)
FRC Transfer (to)/from Recycled Water	\$0	(\$518,146)	(\$793,919)	(35%)
Caltrans Capital Contribution	\$135	\$8,415	\$8,100	0%
MMWD AEEP Capital Contribution	(\$205,320)	\$0	\$205,320	(100%)
Developer 'In-Kind' Contributions	\$13,349	\$332,549	\$594,417	(44%)

Consumption for the fiscal year to date was 26% less than the prior year same period. Total operating revenue, which includes wheeling and other miscellaneous service charges, decreased 8% (\$950,573) from the prior year same period. Included in the above charges is a drought surcharge of \$1.00/1,000 gallons for use above 300 gallons per day for residential customers and for all use for commercial customers. Total operating expense was \$411,579 less than last year same period.

The Stafford Treatment Plant produced 168 MG this fiscal year-to-date at a cost of \$6,216/MG¹ versus \$3,214/MG³ from SCWA. The budget for Stafford is 490 MG at a cost of \$4,722/MG.

Staff time (hours) charged to Novato operations was the same as last year. Salary and benefit cost was \$3,025,474, which was 46% of the \$6,636,000 budget for Novato operations.

The fiscal year net income (which includes non-operating items such as interest revenue and expense) of \$505,856 compares to a budgeted net loss for the year of \$34,000 and to a net income of \$978,161 for the prior year. \$1,704,720 (20%) of the Novato Water Capital Improvement Project Budget was spent versus \$476,213 (10%) for the prior year. \$811,780 in connection fees have been collected (\$558,000 is budgeted). Connection Fee reserves totaling \$518,146 were transferred this fiscal year from the Novato Water Fund to the Recycled Water Fund. The Novato Connection Fee Reserve has a net deficit of \$5,390,786 arising from transfers to the RW Fund in advance of Connection Fee receipts. This is down from a net deficit of \$6,098,274 last year. That deficit will be reimbursed by future Connection Fee revenue. The Novato cash balance decreased \$804,414 in December, and stood at \$19,693,959 at month end, compared to a budgeted projection of \$13,743,000 at fiscal year-end.

NOVATO RECYCLED	Dec-21	FY21/22	FY20/21	FY22 vs 21
Year over Year Comparison	Actual	Actual YTD	Actual YTD	Up/(Down)
Operating Revenue	\$6,630	\$950,395	\$1,002,575	(5%)
Operating Expense	56,544	684,221	846,935	(19%)
Other Income / (Expense)	(9,045)	(98,623)	(98,353)	0%
Net Income / (Loss)	<u>(\$58,960)</u>	<u>\$167,551</u>	<u>\$57,287</u>	192%
Active Accounts	96	96	94	2%
Consumption (MG)	(0.5)	132.9	154.1	(14%)
Average Commodity Rate / 1,000 gal (net)	\$6.61	\$6.61	\$6.24	6%
Deer Island Production (MG)	0.0	0.0	3.0	-
Novato Sanitary Production (MG)	(0.0)	117.2	121.2	(3%)
Las Gallinas Production (MG)	0.3	26.2	21.3	23%
Potable Water Input (MG)	0.8	3.0	11.8	(74%)
Connection Fee Alloc from Novato	\$0	\$518,146	\$793,919	(35%)
Developer 'In-Kind' Contributions	\$0	\$0	\$0	-
RW Costs	(\$35,298)	\$174,991	\$223,870	(22%)

132.9 MG was delivered to RW customers this fiscal year-to-date, 14% less than the prior year. Operating revenue was 5% less than last year. Total operating expense was 19% less than the prior year same period. The recycled water was produced at a cost of \$1,746/MG² (including potable water consumed) versus \$3,214/MG³ from SCWA. The budgeted production cost of recycled water is \$2,023/MG.

The fiscal year net income of \$167,551 compares to a budgeted net loss for the year of \$448,000 and a net income of \$57,287 for the prior year same period. \$28,857 (29%) of the Recycled Water Capital Improvement Project Budget was spent versus \$0 (0%) for the prior year.

The Novato Recycled cash balance stood at \$6,023,870 at month end, \$3.5M of which amount resides in restricted reserves for debt service, the Deer Island Facility Replacement Fund and the Recycled Water Capital Replacement and Expansion Fund.

¹ Stafford production cost = TP op expense (\$661,129) + SRF loan interest (\$91,140) + plant depreciation (\$292,073)/168 MG produced

² Recycled Water production cost = purchased water cost (\$174,991) + treatment expense (\$4,384) + Deer Island RW Facility SRF loan interest (\$18,315) + Deer Island plant depreciation (\$57,960)/146.4 MG produced

³ SCWA production cost per MG = O&M charge (\$2,651) + debt service charge (\$174) + Russian River conservation charge (\$356) + Russian River projects charge (\$33)

WEST MARIN WATER

Year over Year Comparison

	Dec-21 <u>Actual</u>	FY21/22 <u>Actual YTD</u>	FY20/21 <u>Actual YTD</u>	FY22 vs 21 <u>Up/(Down)</u>
Operating Revenue	\$64,625	\$522,626	\$556,074	(6%)
Operating Expense	78,278	448,205	478,684	(6%)
Other Income / (Expense)	29,004	27,079	32,073	(16%)
Net Income / (Loss)	<u>\$15,351</u>	<u>\$101,499</u>	<u>\$109,464</u>	(7%)
Active Accounts	789	789	784	1%
Consumption (MG)	3.3	28.5	38.5	(26%)
Average Commodity Rate / 1,000 gal (net)	\$14.10	\$14.12	\$11.81	20%
Income/ (Loss) / Active Account	\$19.46	\$128.64	\$139.62	(8%)
Income / (Loss) / 1,000 Gal	\$4.70	\$3.56	\$2.84	25%
Connection Fee Revenue	\$0	\$38,800	\$0	-
Developer 'In-Kind' Contributions	\$0	\$3,659	\$0	-

Consumption for the fiscal year was 26% less than the prior year. Operating revenue was 6% less than last year.

Operating expenditures were \$30,478, or 6% less than the previous year same period. The fiscal year net income of \$101,499 compares to a budgeted annual net income of \$165,000 and to a net income of \$109,464 for the prior year. \$185,993 (17%) of the Capital Improvement Project Budget was expended this fiscal year, and \$38,800 in connection fees have been collected (\$0 is budgeted). The West Marin cash balance increased \$8,481 in December, and stood at \$186,679 at month end, compared to a budgeted projection of \$395,000 at fiscal year-end.

OCEANA MARIN SEWER

Year over Year Comparison

	Dec-21 <u>Actual</u>	FY21/22 <u>Actual YTD</u>	FY20/21 <u>Actual YTD</u>	FY22 vs 21 <u>Up/(Down)</u>
Operating Revenue	\$24,205	\$145,230	\$137,592	6%
Operating Expense	45,352	153,677	138,908	11%
Other Income / (Expense)	33,914	36,579	35,412	3%
Net Income / (Loss)	<u>\$12,767</u>	<u>\$28,133</u>	<u>\$34,096</u>	(17%)
Active Accounts	235	235	235	0%
Monthly Sewer Service Charge	\$103	\$103	\$585	(82%)
Income / (Loss) / Active Account	\$54.33	\$119.71	\$145.09	-
Connection Fee Revenue	\$0	\$0	\$0	-

Operating revenue of \$145,230 was 6% more than the previous year due to the 5% rate increase effective July 1, 2021. Operating expenditures were 11% \$14,769 more than the previous year. The fiscal year net income of \$28,133 compares to a budgeted annual net income of \$92,000 and to a net income of \$34,096 for the prior year. \$36,314 (2%) of the Capital Improvement Project Budget has been expended this fiscal year.

No connection fees have been collected (\$0 is budgeted). The Oceana Marin cash balance increased \$148,120 in December and stood at \$469,545 at month end, compared to a budgeted projection of \$382,000 at June 30, 2022.

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING DECEMBER 31, 2021**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
ASSETS					
Cash & Investments					
Unrestricted/Undesignated Cash	\$5,595,295	\$2,918,180	\$2,277,931	\$0	\$399,185
Restricted Cash (Note 1)					
Connection Fee Fund	\$0	\$0	\$0	\$0	\$0
Deer Island RWF Replacement Fund	\$215,000	\$0	\$215,000	\$0	\$0
Capital Replacement & Expansion Fund	\$2,417,211	\$0	\$2,417,211	\$0	\$0
Tax Receipts Held in Marin Co Treasury	\$634	\$0	\$0	\$578	\$56
STP SRF Reserve-Marine Co Treasury	\$1,044,474	\$1,044,474	\$0	\$0	\$0
RWS North/South SRF Reserve Fund	\$614,299	\$0	\$614,299	\$0	\$0
RW Central Area SRF Reserve Fund	\$275,773	\$0	\$275,773	\$0	\$0
Piazza Construction Escrow Account	\$0	\$0	\$0	\$0	\$0
Designated Cash (Note 2)					
Liability Contingency Fund	\$1,430,370	\$1,331,485	\$0	\$98,885	\$0
Workers' Compensation Fund	\$23,440	\$21,682	\$656	\$797	\$305
Retiree Medical Benefits Fund	\$4,658,025	\$4,658,025	\$0	\$0	\$0
Maintenance Accrual Fund	\$4,000,000	\$4,000,000	\$0	\$0	\$0
Operating Reserve Fund	\$6,102,420	\$5,723,000	\$223,000	\$86,420	\$70,000
Total Cash	\$26,376,941	\$19,696,847	\$6,023,870	\$186,679	\$469,545
Gain/(Loss) on MV of Investments	(\$2,888)	(\$2,888)	\$0	\$0	\$0
Market Value of Cash & Investments	\$26,374,053	\$19,693,959	\$6,023,870	\$186,679	\$469,545
Current Assets					
Net Receivables - Consumers	\$1,080,502	\$909,040	\$83,933	\$102,052	(\$14,523)
Accrued Water Sales	1,456,805	1,350,717	12,470	93,619	0
Accounts Receivable-Other	298,383	134,283	18,870	0	145,230
Prepaid Expense	627,768	625,246	0	0	2,522
Reimbursable Small Jobs	86,246	86,246	0	0	0
Interest Receivable	68,604	67,672	931	0	0
Inventories	812,307	812,307	0	0	0
Deposits Receivable	23,397	23,397	0	0	0
Total Current Assets	\$4,454,012	\$4,008,909	\$116,204	\$195,671	\$133,229

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING DECEMBER 31, 2021**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Loans Receivable					
Employee Loans (Note 3)	\$525,000	\$525,000	\$0	\$0	\$0
Other Long Term Receivables (Note 4)	3,104,463	1,930,238	1,174,225	0	0
Loans Receivable	\$3,629,463	\$2,455,238	\$1,174,225	\$0	\$0
Property and Plant					
Land & Land Rights	\$1,473,091	\$1,368,872	\$0	\$103,411	\$808
Dam, Lake, & Source Facilities	5,675,845	5,183,433	0	492,412	0
Treatment Facilities	22,761,018	18,782,300	2,666,198	454,159	858,362
Storage Facilities	24,661,732	20,912,751	1,643,458	2,105,523	0
Transmission Facilities (16"+)	29,425,134	29,302,810	0	122,324	0
Distribution and Pumping Facilities	109,335,400	71,474,512	31,837,027	6,023,862	0
Sewer Mains, Pumps, & Laterals	1,267,600	0	0	0	1,267,600
Sub-Total	\$194,599,821	\$147,024,678	\$36,146,683	\$9,301,690	\$2,126,771
Less Accumulated Depreciation (Note 5)	(65,240,958)	(54,242,567)	(5,427,209)	(4,412,071)	(1,159,110)
Net Property and Plant	\$129,358,863	\$92,782,111	\$30,719,474	\$4,889,619	\$967,661
Buildings and Equipment (Note 6)					
Buildings	\$2,119,365	\$2,119,365	\$0	\$0	\$0
Office Equipment	1,179,062	1,179,062	0	0	0
Laboratory Equipment	323,072	323,072	0	0	0
Trucks & Automobiles	1,619,023	1,619,023	0	0	0
Construction Equipment	968,733	968,733	0	0	0
Tools, Shop Equipment	220,890	220,890	0	0	0
Sub-Total	\$6,430,146	\$6,430,146	\$0	\$0	\$0
Less Accumulated Depreciation (Note 5)	(4,758,672)	(4,758,672)	0	0	0
Net Buildings and Equipment	\$1,671,474	\$1,671,474	\$0	\$0	\$0
Construction In Progress					
Developer	\$1,569,596	\$1,569,596	\$0	\$0	\$0
District	7,157,055	3,775,880	118,452	2,954,117	308,607
Total Construction in Progress	8,726,651	5,345,475	118,452	2,954,117	308,607
Net Utility Plant	139,756,989	99,799,060	30,837,925	7,843,735	1,276,268
Deferred Outflow of Resources-GASB68	3,007,344	3,007,344	0	0	0
Deferred Outflow of Resources-GASB75	489,891	489,891	0	0	0
TOTAL ASSETS	\$177,711,751	\$129,454,400	\$38,152,224	\$8,226,085	\$1,879,041

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING DECEMBER 31, 2021**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
LIABILITIES AND NET ASSETS					
Current Liabilities					
Trade Accounts Payable	\$1,296,876	\$1,255,165	\$41,711	\$0	\$0
Reimbursement Prog. Unclaimed Funds	373,401	356,451	0	16,950	0
Loan Debt Principal Payable-Current	1,772,005	879,223	892,781	0	0
Bank of Marin Principal Payable-Current	401,350	349,977	0	51,373	0
JP Morgan/Chase AMI Loan-Current	275,000	275,000	0	0	0
Accrued Interest Payable-SRF Loan	48,179	743	47,436	0	0
JP Morgan/Chase AMI Loan Interest Payable	34,322	34,322	0	0	0
Deposits/Performance Bonds	392,402	358,326	0	31,076	3,000
Unemployment Insurance Reserve (Note 8)	24,569	24,569	0	0	0
Workers' Comp Future Claims Payable	23,440	21,682	656	797	305
Payroll Benefits (Note 9)	1,039,625	953,792	38,625	35,406	11,802
Due To Other Funds (Note 10)	0	0	0	0	0
Enterprise Vehicle Leases	31,692	31,692	0	0	0
Deferred Revenue	145,230	0	0	0	145,230
Total Current Liabilities	\$5,858,091	\$4,540,943	\$1,021,210	\$135,602	\$160,337
Restricted Liabilities					
Construction Advances	\$708,080	\$637,569	\$0	\$70,511	\$0
Total Restricted Liabilities	\$708,080	\$637,569	\$0	\$70,511	\$0
Long Term Liabilities (Note 7)					
JP Morgan/Chase AMI Loan Payable	\$3,555,000	\$3,555,000	\$0	\$0	\$0
STP Rehab SRF Loan	6,253,551	6,253,551	0	0	0
RWF SRF Loan	1,273,680	0	1,273,680	0	0
RWS North/South Expansion SRF Loan	5,465,445	0	5,465,445	0	0
RWS Central Expansion SRF Loan	6,073,389	0	6,073,389	0	0
Bank of Marin Loan	4,209,504	3,670,687	0	538,817	0
Enterprise Vehicle Leases	227,811	227,811	0	0	0
Net Pension Liability @ 6/30/20	14,727,660	14,727,660	0	0	0
Total OPEB Liability (Note 2)	4,938,031	4,938,031	0	0	0
Total Long Term Liabilities	\$46,724,071	\$33,372,740	\$12,812,514	\$538,817	\$0
Deferred Inflow of Resources-GASB 68	634,837	634,837	0	0	0
Deferred Inflow of Resources-GASB 75	104,267	104,267	0	0	0
TOTAL LIABILITIES	\$54,029,345	\$39,290,356	\$13,833,724	\$744,929	\$160,337

**NORTH MARIN WATER DISTRICT
STATEMENT OF NET POSITION
FOR THE PERIOD ENDING DECEMBER 31, 2021**

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Net Assets					
Invested in Capital Assets					
Contributions in Aid of Construction	\$86,840,897	\$78,208,177	\$5,810,128	\$2,142,837	\$679,755
Grants in Aid of Construction	13,637,997	426,448	9,961,904	3,163,585	86,060
Connection Fees	44,100,560	29,730,022	11,341,414	2,319,768	709,356
Total Investment	\$144,579,454	\$108,364,647	\$27,113,446	\$7,626,190	\$1,475,171
Restricted Reserves					
Connection Fee Fund	(\$6,417,523)	(\$5,390,786)	\$0	(\$811,076)	(\$215,661)
Bank of Marin Project Fund	0	0	0	0	0
Deer Island RWF Replacement Fund	215,000	0	215,000	0	0
Capital Replacement & Expansion Fund	2,417,211	0	2,417,211	0	0
RWS North/South SRF Reserve Fund	614,299	0	614,299	0	0
RW Central Area SRF Reserve Fund	275,773	0	275,773	0	0
Designated Reserves					
Liability Contingency Fund	1,430,370	1,331,485	0	98,885	0
Maintenance Accrual Fund	4,000,000	4,000,000	0	0	0
Workers' Compensation Fund	0	0	0	0	0
Retiree Medical Benefits Fund	2,759,513	2,759,513	0	0	0
Operating Reserve Fund	6,219,000	5,723,000	223,000	203,000	70,000
Earned Surplus - Prior Yrs	(33,535,872)	(25,899,973)	(8,255,022)	262,714	356,408
Net Income/(Loss)	803,039	505,856	167,551	101,499	28,133
Prior Period Adjustment	0	0	0	0	0
Transfer (To)/From Reserves (see below)	322,143	(1,229,696)	1,547,242	(56)	4,653
Total Restricted & Designated	(\$20,897,049)	(\$18,200,603)	(\$2,794,946)	(\$145,033)	\$243,534
TOTAL NET POSITION	\$123,682,405	\$90,164,045	\$24,318,500	\$7,481,156	\$1,718,705
Transfer (To)/From Reserves					
Connection Fee	\$0	\$0	\$0	\$0	\$0
AMI Project Fund	0	0	0	0	0
Liability Reserve	0	0	0	0	0
Capital Replacement & Expansion Fund	0	0	0	0	0
Maintenance Reserve	(1,500,000)	(1,500,000)	0	0	0
RWF Replacement Fund	1,589,801	0	1,589,801	0	0
Retiree Medical Insurance Fund	0	0	0	0	0
(Gain)/Loss WC Fund	511,342	482,304	7,441	15,944	5,653
Bank of Marin Project Fund	0	0	0	0	0
Operating Reserve Fund	(279,000)	(212,000)	(50,000)	(16,000)	(1,000)
Total Transfer	\$322,143	(\$1,229,696)	\$1,547,242	(\$56)	\$4,653
TOTAL LIABILITIES AND FUND BALANCE	\$177,711,751	\$129,454,400	\$38,152,224	\$8,226,085	\$1,879,041

**NORTH MARIN WATER DISTRICT
SOURCES AND USES OF FUNDS STATEMENT - ALL SERVICE AREAS COMBINED
FOR THE PERIOD ENDING DECEMBER 31, 2021**

	YTD Actual	Annual Budget	YTD/ Budget %	Prior YTD Actual
OPERATING REVENUE				
Water Sales	\$8,982,052	\$17,216,000	52%	\$10,585,613
Bimonthly Service Charge	3,140,786	5,741,000	55%	2,563,563
Sewer Service Charge	145,230	290,000	50%	137,592
Wheeling & Misc Service Charges	174,606	470,000	37%	176,519
TOTAL OPERATING REVENUE	\$12,442,674	\$23,717,000	52%	\$13,463,288
OPERATING EXPENDITURES				
Source of Supply	\$3,334,230	\$6,559,000	51%	\$4,341,631
Pumping	243,248	646,000	38%	302,710
Operations	489,553	1,026,000	48%	574,875
Water Treatment	1,106,241	2,794,000	40%	1,028,503
Sewer Service	106,240	195,000	54%	74,568
Transmission & Distribution	1,786,522	4,086,000	44%	1,739,508
Consumer Accounting	207,596	528,000	39%	236,025
Water Conservation	237,105	381,000	62%	170,276
General & Administrative	2,113,399	2,440,000	87%	1,772,147
Depreciation	1,956,712	3,904,000	50%	1,930,607
TOTAL OPERATING EXPENDITURES	\$11,580,845	\$22,559,000	51%	\$12,170,849
NET OPERATING INCOME (LOSS)	\$861,829	\$1,158,000	74%	\$1,292,439
NON-OPERATING REVENUE/(EXPENSE)				
Tax Proceeds	\$66,388	\$116,000	57%	\$63,789
Interest Revenue	155,111	241,000	64%	138,226
Miscellaneous Revenue	81,066	136,000	60%	66,693
Bond & Loan Interest Expense	(347,757)	(1,372,000)	25%	(377,455)
Miscellaneous Expense	(2,333)	(501,000)	0%	(1,370)
Capital Contribution Expense-NSD & LGVSD	0	(3,000)	0%	0
TOTAL NON-OP REVENUE/(EXPENSE)	(\$47,525)	(\$1,383,000)	3%	(\$110,117)
NET INCOME/(LOSS)	\$814,304	(\$225,000)	-362%	\$1,182,322
OTHER SOURCES/(USES) OF FUNDS				
Add Depreciation Expense	\$1,956,712	\$3,904,000	50%	\$1,930,607
Connection Fees	850,580	558,000	152%	1,700,600
Loan Proceeds	0	3,675,000	0%	0
Grant Proceeds	0	1,450,000	0%	(250,338)
Marin County Club Loan Principal Pmts	18,776	38,000	49%	18,714
Caltrans AEEP Capital Contribution	8,415	0	-	8,100
MMWD AEEP Capital Contribution	0	205,000	0%	205,320
Capital Equipment Expenditures	(89,802)	(295,000)	30%	(105,041)
Capital Improvement Projects	(1,955,885)	(9,692,000)	20%	(1,626,071)
Bond & Loan Principal Payments	(1,057,152)	(2,541,000)	42%	(991,870)
Low Income Rate Assistance	(11,265)	(86,000)	13%	0
Change in Working Capital	1,241,819	0	-	272,511
TOTAL OTHER SOURCES/(USES)	\$962,197	(\$2,784,000)	-	\$1,162,532
CASH INCREASE/(DECREASE)	\$1,776,501	(\$3,009,000)	-	\$2,344,853

**NORTH MARIN WATER DISTRICT
INCOME STATEMENT AND CASH FLOW BY SERVICE AREA
FOR THE PERIOD ENDING DECEMBER 31, 2021**

SUMMARY INCOME STATEMENT

	TOTAL	NOVATO WATER	NOVATO RECYCLED	WEST MARIN WATER	OCEANA MARIN SEWER
Operating Revenue	\$12,431,409	\$10,813,159	\$950,395	\$522,626	\$145,230
Operating Expense	11,580,845	10,294,743	684,221	448,205	153,677
OPERATING INCOME/(LOSS)	\$850,564	\$518,416	\$266,174	\$74,421	(\$8,447)
Non-Operating Revenue/(Expense)	(47,525)	(12,561)	(98,623)	27,079	36,579
NET INCOME/(LOSS)	\$803,039	\$505,856	\$167,551	\$101,499	\$28,133

CAPITAL CONTRIBUTIONS

Developer In-Kind Contributions	\$336,208	\$332,549	\$0	\$3,659	\$0
Caltrans AEEP Capital Contributions	8,415	8,415	0	0	0
MMWD Capital Contribution	0	0	0	0	0
Connection Fees	850,580	811,780	0	38,800	0
FEMA/CAL OES Grant-OM Treatment Pond	0	0	0	0	0
FRC Transfer	0	(518,146)	518,146	0	0
CAPITAL CONTRIBUTIONS	\$1,195,203	\$634,598	\$518,146	\$42,459	\$0
Prior Period Adjustments	0	0	0	0	0
CHANGE IN NET POSITION	\$1,998,242	\$1,140,454	\$685,697	\$143,958	\$28,133
Net Position June 30, 2021	121,684,163	89,023,591	23,632,803	7,337,198	1,690,572
Net Position December 31, 2021	\$123,682,405	\$90,164,045	\$24,318,500	\$7,481,156	\$1,718,705

CASH FLOW STATEMENT

Net Income/(Loss)	\$803,039	\$505,856	\$167,551	\$101,499	\$28,133
Add back Depreciation	1,956,712	1,449,536	383,619	100,382	23,174
Cash Generated From Operations	\$2,759,751	\$1,955,392	\$551,170	\$201,881	\$51,307
Other Sources (Uses) of Funds					
Connection Fee Revenue	\$850,580	\$811,780	\$0	\$38,800	\$0
Loan Proceeds	0	0	0	0	0
Grant Proceeds	0	0	0	0	0
Capital Assets Acquisition	(2,045,687)	(1,794,522)	(28,857)	(185,993)	(36,314)
Caltrans AEEP Capital Contribution	8,415	8,415	0	0	0
MMWD AEEP Capital Contribution	0	0	0	0	0
Marin Country Club Loan Principal Pmts	18,776	0	18,776	0	0
Principal Paid on Debt	(1,057,152)	(642,042)	(390,072)	(25,038)	0
Consumer Receivables Decr (Incr)	656,766	354,438	285,251	2,554	14,523
Construction Advances (Decr) Incr	162,178	172,287	0	(10,109)	0
Other Assets Decr (Incr)	1,251,804	1,377,324	20,695	437	(146,652)
Other Liabilities (Decr) Incr	(419,290)	(290,263)	(273,696)	1,007	143,662
Trade Accounts Payable (Decr) Incr	(409,639)	(403,111)	41,711	(48,240)	0
Connection Fee Transfer	0	(518,146)	518,146	0	0
Total Other Sources (Uses)	(\$983,249)	(\$923,839)	\$191,953	(\$226,582)	(\$24,781)
Net Cash Provided (Used)	\$1,776,501	\$1,031,552	\$743,123	(\$24,700)	\$26,526
MV Cash & Investments June 30, 2021	\$24,597,552	\$18,662,406	\$5,280,746	\$211,380	\$443,019
MV Cash & Investments Dec 31, 2021	\$26,374,053	\$19,693,959	\$6,023,870	\$186,679	\$469,545

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2021

	DECEMBER 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$721,867	\$7,712,567	51%	\$9,203,304
Bill Adjustments	(4,501)	(35,188)	49%	(37,839)
Bimonthly Service Charges	491,558	2,964,958	55%	2,425,249
Account Turn-on Charges	0	0	0%	0
New Account Charges	315	3,045	44%	3,125
Returned Check Charges	0	90	9%	108
Hydrant Meter Up/Down Charges	0	360	7%	2,260
Backflow Service Charges	13,574	79,914	50%	75,573
Lab Service-Outside Clients	0	16,142	73%	19,856
Wheeling Charges - MMWD	20,722	71,270	71%	72,095
TOTAL OPERATING REVENUE	\$1,243,534	\$10,813,159	52%	\$11,763,731
TOTAL EXPENDITURES				
SOURCE OF SUPPLY				
Supervision & Engineering	\$849	\$4,383	37%	\$3,923
Operating Expense - Source	280	3,519	23%	4,219
Maint/Monitoring of Dam	143	17,058	25%	21,618
Maint of Lake & Intakes	21	46	0%	2,044
Maint of Watershed	0	3,549	8%	6,740
Water Quality Surveillance	114	412	2%	79
Erosion Control	0	0	-	603
Purchased Water	416,035	3,078,026	52%	4,076,824
Purchased Water-Backfeed	40,796	40,796	-	0
SOURCE OF SUPPLY	\$458,238	\$3,147,789	51%	\$4,116,049
PUMPING				
Operating Expense - Pumping	\$0	\$0	0%	\$0
Maint of Structures & Grounds	1,153	14,611	44%	19,075
Maint of Pumping Equipment	1,700	7,073	13%	16,007
Electric Power	23,085	190,380	42%	225,827
PUMPING	\$25,938	\$212,064	39%	\$260,909
OPERATIONS				
Supervision & Engineering	\$21,788	\$129,162	76%	\$116,234
Operating Expense - Operations	39,990	240,208	75%	198,881
Maintenance Expense	4,892	31,994	57%	31,102
Telemetry Equipment/Controls Maint	2,471	18,041	19%	33,556
Leased Lines	1,543	9,262	46%	8,404
OPERATIONS	\$70,684	\$428,667	65%	\$388,178

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2021

	DECEMBER 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
WATER TREATMENT				
Supervision & Engineering	\$70,954	\$126,047	80%	\$113,898
Operating Expense - Water Treatment	985	148,464	42%	111,294
Purification Chemicals	7,386	95,779	22%	76,577
Sludge Disposal	3,261	54,637	42%	54,239
Maint of Structures & Grounds	22,798	52,001	48%	50,909
Maint of Purification Equipment	38,605	130,916	68%	99,233
Electric Power	5,470	53,285	34%	68,217
Water Quality Programs	7,837	45,866	45%	45,455
Laboratory Direct Labor	27,636	185,551	50%	182,353
Lab Service-Outside Clients	0	12,927	28%	19,650
Water Quality Supervision	7,029	41,962	54%	39,887
Laboratory Supplies & Expense	3,855	38,033	44%	35,660
Customer Water Quality	1,828	9,970	15%	12,808
Lab Cost Distributed	(2,057)	(16,354)	65%	(14,172)
WATER TREATMENT	\$195,588	\$979,084	43%	\$896,007
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$88,060	\$410,482	65%	\$311,076
Maps & Records	11,764	73,673	45%	69,514
Operation of T&D System	22,511	95,369	83%	146,828
Facilities Location	9,935	71,691	48%	93,775
Safety: Construction & Engineering	9,303	25,958	38%	18,983
Customer Service Expense	12,009	113,093	39%	129,164
Flushing	3,298	3,305	6%	2,954
Storage Facilities Expense	8,706	35,371	27%	67,820
Cathodic Protection	0	3,702	21%	4,724
Maint of Valves/Regulators	9,711	110,789	57%	74,184
Maint of Mains	23,012	127,970	63%	100,140
Leak Detection - Mains	2,125	15,873	122%	12,100
Backflow Prevention Program	14,566	134,605	59%	117,894
Maint of Copper Services	2,540	94,808	44%	61,983
Maint of PB Service Lines	23,414	228,320	46%	271,459
Single Service Installations	(7,053)	(3,511)	-	20,433
Maint of Meters	6,239	70,579	47%	95,121
Detector Check Assembly Maint	9,534	66,134	89%	25,212
Maint of Hydrants	14,948	36,057	46%	43,945
TRANSMISSION & DISTRIBUTION	\$264,622	\$1,714,265	52%	\$1,667,309

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2021

	DECEMBER 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
CONSUMER ACCOUNTING				
Meter Reading	\$1,943	\$9,884	9%	\$8,354
Collection Expense - Labor	0	0	0%	0
Collection Expense - Agency	0	341	17%	913
Billing & Consumer Accounting	10,042	68,519	51%	114,854
Contract Billing	1,300	7,961	44%	10,861
Stationery, Supplies & Postage	5,654	32,572	59%	40,134
Online Payment Processing Fees	265	25,958	40%	31,554
Lock Box Service	966	5,526	50%	5,526
Uncollectable Accounts	0	9,438	189%	11,932
Office Equipment Expense	3,108	41,439	118%	6,195
Distributed to West Marin (4.1%)	(916)	(7,835)	52%	(8,988)
CONSUMER ACCOUNTING	\$22,361	\$193,802	43%	\$221,335
WATER CONSERVATION				
Residential	\$20,233	\$133,280	53%	\$91,894
Commercial	147	1,599	23%	1,878
Public Outreach/Information	6,963	81,612	83%	47,992
Large Landscape	693	6,310	33%	4,929
TOTAL WATER CONSERVATION	\$28,036	\$222,800	59%	\$146,693
GENERAL AND ADMINISTRATIVE				
Directors Fees	\$4,817	\$24,086	57%	\$18,167
Legal Fees	2,450	12,967	62%	\$11,297
Human Resources	8,400	81,665	160%	15,892
Auditing Fees	0	9,487	47%	9,175
Consulting Services/Studies	59,216	143,195	34%	42,218
General Office Salaries	104,791	640,605	55%	624,524
Safety: General District Wide	5,043	19,390	35%	18,911
Office Supplies	1,200	10,102	24%	9,943
Employee Events	453	3,083	26%	1,125
Other Administrative Expense	1,043	4,046	27%	1,638
Dues & Subscriptions	4,574	101,172	104%	100,721
Vehicle Expense	676	4,056	51%	4,056
Meetings, Conferences & Training	3,613	33,120	17%	28,826
Recruitment Expense	0	564	-	18,967
Gas & Electricity	3,218	20,917	50%	20,370
Telephone	697	4,896	61%	4,172
Water	310	1,083	54%	1,471
Buildings & Grounds Maint	7,233	34,830	58%	69,432
Office Equipment Expense	12,942	76,969	64%	66,893
Insurance Premiums & Claims	12,429	74,572	46%	68,519
Retiree Medical Benefits	16,847	100,557	45%	96,259
(Gain)/Loss on Overhead Charges	66,262	43,309	-48%	(52,017)
G&A Applied to Other Operations (5.9%)	(18,027)	(97,665)	61%	(77,281)
G&A Applied to Construction	(23,177)	(172,228)	32%	(154,510)
GASB68 Adjustment (Pension)	131,025	771,959	198%	657,912
GENERAL & ADMINISTRATIVE	\$406,035	\$1,946,735	82%	\$1,606,680
Depreciation (Note 5)	248,427	1,449,536	52%	1,403,162
TOTAL OPERATING EXPENSE	\$1,719,929	\$10,294,743	55%	\$10,706,321
OPERATING INCOME/(LOSS)	(\$476,395)	\$518,416	28%	\$1,057,410

NOVATO WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2021

	DECEMBER 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest:				
General Funds	(\$7,535)	\$29,290	47%	\$17,206
Retiree Medical Insurance Fund	21,063	43,591	62%	64,392
Workers' Comp Fund	98	2,540	23%	6,933
Aqueduct Energy Efficiency Proj Fund	0	0	-	270
Funds Held in County Treasury	0	(5,294)	-76%	4,214
Total Interest Revenue	\$70,044	\$126,545	84%	\$93,015
Rents & Leases	8,630	61,297	73%	50,027
Other Non-Operating Revenue	3,116	41,600	80%	8,694
Gain/(Loss) on MV of Investments	16	(27,459)	-	2,257
NON-OPERATING REVENUE	\$81,807	\$201,983	71%	\$153,994
NON-OPERATING EXPENSE				
Bank of Marin AEEP Loan Interest Exp	\$11,539	\$70,448	47%	\$76,175
STP SRF Loan Interest Expense	15,355	91,140	47%	101,362
JP Morgan/Chase AMI Loan Interest Expense	8,586	51,513	47%	55,145
Other Non-Operating Expense	108	1,442	72%	562
NON-OPERATING EXPENSE	\$35,588	\$214,544	47%	\$233,243
NET INCOME/(LOSS)	(\$430,176)	\$505,856	30%	\$978,161
BEGINNING FUND EQUITY				
		\$89,023,591		\$84,949,826
NET INCOME/(LOSS)	(430,176)	505,856		978,161
Developer 'In-Kind' Contributions	13,349	332,549	-	594,417
Caltrans AEEP Capital Contribution	135	8,415	-	8,100
MMWD AEEP Capital Contribution	(205,320)	0	0%	205,320
Connection Fees	28,600	811,780	145%	1,700,600
FRC Transfer to/from Recycled Water	0	(518,146)	58%	(793,919)
Prior Period Adjustment (Note 12)	0	0	-	0
ENDING FUND EQUITY		\$90,164,045		\$87,642,505

**NOVATO RECYCLED WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2021**

	DECEMBER 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Recycled Water Sales	(\$3,386)	\$878,397	57%	\$961,841
Bimonthly Service Charges	9,915	59,838	52%	40,434
Water Loads	100	12,160	-	300
TOTAL OPERATING REVENUE	\$6,630	\$950,395	57%	\$1,002,575
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Purchased Water - NSD	1,175	166,611	62%	173,404
Purchased Water - LGVSD	(36,472)	8,380	7%	50,466
SOURCE OF SUPPLY	(\$35,298)	\$174,991	45%	\$223,870
PUMPING				
Maint of Structures & Grounds	\$0	\$0	0%	\$0
Maint of Pumping Equipment	0	0	0%	134
Electric Power	31	1,957	39%	2,490
PUMPING	\$31	\$1,957	22%	\$2,624
OPERATIONS				
Supervision & Engineering	\$824	\$5,107	34%	\$9,152
Operating Expense - Operations	323	433	3%	3,720
Potable Water Consumed	10,033	26,068	77%	129,626
Maintenance Expense	1,122	1,122	7%	11,599
Telemetry Equipment/Controls Maint	0	0	0%	2,698
OPERATIONS	\$12,302	\$32,730	34%	\$156,795
WATER TREATMENT				
Purification Chemicals	\$0	\$1,073	27%	\$1,350
Maint of Purification Equipment	157	689	4%	5,820
Electric Power	0	2,622	52%	1,950
Water Quality Programs	0	108	-	0
Laboratory Direct Labor	0	4	0%	365
Customer Water Quality	0	2	-	0
Lab Expense Distributed from Novato	0	2	0%	197
WATER TREATMENT	\$157	\$4,500	13%	\$9,681
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$0	(\$375)	-2%	\$63
Maps & Records	0	0	0%	0
Operation of T&D System	0	0	0%	0
Facilities Location	113	127	6%	644
Cathodic Protection	0	0	0%	0
Customer Service Expense	3,845	17,534	219%	3,576
Storage Facilities Expense	19	395	3%	136
Maint of Valves/Regulators	0	0	0%	3,466
Backflow Prevention Program	0	0	0%	0
Maint of Meters	0	0	0%	0
Maint of Mains	0	336	-	3,150
TRANSMISSION & DISTRIBUTION	\$3,977	\$18,017	28%	\$11,034

**NOVATO RECYCLED WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2021**

	DECEMBER 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
CONSUMER ACCOUNTING				
Distributed from Novato (0.2%)	\$90	\$780	39%	\$874
CONSUMER ACCOUNTING	\$90	\$780	39%	\$874
GENERAL AND ADMINISTRATIVE				
Legal Fees	\$0	\$0	0%	\$270
Consulting Services/Studies	2,206	18,795	376%	0
Distributed from Novato (2.4%)	8,098	43,874	80%	31,225
GASB68 Adjustment	828	4,959	55%	5,516
GENERAL & ADMINISTRATIVE	\$11,132	\$67,628	97%	\$37,010
Depreciation (Note 5)	64,153	383,619	49%	405,046
TOTAL OPERATING EXPENSE	\$56,544	\$684,221	47%	\$846,935
OPERATING INCOME/(LOSS)	<u>(\$49,915)</u>	<u>\$266,174</u>	119%	<u>\$155,640</u>
NON-OPERATING REVENUE				
Interest:				
General Funds	\$2,030	\$2,505	8%	\$5,029
RWF Replacement Fund	8,587	17,509	\$0	24,401
Self-Insured Workers' Comp Fund	3	42	-	112
StoneTree RWF Loan	931	5,635	51%	5,698
Total Interest Revenue	\$11,552	\$25,691	32%	\$35,239
Other Non-Operating Revenue	0	0	-	0
NON-OPERATING REVENUE	\$11,552	\$25,691	32%	\$35,239
NON-OPERATING EXPENSE				
RWF SRF Loan Interest Expense	\$3,086	\$18,315	51%	\$21,116
Expansion SRF Loan Interest Expense	17,511	105,999	49%	112,476
Capital Contribution Expense-NSD&LGVSD	0	0	0%	0
NON-OPERATING EXPENSE	\$20,597	\$124,314	17%	\$133,592
NET INCOME/(LOSS)	<u>(\$58,960)</u>	<u>\$167,551</u>	(37%)	<u>\$57,287</u>
BEGINNING FUND EQUITY		\$23,632,803		\$22,794,516
NET INCOME/(LOSS)	(58,960)	167,551		57,287
Developer 'In-Kind' Contributions	0	0	-	0
State Prop 50 Grant	0	0	-	0
IRWMP Prop 84 Grant	0	0	-	0
Water Smart Grant	0	0	-	0
Federal ARRA Grant	0	0	-	0
FRC Transfer to/from Novato	0	518,146	58%	793,919
ENDING FUND EQUITY		<u>\$24,318,500</u>		<u>\$23,645,722</u>

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2021**

	DECEMBER 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Water Sales	\$46,474	\$411,617	52%	\$470,782
Bill Adjustments	(402)	(8,767)	-	(16,091)
Bimonthly Service Charges	17,282	115,991	55%	97,880
Account Turn-on Charges	0	0	0%	0
New Account Charges	10	55	6%	75
Returned Check Charges	0	0	-	9
Backflow Service Charges	1,262	3,730	75%	3,419
TOTAL OPERATING REVENUE	\$64,625	\$522,626	52%	\$556,074
OPERATING EXPENSE				
SOURCE OF SUPPLY				
Supervision & Engineering	\$0	\$1,732	-	\$462
Operating Expense	56	1,355	17%	1,147
Maint of Structures	323	8,363	84%	102
Water Quality Surveillance	0	0	0%	0
SOURCE OF SUPPLY	\$379	\$11,450	57%	\$1,711
PUMPING				
Maint of Structures and Grounds	\$625	\$3,952	40%	\$3,595
Maint of Pumping Equip	386	4,492	37%	13,145
Electric Power	3,018	20,782	46%	22,437
PUMPING	\$4,029	\$29,226	44%	\$39,177
OPERATIONS				
Supervision & Engineering	\$2,732	\$12,063	48%	\$7,880
Operating Expense	1,141	10,498	42%	11,659
Maintenance Expense	1,001	1,076	-	759
Maint of Telemetry Equipment	396	2,417	15%	7,517
Leased Lines	354	2,104	42%	2,086
OPERATIONS	\$5,624	\$28,157	40%	\$29,902
WATER TREATMENT				
Supervision & Engineering	\$682	\$8,083	90%	\$8,811
Operating Expense	9,177	24,047	86%	23,598
Purification Chemicals	499	946	19%	2,130
Maint of Structures & Grounds	1,004	1,088	109%	770
Maint of Purification Equipment	1,488	8,389	84%	9,809
Electric Power	0	9,841	41%	11,838
Laboratory Direct Labor	3,766	29,593	66%	24,209
Laboratory Services	895	5,694	81%	6,130
Water Quality Supervision	500	5,274	105%	14,143
Customer Water Quality	1,057	14,514	145%	8,341
Lab Expense Distributed from Novato	2,047	15,189	72%	13,036
WATER TREATMENT	\$21,114	\$122,657	74%	\$122,815

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2021**

	DECEMBER 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
TRANSMISSION & DISTRIBUTION				
Supervision & Engineering	\$843	\$1,724	10%	\$1,481
Facilities Location - USA	0	3,824	21%	5,808
Customer Service Expense	731	4,948	99%	2,617
Flushing	21	21	-	28
Storage Facilities Expense	3,726	12,644	37%	11,651
Cathodic Protection	0	0	0%	0
Maint of Valves	481	495	10%	120
Valve Operation Program	0	0	0%	0
Maint of Mains	877	16,714	239%	3,134
Water Quality Maintenance	0	33	3%	4
Maint of Backflow Devices	0	0	0%	0
Backflow Dev Inspection/Survey	0	707	8%	1,150
Maint of Copper Services	263	1,429	36%	2,459
Maint of PB Service Lines	3,436	11,179	30%	21,766
Maint of Meters	0	736	12%	1,380
Detector Check Assembly Maint	251	251	13%	0
Maint of Hydrants	0	2,986	299%	610
Hydrant Operation	0	0	0%	0
Single Service Installation	2,825	(3,451)	-49%	8,955
TRANSMISSION & DISTRIBUTION	\$13,454	\$54,240	32%	\$61,164
CONSUMER ACCOUNTING				
Meter Reading	\$773	\$5,608	43%	\$5,351
Collection Expense - Labor	0	0	0%	0
Distributed from Novato (3.6%)	736	6,375	53%	\$7,348
CONSUMER ACCOUNTING	\$1,509	\$11,983	46%	\$12,698
WATER CONSERVATION				
Water Conservation Program	\$1,621	\$14,305	358%	\$23,583
TOTAL WATER CONSERVATION	\$1,621	\$14,305	358%	\$23,583
GENERAL AND ADMINISTRATIVE				
Legal Fees	\$360	\$1,858	93%	\$135
Consulting Services/Studies	405	405	-	23,872
Distributed from Novato (3.6%)	7,395	40,065	65%	33,626
GASB68 Adjustment (Pension)	5,690	33,477	1674%	29,786
GENERAL & ADMINISTRATIVE	\$13,850	\$75,804	118%	\$87,419
Depreciation (Note 5)	16,699	100,382	37%	100,214
TOTAL OPERATING EXPENSE	\$78,278	\$448,205	52%	\$478,684
OPERATING INCOME/(LOSS)	(\$13,653)	\$74,421	47%	\$77,391

**WEST MARIN WATER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2021**

	DECEMBER 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
NON-OPERATING REVENUE				
Interest - General Funds	\$0	\$0	0%	\$5,649
Interest - FRC	0	0	0%	0
Interest - Self-Insured WC Fund	4	85	-	230
Interest - Bank of Marin Project Fund	0	0	-	1,422
Rents & Leases	0	5,628	-	5,464
Tax Proceeds - OL-2 G.O. Bond	0	0	-	1
Tax Proceeds - PR-2 Tax Allocation	31,067	32,124	57%	30,879
Other Non-Operating Revenue	0	0	-	1
NON-OPERATING REVENUE	\$31,071	\$37,837	61%	\$43,646
NON-OPERATING EXPENSE				
Bank of Marin Loan Interest Expense	\$1,694	\$10,341	47%	\$11,182
Interest-Advance from Novato (Note 11)	0	0	0%	0
Other Non-Operating Expense	373	417	-	391
NON-OPERATING EXPENSE	\$2,067	\$10,758	36%	\$11,573
NET INCOME/(LOSS)	\$15,351	\$101,499	53%	\$109,464
BEGINNING FUND EQUITY		\$7,337,198		\$7,344,831
NET INCOME/(LOSS)	15,351	101,499		109,464
CONTRIBUTED CAPITAL				
Gallagher Ranch Streambank Grant	0	0	-	(336,398)
Developer 'In-Kind' Contributions	0	3,659	-	0
Connection Fees	0	38,800	-	0
ENDING FUND EQUITY		\$7,481,156		\$7,117,896

**OCEANA MARIN SEWER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2021**

	DECEMBER 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
OPERATING REVENUE				
Sewer Service Charges	\$24,205	\$145,230	50%	\$137,592
TOTAL OPERATING REVENUE	\$24,205	\$145,230	50%	\$137,592
OPERATING EXPENSE				
SEWAGE COLLECTION				
Supervision & Engineering	\$1,381	\$5,392	12%	\$3,737
Inspection	0	0	0%	0
Operating Expense	1,174	8,105	68%	7,429
Facilities Location	525	1,956	39%	2,056
Maint of Telemetry Equipment	20	121	3%	2,231
Maint of Lift Stations	1,366	9,526	119%	4,474
Maint of Sewer Mains	0	0	0%	0
Electric Power	1,449	13,287	89%	10,101
SEWAGE COLLECTION	\$5,915	\$38,387	41%	\$30,028
SEWAGE TREATMENT				
Operating Expense	\$27,228	\$29,539	155%	\$26,509
Maint of Structures	0	0	0%	0
Maint of Equipment	0	1,300	16%	1,122
Laboratory Direct Labor	0	2,268	25%	1,745
Lab Expense Distributed from Novato	10	1,164	58%	940
Electric Power	1,074	6,817	49%	6,337
SEWAGE TREATMENT	\$28,312	\$41,087	76%	\$36,652
SEWAGE DISPOSAL				
Operating Expense	\$1,060	\$7,584	45%	\$3,666
Maint of Pump Stations	1,068	8,777	98%	2,842
Maint of Storage Ponds	233	9,532	87%	1,000
Maint of Irrigation Field	0	873	9%	379
SEWAGE DISPOSAL	\$2,361	\$26,766	57%	\$7,887
CONSUMER ACCOUNTING				
Collection Expense - County of Marin	\$351	\$351	-	\$351
Distributed from Novato (0.6%)	90	680	34%	766
CONSUMER ACCOUNTING	\$441	\$1,031	52%	\$1,117

**OCEANA MARIN SEWER
DETAIL INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2021**

	DECEMBER 2021	YEAR TO DATE ACTUAL	YTD/ BUDGET%	PRIOR YTD ACTUAL
GENERAL AND ADMINISTRATIVE				
Consulting Services/Studies	\$369	\$369	12%	\$18,762
Legal Fees	0	0	-	878
Distributed from Novato (1.1%)	2,534	13,727	196%	12,430
Liability Insurance	184	1,102	55%	1,052
GASB68 Adjustment	1,341	8,033	-	7,915
GENERAL AND ADMINISTRATIVE	\$4,428	\$23,232	194%	\$41,037
Depreciation (Note 5)	3,895	23,174	47%	22,186
TOTAL OPERATING EXPENSE	\$45,352	\$153,677	60%	\$138,908
OPERATING INCOME/(LOSS)	(\$21,147)	(\$8,447)	(26%)	(\$1,316)
NON-OPERATING REVENUE				
Rents & Leases	\$0	\$0	-	\$250
Interest - General Funds	1,202	2,759	69%	2,589
Interest - Self Insured WC Fund	1	30	-	82
Tax Proceeds - OM-1/OM-3 Tax Alloc	33,108	34,265	57%	32,908
Other Non-Operating Revenue	0	0	-	0
NON-OPERATING REVENUE	\$34,312	\$37,054	58%	\$35,829
NON-OPERATING EXPENSE				
Interest Expense	\$0	\$0	0%	\$0
Other Non-Operating Expense	398	474	47%	417
GASB68 Adjustment	0	0	-	0
NON-OPERATING EXPENSE	\$398	\$474	12%	\$417
NET INCOME/(LOSS)	\$12,767	\$28,133	31%	\$34,096
BEGINNING FUND EQUITY		\$1,690,572		\$1,624,590
NET INCOME/(LOSS)	12,767	28,133		34,096
CONTRIBUTED CAPITAL				
Contribution in Aid of Construction	0	0	-	0
Connection Fees	0	0	-	0
FEMA/CAL OES Grant-OM Treatment Pond	0	0		86,060
PRIOR YEAR ADJUSTMENTS (Note 11d)	0	0		0
ENDING FUND EQUITY		\$1,718,705		\$1,744,746

**NORTH MARIN WATER DISTRICT
EQUIPMENT EXPENDITURES
PERIOD ENDING DECEMBER 31, 2021**

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	DECEMBER 2021	FYTD TOTAL	FY 21/22 BUDGET	(OVER) UNDER	Notes
1 OPERATIONS/MAINTENANCE					
a. Meter Maintenance Program	\$0	\$0	\$120,000	\$120,000	
b. Particle Charge Analyzer	0	7,649	0	(7,649)	
	\$0	\$7,649	\$120,000	\$112,351	
2 ENGINEERING					
a. File Management System	\$0	\$39,144	\$40,000	\$856	1
b. Large Format Printer	0	11,930	0	(11,930)	1
	\$0	\$51,073	\$40,000	(\$11,073)	
3 VEHICLE & ROLLING EQUIPMENT EXPENDITURES					
a. Peterbilt 335 (#508) Cab & Chasis	\$0	\$0	\$135,000	\$135,000	1
b. Leased Vehicles	0	31,079	0	(31,079)	
	\$0	\$31,079	\$135,000	\$103,921	
TOTAL EQUIPMENT EXPENDITURES	\$0	\$89,802	\$295,000	\$205,198	

Notes:

(1) Replacement item.

**NORTH MARIN WATER DISTRICT
VEHICLE FLEET ANALYSIS
FOR PERIOD ENDING DECEMBER 31, 2021**

		Fiscal Year to Date						Hide this column before printing		Vehicle Cost per Mile		
Year	Description	Veh#	Assigned	Mileage	Expense ¹	Recovery ²	Gain/(Loss)	Expense ¹	Mileage	Life to Date	FYTD22	FYTD21
1	2002 Chev K1500 4x4	47	Construction	2,113	\$2,935	\$1,029	(\$1,906)	\$61,133	154,437	\$0.40	\$1.39	\$0.47
2	2003 Dodge Dakota 4x4	49	STP	639	\$1,211	\$683	(\$528)	\$55,931	128,037	\$0.44	\$1.90	\$0.47
3	2008 Ford F250 4x4	505	Pool	2,521	\$1,223	(\$2)	(\$1,225)	\$85,763	109,822	\$0.78	\$0.49	\$3.60
4	2008 Ford F250 4x4	506	Pool	702	\$333	\$208	(\$125)	\$63,721	80,413	\$0.79	\$0.47	\$2.12
5	2008 Chev Colorado 4x4	509	Pool	1,286	\$1,115	\$660	(\$455)	\$45,016	119,558	\$0.38	\$0.87	\$0.63
6	2010 Ford F150 4x4	511	Bergstrom	4,751	\$2,868	\$3,876	\$1,008	\$52,250	104,131	\$0.50	\$0.60	\$0.39
7	2010 Ford F150	512	Davenport	5,539	\$2,438	\$2,217	(\$220)	\$63,003	129,028	\$0.49	\$0.44	\$0.32
8	2010 Ford F150	513	Construction	1,814	\$848	\$2,269	\$1,421	\$44,011	92,903	\$0.47	\$0.47	\$0.27
9	2012 Ford F250	515	Reed	4,487	\$3,611	\$8,720	\$5,110	\$50,981	82,734	\$0.62	\$0.80	\$0.47
10	2012 Ford F250	516	Castellucci	6,495	\$5,953	\$6,396	\$443	\$53,421	92,991	\$0.57	\$0.92	\$0.52
11	2014 Ford F150	517	Kurfirst	2,915	\$1,435	\$4,835	\$3,400	\$16,187	24,189	\$0.67	\$0.49	\$0.47
12	2015 Ford F250 4x4	518	Maintenance	3,068	\$1,226	\$1,195	(\$31)	\$45,348	104,597	\$0.43	\$0.40	\$0.41
13	2015 Ford Escape 4X4	520	Arendell	9,938	\$3,482	\$4,350	\$868	\$31,887	110,418	\$0.29	\$0.35	\$0.32
14	2015 Ford F150 4X4	521	Watkins/Shop	3,476	\$1,416	\$1,265	(\$151)	\$18,979	54,869	\$0.35	\$0.41	\$0.35
15	2016 Nissan Frontier	522	Roberto	1,396	\$537	\$532	(\$5)	\$20,343	53,596	\$0.38	\$0.38	\$0.21
16	2017 Ford Escape 4X4	523	Lab	3,907	\$1,492	\$1,554	\$62	\$10,982	33,365	\$0.33	\$0.38	\$0.27
17	2016 Nissan Frontier	524	Bynum	3,676	\$4,134	\$4,875	\$741	\$21,560	43,700	\$0.49	\$1.12	\$0.42
18	2018 Ford Cargo Van	526	On-Call	7,075	\$3,167	\$491	(\$2,676)	\$15,731	32,896	\$0.48	\$0.45	\$0.27
19	2018 Dodge Ram 2500	527	Rupp	4,525	\$3,154	\$4,969	\$1,816	\$20,629	33,583	\$0.61	\$0.70	\$0.45
20	2019 Chev Colorado 4x4	528	Stompe	2,316	\$887	\$1,543	\$656	\$7,555	15,360	\$0.49	\$0.38	\$0.45
21	2019 NISSAN ROGUE	531	Eng/Wtr Consv	560	\$227	\$586	\$359	\$5,467	16,648	\$0.33	\$0.41	\$0.20
22	2019 NISSAN FRONTIER	533	Castellucci	2,883	\$2,277	\$6,474	\$4,197	\$6,949	15,734	\$0.44	\$0.79	\$0.33
23	2019 FORD F-150 2WD	534	Grisso	2,061	\$809	\$1,706	\$897	\$1,866	3,249	\$0.57	\$0.39	\$0.29
24	2019 FORD F-150 4x4	535	STP	4,349	\$1,231	\$1,174	(\$56)	\$5,282	17,701	\$0.30	\$0.28	\$0.31
25	2020 CHEVROLET COLORADO 2WI	536	Lawrence	2,540	\$1,383	\$880	(\$502)	\$4,616	13,045	\$0.35	\$0.54	\$0.19
26	2020 FORD F250 4X4	537	Kehoe, Chris	6,430	\$4,588	\$5,760	\$1,172	\$11,466	23,000	\$0.50	\$0.71	\$0.32
27	2020 FORD F250 4X4	538	STP	996	\$842	\$521	(\$321)	\$3,732	6,329	\$0.59	\$0.85	\$0.29
28	2020 FORD F150 2WD	539	Kane	2,086	\$601	\$712	\$111	\$1,391	4,386	\$0.32	\$0.29	\$0.00
29	2020 FORD F150 2WD	540	Kauwe	3,675	\$1,648	\$3,035	\$1,387	\$3,921	11,523	\$0.34	\$0.45	\$0.27
30	2021 NISSAN ROGUE	541	Clark	6,433	\$1,397	\$1,964	\$567	\$1,397	6,433	\$0.22	\$0.22	\$0.00
31	2021 NISSAN FRONTIER	542	STP	2,795	\$918	\$873	(\$45)	\$918	2,795	\$0.33	\$0.33	\$0.00
32	2021 Ford Ranger 4x4	543	LeBrun	6,964	\$1,703	\$3,411	\$1,708	\$1,703	6,934	\$0.25	\$0.24	\$0.00
33	2020 FORD F150	544	Grisso	0	\$88	\$0	(\$88)	\$88	0	\$0.00	\$0.00	\$0.00
34	2021 FORD F150	545	Kane	300	\$144	\$28	(\$116)	\$144	300	\$0.48	\$0.48	\$0.00
Total 3/4 Ton & Under				114,711	61,323	78,794	17,472	833,370	1,728,704	\$0.48	\$0.53	\$0.37
1	1999 Ford F350 W/Svc Body	19	Pool	554	\$623	\$754	\$132	\$113,949	139,698	\$0.00	\$1.12	\$0.84
2	2002 Int'l 5 Yd Dump	44	Construction	2,345	\$6,018	\$7,418	\$1,400	\$199,475	116,468	\$1.71	\$2.57	\$1.27
3	2006 Int'l 4300 Crew	503	Construction/Crew	1,593	\$2,226	\$10,043	\$7,818	\$135,928	54,000	\$2.52	\$1.40	\$3.63
4	2009 Peterbilt 325 Crew	508	Construction/Crew	1,931	\$4,094	\$9,770	\$5,676	\$90,606	44,492	\$2.04	\$2.12	\$0.73
5	2012 Int'l 5 Yd Dump	514	Breit	1,758	\$5,141	\$6,018	\$878	\$71,696	51,078	\$1.40	\$2.92	\$1.36
6	2015 Int'l 5 Yd Dump	519	Sjoblom	3,308	\$5,931	\$9,546	\$3,615	\$62,267	50,802	\$1.23	\$1.79	\$1.17
7	2017 Ford F350 4x4	525	Lemos	4,008	\$5,071	\$5,724	\$653	\$26,747	47,287	\$0.57	\$1.27	\$0.68
8	2019 FORD F550 3 YD DUMP	530	Construction	1,941	\$1,890	\$5,388	\$3,499	\$8,107	8,772	\$0.92	\$0.97	\$0.72
Total 1 Ton & Over				17,438	\$30,993	\$54,663	\$23,671	708,774	512,597	\$1.38	\$1.78	\$0.72

¹ Expense amount shown excludes depreciation (approximately \$130,000 for FY22).

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 32,500 miles. Mileage shown is total incurred since District purchase.

**NORTH MARIN WATER DISTRICT
WATER CONSERVATION PROGRAM DETAIL
PERIOD ENDING DECEMBER 31, 2021**

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Description			COST THRU JUNE 2021	DECEMBER 2021	FYTD TOTAL	FY 21/22 BUDGET	(OVER) UNDER	TOTAL COST
NOVATO								
a. Residential								
1-7700-01	1-7700-26	1 Cash for Grass	\$454,159	\$5,474	\$36,098	\$35,000	(\$1,098)	\$490,258
1-7700-02	1-7700-27	2 Landscape Efficiency Rebates	27,227	351	\$3,592	5,000	1,408	30,819
1-7700-03		3 Fixtures Purchases	53,519	0	\$0	5,000	5,000	53,519
1-7700-06	1-7700-28	4 Washing Machine Rebates	354,796	767	\$4,306	5,000	694	359,102
1-7700-07		5 Demonstration Garden Improvements	55,105	0	\$0	1,000	1,000	55,105
1-7700-11	1-7700-29	6 Toilet Rebate SF	1,039,189	2,451	\$12,425	18,000	5,575	1,051,614
1-7700-12	1-7700-30	7 Toilet Rebate MF	18,896	0	\$0	2,000	2,000	18,896
1-7700-13		8 Residential Audits	483,043	395	\$2,150	20,000	17,850	485,193
1-7700-15		9 High Efficiency Toilet Distribution	242,197	0	\$0	0	0	242,197
1-7700-16		10 Water Waste Ordinance Monitoring	102,417	2,112	\$19,852	10,000	(9,852)	122,268
1-7700-17	1-7700-31	11 Swimming Pool Cover Rebate	5,682	174	\$4,389	1,000	(3,389)	10,071
1-7700-19	1-7700-32	12 ET Controller Rebate	49,466	163	\$1,526	5,000	3,474	50,992
1-7700-08		13 Administration	1,751,961	7,536	\$44,432	130,000	85,568	1,796,393
1-7700-20		14 New Development Wtr Cons Program	128,886	589	\$3,039	10,000	6,961	131,924
1-7700-21	1-7700-33	15 Demand Offset Rebate Program	3,843	0	\$246	2,000	1,754	4,089
1-7700-23		16 Grant Administration	3,300	0	\$0	1,000	1,000	3,300
1-7700-24	1-7700-34	17 Hot Water Recirculation Rebate	2,916	222	\$922	2,000	1,078	3,837
1-7700-25		18 Residential Fill Station	66,421	0	\$21	0	(21)	66,442
1-7700-35		19 UWMP	16,449	0	\$284	0	(284)	16,733
b. Commercial								
1-7701-02	1-7701-05	1 Toilet Rebate Program	67,561	0	0	5,000	5,000	67,561
1-7701-03	1-7701-04	2 Commercial Audits	39,151	147	1,599	2,000	402	40,749
c. Public Outreach/Information								
1-8672-16		1 Fall Newsletter	100,955	0	12,449	8,000	(4,449)	113,405
1-8672-17		2 Spring Newsletter	115,819	0	142	9,000	8,858	115,961
1-8672-18		3 Summer Newsletter	20,290	0	0	0	0	20,290
1-7700-04		4 Public Outreach / H ₂ O Fair	323,141	6,815	48,215	67,000	18,785	371,356
1-7700-05		5 Marketing	174,598	147	20,806	15,000	(5,806)	195,404
1-7700-22		6 Public Outreach/Leadership Novato	11,327	0	0	0	0	11,327
d. Large Landscape								
1-8653-02		1 Large Landscape Audits	92,072	0	289	2,000	1,711	92,361
1-7702-01		2 Large Landscape Budgets	41,339	104	1,528	0	(1,528)	42,867
1-7702-02	1-7702-04	3 Large Landscape Irrig Efficiency Rebates	14,960	0	0	6,000	6,000	14,960
1-8653-01		4 CIMIS Station Maintenance	19,822	0	0	2,000	2,000	19,822
1-7702-03		5 Administration-Large Landscape	112,458	589	4,493	9,000	4,507	116,951
TOTAL NOVATO WATER CONSERVATION			\$5,992,967	\$28,036	\$222,800	\$377,000	\$154,200	\$6,215,767
WEST MARIN WATER								
2-5166-00		a. Water Conservation Program	\$159,461	\$1,621	\$14,305	\$4,000	(\$10,305)	\$173,767
TOTAL WATER CONSERVATION EXPENDITURES			\$159,461	\$1,621	\$14,305	\$4,000	(\$10,305)	\$173,767

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING DECEMBER 31, 2021**

Description	COST THRU JUNE 2021	DECEMBER 2021	FYTD TOTAL	FY 21/22 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
1 PIPELINE REPLACEMENTS/ADDITIONS						
a. Main/Pipeline Replacements						
1-7183-xx 1 Replace Plastic thin Walled Pipe < 4-inch	\$0	\$0	\$0	\$150,000	\$150,000	\$0
1-7186-00 2 Replace CI Pipe-Grant Ave	215,568	0	2,920	0	(2,920)	218,488
1-7193-00 3 Replace 6" ACP Pipe (810") Glen Rd	228,705	0	27,808	0	(27,808)	256,513
1-7194-00 4 Redwood Blvd Pipe Lowering	10,507	0	0	0	0	10,507
1-7195-00 5 Novato Blvd Widening Diablo to Grant	14,258	10,153	23,314	200,000	176,686	37,572
1-7198-00 6 Remove/Replace 12" Valves-Center Rd	0	0	0	0	0	0
7 Other Main Replacements (60+ years old)	0	0	0	200,000	200,000	0
b. Main/Pipeline Additions						
1-7150-00 1 San Mateo Tank 24" Transmission Main	219,640	0	1,026	850,000	848,974	220,665
2 Other Main/Pipeline Additions	0			150,000		
c. PB Service Line Replacements						
1-7139-xx 1 Repl PB in Sync w/City Paving (30 Svcs)	0	0	0	70,000	70,000	0
1-7139-23 2 Repl PB-San Marin Dr/Ignacio Blvd	80,098	926	2,551	0	(2,551)	82,650
d. Relocations to Sync w/City & County CIP						
1-8737-xx 1 Other Relocations	0	0	0	70,000	70,000	0
TOTAL PIPELINE REPLACEMENTS/ADDITIONS	\$768,776	\$11,079	\$57,619	\$1,690,000	\$1,482,381	\$826,395
e. Aqueduct Replacements & Enhancements						
1-7118-02 1 MSN B2-Utility Agreement Costs¹	\$128,979	\$135	\$8,415	\$0	(\$8,415)	\$137,394
	\$128,979	\$135	\$8,415	\$0	(\$8,415)	\$137,394
2 SYSTEM IMPROVEMENTS						
1-7007-15 a. Detector Check Assembly Repair/Repl-FY22 (~14/yr)	\$0	\$3,583	\$17,878	\$100,000	\$82,123	\$17,878
1-7090-04 b. Anode Installations (150/yr)	264	0	0	10,000	10,000	264
1-7190-00 c. San Marin Aqueduct Valve Pit (STP to Zone 2)	0	238	11,085	150,000	138,915	11,085
1-6302-21 d. Rehab Black Pt Pressure Regulating Station	18,714	0	4,719	25,000	20,281	23,434
1-6313-20 e. Rehab Harbor Dr pressure Regulating Station	0	0	0	25,000	25,000	0
1-6316-20 f. Frosty Lane Intertie Ball Valve Upgrade	0	0	0	0	0	0
1-7007-14 g. Detector Check Assembly Repair/Repl-FY21 (~14/yr)	87,653	0	427	0	(427)	88,081
TOTAL SYSTEM IMPROVEMENTS	\$106,632	\$3,821	\$34,109	\$310,000	\$275,891	\$140,741
3 BUILDINGS, YARD, & S.T.P. IMPROVEMENTS						
a. Administration Building						
1-6501-44 1 NMWD Headquarters Upgrade⁴	\$429,500	\$321,542	\$854,445	\$3,475,000	\$2,620,555	\$1,283,945
b. Stafford Treatment Plant						
1-6600-69 1 Dam Concrete Repair (Apron)	0	0	0	50,000	50,000	0
1-6600-96 2 Leveroni Creek Embankment Repair³	51,244	6,273	13,950	175,000	161,051	65,193
1-6600-xx 3 Other Treatment Plant Improvements	0	0	0	50,000	50,000	0
1-6600-92 4 STP-Chemical System Upgrades	68,996	0	0	75,000	75,000	68,996
1-6600-83 5 Filter Underdrain/Media R&R	12,002	0	0	20,000	20,000	12,002
1-6600-34 6 STP-High Service Pump #3 Replacement	17,945	733	733	0	(733)	18,678
1-6610-20 7 STP-HSPS Pipe Repair	0	1,978	1,978	0	(1,978)	1,978
TOTAL BUILDING, YARD, & STP IMPROVEMENTS	\$579,687	330,526	\$871,106	\$3,845,000	\$2,973,894	\$1,450,793
4 STORAGE TANKS & PUMP STATIONS						
a. Tank Construction						
1-6207-20 1 Old Ranch Rd Tank Replacement	\$278,484	\$17,655	\$651,451	\$1,600,000	\$948,549	\$929,935
b. Tank Rehabilitation						
1-7170-00 1 Hydropneumatic Tank Repairs	20,405	19,252	46,302	130,000	83,698	66,707
c. Other Tank & PS Improvements						
1-6112-24 1 Lynwood PS Motor Control Center	150,287	0	284	525,000	524,716	150,571
1-6141-00 2 Crest PS/Relocate School Rd PS	253,172	0	10,274	375,000	364,726	263,447
1-6120-23 3 Trumbull PS/Repl Pump Flange	0	0	10,612	0	(10,612)	10,612
1-6506-20 4 Crest Tank Radio Building-Roof	0	14,547	14,547	0	(14,547)	14,547
TOTAL STORAGE TANKS & PUMP STATIONS	\$702,347	\$51,454	\$733,471	\$2,630,000	\$1,896,529	\$1,435,818

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING DECEMBER 31, 2021**

Description	COST THRU JUNE 2021	DECEMBER 2021	FYTD TOTAL	FY 21/22 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
5 RECYCLED WATER						
5-7162-04 1 Replace CI-Atherton Ave	\$0	\$0	\$0	\$50,000	\$50,000	\$0
a. Other Recycled Water Expenditures	0	0	0	50,000	50,000	0
5-7162-05 1 Carwash Retrofit-128 Vintage Way	0	0	2,825	0	(2,825)	2,825
5-7162-06 2 Truck RW Load Expansion 2021	0	0	26,033	0	(26,033)	26,033
TOTAL RECYCLED WATER	\$0	\$0	\$28,857	\$100,000	\$71,143	\$28,857
6 WEST MARIN WATER SYSTEM						
2-6263-20 a. Replace PRE Tank #4A (25K Gal w/125K Gal)	\$1,391,843	\$479	\$41,554	\$0	(\$41,554)	\$1,433,398
2-6609-20 b. New Gallagher Well #2	364,766.34	9,398	93,653	631,000	537,347	458,419
2-8829-00 c. PB Replace in Sync w/County Paving	1,455	0	0	50,000	50,000	1,455
2-7185-00 d. Gallagher Ranch Streambank Stabilization*	722,658	0	2,303	4,000	1,698	724,960
2-8912-00 e. Lagunitas Bridge Pipeline Replacement	33,203	2,836	4,258	400,000	395,742	37,460
2-7200-00 f. Silver Hills Culvert Replacement	0	823	44,226	0	(44,226)	44,226
TOTAL WEST MARIN WATER SYSTEM	\$2,513,925	\$13,535	\$185,993	\$1,085,000	\$899,007	\$2,699,918
7 OCEANA MARIN SEWER SYSTEM						
8-8672-28 a. Infiltration Repair (Manhole Relining)	\$81,763	\$0	\$31,350	\$40,000	\$8,650	\$113,113
8-7085-05 b. Tahiti Way Lift Pump Replacement	9,489	0	0	100,000	100,000	9,489
8-7173-00 c. OM Treatment Pond Rehab-404 Grant-FEMA*	190,530	146	2,911	1,450,000	1,447,089	193,441
8-7173-01 d. OM Treatment Pond Rehab-Grant Management	0	851	2,054	0	(2,054)	2,054
8-7199-00 e. Replace OM Generator	0	0	0	0	0	0
TOTAL OCEANA MARIN SEWER SYSTEM	\$281,782	\$997	\$36,314	\$1,590,000	\$1,553,686	\$318,096
TOTAL PROJECT EXPENDITURES	\$5,082,128	\$411,547	\$1,955,885	\$11,250,000	\$9,144,115	\$7,038,013
8 LESS FUNDED BY GRANTS, LOANS & REIMBURSEMENTS						
(Accrued)/Deferred						
a. MSN Aqueduct Caltrans Reimb-Segment B2 ¹	(\$33,062)	\$0	(\$8,415)	\$0	\$8,415	(\$41,477)
b. NMWD Headquarters Upgrade ²	(429,500)	(321,542)	(854,445)	(3,575,000)	(2,720,555)	(1,283,945)
c. Gallagher Ranch Streambank Stabilization ⁴	0	0	(2,303)	(550,000)	(547,698)	(2,303)
d. OM Treatment Pond Rehab-404 Grant-FEMA*	(61,082)	(110)	(2,183)	(1,450,000)	(1,447,817)	(63,265)
FUNDING BY OTHERS (ACCRUED)/DEFERRED	(\$523,645)	(\$321,652)	(\$867,345)	(\$5,575,000)	(\$4,707,655)	(\$1,390,990)
Received						
a. MSN Aqueduct Caltrans Reimb-Segment B2 ¹	(\$120,684)	\$0	\$0	\$0	\$0	(\$120,684)
b. NMWD Headquarters Upgrade ²	\$0	0	0	0	\$0	\$0
c. Gallagher Ranch Streambank Stabilization ⁴	(411,398)	0	0	0	\$0	(\$411,398)
d. OM Treatment Pond Rehab-404 Grant-FEMA ⁵	(86,060)	0	0	0	\$0	(\$86,060)
FUNDING BY OTHERS RECEIVED	(\$618,142)	\$0	\$0	\$0	(\$618,142)	(\$618,142)
NET PROJECT EXPENDITURES	\$3,940,342	\$89,895	\$1,088,540	\$5,675,000	\$3,818,319	\$5,028,881

**NORTH MARIN WATER DISTRICT
CAPITAL IMPROVEMENT PROJECTS
PERIOD ENDING DECEMBER 31, 2021**

Description	COST THRU JUNE 2021	DECEMBER 2021	FYTD TOTAL	FY 21/22 BUDGET	(OVER)/UNDER BUDGET	TOTAL COST
CIP SUMMARY-GROSS EXPENDITURES:		Current Month	FYTD Total	FY 21/22 Budget	FYTD/ Budget%	7,649
Novato Water Capital Projects		\$397,014	\$1,704,720	\$8,475,000	20%	
Novato Recycled Water Capital Projects		0	28,857	100,000	29%	
West Marin Water Capital Projects		13,535	185,993	1,085,000	17%	
Oceana Marin Sewer Capital Projects		997	36,314	1,590,000	2%	
Gross Capital Improvement Project Outlays		\$411,547	\$1,955,885	\$11,250,000	17%	
CIP SUMMARY-NET EXPENDITURES:		Current Month	FYTD Total	FY 21/22 Budget	FYTD/ Budget%	
Novato Water Capital Projects		\$75,472	\$841,860	\$4,900,000	17%	
Novato Recycled Water Capital Projects		0	28,857	100,000	29%	
West Marin Water Capital Projects		13,535	183,691	535,000	34%	
Oceana Marin Sewer Capital Projects		997	34,131	140,000	24%	
Net Capital Improvement Project Outlays		\$90,005	\$1,088,540	\$5,675,000	19%	

Notes to Capital Improvement Projects Schedule:

- (1) Funding provided 100% by Caltrans.
- (2) \$16.2M NMWD Headquarters Upgrade is proposed to be funded by 20 year 3.5% bank loan.
- (3) Project developed as part of October 2017 Feasibility Assessment prepared by Prunuske Chatham.
- (4) Loan from Novato Water-As included in the 2021 WM Water rate study - to be paid with interest. Loan to occur in FY21 & FY22.
- (5) OM Treatment Pond Rehab-Project to be funded at 75% by grants. Eligible project costs are budgeted at \$2.2M (75%=\$1.425M). Also includes loans for capital projects of \$250K in FY22.

CONSULTING SERVICES/STUDIES							
1-4057-00	a. Local Water Supply Enhancement Study	\$0	\$53,438	\$113,440	\$225,000	\$111,560	\$113,440
1-4077-00	b. Potter Valley Project FERC Relicensing	12,071	945	5,828	5,000	(828)	17,898
1-6501-43	c. Electronic Document Management System	4,427	0	0	60,000	60,000	4,427
1-4076-01	d. District Boundary Election Map Review and Redraw	0	4,608	5,548	40,000	34,453	5,548
1-4085-00	e. Cathodoc Protection Master Plan	0	0	0	20,000	20,000	0
1-4086-00	f. Pump Efficiency Hydraulic Study	0	0	0	25,000	25,000	0
1-7140-01	e. Stafford Dam EAP & Inundation Mapping Updates	20,695	0	2,119	10,000	7,881	22,814
1-4073-00	f. Surplus Properties	0	0	0	0	0	0
5-4087-00	g. Recycled Water Program Strategy	0	2,206	8,795	0	(8,795)	8,795
1-4088-00	h. Emergency Operations Plan Update	0	0	2,613	5,000	2,388	2,613
1-4055-00	i. Stafford Lake Watershed Sanitary Survey	0	0	10,120	0	(10,120)	10,120
1-4050-01	j. 2020 Urban Water Management Plan	90,305	0	913	0	(913)	91,218
1-4090-00	k. Novato Drought Surcharge Study	0	225	225	0	(225)	225
8-4080-00	l. OM Sewer System Management Plan	19,833	369	369	0	(369)	20,202
2-4089-00	m. Coast Guard Housing-PRTP Study	0	405	405	0	(405)	405
	n. District Allocation of North Bay Reuse Authority Budget	0	0	10,000	0	(10,000)	10,000
	o. Financial Model Training	1,995	0	1,890	0	(1,890)	3,885
	p. GASB 75 (OPEB) Disclosure Information Report	4,500	0	500	0	(500)	5,000
		\$153,825	\$62,195.90	\$162,763	\$390,000	\$227,237	

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.

Deer Island RWF Replacement Fund: The State Revolving Fund (SRF) loan agreement for construction of the Deer Island RW Facility requires the District to establish and maintain a Water Recycling Capital Reserve Fund (WRCRF) for the expansion, major repair, or replacement of the water recycling facilities. The WRCRF is maintained in compliance with the State Water Resources Control Board's "Policy for Implementing the State Revolving Fund for Construction of Wastewater Treatment Facilities" in effect at the time the agreement was executed, July 2006. NMWD is required to deposit a minimum reserve of 0.5% of the SRF loan amount each year for a period of ten years. The balance in the DICRF is \$215,000 (\$4.3M x .5% x 10 years). The fund balance does not accrue interest.

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. A payment of \$305,711 was made to Novato Sanitary District in December 2019 for the Clearwell Improvement Project.

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 Reserve 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. This Reserve Fund was fully funded at 6/30/19. The County credits the fund with interest quarterly, which is applied to the semi-annual payments, and will use the Reserve to pay the last 2 semi-annual SRF loan payments.

RWS North/South SRF Reserve 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 Reserve 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 (\$275,773) 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 is \$525,000 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.

Workers' Compensation Fund: Commencing July 2019, the District switched from self-insuring its workers' compensation liability to 1st dollar workers' compensation insurance with Zenith Insurance Company. The premium for 1st dollar insurance is higher than staying with the SIR plan, but the risk of \$1M out of pocket costs is eliminated. In FY22, the Worker's Comp Reserve Fund was reduced \$23,440, the amount of the one remaining claim filed when the District was self-insured, with the balance transferred to Unrestricted Cash.

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 (for employees hired on or before September 30, 2018) and a minimum of 20 years (for employees hired after September 30, 2018) 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 Total OPEB Liability. In 2021 an Actuarial Analysis calculated NMWD's total actuarial liability at \$4.9 million. The Retiree Medical Benefits cash fund earns 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. Starting in FY21/22, this reserve was increased to \$4.0 million based on the District's planned pay-go capital spending per the 2020 Novato Water Rate Study and subsequent financial plans. Funds are borrowed from the Maintenance Accrual Fund to offset the shortfall in unrestricted Cash & Investments. The fund balance does not accrue interest.

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. Funds are borrowed from the operating Reserve Fund to offset the shortfall in unrestricted Cash & Investments. 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 two employee-housing loans currently outstanding totaling \$525,000: a \$250,000 loan dated March 2015, and a \$275,000 loan dated June 2018.

Note 4 – Other Long Term Receivables

In 2014, the District entered into an interconnection agreement with MMWD for their share of the Aqueduct Energy Efficiency Project. The 2.71% \$3,622,882 loan will have yearly payments due of \$205,320, and the final payment is due in July 2032. In 2015 the District entered into an agreement with Marin Country Club for their share of the pipeline extension to provide recycled water for the Marin Country Club Golf Course. In 2016 the District received a \$6.6 million 30-year 1.0% SRF loan to finance the Recycled Water Central project, and Marin Country Club agreed to pay the District \$1,265,295 in bimonthly payments of \$8,142 at 1.0% over 30 years for their share of the pipeline extension. Marin Country Club also agreed to pay \$430,463 of the District's local share of the project in bimonthly payments of \$8,242 over 10 years at 2.8%, which is the Novato Potable Fund's weighted average cost of debt. The payments will coincide with Marin Country Club's water service payments. Marin Country Club paid the 10 year loan in full in December 2018. The final payment from Marin Country Club for the 30 year loan is due in November 2047. The Marin Country Club also owes the District \$189,402.89 in previously unbilled water receipts due to a recording error in their 6" AMI meter. \$89,990.87 of this amount was paid by Marin Country Club in October 2020 and the remaining balance due of \$99,412.02 will be re-paid in \$2,000 monthly installment payments and will be paid in full March 2025.

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 2021-2022

Service Area	Description	Issue Date	Rate	Original Amount	Payment Due	Final Pmt	FY22		6/30/22 Outstanding Balance
							Interest Expense	Principal Paid	
1 Novato	SRF Loan - STP	2004	2.39%	\$16,528,850	7/1 & 1/1	7/1/29	\$175,634	\$868,841	\$6,695,774
2 Novato	Bank Loan Marin	2011	3.54%	\$7,000,000	27 th /mo	10/27/31	\$137,863	\$344,179	\$3,847,238
3 Novato	Chase Bank Loan	2018	2.69%	\$4,600,000	3/1 & 9/1	3/1/33	\$103,027	\$275,000	\$3,555,000
Novato Total							\$416,524	\$1,488,020	\$14,097,832
4 RW TP	SRF Loan	2006	2.4%	\$4,302,560	6/20	6/19/27	\$36,259	\$237,108	\$1,273,680
5 RW North	SRF Loans (4)	2013	2.6%	\$4,375,605	Varies	Varies	\$71,561	\$210,332	\$2,542,002
6 RW South	SRF Loans (3)	2013	2.2%	\$5,361,952	Varies	Varies	\$78,057	\$254,349	\$3,293,705
7 RW Central	SRF Loan	2016	1.0%	\$7,130,503	12/19	12/31/47	\$64,971	\$210,802	\$6,286,299
Recycled Water Total							\$250,848	\$912,591	\$13,395,686
8 WM Water	Bank Loan Marin	2012	3.54%	\$1,000,000	27 th /mo	10/27/31	\$20,237	\$50,522	\$564,427
West Marin Water Total							\$20,237	\$50,522	\$564,427
FY22 Total							\$687,609	\$2,451,133	\$28,058,125

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 below, and note to loan 9 above.
3. In March 2018 Chase Bank made a 15-year 2.69% (APR) loan of \$4.6 million to fund the District's Automated Meter Information system Project.
4. In August 2006 the California State Department of Water Resources approved a 2.4% 20-year loan of \$4,264,545 for construction of the Deer Island Recycled Water Facility. With the addition of \$38,015 in Construction Period Interest, the loan principal totaled \$4,302,560. The project was completed in June 2007, and the first payment was made June 19, 2008.

5. In July 2011 the California State Department of Water Resources approved a series of four 2.6% 20-year loans which totaled \$4,375,605 for the Recycled Water North Service Area Expansion Project. The projects were completed on October 31, 2012, and the first payment was made in November of 2012.
6. In March 2012 the California State Department of Water Resources approved a series of three 2.2% 20-year loans totaling \$5,361,952 for the Recycled Water South Service Area Expansion Project. The projects were completed on September 4, 2013, and the first payment was made in December of 2013.
7. In May 2016 the California State Department of Water Resources approved a 1.0% 30-year loan of \$7,130,503 for the Recycled Water Central Service Area Expansion. The project will be completed in December 2017, and the first payment was made December 31, 2018.
8. 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 (2.77% at 6/30/21); 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 period of each service area with the resultant change in cash balance that occurred over the same period.

Notes to the Financial Statements (page 27) 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 22), Equipment Expenditures (page 21) and Capital Improvement Project Expenditures (page 24), 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:

Recycled Water FRC Transfers from Novato

t:\finance\fr\recycled water frc transfers from novato.xlsx\sheet1

	Expansion Local Share			SRF RWF Expansion				Transfer		
	North	South	Central	NBWA	Loan	SRF Loan	BPGL Loan Repayment	CIP	Total	Executed
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	\$1,175,098
FY12	\$233,478	\$265,500		\$115,883	\$22,795				\$637,656	(\$7,088)
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	\$1,230,940	\$1,230,940
FY18			\$5,071,512	\$38,908	\$22,795	\$614,299			\$5,747,513	\$5,747,513
FY19			(\$2,168,755)	\$6,966	\$22,795	\$890,072			(\$1,248,922)	(\$1,248,922)
FY20			\$5,499	\$0	\$0	\$350,287	(\$1,046,471)	\$1,084	(\$689,600)	(\$689,600)
FY21						\$890,072			\$890,072	\$890,072
FY22						\$518,149			\$518,149	\$518,149
	\$603,428	\$1,006,589	\$3,337,509	\$1,314,751	\$273,539	\$6,070,876	\$0	\$37,771	\$12,644,463	\$11,597,992

6

MEMORANDUM

To: Board of Directors

January 28, 2022

From: Julie Blue, Auditor-Controller JB

Subj: Approve: Authorize Signatories on District Accounts
I:\finance\investments\treasury signatories february 2022.doc**RECOMMENDED ACTION: Approve Signatories on District Accounts****FINANCIAL IMPACT: None**

The General Manager Drew McIntyre, Auditor-Controller Julie Blue, and Accounting Supervisor Nancy Holton are the personnel presently authorized to perform purchase and sale of financial securities for the District's investment portfolio. They are also authorized to transfer and disburse funds to accommodate ongoing operational needs. We recommend adding Tony Williams, incoming General Manager, as a signor for these accounts effective after board approval. Drew McIntyre, who is retiring, will be removed upon retirement.

Local Account

US Bank

Purpose of the Account

Operating Account

SRF Loan Payment Pass-Through Account

Trustee Account

US Bank Safekeeping

Safeguarding of Investment Securities

Loan Payment Account

Bank of Marin

Aqueduct Expansion Loan

Broker

Time Value Investments

Purchase/Sale of Securities

State Treasurer

Local Agency Investment Fund

Demand Deposit Account

Recommendation:

Authorize the following personnel to transact business with the institutions shown above:

- 1) General Manager Drew McIntyre
- 2) Assistant General Manager/Chief Engineer Tony Williams
- 3) Auditor-Controller Julie Blue
- 4) Accounting Supervisor Nancy Holton

Approved by GM

Date

1/28/22

7

MEMORANDUM

To: Board of Directors

January 28, 2022

From: Ryan Grisso, Water Conservation Coordinator *RG*
Drew McIntyre, General ManagerSubject: West Marin 2021 Dry Year Water Conditions Report – Approve
v:\memos to board\west marin 2021 dry year water conditions report bod memo 1.28.22.doc**RECOMMENDED ACTION:** Approve - West Marin 2021 Dry Year Conditions Report**FINANCIAL IMPACT:** None

As a part of the 2003 Settlement Agreement with Tomales Bay Association, Trout Unlimited – North Bay and the Sierra Club, following a dry year, NMWD is required to prepare a report detailing the dry year summer month water conditions (July through October), including flow conditions as reported at the Gallagher gauge and comparisons with flows at the Samuel P. Taylor Park gauge. The report shall also detail documented conservation and assessments of the strengths and weaknesses of the Water Shortage Contingency Plan and the Salinity Intrusion Plan, and what improvements could be made to either or both. The District held an initial review to receive comments and recommendations on the draft report at the previous Board meeting on January 18, 2022 and is required to submit the report at a second meeting for acceptance by the NMWD Board of Directors. No comments were received to the draft report. Attached is the final draft West Marin 2021 Dry Year Water Conditions Report for review and approval by the Board.

Recommendation:

Board approve the West Marin 2021 Dry Year Conditions Report.

Approved by GM *[Signature]*Date *1/28/22*

West Marin 2021 Dry Year Conditions Report

(Second Consecutive Dry Year)

North Marin Water District

December 2021



Prepared by: Ryan Grisso
Water Conservation Coordinator

Section 1: Introduction

Water Right Order 95-17, adopted in 1995, defined dry year conditions on Lagunitas Creek and subsequent stream flow reductions based on the amount of rainfall received at Marin Municipal Water District's Kent Lake gauge between the preceding six months from October 1 through April 1. At the April 21, 2020 meeting, the Board was advised that the 2020 water year rainfall through April 1st was 23.6 inches which is less than the required 28-inches for normal year conditions. Dry year conditions trigger enactment of the District's Water Shortage Contingency Plan and adoption of a Water Conservation Ordinance. At the April 21, 2020 meeting the Board set a public hearing for May 5, 2020 to consider declaration of a Water Shortage Emergency, enacting the Water Shortage Contingency Plan (WSCP) and adopting a Water Conservation Ordinance. Since the State Water Resources Control Board (SWRCB) Order 95-17 was issued in 1995, a Dry Year Condition on Lagunitas Creek has only happened once before in 2014.

At the May 5, 2020 meeting the Board held a public hearing and declared a Water Shortage Emergency in West Marin, enacted the Water Shortage Contingency Plan (Attachment 1) and approved an Emergency Water Conservation Ordinance No. 39 (Attachment 2). The Emergency Water Conservation Ordinance No. 39 called for Stage 1, 15% voluntary conservation, beginning May 5th through June 30th, and Stage 2, Mandatory 25% conservation beginning July 1st through November 1st, as compared to water use in 2013⁽¹⁾. Note that the mandatory 25% reduction was intended for the West Marin Service Area as a whole and does not necessarily impose a 25% mandatory reduction for individual residential customers. It is also important to note that customers in the West Marin Service area have achieved considerable conservation since 2002 and continued conservation since 2013. Stage 2 - 25% - Mandatory Reduction Stage gave authority to the Board to trigger enactment of a drought surcharge to be considered simultaneous with, or subsequent to enactment of the mandatory stage at the discretion of the Board, however, the Board elected not to enact a drought surcharge during the 2020 Dry Year Conditions. Stage 3 – up to 50% Mandatory Reduction Stage, triggered if any preceding 30-day period has an average daily use of over 433,000 gallons per day, was not triggered this year during the Dry Year Conditions.

⁽¹⁾ Most recent normal year water use as defined by the state during the most recent three-year drought from 2013-2015.

Due to another year with rainfall well below the 28" inches required for normal year conditions, dry year conditions persisted in 2021 and Emergency Water Conservation Ordinance No. 39 remained in effect, with a series of updates by Board approved resolutions on March 16, 2021, May 18, 2021, August 3, 2021, and October 19, 2021.

As a part of the 2003 Settlement Agreement with Tomales Bay Association, Trout Unlimited – North Bay and the Sierra Club, following the dry year, NMWD is required to prepare a draft report detailing the dry year summer month water conditions (July through October), including flow conditions as reported at the Gallagher Gauge and comparisons with flows at the Samuel P. Taylor Park Gauge (See Map in Attachment 3). The report shall also detail documented conservation and assessments of the strengths and weaknesses of the Water Shortage Contingency Plan and the Salinity Intrusion Plan, and what improvements could be made to either or both. A separate Dry Year Report was completed in 2020 (January 2021). This report fulfills the 2003 Settlement Agreement requirements for Dry Year Conditions 2021.

Section 2: Flow Conditions in West Marin

The flow conditions in West Marin during the months of July through October 2021, as specified in the 2003 Settlement Agreement, were monitored using the “Park Gauge” (USGS 11460400 Lagunitas Creek at Samuel P. Taylor Park and at the “Gallagher Gauge” (USGS 11460600 Lagunitas Creek NR Pt Reyes Station). Table 2-1 below contains the average daily flow conditions for the 2021 summer months of July through October. The flow conditions were monitored to make sure that 6cfs was being maintained on Lagunitas Creek at the Park Gauge as required by WR Order 95-17. On three occasions during this dry summer month period, the USGS made calibration adjustments to the gauge instrumentation which resulted in a drop in reported flow. In each case, MMWD responded in a timely manner and made adjustments to the releases to maintain the flow above 6cfs. Staff also monitored the flow in San Geronimo Creek, a tributary to Lagunitas Creek (as noted Table 2-1) as reported by the Balancehydrologics.com San Geronimo Creek Gage. Flow measurements at San Geronimo Creek documented that other sources of water were flowing into Lagunitas Creek as well. However, out of an abundance of caution due to low tributary flows, NMWD paid MMWD ~\$15,300 for releasing an extra 0.27 cfs of Kent Lake water from July 1 through October 25, 2021. This increased flow rate in Lagunitas Creek represented at least 120% of the flow pumped from MMWD’s Gallagher Ranch well.

Table 2-1: West Marin Flow Conditions - July through August 2021

Month	Park Gage (cfs)	Gallagher Gage (cfs)	San Geronimo Creek (cfs)
July	5.84	5.47	0.23*
August	6.69	6.58	0.04*
September	6.52	6.39	0.01*
October	74.84	114.85	41.75

*Due to low tributary flows NMWD requested Kent Lake Releases from MMWD during the period from July 1- October 25, 2021.

Section 3: Documented Conservation

The Water Shortage Contingency Plan and subsequently approved Water Conservation Ordinance No. 39 (approved by the Board at the May 5th, 2021 meeting) called for a 15% voluntary reduction in water use from May through June and a mandatory 25% reduction in water use from July through October, as compared to 2013. Staff monitored both production and billed consumption in 2021 as compared to 2013. Table 3-1 below shows the monthly production comparisons from 2021 to 2013 for the mandatory reduction months.

Table 3-1: Monthly Production in the West Marin Service Area (July through October)

Month	2013 Production (MG)	2021 Production (MG)	Percent Reduction
July	9.56	6.04	-37%
August	9.41	5.73	-39%
September	8.69	5.85	-33%
October	8.18	5.06	-38%

Table 3-2 contains the consumption comparison of 2021 to 2013 for the period of April through October due to the consumption billing periods not accurately lining up with the reduction months.

Table 3-2: Billing Consumption in 2021 Compared to 2013

Billing Period Consumption	2013 Consumption (MG)	2021 Consumption (MG)	Percent Reduction
June (Apr./May)	15.02	11.55	-23%
August (Jun./Jul.)	16.90	11.39	-33%
October (Aug./Sept.)	17.14	10.75	-37%

Although only Stage 2 was triggered in the WSCP, Stage 3 triggers in the WSCP were monitored this spring and summer. Most notably, Stage 3 is triggered if any preceding 30-day period has an average daily use of over 433,000 gallons per day. Table 3-3 shows the daily demand average by month during the Dry Year Conditions summer period. Average daily demand stayed well below the 433,000 gallons per day trigger.

Table 3-3: Average Daily Demand by Month

Month	Average Gallons Per Day	Stage 3 Trigger (Gallons Per Day)	% Variance
July	194,940	433,000	-55%
August	184,910	433,000	-57%
September	195,150	433,000	-55%
October	163,250	433,000	-62%

Section 4: Water Shortage Emergency Public Outreach

To help communicate the information to the customers and stakeholders regarding the Water Shortage Emergency, NMWD embarked on a comprehensive campaign of public outreach activities. A list of actions by month is provided below in Table 4-1 and sample outreach material are included in Attachment 4.

Table 4-1: Public Outreach Tracking - 2021 Water Shortage Emergency

Outreach/Communication Action	Month
Pt Reyes Light Public Hearing Notice	March
Pt Reyes Light Public Notice Summary of Ordinance	March
Pt Reyes Light Article	March
Website News Story on Approved WC Ordinances	March
Website News Story on West Marin Rate Study	March
Multiple "Drought Is Here. Save Water" Social Media Posts	March
Website News Story on Revised Ordinances	April
Multiple "Drought Is Here. Save Water" Social Media Posts	April
Website News Story on Final Water Use Prohibitions for 2021	May
KWMR Radio Spot with Dennis Rodoni and Pablo Ramudo	May
Multiple "Drought Is Here. Save Water" Social Media Posts	May
Public Presentation to Marin Coalition	May

Website News Story on Drought Drop-By Event	June
Public Presentation West Marin Climate Action	June
KWMR Radio Spot with Dennis Rodoni	June
Multiple "Drought Is Here. Save Water" Social Media Posts	June
Spring West Marin Waterline Newsletter	June
West Marin Drought Guide on Website	July
West Marin Drought FAQs	July
Weekly Social Media Posts on Drought Prohibitions	July
Marin Master Gardeners Presentation	August
West Marin Drought Summer Mailer	August
Weekly Social Media Posts on Drought Prohibitions	August
Weekly Social Media Posts on Drought Prohibitions	September
Fall West Marin Waterline Newsletter	October
Ordinance 39 Summary Published in Pt Reyes Light	October

Section 5: Water Shortage Contingency Plan

During the first year of the current two-year drought, the Water Shortage Contingency Plan (WSCP) was adopted and Ordinance No. 39 was approved at the May 5, 2020 Board meeting, declaring a Water Shortage Emergency in the West Marin Service Area (Attachments 1 and 2). The WSCP was updated in 2016 and contains many flexible measures for enforcement base on the State's past mandates and also NMWD's water waste regulations (in Regulation 17). However, the flexibility that was built in 2016 WSCP update to allow NMWD to adapt to varying water shortage situations, was negated during the 2020 and 2021 Dry Year Conditions due to the 2003 Settlement Agreement, which specifically calls out set percentage reductions in the dry year summer months of July through October.

The WSCP has a comprehensive list of water waster prohibitions and both voluntary and mandatory reduction requirements (both being measured on the entire service area performance), restricts new connections to the system and allows the Board the ability to enact a drought surcharge if deemed necessary. The strength of the WSCP is that it contains these measures and triggers that allow for fairly straightforward transition to an official Ordinance approval for implementation. It is notably a rare situation for a service area of this size to have a comprehensive WSCP in effect.

One of the issues with the WSCP is that enforcement of the prohibitions is difficult due to the remote and more rural landscape of the West Marin Service area. In addition, the continuing COVID-19 shelter in place period has further constrained enforcement feasibility. For enforcement, NMWD is somewhat reliant on other customer alerts to violating situations, and NMWD received a minimal amount of reports from the public on violators in the service area during the water use prohibitions period.

Another issue with the WSCP is that a normal base year is not clearly defined. NMWD chose 2013 as the last year of normal use (preceding the three-year 2013-2015 drought). However, 2013 is 10 years after the 2003 Settlement Agreement and a substantial amount of conservation and customer water use reductions have occurred between 2003 and 2013. If the true intent of the WSCP was to reduce post 2003 Settlement Agreement water use, NMWD has already proven to have reduced demand even more than the mandated 25% consistent on a yearly basis. Demand (production) in both 2020 and 2021 compared to water use from the 2002 and 2003 years, during the settlement agreement negotiations, is substantially lower. Table 5-1 shows the water production numbers in 2021 compared to that of both 2002 and 2003.

Table 5-1: Water Use Comparison (2021 to 2002/2003)

Month	2002 (MG)	2003 (MG)	2021 (MG)	2021 % Reduction from 2002	2021 % Reduction from 2003
July	15.09	14.47	6.04	-60%	-58%
August	12.95	13.94	5.73	-56%	-59%
September	12.36	12.29	5.85	-53%	-52%
October	10.61	11.44	5.06	-52%	-56%

The WSCP has fulfilled the objectives to date and no changes are recommended as a result of the 2021 Dry Year Conditions, however due to 2018 legislation in regards to WSCP requirements, there could be some notable changes to the West Marin Service Area WSCP in the future.

Section 6: Salinity Intrusion

As documented in the District Emergency Operations Plan, to the extent possible, without risking putting the water system out of water, pump operation is modified and other measures are taken to prevent salt water intrusion into the wells as follows: At any time during the year the conductivity is less than 500 $\mu\text{S}/\text{cm}$ no special plant operating measures are required. With conductivity above 500 $\mu\text{S}/\text{cm}$, utilize Gallagher well to meet as much of the demand as possible

and to minimize the bromide levels in the treated water supply. The District has adopted the policy that if sodium in the Pt. Reyes water supply system exceed 50 mg/L, customers are notified by means of a public notice placed in the "Pt. Reyes Light" newspaper each week that sodium is present at or above that level. The drastically reduced customer demand in 2021 during the July through October period resulted in exceedance of NMWD's voluntary sodium notification level for a shorter period and with a lower peak in 2021 than in 2020. In 2021 sodium exceeded 50 mg/L from 8/1 to 11/22 while the highest value in the distribution system was 149mg/L and occurred for only one week at that level. By contrast, the highest value in 2020 was 264mg/L and there were several weeks above 200 mg/L.

The plan takes in to account the multiple challenges presented by salinity intrusion- dietary sodium, increased disinfection byproduct formation potential, objectionable salt taste. The plan also uses objective criteria as trigger points for several actions such as well water conductivity and sodium concentration, tide height and duration, etc. In addition, the plan takes advantage of every operational "tool" we have to minimize the effects of salinity intrusion.

Even with careful planning in effect, the District has no real control of the magnitude of salinity intrusion in the Coast Guard Wells and as higher and higher concentrations of salts are noted in well water, the actions and "tools" in the plan are less effective. In addition, customer summertime use plays a large role in determining how much water must be sourced from the Coast Guard wells to meet demand. To address this issue the District is moving forward with construction of the New Gallagher Well No. 2 Project to increase production of low saline water. Once completed and fully operational the Salinity Intrusion Plan will be reviewed and revised to incorporate new information concerning worsening salinity intrusion and any possible new operational procedures and controls. Revisions will be presented to the Board at a future date as part of the next Emergency Operations Plan update.

8

MEMORANDUM

To: Board of Directors

January 28, 2022

From: Julie Blue, Auditor-Controller *JB*Subj: Proposed FY22/23 Budget Review Schedule
I:\acfbudget\Fy-2022.23\board memos\proposed budget review sched fy22.23.docx**RECOMMENDED ACTION:** Approve**FINANCIAL IMPACT:** None***PROPOSED BUDGET REVIEW SCHEDULE FY 2022-23***

Date	Location	Item	Service Area	Review/Approve
May 3	Novato	Capital Project & Equipment Budget Schedules	Novato/RW/WM/OM	Review
May 17	Novato	Operations & Maintenance and Capital Budget - District	Novato/RW/WM/OM	Review
June 7	Novato	Operations & Maintenance and Capital Budget - District	Novato/RW/WM/OM	Review
June 21	Novato	Operations & Maintenance and Capital Budget - Novato and Recycled Water	Novato/Recycled Water	Approve
June 28	Pt Reyes	Operations & Maintenance and Capital Budget - West Marin Water	West Marin Water	Approve
June 28	Pt Reyes	Operations & Maintenance and Capital Budget - Oceana Marin Sewer	Oceana Marin Sewer	Approve

Approved by GM *[Signature]*Date *1/28/22*

9

MEMORANDUM

To: Board of Directors

January 28, 2022

From: Julie Blue, Auditor-Controller *JB*

Subj: Proposed FY22/23 Rate Hearing Schedule

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RECOMMENDED ACTION: Approve**FINANCIAL IMPACT:** None

The below table outlines the schedule for Board meeting activities related to the rate setting and rate hearing schedule. The dates are scheduled to align with a rate increase effective July 1, 2022.

PROPOSED RATE HEARING SCHEDULE FY 2022-23

Action	Novato Potable & Recycled Water	West Marin Water & Oceana Marin Sewer
Consider Proposed Rates	April 5, 2022	April 5, 2022
Approve Letter to Customers	April 19, 2022	April 19, 2022
Customer Letter Postmark Deadline ⁽¹⁾	May 2, 2022	May 9, 2022
Rate Hearing	June 21, 2022	June 28, 2022
Rate Effective	July 1, 2022	July 1, 2022

⁽¹⁾ To meet minimum 45-day hearing notice requirement letters must be postmarked on or before the date shown.

Approved by GM *[Signature]*Date *1/28/22*

10

MEMORANDUM

To: Board of Directors January 28, 2022

From: Tony Williams, Assistant General Manager/Chief Engineer 
 Avram Pearlman, Assistant Engineer 

Subj: Gallagher Well No. 2 Well Installation – Award Construction Contract to Maggiora Bros. Drilling, Inc.

R:\Folders by Job No\6000 jobs\6809.20 New Gallagher Well No 2\BOD Memos\2-1-22 Award Const Contract\6609.20 GW02 BOD Approve Award.doc

RECOMMENDED ACTION: Waive irregularities in the Maggiora Bros. Drilling, Inc. bid, approve award of the contract to Maggiora Bros. Drilling, Inc., and authorize the General Manager to execute an agreement with Maggiora Bros. Drilling, Inc.

FINANCIAL IMPACT: \$192,315 plus contingency reserve of \$19,231.50 (10%) (included in FY2021-22 CIP Budget)

Background

As designed, the Gallagher Well No. 2 Project is to be constructed in two distinct phases as follows: Phase 1 involves drilling of the new well, installation of the well casing, screens, seals, testing and destruction of two monitoring wells; and Phase 2 consists of installing 500 feet of 6-inch water pipeline to connect the new well to the existing Gallagher Well transmission line, installing electrical upgrades (power and control system), constructing the well head piping and appurtenances, and an earthen well mound for flood safety. The Board authorized bid advertisement for Phase 1 of the project on November 2, 2021. The District advertised the project and posted the contract documents electronically on eBidboard (a web-based construction bid management service) on November 19, 2021. District staff also emailed several specialty contractors that hold the required contractor license for well drilling (California license #C-57 Well Drilling).

The bid period was 25 calendar days and included two addenda prior to the bid opening date. Addendum #1 provided answers to questions raised at the first pre-bid meeting and scheduled a second pre-bid meeting. Addendum #1 also provided weight limits for the Gallagher Ranch bridge over Lagunitas Creek, which must be crossed to access the new well site. Addendum #2 clarified that the allowable working hours for the project would include 2 additional hours per weekday and Saturday work in compliance with the project's CEQA documentation. Two contractors/potential bidders attended the mandatory pre-bid site visits. Bid opening occurred on December 14, 2021, and two (2) bids were timely received. A summary of the bidders and the respective bids is included in Table 1 below.

	CONTRACTOR	TOTAL BASE BID
1.	Maggiora Bros. Drilling, Inc. (Watsonville, CA)	\$192,315
2.	Nor-Cal Pump & Well Drilling, Inc. (Yuba City, CA)	\$215,121
	<i>Engineers Estimate*</i>	<i>\$75,000-\$80,000</i>

**prepared by Wood-Rodgers*

Bid Evaluation

The Engineer's Estimate for the project was prepared by the District's consultant, Wood Rodgers and consisted of a cost range: \$75,000-\$80,000. In general, the bids received were significantly higher than the engineer's estimate which is likely due to several factors including significant materials price fluctuations, overall high demand for well drilling throughout the state, relative remoteness of the site and mobilization cost. Maggiora Bros. Drilling, Inc. (Maggiora Bros.) submitted the apparent low bid of \$192,315 which is \$112,315 (140%) above the Engineer's estimate (high end of range). Nor-Cal Pump & Well Drilling, Inc. (Nor-Cal) submitted a bid of \$215,121, which was \$22,806 higher than Maggiora Bros. (difference of approximately 12%).

District staff evaluated both bids and found that the apparent low bidder failed to fill out and/or sign the following items (Bid Specifications Section indicated):

- Acknowledgement of Receipt of Addendum #2 (Section 00300), which expanded working hours to include an additional two hours of work on weekdays (8am to 5pm increased to 7am to 6pm) and added Saturday (9am to 5pm) as a workday
- Contractor's licensing statement (Section 00435)
- Schedule of major equipment (Section 00450)

Sections 00020 and 00100 of the Bid Specifications make clear that the District generally retains discretion to reject non-responsive bids or waive minor bid irregularities. Section 00100-14.0 specifically states that failure to formally acknowledge all addenda is grounds for rejection of the bid as non-responsive. After consulting with District counsel, staff felt that the number of items missing from the Maggiora Bros. bid submittal (particularly the failure to sign the acknowledgment of receipt of Addendum #2) supported the rejection of the apparent low bid as non-responsive. Nor-Cal, the second low bidder, properly filled out the required bid documents, including formal acknowledgment of both addenda. Therefore, staff was prepared to recommend the Board award the contract to the second low bidder and authorize the District's General Manager to execute an agreement with Nor-Cal Pump & Well Drilling, Inc.

On January 18, 2022, the District received a letter from Nor-Cal (Attachment 1) stating the COVID-19 Omicron variant had caused significant delays on current projects and Nor-Cal would not protest the award of the contract to Maggiora Bros. despite Maggiora Bros. failure to sign Addendum #2. As there were only two bidders on this contract, Nor-Cal's letter effectively forecloses the possibility of a bid protest. District counsel reviewed the bid specifications and confirmed that the Board retains discretion to waive as a minor irregularity Maggiora Bros.' failure to sign the acknowledgment of receipt of Addendum #2. Staff recommends the Board waive the irregularities in Maggiora Bros.' bid, award the contract to Maggiora Bros., and authorize the General Manager to execute an agreement with Maggiora Bros.

Financial Impact

The FY2021-22 Capital Improvement budget includes a line item for the project in the amount of \$631,000. The total project expenditures to date (as of November 30) is \$84,255, leaving a balance of \$546,745. Based on the staff recommendation to award the contract to Maggiora Bros. Drilling, Inc., the Phase 1 cost will be \$211,546.50, which includes a 10% contingency.

As mentioned at the January 18, 2022 Board Meeting, the District received a grant from the California Department of Water Resources (DWR) in the amount of \$464,019, covering both construction phases of the project. Staff is currently working with DWR on a grant funding agreement and will return to the Board once more details are available.

RECOMMENDATION

Waive the bid irregularities in Maggiora Bros. Drilling, Inc. bid, approve award of the contract to Maggiora Bros. Drilling, Inc., and authorize the General Manager to execute an agreement with Maggiora Bros. Drilling, Inc.



Nor-Cal Pump & Well Drilling, Inc
Main Office
1325 Barry Road
Yuba City, CA 95993
530-674-5861 Office
www.norcalpump.com

January 18, 2022

North Marin Water District
999 Rush Creek Place Post Office Box 146
Novato, CA 94948

Attention: Avram Pearlman – (apearlman@nmwd.com)

Subject: New Gallagher Well 2 Project

Dear Avram,

It is our understanding, per District Memorandum dated 1/14/2022, that staff is recommending awarding the above-mentioned project to Nor-Cal Pump & Well Drilling, Inc. (NCP). This is due to Maggiora Bros, the apparent low bidder, failing to submit the signed acknowledgment of Addendum #2.

NCP employees have recently been impacted by the ongoing rise of COVID cases and the current more-contagious variant. As a result, our ongoing projects have been severely impacted with delays. Due to this, NCP has no objection with the District moving forward, collecting the missing information and awarding this project to Maggiora Bros.

If you have any questions, please give me a call at (530) 674-5861.

Sincerely,

Hari Heer

Hari Heer
Vice President

Enclosure: None

Madera Office
17378 Baldwin Street
Madera, CA 93638

Bakersfield Office
3600 Ethyl Street
Bakersfield, CA 93308

11

MEMORANDUM

To: Board of Directors

From: Drew McIntyre, General Manager
Ryan Grisso, Water Conservation Coordinator

January 28, 2022

Subject: Consider approval of Resolution 22-XX moving from Stage 2 to Stage 1 of the West Marin Water Shortage Contingency Plan, discontinuing the drought surcharge, and amending Emergency Water Conservation Ordinance No. 39 for the West Marin Service Area

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RECOMMENDED ACTION: Approve Resolution 22-XX repealing Stage 2 mandatory 25% reduction and prohibitions on non-essential water use and enacting Stage 1 voluntary 15% reduction in water use under the West Marin Water Shortage Contingency Plan, discontinuing the drought surcharge, and amending Sections 4, 5, and 6 of Ordinance No. 39.

FINANCIAL IMPACT: None

On May 5, 2020, the Board adopted Ordinance No. 39, thereby declaring a water shortage emergency condition within the West Marin Service Area of the District, prohibiting the waste and non-essential use of water, and providing for the conservation of the water supply of the District. At the March 16, 2021 Board meeting, the Board modified Ordinance No. 39, thereby authorizing the imposition of administrative fines and penalties for violation of the Ordinance and reserving for itself the authority to make subsequent amendments to Ordinance No. 39 by resolution.

Pursuant to the Water Shortage Contingency Plan for the West Marin Service Area (WSCP) and the District's Interconnection Agreement with Marin Municipal Water District (Marin Municipal), the District must impose voluntary or mandatory water-use reductions and prohibitions on use within the West Marin Service Area in accordance with those reductions and prohibitions imposed by Marin Municipal during water shortage emergencies when Kent Lake releases are requested by the District. On April 20, 2021, Marin Municipal's Board of Directors imposed mandatory water-use reductions and prohibitions on certain water use. On May 4, 2021, Marin Municipal's Board imposed further prohibitions on water use, including day-per-week restrictions on watering with overhead sprinklers and drip irrigation. On July 1, 2022, the District requested Marin Municipal to begin making releases from Kent Lake due to dry year conditions and low Lagunitas Creek tributary flows; said releases ceased on October 25, 2021 due to significant rainfall. On July 6, 2021, Marin Municipal's Board limited overhead sprinkler use to one day per week and drip irrigation to two days per week.

At the May 18, 2021 Board meeting, the Board adopted a resolution implementing a drought

surcharge for the West Marin Service Area for the July 1 through November 1 period and amending Sections 6 and 10 of Ordinance No. 39. In part, the May 18th amendments to Section 6 of Ordinance No. 39 aligned the District's limitations on water use with the limitations imposed by Marin Municipal's Board on May 4, 2021. At the August 3, 2021 Board meeting, the District adopted a resolution to further limit use of overhead irrigation to one day per week and drip irrigation to two days per week to align with the what Marin Municipal's Board approved on July 6, 2021.

Due to the severe drought conditions existing at that time, the Board amended Ordinance No. 39 at the October 19, 2021 Board meeting to extend the mandatory 25% reduction and prohibitions on non-essential water use under Stage 2 of the WSCP and extended the drought surcharge for the duration that Stage 2 actions were deemed necessary.

Marin County has received substantial rainfall in the months of October and December 2021 such that Marin Municipal's Board repealed certain water use limits and associated penalties on January 18, 2022. Furthermore, rainfall as measured at Marin Municipal's Kent Lake gage is 38.8 inches, which exceeds the 28-inch minimum threshold required under Water Board Water Right Order 95-17 to declare a "normal" water year within the West Marin Service Area. Thus, the improved water supply conditions in the West Marin Service Area obviates the need to continue the mandatory 25% reduction and prohibitions on non-essential use, and the drought surcharge.

However, statewide drought conditions persist and the proclamations issued by Governor Newsom requesting 15% voluntary water use reductions and directing to local water suppliers to execute their Water Shortage Contingency Plans at a level appropriate to local conditions while taking into account the possibility of a third dry year remain in place. Therefore, District staff recommends the voluntary 15% reduction in use under Stage 1 of the WSCP remains in place. On January 4, 2022, the Water Board adopted Resolution 2022-002, thereby enacting Section 995 of Title 23 of the California Code of Regulations (Title 32 CCR Section 995) which prohibits certain wasteful water uses for a period of one year.

As proposed, Resolution 22-XX (Attachment 1) will repeal Stage 2 mandatory 25% reduction and prohibitions on non-essential water use and enact Stage 1 voluntary 15% reduction in water use under the WSCP, discontinue the drought surcharge, and amend Sections 4, 5, and 6 of Ordinance No. 39. The proposed amendments still leave Ordinance No. 39 in place, thereby allowing the Board to make future changes by resolution should the need arise for further conservation mandates or other adjustments.

Recommendation

Approve Resolution 22-XX repealing Stage 2 mandatory 25% reduction and prohibitions on

non-essential water use and enacting Stage 1 voluntary 15% reduction in water use under the West Marin Water Shortage Contingency Plan, discontinuing the drought surcharge, and amending Sections 4, 5, and 6 of Ordinance No. 39.

RESOLUTION 22-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF NORTH MARIN WATER DISTRICT REPEALING STAGE 2 MANDATORY 25% REDUCTION AND PROHIBITIONS ON NON-ESSENTIAL WATER USE AND ENACTING STAGE 1 VOLUNTARY 15% REDUCTION IN WATER USE UNDER THE WEST MARIN WATER SHORTAGE CONTINGENCY PLAN, DISCONTINUING THE DROUGHT SURCHARGE, AND AMENDING SECTIONS 4, 5, AND 6 OF ORDINANCE NO. 39

WHEREAS, pursuant to Sections 350-358, 375-378, and 31026-31029 of the California Water Code, the Board of Directors ("Board") of the North Marin Water District ("District"), following a properly noticed and duly held public hearing at its meeting on May 5, 2020, adopted Ordinance No. 39, thereby declaring a water shortage emergency condition within the West Marin Service Area of the District, prohibiting the waste and non-essential use of water, and providing for the conservation of the water supply of the District; and

WHEREAS, following a properly noticed and duly held public hearing at its meeting on March 16, 2021, the Board modified Ordinance No. 39, thereby authorizing the imposition of administrative fines and penalties for violation of the Ordinance and, to enable itself to respond to rapidly changing water supply conditions, reserving for itself the authority to make subsequent amendments to Ordinance No. 39 by resolution; and

WHEREAS, following a properly noticed and duly held public meeting on May 18, 2021, the Board adopted Resolution 21-08 thereby implementing a drought surcharge for the West Marin Service Area from July 1 through November 1 and amending Section 6 and Section 10 of Ordinance No. 39 to specify days of the week when customers within the West Marin Service Area may utilize overhead sprinkler and drip irrigation and to clarify when the District would implement a drought surcharge for the West Marin Service Area; and

WHEREAS, following a properly noticed and duly held public meeting on August 3, 2021, the Board adopted Resolution 21-17, thereby amending Section 6(b)(6) of Ordinance No. 39 to limit use of overhead irrigation to one day per week and drip irrigation to two days per week; and

WHEREAS, following a properly noticed and duly held public meeting on October 19, 2021, the Board adopted Resolution 21-25, thereby extending the Stage 2 mandatory reduction of 25% and prohibitions on non-essential use in accordance with the Water Shortage Contingency Plan for the West Marin Service Area (WSCP) until the Board determines Stage 2 actions are no longer required, continuing to implement the drought surcharge for the duration that Stage 2 actions remain in effect, and amending Section 6(b) of Ordinance No. 39; and

WHEREAS, on July 8, 2021, Governor Newsom issued Executive Order No. N-10-21, thereby proclaiming a drought emergency in Marin County and requesting all Californians to voluntarily reduce water use by 15%; and

WHEREAS, on October 19, 2021, Governor Newsom issued a proclamation declaring a statewide drought emergency, directing local water suppliers to execute their Water Shortage Contingency Plans at a level appropriate to local conditions while taking into account the possibility of a third dry year, and authorizing the State Water Resources Control Board (Water Board) to adopt emergency regulations prohibiting certain wasteful water practices; and

WHEREAS, on January 4, 2022, the Water Board adopted Resolution 2022-002, thereby enacting Section 995 of Title 23 of the California Code of Regulations (Title 32 CCR Section 995) which prohibits certain wasteful water uses for a period of one year; and

WHEREAS, the 38.8 inches of precipitation measured at Marin Municipal Water District's Kent precipitation gage (Kent gage) from October 1, 2021 to present exceeds the minimum threshold of 28 inches as required under Water Board Water Right Order 95-17 and the WSCP to declare a "normal" water year within the West Marin Service Area; and

WHEREAS, due to improved water supply conditions within the West Marin Service Area, the Board has determined Stage 2 actions under the WSCP are no longer required; and

WHEREAS, as a result of more than two consecutive years of extreme drought leading up to 2022, dry conditions within the West Marin Service Area and throughout the State persist such that it is necessary to continue requesting a voluntary 15% reduction in water use in accordance with Stage 1 of the WSCP, and to continue certain prohibitions on wasteful water use in accordance with Title 32 CCR Section 995 and District Regulation 17; and

WHEREAS, the Board desires to amend Sections 4, 5, and 6 of Ordinance No. 39.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of the North Marin Water District finds and determines that the foregoing Recitals are true and correct and incorporates these Recitals as if fully set forth herein.
2. The Board of Directors of the North Marin Water District hereby repeals Stage 2 mandatory 25% reduction and prohibitions on non-essential water use under the Water Shortage Contingency Plan for the West Marin Service Area.
3. The Board of Directors of the North Marin Water District hereby discontinues the drought surcharge for the West Marin Service Area.
4. The Board of Directors of the North Marin Water District hereby enacts Stage 1 voluntary 15% reduction in water use under the Water Shortage Contingency Plan for the West Marin Service Area.
5. The Board of Directors of the North Marin Water District hereby amends Sections 4, 5, and 6 of Ordinance No. 39 as indicated in **EXHIBIT A**, attached hereto and incorporated herein by this reference as if fully set forth.

6. This Resolution shall be effective immediately upon adoption and shall remain in effect until such time as modified, repealed, or superseded by further resolution of the Board.

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 1st of February 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

Theresa Kehoe, District Secretary
North Marin Water District



(SEAL)

12

MEMORANDUM

To: Board of Directors

January 28, 2022

From: Julie Blue, Auditor-Controller 
Drew McIntyre, General Manager 

Subj: Extension of Supplemental Paid Sick Leave for COVID-19 Related Reasons

t:\acboard reports\board memos\2022\spsl extension\covid spsl leave extension 01.28.22 final.docx

RECOMMENDED ACTION: Approve**FINANCIAL IMPACT: \$16,200**

As a result of the recent surge of COVID-19 (Omicron) cases the California Department of Public Health (CDPH) and Centers for Disease Control and Prevention (CDC) updated the isolation and quarantine guidance in early January. Marin County Health and Human Services (Marin HHS) has echoed the isolation and quarantine guidelines as of January 20, 2022, see Attachment 1. The District continues to follow these guidelines which are updates to similar guidelines as provided since the beginning of the COVID-19 pandemic.

In December 2021 the District had a number of staff members exposed to or test positive for COVID-19, requiring them to take time off work to isolate and/or quarantine. In December 2021 approximately 27% of District staff was impacted by COVID-19 related illnesses or quarantining for an approximate cost of \$16,200 in time out of work. The cost can be absorbed by vacant positions in the budget. The surge that has faced the nation continued to impact the employees in January 2022.

The US Department of Labor enacted the Families First Coronavirus Response Act (FFCRA) which provided employees with up to 80 hours of paid sick leave for COVID-19 related reasons for time taken from April 1, 2020 through December 31, 2020. This was followed by the State of California enacting Senate Bill 95, Supplemental Paid Sick leave (SPSL), for up to 80 hours of time off taken from January 1, 2021 through September 30, 2021. There was no legislation passed to extend it leaving a gap of time between October 1, 2021 through December 31, 2021. Staff is recommending that the Board approve an extension of supplemental paid sick leave for this gap period.

There is CA legislation in the works for 2022 to reinstate a similar bill, however, it is anticipated to be retroactive back to January 1, 2022. If the Board approves the extension, employees would be credited back their time off hours taken from October 1, 2021 through December 31, 2021 for any SPSL remaining hours available. If any State or Federal legislation or regulations regarding COVID-19 sick leave are enacted or adopted related to this gap coverage they will supersede this action.

Recommendation:


Extend the 2021 Supplemental Paid Sick Leave and credit employees time off hours taken with any unused SPSL for COVID-19 related reasons between October 1, 2021 through December 31, 2021.

Are you COVID-19 Positive?

Follow this guide to keep yourself and others safe.




If you have tested positive for COVID-19, regardless of vaccination status you **must**:

- Self-isolate immediately for at least 5 days starting from your first day of symptoms or positive test result.
-  **Isolation** separates symptomatic and COVID-19 positive people from others who are not sick.
- Wear a mask around others for a total of 10 days.
- Isolation can end after day 5 if: no symptoms emerge and a test is taken on day 5 with a negative result.
- Isolate for 10 days if not tested and symptoms are resolving or not present.
- If fever is present, isolation should be continued until it resolves. If symptoms other than fever are present, isolate until they resolve or until after day 10.

Are you sick, but not sure if you have COVID-19?



If you have COVID-19 symptoms, regardless of vaccination status, you **must**:

- Quarantine and monitor symptoms
-  **Quarantine** separates and restricts contact with others to see if you become sick.
- Get tested immediately

Have You Been Exposed to Someone that is COVID-19 Positive?

If you were in close contact with someone who is positive or presenting COVID-19 symptoms and...



You are a **RECENTLY FULLY VACCINATED** or **BOOSTED** without symptoms, you do not need to quarantine, but you **must**:

- Wear a mask around others for 10 days, especially in indoor settings.
- Get a COVID-19 test on day 5.
- If you test positive or if symptoms develop, stay home and follow isolation recommendations above.



You are **NOT FULLY VACCINATED*** or are **ELIGIBLE** for a **BOOSTER** but have not received one, and are without symptoms you **must**:

- Quarantine for at least 5 days
- Take a COVID-19 test on day 5.
- Quarantine can end on or after day 5 if symptoms are not present and a test is taken on day 5 with a negative result.
- If unable or choose to not test, quarantine can end on day 10 if no symptoms are present.
- Wear a mask around others for 10 total days, especially in indoor settings.
- If you develop symptoms, test, stay home, and follow isolation recommendations above.

13

MEMORANDUM

To: Board of Directors

January 28, 2022

From: Tony Williams, Assistant GM/Chief Engineer *BN*
Robert Clark, Operations/Maintenance Superintendent *R*

Subj: NMWD Administration and Laboratory Upgrade Project Update

R:\Folders by Job No\6000 jobs\5501.44 NMWD Office_Yard Bldg Renovation\BOD Memos\Feb 1 2022\BOD Memo NMWD HQ UpgradeDesign_Status_Final.docx

RECOMMENDED ACTION: Information only**FINANCIAL IMPACT:** \$10,000 (Building Permit Deposit Fee).Background

At the April 6, May 4, and August 17, 2021 Board meetings, staff provided updates regarding the progress of the NMWD Headquarters Upgrade Project by Noll & Tam Architects (N&T) and the District's Building Committee. The Building Committee currently consists of Robert Clark, Pablo Ramudo, Tony Williams, Julie Blue, and Drew McIntyre. In accordance with the project schedule, a Building Permit application was submitted to the City of Novato Building Department in early December 2021 and review comments were received on January 20, 2022. Members of the Building Committee, N&T, and the District's Construction Management consultant team (Consolidated CM) continue to meet regularly to discuss design elements and review draft construction documents. In addition, the Building Committee and Consolidated CM meet regularly to review and plan for the project's execution.

As previously reported to your Board, the project currently consists of a single construction phase, combining previously individual phases for the new Laboratory building and the renovation of the existing Administration building, Phase 1 and Phase 2, respectively. This would reduce the overall construction time by approximately 9 months as well as reduce hard and soft construction cost. The project design is currently at a 95 percent stage and the current estimate for construction (excluding soft costs) of the two Phases, including site improvements is approximately \$12,866,000. It is not expected that this cost will change from the current 95% design to the final design. The current CIP budget for the project in fiscal year (FY) 2022 through FY 2024 is \$15 million and includes the majority of the soft costs.

Short Term Lease Evaluation

The proposed single phase of construction requires a temporary laboratory facility be in place during construction and until the new laboratory building is ready for occupancy. Although previous discussions with Novato Sanitary District (NSD) indicated that use of spare capacity at their onsite laboratory facility combined with a temporary trailer for District staff was an option, an alternative was explored at the Buck Institute. Under this arrangement, the Buck Institute can

provide the required lab facilities as well as temporary offices for District staff. Additionally, all required accommodations for the needed lab work can be handled in their facilities where the NSD option required some lab work to be performed in a temporary trailer or offsite. The Buck Institute alternative was deemed more favorable for several reasons, including overall logistics and accommodations. The monthly cost under the NSD option was estimated to be \$6,426 but several logistical elements were not fully developed such as staff parking, and utility connections (phone, power, water, etc.). This cost compares to a negotiated monthly cost of \$8,934 for use of the Buck Institute space, including utilities, parking, staff offices, and glass washing services and results in a total cost difference of just under \$50,000 for the anticipated duration of the temporary lab operations. Additional information is included in Attachment 1 which provides more details of the temporary lab and the associated certification process.

As previously reported to the Board, the Building Committee and Consolidated CM developed the preferred plan for maintaining a temporary office during construction through the lease of commercial space at the Wood Hollow Office Complex at 100 Wood Hollow Drive, approximately 0.8 miles from the District offices. A draft lease agreement has been reviewed by staff and legal counsel and includes a provision for the General Manager to sign once finalized, however, the lease would not be in effect until the Board ratifies it at a later date (in conjunction with or leading up construction award). The draft lease also has a clause that requires a \$5,000 non-refundable deposit upon signing by the General Manager if the lease is not ratified.

The table below provides an overview and costs of both the temporary Lab and District offices:

Summary of Temporary District Laboratory and Administration Offices

Overview Categories	Lab at Buck Institute	100 Wood Hollow
Lease Cost*	\$8,934/month (~\$171,000 total)	\$19,250/month (~\$288,750 total)
Staff Accommodated	5	26
Public Access	No	Yes, 1 st Floor Suite
Available Parking	Yes	25 spots plus visitor
Term**	19 months	15 months (+3-month option)

**monthly costs have a 3% and 5% escalation after year 1 for the Lab and Office, respectively.*

***the laboratory certification process requires additional time at the temporary site.*

Long Term Lease Evaluation

As requested, staff have completed a cost analysis comparing the capital cost and associated financing of the Project's construction to the long-term leasing of temporary laboratory and office space. The analysis is based on several assumptions and known conditions, including the following:

- Construction cost = \$15,750,000, including soft costs related to construction
- Lease cost, including annual escalations
 - Lab = \$8,934/month; 3% annual escalation
 - Office Building = \$19,250/month (7,000 SF); 5% escalation
- 50-year analysis period (design life of the new building)
- 30-year financing term with 2.75% interest
- Inflation of 3%

Summary of Long-Term Costs

Overview Categories	50-year Cost*
Construct the Project	\$28,362,791
Lease Space	\$62,954,653

**for the Project, repair costs are included years 31 to 50.*

The cost analysis clearly shows that constructing the Project is more cost effective than a long-term rental of offsite space based on the current lease terms and cost components highlighted above. It is important to note that although commercial office space is likely available in Novato for a long-term period, needed laboratory space would likely not be available for the period of time used in the analysis. A detailed cost analysis table is provided as Attachment 2.

The next phase of the Project is the finalization of Construction Documents, including final drawings, technical specifications, and bidding documents, and securing an approved Building Permit from the City of Novato. Based on the current project schedule, this will occur in late February or early March. The following future Board meetings and associated actions are provided:

Anticipated Future Board Meetings and Actions

Board Meeting Date	Topic	Board Action
February 15	Overview of Project Financing	Information only
February 15	Project Bid Advertisement	Authorize advertisement
February 15	Temporary Lab/Office agreements/leases	Authorize GM to execute
March 15	Consultant agreements for construction phase support (Architect and CM)	Approve amendments
April 5 (or 19)	Temporary Office lease	Ratification of lease
April 5 (or 19)	Construction Award	Authorize construction award

MEMORANDUM

To: File
From: Pablo Ramudo, Water Quality Supervisor
Subject: Lab Certification Process for Temporary Location
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January 28, 2022

North Marin Water District performs bacterial and chemical monitoring of drinking water, wastewater, and recycled water in order to comply with various regulations and permits. Samples are also tested to provide information necessary to control treatment processes and to meet customer expectation in quality assurance. NMWD's water quality laboratory is certified by the California Environmental Laboratory Accreditation Program (ELAP) to fulfill these monitoring functions, a regulatory requirement. Certification by ELAP carries certain costs and each two-year certificate is dependent on meeting quality and documentation requirements and milestones.

NMWD's current ELAP certificate expires on July 31st, 2022. To continue operation at our current location a completed renewal application would be due to ELAP on May 5th; this would include an updated Quality Assurance Manual, a completed on-site assessment along with NMWD's response and corrections report, and acceptable proficiency test reports. The cost of certification is approximately \$27,000 for the two-year duration including application fees, certification fees, proficiency tests and on-site assessment fees.

The same elements will be required for certifying lab operations at a temporary location. This means that there are significant savings if the certification for the temporary lab can be in place before the expiration of the existing certificate and then letting the current certificate lapse without renewal.

NMWD Building and Lab Upgrade

Project Construction Cost= \$ 15,750,000.00 includes construction related soft costs

Assumptions:

Inflation of 3% 3% inflation

Office Lease: monthly rate of \$2.89/SF for 7,000 SF

Office Lease has a 5% escalation each year 5% off rent escalation

Lab Monthly rate of \$8,964

Lab Rent has 3% escalation each year 3% lab rent escalation

50-year life for new building

Project (construction) loan interest rate (30-yr loan) = 2.75% project financing rate

Long-term Lease (Wood Hollow) w/o Lab

		5	10	15	20	25	30	35	40	45	50
Office Lease	Monthly (\$)	5-yr	10-yr	15-yr	20-yr	25-yr	30-yr	35-yr	40-yr	45-yr	50-yr
1	\$20,230.00	\$1,341,402	\$3,053,409	\$5,238,412	\$8,027,091	\$11,586,231	\$16,128,695	\$21,926,158	\$29,325,353	\$38,768,810	\$50,821,319

Long-term Lease Laboratory (Buck Institute)

		5	10	15	20	25	30	35	40	45	50
Wet Lab Facility	Monthly \$	5-yr	10-yr	15-yr	20-yr	25-yr	30-yr	35-yr	40-yr	45-yr	50-yr
1	\$8,964.00	\$571,093	\$1,233,147	\$2,000,648	\$2,890,392	\$3,921,850	\$5,117,592	\$6,503,785	\$8,110,763	\$9,973,690	\$12,133,333

3% increase each year

Totals (future cost)

time period	Project Loan Paid off									
	5	10	15	20	25	30	35	40	45	50
Lab+Off	\$1,912,495.36	\$4,286,555.76	\$7,239,060.07	\$10,917,483.46	\$15,508,080.65	\$21,246,286.94	\$28,429,943.03	\$37,436,115.90	\$48,742,499.89	\$62,954,652.86
Project	\$3,889,023.08	\$7,778,046.15	\$11,667,069.23	\$15,556,092.30	\$19,445,115.38	\$23,334,138.45	\$24,500,845.37	\$25,725,887.64	\$27,012,182.02	\$28,362,791.13

Present Value (of 50 year analysis)

	using discount rate	using inflation
Lab+Off	(\$15,942,488.68)	(\$14,073,400.86)
Project	(\$7,182,526.72)	(\$6,340,451.59)

Conclusion: 1. Building the project, which will have a 50-year life expectancy, is cheaper than renting Lab and Office space for the life of the project (50 years)
2. At the 30-year point, when the financing of the construction will be paid off, the cost of renting is cheaper overall by +\$1M.

Office Lease			
Yr	Begin	Annual	Cummulative
1	20,230	242,760	
2	21,242	254,898	
3	22,304	267,643	
4	23,419	281,025	
5	24,590	295,076	1,341,402
6	25,819	309,830	
7	27,110	325,322	
8	28,466	341,588	
9	29,889	358,667	
10	31,383	376,600	3,053,409
11	32,953	395,430	
12	34,600	415,202	
13	36,330	435,962	
14	38,147	457,760	
15	40,054	480,648	5,238,412
16	42,057	504,681	
17	44,160	529,915	
18	46,368	556,410	
19	48,686	584,231	
20	51,120	613,442	8,027,091
21	53,676	644,115	
22	56,360	676,320	
23	59,178	710,136	
24	62,137	745,643	
25	65,244	782,925	11,586,231
26	68,506	822,072	
27	71,931	863,175	
28	75,528	906,334	
29	79,304	951,651	
30	83,269	999,233	16,128,695
31	87,433	1,049,195	
32	91,805	1,101,654	
33	96,395	1,156,737	
34	101,215	1,214,574	
35	106,275	1,275,303	21,926,158
36	111,589	1,339,068	
37	117,168	1,406,021	
38	123,027	1,476,322	
39	129,178	1,550,138	
40	135,637	1,627,645	29,325,353
41	142,419	1,709,028	
42	149,540	1,794,479	
43	157,017	1,884,203	
44	164,868	1,978,413	
45	173,111	2,077,334	38,768,810
46	181,767	2,181,200	
47	190,855	2,290,261	
48	200,398	2,404,774	
49	210,418	2,525,012	
50	220,939	2,651,263	50,821,319

Lab Lease			
Yr	Begin	Annual	Cummulative
1	8,964	107,568	
2	9,233	110,795	
3	9,510	114,119	
4	9,795	117,542	
5	10,089	121,069	571,093
6	10,392	124,701	
7	10,703	128,442	
8	11,025	132,295	
9	11,355	136,264	
10	11,696	140,352	1,233,147
11	12,047	144,562	
12	12,408	148,899	
13	12,781	153,366	
14	13,164	157,967	
15	13,559	162,706	2,000,648
16	13,966	167,587	
17	14,385	172,615	
18	14,816	177,794	
19	15,261	183,127	
20	15,718	188,621	2,890,392
21	16,190	194,280	
22	16,676	200,108	
23	17,176	206,111	
24	17,691	212,295	
25	18,222	218,664	3,921,850
26	18,769	225,224	
27	19,332	231,980	
28	19,912	238,940	
29	20,509	246,108	
30	21,124	253,491	5,117,592
31	21,758	261,096	
32	22,411	268,929	
33	23,083	276,997	
34	23,776	285,306	
35	24,489	293,866	6,503,785
36	25,223	302,682	
37	25,980	311,762	
38	26,760	321,115	
39	27,562	330,748	
40	28,389	340,671	8,110,763
41	29,241	350,891	
42	30,118	361,418	
43	31,022	372,260	
44	31,952	383,428	
45	32,911	394,931	9,973,690
46	33,898	406,779	
47	34,915	418,982	
48	35,963	431,552	
49	37,042	444,498	
50	38,153	457,833	12,133,333

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**North Bay Water Reuse Authority
Board of Directors Meeting
November 29, 2021
DRAFT**

1. Call to Order

Chair Rabbitt called the meeting to order at 9:33 a.m. on Monday, November 29, 2021. Due to Shelter in Place Orders, this meeting was a Zoom only meeting. Meeting participants and the public participated via the following link: <https://us02web.zoom/j/84458034981>.

2. Roll Call

PRESENT:	David Rabbitt, Chair	Sonoma Water
	Jack Baker	North Marin Water District
	Brian Barnacle	City of Petaluma
	Rabi Elias	Las Gallinas Valley Sanitary District
	Jack Gibson	Marin Municipal Water District
	Susan Gorin	Sonoma Valley County Sanitation District
	Sandeep Karkal	Novato Sanitary District
	Dennis Rodoni	Marin County
	Scott Sedgley	Napa Sanitation District
	Richard Thomasser	Napa County
	Pierre Washington	City of American Canyon

ABSENT: TAC members filled in for Napa County and Novato Sanitary District

OTHERS

PRESENT:	Chuck Weir, Program Manager	Weir Technical Services
	Kevin Booker	Sonoma Water
	Lorenzo Cordova	Marin County
	Grant Davis	Sonoma Water
	Jason Farnsworth	City of Petaluma
	Jim Grossi	North Marin Water District
	Rene Guillen	Brown & Caldwell
	Pam Jeane	Sonoma Water
	Nicole McGloin	Need Agency
	Drew McIntyre	North Marin Water District
	Mark Millan	Data Instincts
	Carmen Morales	Sonoma Water
	Jim O'Toole	ESA
	Andy Rogers	North Bay Watershed Association
	Larry Russell	Marin Municipal Water District
	Mike Savage	Data Instincts
	Paul Sellier	Marin Municipal Water District
	Brad Sherwood	Sonoma Water
	Jake Spaulding	Sonoma Water
	Dawn Taffler	Kennedy Jenks Consultants

3. Public Comments

There were no members of the public.

4. Introductions

Introductions were not made.

5. Board Meeting Minutes of July 26, 2021.

On a motion by Director Gorin, seconded by Director Rodoni, the minutes of the July 26, 2021, meeting were unanimously approved by the Board by a roll call vote.

6. Report from the Chair**6.a Report from the Technology Committee**

The Program Manager provided a summary of the recent TAC meetings. The TAC met on October 20 and 21, 2021. Two meetings need to be held since there was not a single date when all members could participate. The content of the meetings was the same although the discussion was specific to the member agencies participating in each meeting. During the two meetings, the TAC discussed the following topics:

- History of the NBWRA Technical Advisory Committee (TAC)
- Direction to the TAC from the September 27, 2021 Board meeting
- Summary of the Survey and County Meetings
- Overview of potential Resilience Areas for NBWRA focus
- Potential Federal Funding
- Specific questions for discussion of each Resilience Area (Interest/Projects/Partners/Funding)
 - Resilience Arena 1, Continued Recycled Water Support
 - Resilience Arena 2, Potable Reuse Assessments
 - Resilience Arena 3, Coordinated Drought Contingency Planning
 - Resilience Arena 4, Seal Level Rise Adaptation
- TAC Operation Moving Forward

A PowerPoint presentation was used to assist in the discussion of the above topics. TAC members described the interest of each of their agencies in the four resilience arenas. In terms of moving forward, the TAC concluded that in order to efficiently address the four resilience arenas the TAC needed to be reestablished to review issues and provide recommendations to the Board. Drew McIntyre spoke in support of having the TAC operate as it did in the past.

Based on the results of the TAC meetings, four possible recommendations were provided to the Board for consideration

1. Request that the Board formally reestablish the TAC to review issues and provide recommendations to agency boards and the NBWRA Board.
2. Have the TAC elect a Chair and Vice Chair to be responsible for running TAC meetings and reporting to the Board.

3. Set up a schedule through 2022 for both the Board and TAC with the TAC meeting before Board meetings.
4. The consultant team offer its assistance to the TAC (and ultimately to the Board) in terms of preparing TAC agendas, reports and recommendations for Board consideration.

On a motion by Director Baker, seconded by Director Gibson, the recommendations 1 - 4 listed above were unanimously approved by the Board by a roll call vote.

6.b Recognition to Rabi Elias for Service on the NBWRA Board of Directors

The Board reviewed Director Elias's service to NBWRA for the last eight years and to the local community for more than twenty five years. Board members thanked Director Elias for his efforts on regional water recycling projects, drought contingency plans, and his forward thinking. Director Elias thanked the Board and staff and indicated that he may attend future NBWRA meetings as a member of the public.

7. Review of the Memorandum of Understanding

The Program Manager provided a brief review of the Memorandum of Understanding (MOU), including: history, purpose, objectives, Board and TAC, Phase 1, Phase 2, cost sharing, membership types, and fees. Board members were supportive of making necessary changes to the MOU to account for the new resilience arenas and well as the possible addition of new members provided that would not reduce the possibility of obtaining funding for current members. Jim O'Toole noted that has not been a problem in the past. This was an information item only requiring no action by the Board.

8. Future Direction and Next Steps for NBWRA

This topic was discussed under the Report from the TAC. Grant Davis noted that it would be good to receive a report from Napa County on their drought contingency plan, which was a result of funding obtained by NBWRA and transferred to Napa County. This was an information item only requiring no action by the Board.

9. Declaration of a State of Emergency pursuant to AB361 due to COVID-19 to Continue Remote Meetings Until the State of Emergency is Rescinded or Until January 1, 2024, Whichever Occurs First

The Board discussed the issue of remote meetings and agreed that remote meetings are preferable as attendees do not have to spend time driving to the meeting and it reduces the carbon footprint of the meetings. On a motion by Director Gorin, seconded by Director Baker to approve the Declaration of a State of Emergency pursuant to AB361 due to COVID-19 to Continue Remote Meetings Until the State of Emergency is Rescinded or Until January 1, 2024, Whichever Occurs First was unanimously approved by a roll call vote.

10. Consultant Progress Reports

The Board reviewed the consultant progress reports for the period September - October 2021. This was an information item only requiring no action by the Board.

11. Financial Reports for Fiscal Year Ending June 30, 2022.

The Board reviewed the financial reports and noted that expenses were tracking normally and that funds for the consultants were running low. This was an information item only, requiring no action by the Board.

12. Phase 1: Status of Reconciliation and Closeout Activities

Jake Spaulding gave an update on the reconciliation and close out activities for Phase 1. He noted that an email with the draft *Final Project Report for the North Bay Water Reuse Program, Phase 1*, along with *Attachment A*, which contains descriptions of each of the projects was sent to the main contacts at each agency on November 17, 2021 asking for comments, clarifications, and visual aids for the final report. Feedback from the agencies is requested by Friday, December 10, 2021. Drew McIntyre asked about the email and requested that it be resent. In addition to the final report for USBR, the Phase 1 closeout process will include the final reconciliation and cost reallocation. This was an information item only requiring no action by the Board.

13. Status of Phase 2

At the present time there are no changes to the status of Phase 2.

14. Items for the Next Agenda

Items for the next Agenda include a report and recommendations from the TGAC, regular reports, Phase 1 and Phase 2 Status Reports, funding opportunities for Phase 2 projects, and the Water Bond Status.

15. Comments from the Chair, Board, and Member Agencies.

There were no comments from the Chair, Board or Member Agencies.

16. Adjournment

Chair Rabbitt adjourned the meeting at 10:25 a.m. The next meeting will be Monday, February 28, 2022, at 9:30 a.m. via Zoom.

Minutes approved by the Board _____

Charles V. Weir
Program Manager

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15

DISBURSEMENTS - DATED JANUARY 20, 2022

Date Prepared 1/18/22

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:

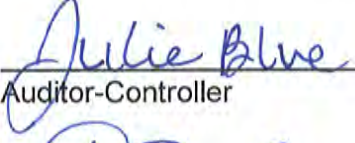

Seq	Payable To	For	Amount
1	Amazon/Genuine-Hardware	PC Monitors (4) (\$781), Miscellaneous Office Supplies (\$273), Mobile Filing Cabinet (\$129), Air Hammer Kit (Const) (\$155), Safety Supplies (\$303) & Pressure Regulator for San Marin P/S (\$230)	1,871.81
2	Athens Administrators	December Indemnity Review Fee	105.00
3	Bakalar, Michael	Retiree Exp Reimb (2022 Health Ins)	547.80
4	Bank of Marin	Bank of Marin Loan Principal & Interest (Pynt 123 of 240) Aqueduct Energy Efficiency Project	46,066.67
5	Blue Earth Labs, LLC	Cleaning Solution for Granular Activated Carbon Cells (74) (STP)	11,345.10
6	Borges & Mahoney	Annual Maintenance on STP Equipment (Balance Remaining on Contract \$4,394)	533.98
7	CA Dept of Tax and Fee Admin.	State Sales & Use Tax 1/2021-12/2021	6,270.00
8	Chandler, Lorena M.	Novato "Toilet Rebate" Program	375.00
9	Chandrasekera, Carmela	Retiree Exp Reimb (Jan Health Ins)	1,137.78
10	Cilia, Joseph	Retiree Exp Reimb (Jan Health Ins)	409.28
11	Clipper Direct	February Commuter Benefit Program	76.00
12	Cummings Trucking	Sand Delivery (23 yds)	350.00
13	Derby, Richard	Retiree Exp Reimb (2022 Health Ins)	1,088.28
14	Eurofins Eaton Analytical, Inc	Algal Toxin Monitoring for Harmful Algae Boom in Stafford Lake	250.00
15	Eyler, John	Retiree Exp Reimb (2022 Health Ins)	1,088.28
16	Fiserv/Bastogne Inc.	Return Payment-Unable to Locate Accounts (2)	278.00
17	Fisher Scientific	Lithium Standard (Lab)	26.51

Seq	Payable To	For	Amount
18	Freyer & Laureta, Inc.	Prog Pymt#3: Provide Engineering & Design Services for NMWD Hydro-Pneumatic Pressure Stations (Balance Remaining on Contract \$62,652)	18,682.00
19	Grainger	Safety Gloves (1,000) (STP) (\$309) & Miscellaneous Maintenance Tools & Supplies (\$307)	616.10
20	Hale, Larry	Retiree Exp Reimb (2022 Health Ins)	547.80
21	Hamrick, Donovan Kelsey	Refund Alternative Compliance Reg 15 Deposit	630.00
22	InfoSend, Inc.	December Processing Fee for Water Bills (\$1,336), Postage (\$3,951) & Monthly Support Fee (\$1,026)	6,313.68
23	Jackson, David	Retiree Exp Reimb (Jan Health Ins)	1,137.78
24	Johnson, Ronald L.	Novato "Washer Rebate" Program	100.00
25	Johnstone, Daniel	Retiree Exp Reimb (2022 Health Ins)	1,088.28
26	Kelly Services, Inc.	Organic Chemist Temp Services (Lab) (68 hrs)	4,170.69
27	Latanyshyn, Roman	Retiree Exp Reimb (Jan Health Ins)	409.28
28	Lemos, Kerry	Retiree Exp Reimb (Jan Health Ins)	1,137.78
29	MacArthurCo	Aquatapoxy (2 gal)	308.96
30	Manzoni, Alicia	Retiree Exp Reimb (Jan Health Ins)	1,137.78
31	Marin County Ford	Light ('10 F150) (\$101) & Thermostat Gasket ('10 F150)	147.55
32	Marin Harbor Village Inc	Return Payment-Not Our Customer	271.72
33	Monroy, Marietta	Novato "Washer Rebate" Program	100.00
34	MRC Global	Parts for Valve	237.64
35	MSI Litho	Business Cards (1,250) (Arendell, Grisso, Pecunia, Garrett & Reed) (\$176) & Window Envelopes NMWD Logo (10,000) (\$842)	1,017.73
36	Nelson, John O.	Retiree Exp Reimb (2022 Health Ins)	752.64
37	Nerviani's Backflow	Backflow Tests (13)	910.00

Seq	Payable To	For	Amount
38	No Worries Real Estate LLC	Refund of Deposit/New Development/WC Restriction-Novato (98 Grove Ln & 1316 Monte Maria Ave)	2,000.00
39	Oberkamper & Associates	Prog Pymt#3: Topo Survey for the Leveroni Creek Embankment Repair (Balance Remaining on Contract \$563)	1,417.50
40	Office Depot	Misc Office Supplies	396.34
41	Parkinson Accounting Systems	Accounting Software Support	350.00
42	Pini Hardware	Miscellaneous Maintenance Tools & Supplies	362.01
43	Ram, Pushpa	Novato "Toilet Rebate" Program	375.00
44	Red Wing Shoe Store	Safety Boots (Pearce)	200.00
45	Service Station Systems	Gas Pump Maintenance	1,119.39
46	Sessions Rise Homeowners	Return Payment-Not Our Customer	1,004.22
47	Smalley, Gayle	Retiree Exp Reimb (2022 Health Ins)	547.80
48	Sonoma County Water Agency	December Contract Water	481,831.06
49	Sonosky, Norma	Retiree Exp Reimb (2022 Health Ins)	752.64
50	State Water Resources Control Board	Annual Permit Fees (National Pollutant Discharge Elimination-\$3,298 & Gallagher Ranch Streambank Stabilization Project-\$323)	3,621.00
51	Topp, Megan	Refund Overpayment on Open Account	2,500.00
52	Township Building Services	December Janitorial Services	2,035.48
53	USA BlueBook	Hand Sanitizer (10 Bottles)	118.97
54	US Postal Service	Meter Postage	1,000.00
55	Vasconcellos, Joan	Retiree Exp Reimb (2022 Health Ins)	547.80

Seq	Payable To	For	Amount
56	Velloza, May	Retiree Exp Reimb (2022 Health Ins)	752.64
		TOTAL DISBURSEMENTS	<u>\$612,468.75</u>

The foregoing payroll and accounts payable vouchers totaling \$612,468.75 are hereby approved and authorized for payment.

	<u>01/18/2022</u>
Auditor-Controller	Date
	<u>01/18/2022</u>
General Manager	Date

DISBURSEMENTS - DATED JANUARY 27, 2022

Date Prepared 1/24/22

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

Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 1/15/22	\$152,986.79
90452*	Internal Revenue Service	Federal & FICA Taxes PPE 1/15/22	69,610.64
90453*	State of California	State Taxes & SDI PPE 1/15/22	15,354.09
90454*	CalPERS	Pension Contribution PPE 1/15/22	42,330.11
EFT*	US Bank	December Bank Analysis Charge (Lockbox \$912 & Other \$386 Less Interest \$80)	1,218.39
90455*	CalPERs	January Insurance Premium (Employer \$46,510, Retirees \$11,711 & Employee Contribution \$8,442)	66,662.90
1	Alpha Analytical	Lab Testing (W.M.)	895.00
2	American Family Life Ins	January AFLAC-Employee Paid Benefit	3,402.29
3	Arrow Benefits Group	December Dental Admin Fee	271.20
4	Asbury Environmental Services	Oil Disposal	306.42
5	AT&T	Leased Lines	67.56
6	BHM Construction Inc	Return Security Deposit-No Water Used	100.00
7	Blach Construction	Refund Security Deposit on Hydrant Meter Less Final Bill	1,011.77
8	California Water Service	Water Service (O.M.)	28.35
9	Clyde, Karen	Exp Reimb: Safety Supplies	398.98
10	Cooney, David	Refund of Deposit/New Development/WC Restriction-Novato	1,000.00
11	Comcast	January Internet Connection	199.55

Seq	Payable To	For	Amount
12	Core Utilities, Inc	Consulting Services: December IT Support (\$6,000), SCADA Maintenance (\$175), Core Billing Maintenance (\$600), Board Assistance (\$325) & NMWD Server 1 to 2019 Server (\$1,600)	8,700.00
13	Core & Main	4" Trumbull Pipe Support (\$168), Extension (\$81), Corp Stops (10) (\$564), Nipples (20) (\$85), 3" Meter Boxes (2) (\$352), 12" x 6" Flange Spools (2) (\$950), Bolts (100) (\$1,259), Nuts (100) (\$368), Flange w/Gear Operator (\$4,747), Hymax Joint Flanges (2) (\$2,669) & Double Check Assembly (\$2,837)	14,081.37
14	Diesel Direct West	Diesel (251 gal) (\$1,181) & Gasoline (1,100 gal) (\$4,797)	5,978.14
15	Environmental Resource Assoc	Performance Testing (\$329) & Nitrite (\$207)	536.69
16	Environmental Express	Conical Tube (Lab)	299.35
17	Fiserv/Bastogne Inc.	Return Payments-Unable to Locate Account	602.00
18	Fishman Supply Co	Rain Jacket (Moniz)	86.55
19	Frontier Communication	Leased Lines	1,618.62
20	GHD Inc.	Prog Pymt#18: NMWD Kastania Pump Station (Balance Remaining on Contract \$29,027)	266.00
21	Grainger	Miscellaneous Maintenance Tools & Supplies	422.72
22	Hardy Diagnostics	Control Organisms (Lab)	190.10
23	Hilton, Brett	Novato "Cash for Grass" Rebate Program	800.00
24	Kaiser Foundation Health Plan	Pre-Employment Physicals (Lawrence & Moniz)	130.00
25	Kelly-Moore Paint Company, Inc	Paint for STP Door	137.23
26	Kelly Services, Inc.	Organic Chemist Temp Services (Lab) (31 hrs)	1,908.36
27	Lawrence, Travis	Exp Reimb: Safety Boots	151.70
28	Lincoln Life Employer Serv	Deferred Compensation PPE 1/15/22	15,513.62
29	MRC Global	Nut for 24" Motor Operated Valve	887.73
30	Mutual of Omaha	January (\$1,090) & February (\$1,099) Group Life Insurance Premium	2,189.18

Seq	Payable To	For	Amount
31	Nationwide Retirement Solution	Deferred Compensation PPE 1/15/22	995.00
32	Office Depot	File Boxes (120)	333.05
33	Pace Supply	Bell Harness Restraints (6) (\$1,085) & Flange Elbow (\$236)	1,320.11
34	Point Reyes Light	Display Ad on 12/30/21: Salinity Intrusion into Pt. Reyes Well Supply	141.00
35	Point Reyes Prop Mgmt Assn	January HOA Fee (25 Giacomini Rd)	75.05
36	Quadient, Inc.	February Postal Meter Rental	143.09
37	Quincy Compressor	Emergency Repair on Compressors @ STP	502.50
38	Ram, Pushpa	Refund Alternative Compliance Reg 15 Deposit	945.00
39	Soiland Co., Inc.	Asphalt Recycling (6 tons)	92.70
40	SPG Solar Facility XII, LLC	December Energy Delivered Under Solar Services Agreement	5,289.76
41	State Water Resources Control	D2 Certification Renewal (Kurfirst) (1/22-1/25) (Budget \$80)	80.00
42	State Water Resources Control	Annual Permit Fee (San Mateo Tank Water Transmission Main)	231.00
43	TPx Communications	Dec Telephone Charges	653.90
44	The Transmitter Shop	Rebuild & Refurbish Rosemount Transmitters (2)	634.00
45	USA BlueBook	Repair Kit for Griffco Valves (STP)	163.20
46	VWR International LLC	Buffer Reference Standard, Glass Filters (100) (\$94) & Buffer Solution (\$56) & Bottles (6) (\$75) (Lab)	258.76

Seq	Payable To	For	Amount
47	White & Prescott	Prog Pymt#10: Coast Guard Housing PRTP Study (\$405), Prog Pymt#11: Replacement PRE Tank #4A (\$180) & Prog Pymt#12: MSN B2 Utility Agreement Costs (\$135) (Balance Remaining on Contract \$54,785)	720.00
		TOTAL DISBURSEMENTS	<u>\$422,921.52</u>

The foregoing payroll and accounts payable vouchers totaling \$422,921.52 are hereby approved and authorized for payment.

Julie Blue 01/24/22
Auditor-Controller Date

For [Signature] 1/24/2022
General Manager Date

MEMORANDUM

January 28, 2022

To: Board of Directors

From: Nancy Williamson, Senior Accountant *nw*

Subj: Information – FY22 2nd Quarter Labor Cost Report
t:\ac\word\memo\22\2nd qtr labor cost rpt.doc

RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None

Total labor cost decreased \$90,034 (2.1%) from the prior fiscal year and is \$735,083 (15.0%) below the FY22 budget to-date. Attached in graphical format is a five-year comparative summary of total labor cost (Attachment A), overtime cost (Attachment B) and temporary employee cost (Attachment C) expended during each fiscal year. Also attached is a summary of total labor cost vs. budget (Attachment D) through the end of the second quarter of the fiscal year.

Department	Increase / (Decrease) in Labor Cost vs prior FY	% Change
Administration	(\$37,244)	(3.4%)
Engineering	\$104,792	15.6%
Operations/Maint	(\$24,413)	(1.6%)
Construction/Maint	(\$133,169)	(14.2%)
Net Increase/(Decrease)	(\$90,034)	(2.1%)

Comment on Change from Prior Year

Administration: Labor Cost decreased \$37,244, or 3.4%. The decrease was primarily due to a vacancy in the Field Service Representative Position from October 8, 2021 through December 31, 2021. The decrease was offset by seven 5% step increases, more temporary hours worked and the 3.7% cost of living adjustment (COLA) effective October 1, of 2021.

Engineering: Labor Cost increased \$104,792, or 15.6%. The increase is primarily due to the resignation of the Chief Engineer on February 4, 2020 and that position remaining vacant until October 12, 2020, to the Senior Engineer position being filled on May 3, 2021, to the October 2021 COLA and to three 5% step increases. The increase was offset by less temporary hours worked.

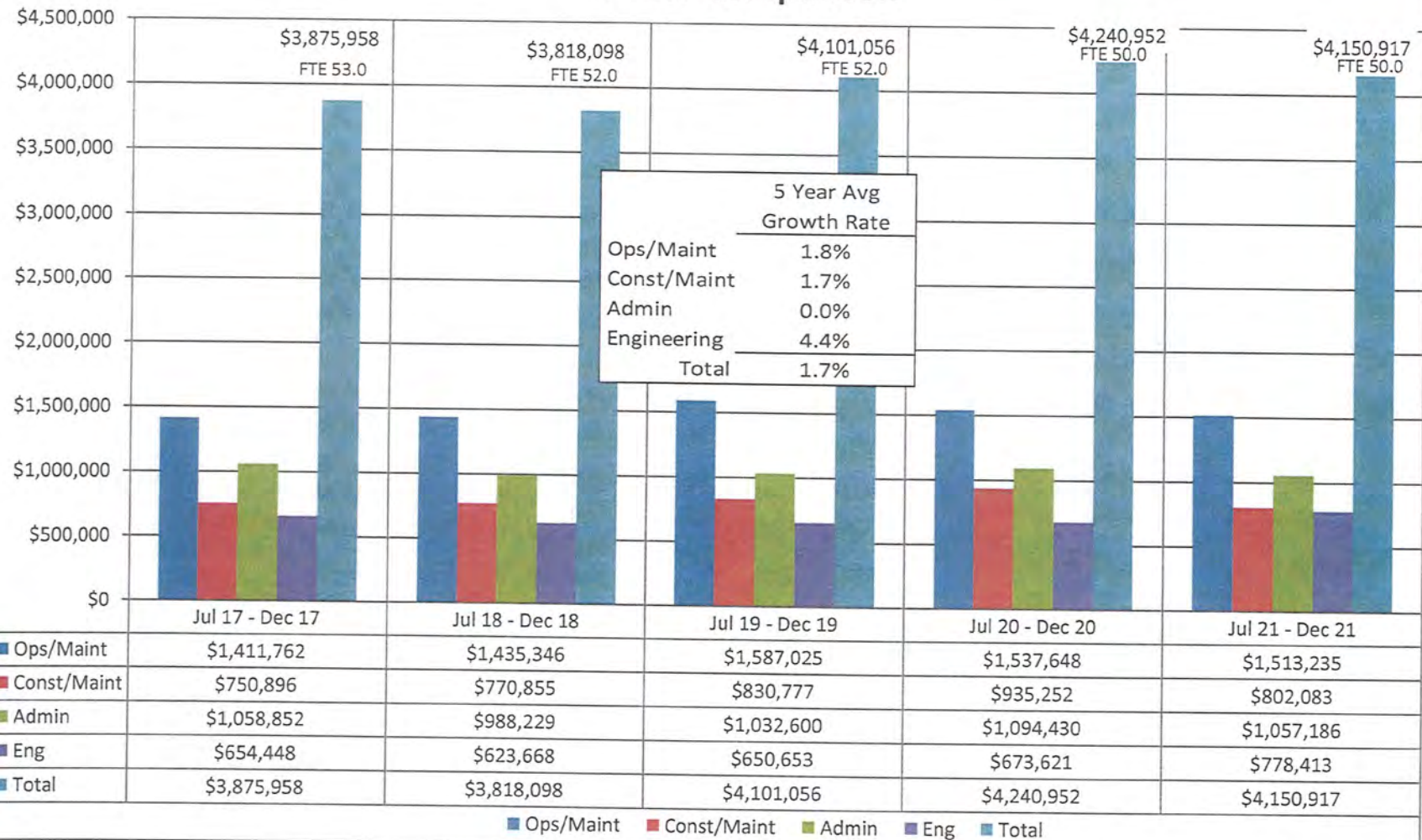
Operations/Maintenance: Labor Cost decreased \$24,413, or 1.6%. The decrease was due to 1,040 more hours of leave time taken this FY to date. Average leave time hours per year are factored into Employee Hourly Rates, but when the amount of leave time take significantly differs from year to year it has an impact on labor cost. The decrease was offset by eight 5% step increases and the October 2021 COLA.

Construction/Maintenance: Labor Cost decreased \$133,169, or 14.2%. The decrease was primarily due to less On Call pay this year compared to last year when an entire crew would be on call in order to keep crews separate due to COVID-19 distancing precautions and to 1,019 less total hours worked. The decrease was offset by three 5% step-increases and the October 2021 COLA.

1/28/22

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Total Labor Cost NMWD Fiscal Year through December 5-Year Comparison

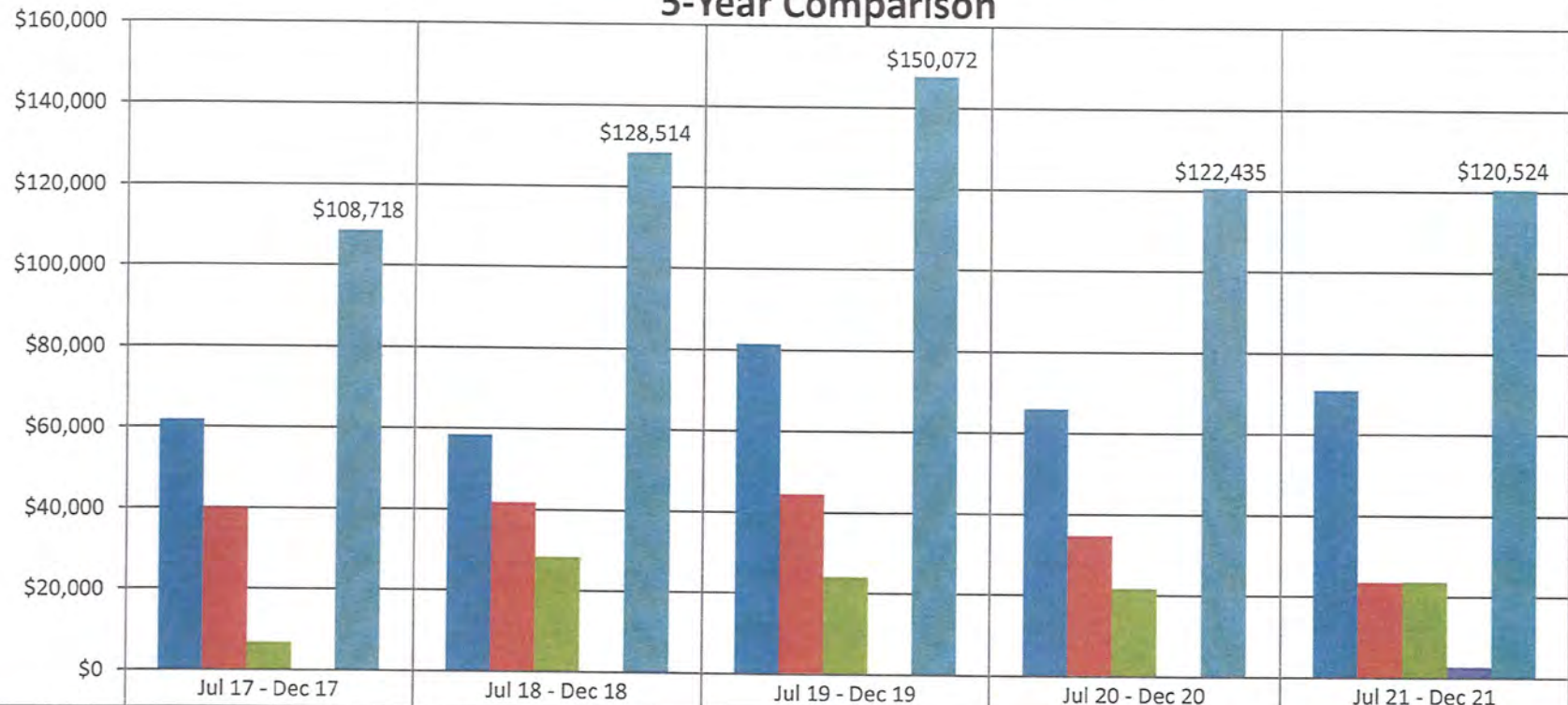


ATTACHMENT A

1/28/22

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Overtime Cost NMWD Fiscal Year through December 5-Year Comparison



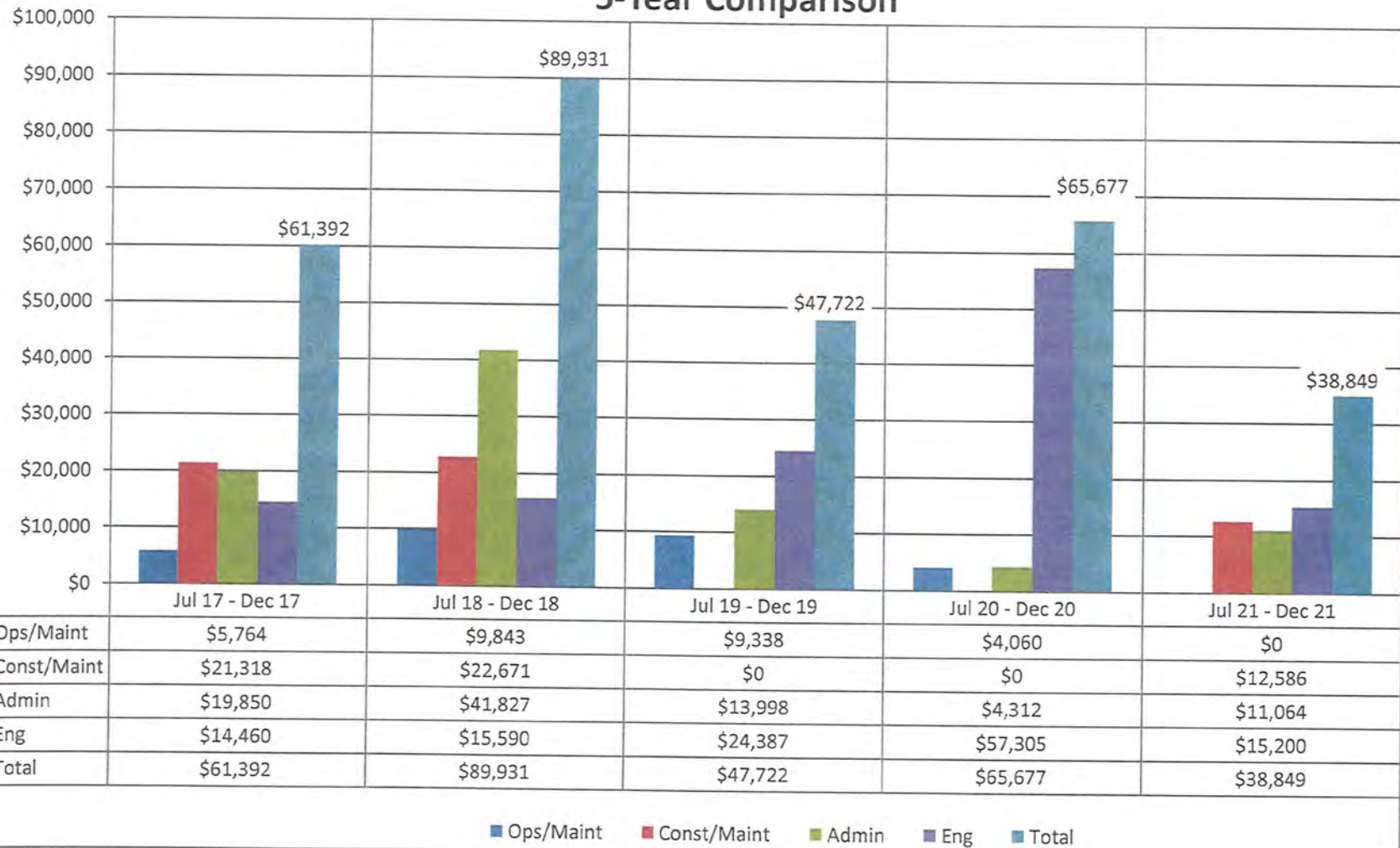
	Jul 17 - Dec 17	Jul 18 - Dec 18	Jul 19 - Dec 19	Jul 20 - Dec 20	Jul 21 - Dec 21
Ops/Maint	\$61,933	\$58,404	\$81,577	\$66,026	\$70,860
Const/Maint	\$39,984	\$41,754	\$44,480	\$34,773	\$23,430
Admin	\$6,801	\$28,356	\$24,015	\$21,637	\$23,565
Eng					\$2,670
Total	\$108,718	\$128,514	\$150,072	\$122,435	\$120,524

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

1/28/22

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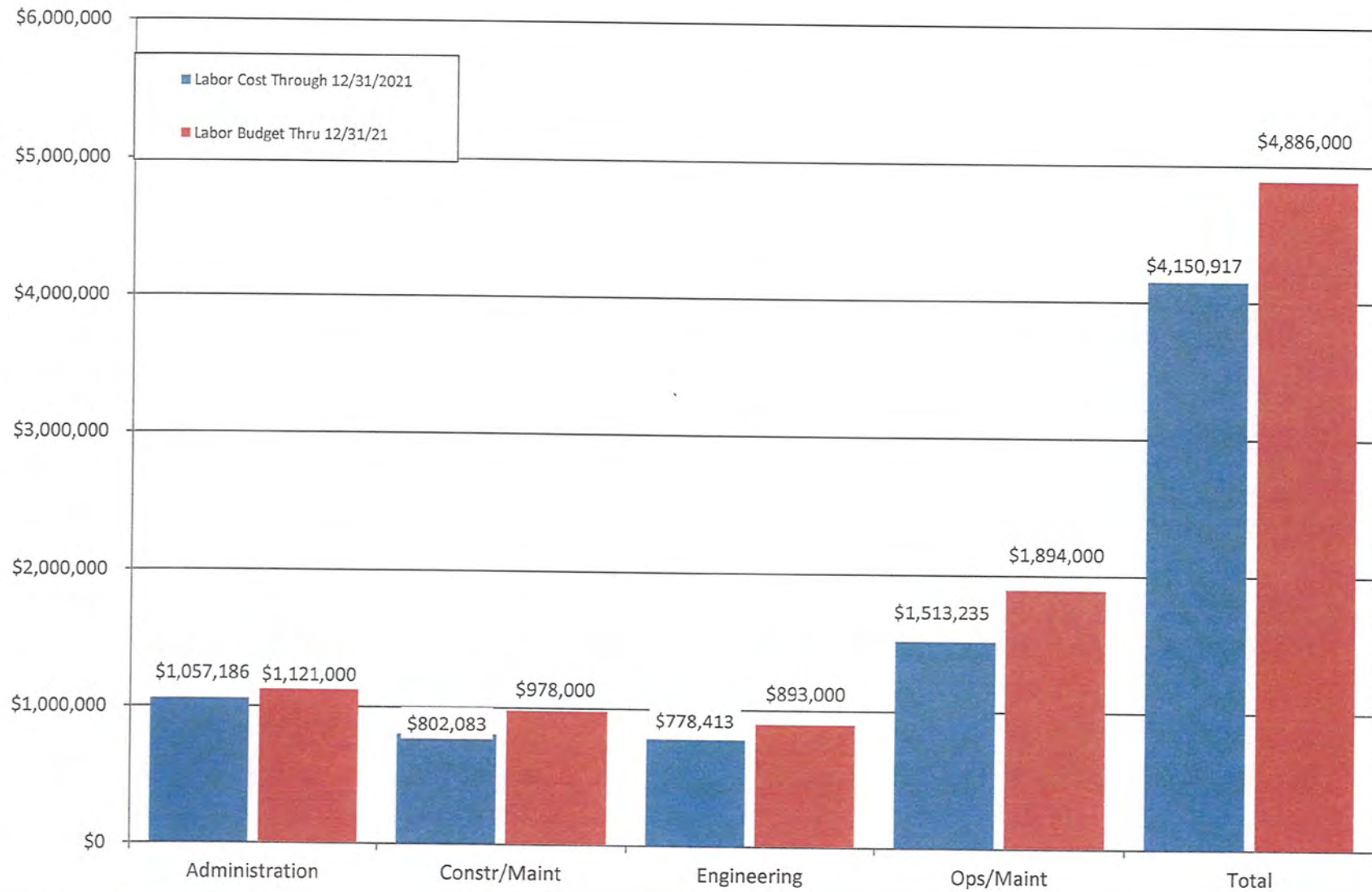
Temporary Employee Cost NMWD Fiscal Year through December 5-Year Comparison



1/28/22

Total Labor Cost vs. Budget NMWD Fiscal Year through December

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Three-Month Outlooks

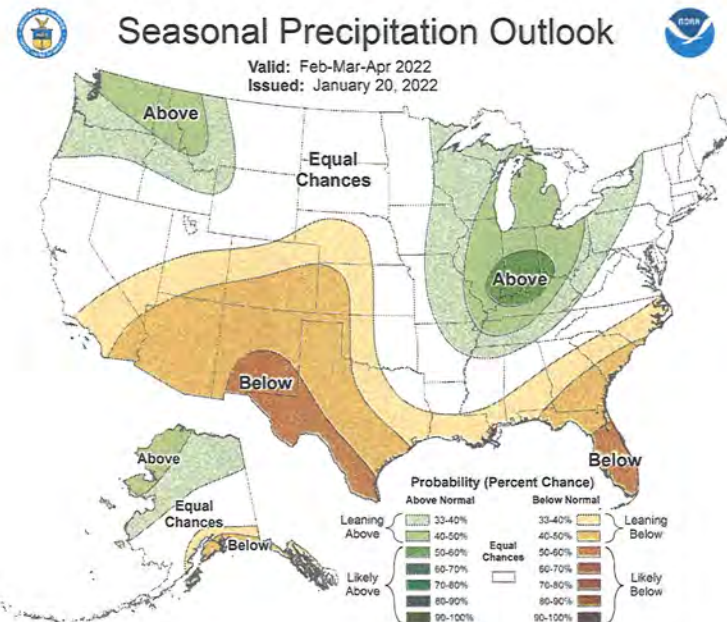
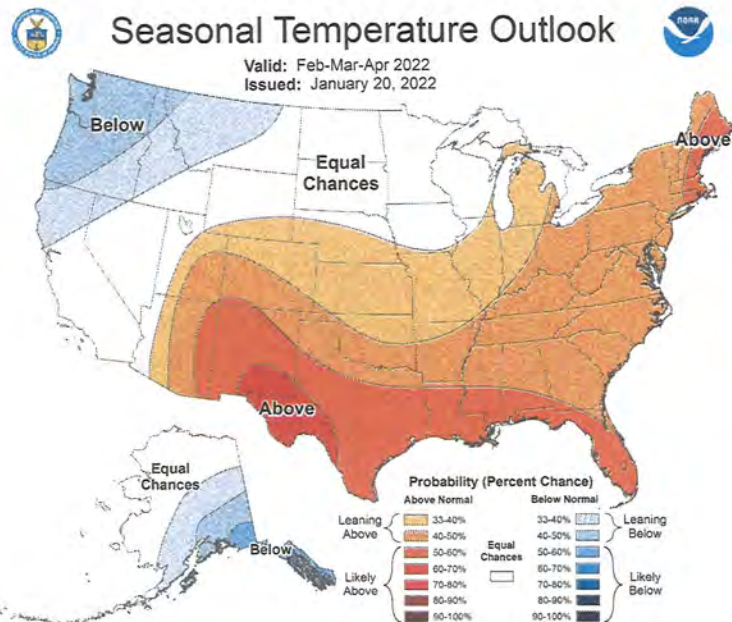
Revised OFFICIAL Forecasts

January 2022

Precipitation Probability

(February-March-April_ 2021/22)

[Climate Prediction Center - Seasonal Outlook \(noaa.gov\)](https://climatepredictioncenter.noaa.gov)



UPDATED MONTHLY FORECASTS SERVICE CHANGE NOTICE
EXPERIMENTAL TWO-CLASS SEASONAL FORECASTS

District must carefully ease water rules

Marin Independent Journal

Editorial

Marin Municipal Water District leaders' concerns that if they let the brakes off of strict conservation requirements, they could be sending the wrong message to customers misses a big point.

There is growing public awareness that water conservation needs to be part of the local ethic if we want to avoid more arduous restrictions and the real risk of running out of water.

That shouldn't mean, however, that we need to reduce water consumption by 40%, the target MMWD set for its customers earlier this year as its supply from its reservoirs and out-of-county sources were dwindling due to back-to-back years of drought. Fortunately, recent rains have brought reservoirs to levels about the annual average, buying time for MMWD to weigh decisions regarding local supply, outside sources and increasing conservation measures, such as more use of recycled water. Its decision to take more time in planning and considering a second out-of-county source by building a new pipeline across the Richmond-San Rafael Bridge comes as MMWD's local supply no longer qualifies for the emergency timing that it had counted on.

It won't be surprising if the delay also will increase the estimated cost, adding layers of expensive bureaucratic paperwork to the budget.

At this juncture, however, keeping a strict lid on customers' water use, without an emergency at play, seems harsh.

The crisis that fueled these restrictions is over.

MMWD reports that its chain of reservoirs are at 95% capacity, far above the average for this time of year and way above the dire 57% recorded last year in the midst of a series of drought-parched months.

There's no question that many of the conservation measures taken by MMWD's customers in hopes of attaining its emergency goal of reducing daily water use by 40% will remain as habits, leading to long-term conservation.

But it shouldn't continue its crisis-fueled ban on turning on outdoor sprinklers and drip systems, refilling of swimming pools, prohibiting people from washing their own cars and using power-washing equipment and penalties imposed on water-use tiers, beyond the higher water rates and bills those customers are already paying.

The unpredictable weather we are experiencing is a good reason for caution, but not for excessive restrictions.

Water conservation is already a local mantra and the additional measures taken over the past year, as we faced the potential of a severe crisis, likely will remain as customers realize that they could effectively cut back by using water more wisely.

Rolling back restrictions doesn't send a message that it's OK to leave faucets running or overwater outdoor landscaping. The district should continue to encourage and reward conservation, but it shouldn't be pressuring people to tear out their lawns and gardens or prohibiting the refilling of swimming pools.

There are voices that are calling for people to replace lawns with drought-tolerant landscaping or tear up ballfields and install artificial turf. One of the arguments supporting the much-debated closure of the San Geronimo Valley Golf Course put the saving of water over its value as a local recreational asset.

The water board should remember that part of the reason why some households were having trouble reaching the 40% goal was that, due to the coronavirus pandemic, some were spending more time at home. That meant having to use more water at home. In addition, many also had already implemented conservation measures.

Instead of extending onerous restrictions, the district's leadership needs to focus its attention on long-term planning that increases the local supply to make it more crisis proof.

The current state of the district's water supply provides its leadership with valuable time to better engage its customers in that planning and consideration of possible options to make the district's supply more resilient to future water patterns.

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Sunday, 01/16/2022 Page .A14

Marin water officials lift drought limits, penalties

MARIN MUNICIPAL

District acts after storms nearly fill local reservoirs

Marin Independent Journal

By Will Houston

whouston@marinij.com

The Marin Municipal Water District voted unanimously this week to rescind water use limits and associated penalties that took effect in December.

The decision on Tuesday means ratepayers will be not be penalized for excessive water use in their February bills, which would have been the first time they could have been applied.

The decision is also the first rollback of the district's drought restrictions that were implemented last year in the face of dwindling water supplies following two dry winters.

After a series of heavy storms in the final months of 2021 nearly refilled the district's seven local reservoirs, district staff and board members said it no longer makes sense to keep these emergency measures in place.

"We are in highly different circumstances," board member Monty Schmitt said on Tuesday.

The district's seven reservoirs are nearly 96% full and about 120% of the average storage for this time of year. Should no more rain fall between now and the end of September, the reservoirs would be at about 63% of capacity, which would be slightly higher than the district had in September 2020, according to Paul Sellier, district operations director.



Nicasio Reservoir near Nicasio — the Marin Municipal Water District's seven reservoirs are nearly 96% full and about 120% of the average storage for this time of year.

SHERRY LAVARS — MARIN INDEPENDENT JOURNAL



Runoff water flows through a tributary into Fairfax Creek in Fairfax.

ALAN DEP — MARIN INDEPENDENT JOURNAL

The water use limits and penalties were adopted in September at a time when the district and its 191,000 residents in central and southern Marin faced depleted reservoirs by mid-2022.

As of Dec. 1, single-family homes were limited to using a certain amount of water during the summer and winter billing periods, or face penalties in the form of higher rates when they exceeded these allotments.

Apartment buildings, businesses and government agencies were exempted from the limits and penalties unless they had separate irrigation accounts.

The board's decision on Tuesday does not affect other restrictions still in place, such as the ban on outdoor sprinkler and drip irrigation use through the end of May, pool refilling limits and the district's systemwide 40% conservation target.

The board will consider rescinding at least some of these rules at its Feb. 1 meeting.

"I think it's really good that we're separating it out and taking a very deliberate look at it," board member Larry Bragman said on Tuesday.

At the same time, board members and some public attendees raised concern about sending a mixed message on the need for continued conservation given the vulnerability of the district's water supplies made clear last year.

The district's seven reservoirs hold about two years' worth of supply while many other suppliers in the region have a four-year supply.

"Stepping on the gas and stepping on the brake within months of each other is not helping to get that constant message across," Woodacre resident Phil Sotter told the board. "The district customers, I think, will need to come to a realization that the days of washing my car are over and the days of heavy lawn irrigation may be behind us."

Marin Conservation League board member Roger Roberts suggested the board continue to set a conservation target for its customers.

On Feb. 1, the district is set to consider approving a review of the options it could take to increase its water supplies. If approved, the report is expected to be completed this summer, according to staff.

"Nature solved the short-term problem," board member Jack Gibson said. "Now we are faced with the long-term problem and that is what I think we have to continue vigorously to address."

The North Marin Water District is also set to consider changes to water use restrictions for its 1,800 West Marin customers given the ample rainfall. Last year, the district implemented a 25% conservation mandate as well as restrictions such as irrigation limits in the face of depleting reservoirs.

These customers rely on well water in the Lagunitas watershed and use rainfall limits at Marin Municipal Water District's Kent Lake reservoir to gauge when to implement

water limits. Rainfall at the reservoir is at 37 inches, which Drew McIntyre, general manager of the North Marin Water District, said is “well above” the minimum 28 inches needed to reconsider the water use rules.

“Accordingly, we expect to bring to our board revisions to conservation mandates in West Marin for their consideration at the Feb. 1 meeting,” McIntyre said on Thursday.

The district is not considering lifting similar conservation mandates for the 60,000 residents in its Novato service area, McIntyre said. These customers rely primarily on Russian River water imports from the Sonoma Water agency for their supply.

McIntyre said the reason the Novato rules will remain in place is because Sonoma Water’s largest reservoir at Lake Sonoma is still below normal levels. Lake Sonoma is about 62% full.



Water runs down the Phoenix Lake spillway in Ross. The Marin Municipal Water District’s seven reservoirs are nearly 96% full and about 120% of the average storage for this time of year.

ALAN DEP — MARIN INDEPENDENT JOURNAL

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Novato reviews new election district maps

FOUR PROPOSALS

Marin Independent Journal

By Will Houston

whouston@marinij.com

Some Novato residents could find themselves voting for a different City Council seat under four proposals released this month to change the city's election district boundaries.

The council is required to draw new district maps this year to account for population changes in the 2020 U.S. Census.

Having just switched to by-district elections in 2019, council members said this week that they would favor making as few boundary changes as possible to avoid a scenario in which some residents would not be able to vote in a council election for nearly six years.

"It would be very hard and difficult to explain to a resident why they didn't get to vote and how the lines in the districts changed," Mayor Pro Tem Susan Wernick said at a meeting Tuesday. "It gets confusing and I think it sometimes can look deceiving, which I don't want to happen."

In Novato, the city is divided into five districts that are each represented by one of five council members. Previously, the city held at-large elections in which residents could vote for all five council seats in a citywide vote.

In considering the new maps, the council is trying to avoid moving people out of District 2 and District 4, which are set to hold an election this year. District 2 is represented by Councilwoman Denise Athas and District 4 is represented by Councilwoman Pat Eklund.

The city held its first by-district election in 2019. Wernick, Eric Lucan and former councilwoman Amy Peele were elected to fill the District 1, 3 and 5 council seats, respectively.

The district boundaries are required to be changed prior to the 2022 council election. If the council moved residents living in District 2 and District 4, those residents would have missed the 2019 and 2022 elections and would not vote again until the 2024 election.

“I think it’s really important this time to make sure that we make as few changes as possible so that people feel that they have an opportunity to vote,” Councilwoman Pat Eklund said. “And If people are taken out of a district and put in another and they haven’t been able to vote yet, they’re going to feel like they have to wait six years to vote, which would make them feel disenfranchised.”

The city and several other agencies in Marin made the switch to district elections in recent years under threat of litigation. The legal claims stated that at-large elections violate the California Voting Rights Act by diluting the votes of protected voter classes such as Latino residents. Proponents say district elections reduce campaigning costs and provide better representation for protected groups of voters, such as minorities.

But setting the election district boundaries is not as simple as drawing a few lines on a map.

Local governments must adhere to a laundry list of requirements laid out in federal and state laws, including a ban on racial gerrymandering and dividing up neighborhoods and communities of interest, all while making districts geographically contiguous and compact.

One state mandate of concern for Novato requires districts contain roughly equal portions of the population. The district populations can only be based on data from the U.S. Census. The city cannot use projected growth to achieve equal populations.

The courts also forbid the difference between the highest and lowest populated districts to be greater than 10%.

Following the 2020 census, Novato’s current district map has a population deviation of 13.5%, particularly between District 3 in the downtown area, which is overpopulated, and District 5, representing Hamilton and parts of southeastern Novato, which is underpopulated.

City redistricting consultant Doug Yoakam of the National Demographics Corp. said, given the city’s size, the council needs only to move a few hundred people to new districts in order to comply with state requirements.

Four proposed maps were reviewed by the council on Tuesday. The council was unanimous in voicing support for a map labeled “Public 101” made by Novato resident Zachary Griggy. The map only made minor alterations to existing district boundaries and corrected a few issues council members had raised about its existing map.

The changes include expanding District 4, represented by Councilwoman Pat Eklund, slightly north and south; expanding District 3, represented by Mayor Eric Lucan, slightly westward toward South Novato Boulevard; and expanding District 2, represented by Councilwoman Denise Athas, slightly north on a portion of Sutro Avenue.

However, Griggy’s map has a population deviation of 9.9%, barely below the state’s limit of 10%. Should the city adopt this map, it could face the risk of potential legal challenges.

“We usually recommend that you don’t get that close,” Yoakam told the council.

Griggy said Novato’s geography and population don’t lend themselves to allowing low population deviations between districts. Lowering it further would require certain communities to be split, Griggy said.

“Please don’t discount a map simply because it has a high population deviation,” Griggy told the council. “It’s oftentimes necessary in Novato to respect geographic barriers and to respect communities of interest in Novato.”

Griggy said he plans to make changes and resubmit his map in an attempt to lower the population deviation.

Residents can still submit map proposals through Feb. 7. The council is set to hold its next redistricting hearing on Feb. 15 to select a final map. The council is then set to meet on March 8 to adopt the map.

More information on the redistricting process, information on how to create and submit maps, and existing and proposed maps can be found online at novato.org/elections.

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**REVISED
INFORMATION FOR
ITEM #11**

MEMORANDUM

To: Board of Directors

From: Drew McIntyre, General Manager
Ryan Grisso, Water Conservation Coordinator

January 28, 2022

Subject: Consider approval of Resolution 22-XX moving from Stage 2 to Stage 1 of the West Marin Water Shortage Contingency Plan, discontinuing the drought surcharge, and amending Emergency Water Conservation Ordinance No. 39 for the West Marin Service Area

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RECOMMENDED ACTION: Approve Resolution 22-XX repealing Stage 2 mandatory 25% reduction and prohibitions on non-essential water use and enacting Stage 1 voluntary 15% reduction in water use under the West Marin Water Shortage Contingency Plan, discontinuing the drought surcharge, and amending Sections 4, 5, and 6 of Ordinance No. 39.

FINANCIAL IMPACT: None

On May 5, 2020, the Board adopted Ordinance No. 39, thereby declaring a water shortage emergency condition within the West Marin Service Area of the District, prohibiting the waste and non-essential use of water, and providing for the conservation of the water supply of the District. At the March 16, 2021 Board meeting, the Board modified Ordinance No. 39, thereby authorizing the imposition of administrative fines and penalties for violation of the Ordinance and reserving for itself the authority to make subsequent amendments to Ordinance No. 39 by resolution.

Pursuant to the Water Shortage Contingency Plan for the West Marin Service Area (WSCP) and the District's Interconnection Agreement with Marin Municipal Water District (Marin Municipal), the District must impose voluntary or mandatory water-use reductions and prohibitions on use within the West Marin Service Area in accordance with those reductions and prohibitions imposed by Marin Municipal during water shortage emergencies when Kent Lake releases are requested by the District. On April 20, 2021, Marin Municipal's Board of Directors imposed mandatory water-use reductions and prohibitions on certain water use. On May 4, 2021, Marin Municipal's Board imposed further prohibitions on water use, including day-per-week restrictions on watering with overhead sprinklers and drip irrigation. On July 1, 2022, the District requested Marin Municipal to begin making releases from Kent Lake due to dry year conditions and low Lagunitas Creek tributary flows; said releases ceased on October 25, 2021 due to significant rainfall. On July 6, 2021, Marin Municipal's Board limited overhead sprinkler use to one day per week and drip irrigation to two days per week.

At the May 18, 2021 Board meeting, the Board adopted a resolution implementing a drought

surcharge for the West Marin Service Area for the July 1 through November 1 period and amending Sections 6 and 10 of Ordinance No. 39. In part, the May 18th amendments to Section 6 of Ordinance No. 39 aligned the District's limitations on water use with the limitations imposed by Marin Municipal's Board on May 4, 2021. At the August 3, 2021 Board meeting, the District adopted a resolution to further limit use of overhead irrigation to one day per week and drip irrigation to two days per week to align with the what Marin Municipal's Board approved on July 6, 2021.

Due to the severe drought conditions existing at that time, the Board amended Ordinance No. 39 at the October 19, 2021 Board meeting to extend the mandatory 25% reduction and prohibitions on non-essential water use under Stage 2 of the WSCP and extended the drought surcharge for the duration that Stage 2 actions were deemed necessary.

Marin County has received substantial rainfall in the months of October and December 2021 such that Marin Municipal's Board repealed certain water use limits and associated penalties on January 18, 2022. Furthermore, rainfall as measured at Marin Municipal's Kent Lake gage is 38.8 inches, which exceeds the 28-inch minimum threshold required under Water Board Water Right Order 95-17 to declare a "normal" water year within the West Marin Service Area. Thus, the improved water supply conditions in the West Marin Service Area obviates the need to continue the mandatory 25% reduction and prohibitions on non-essential use, and the drought surcharge.

However, statewide drought conditions persist and the proclamations issued by Governor Newsom requesting 15% voluntary water use reductions and directing to local water suppliers to execute their Water Shortage Contingency Plans at a level appropriate to local conditions while taking into account the possibility of a third dry year remain in place. Therefore, District staff recommends the voluntary 15% reduction in use under Stage 1 of the WSCP remains in place. On January 4, 2022, the Water Board adopted Resolution 2022-002, thereby enacting Section 995 of Title 23 of the California Code of Regulations (Title 32 CCR Section 995) which prohibits certain wasteful water uses for a period of one year.

As proposed, Resolution 22-XX (Attachment 1) will repeal Stage 2 mandatory 25% reduction and prohibitions on non-essential water use and enact Stage 1 voluntary 15% reduction in water use under the WSCP, discontinue the drought surcharge, and amend Sections 4, 5, and 6 of Ordinance No. 39. The proposed amendments still leave Ordinance No. 39 in place, thereby allowing the Board to make future changes by resolution should the need arise for further conservation mandates or other adjustments.

Recommendation

Approve Resolution 22-XX repealing Stage 2 mandatory 25% reduction and prohibitions on

non-essential water use and enacting Stage 1 voluntary 15% reduction in water use under the West Marin Water Shortage Contingency Plan, discontinuing the drought surcharge, and amending Sections 4, 5, and 6 of Ordinance No. 39.

RESOLUTION 22-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF NORTH MARIN WATER DISTRICT REPEALING STAGE 2 MANDATORY 25% REDUCTION AND PROHIBITIONS ON NON-ESSENTIAL WATER USE AND ENACTING STAGE 1 VOLUNTARY 15% REDUCTION IN WATER USE UNDER THE WEST MARIN WATER SHORTAGE CONTINGENCY PLAN, DISCONTINUING THE DROUGHT SURCHARGE, AND AMENDING SECTIONS 4, 5, AND 6 OF ORDINANCE NO. 39

WHEREAS, pursuant to Sections 350-358, 375-378, and 31026-31029 of the California Water Code, the Board of Directors ("Board") of the North Marin Water District ("District"), following a properly noticed and duly held public hearing at its meeting on May 5, 2020, adopted Ordinance No. 39, thereby declaring a water shortage emergency condition within the West Marin Service Area of the District, prohibiting the waste and non-essential use of water, and providing for the conservation of the water supply of the District; and

WHEREAS, following a properly noticed and duly held public hearing at its meeting on March 16, 2021, the Board modified Ordinance No. 39, thereby authorizing the imposition of administrative fines and penalties for violation of the Ordinance and, to enable itself to respond to rapidly changing water supply conditions, reserving for itself the authority to make subsequent amendments to Ordinance No. 39 by resolution; and

WHEREAS, following a properly noticed and duly held public meeting on May 18, 2021, the Board adopted Resolution 21-08 thereby implementing a drought surcharge for the West Marin Service Area from July 1 through November 1 and amending Section 6 and Section 10 of Ordinance No. 39 to specify days of the week when customers within the West Marin Service Area may utilize overhead sprinkler and drip irrigation and to clarify when the District would implement a drought surcharge for the West Marin Service Area; and

WHEREAS, following a properly noticed and duly held public meeting on August 3, 2021, the Board adopted Resolution 21-17, thereby amending Section 6(b)(6) of Ordinance No. 39 to limit use of overhead irrigation to one day per week and drip irrigation to two days per week; and

WHEREAS, following a properly noticed and duly held public meeting on October 19, 2021, the Board adopted Resolution 21-25, thereby extending the Stage 2 mandatory reduction of 25% and prohibitions on non-essential use in accordance with the Water Shortage Contingency Plan for the West Marin Service Area (WSCP) until the Board determines Stage 2 actions are no longer required, continuing to implement the drought surcharge for the duration that Stage 2 actions remain in effect, and amending Section 6(b) of Ordinance No. 39; and

WHEREAS, on July 8, 2021, Governor Newsom issued Executive Order No. N-10-21, thereby proclaiming a drought emergency in Marin County and requesting all Californians to voluntarily reduce water use by 15%; and

WHEREAS, on October 19, 2021, Governor Newsom issued a proclamation declaring a statewide drought emergency, directing local water suppliers to execute their Water Shortage Contingency Plans at a level appropriate to local conditions while taking into account the possibility of a third dry year, and authorizing the State Water Resources Control Board (Water Board) to adopt emergency regulations prohibiting certain wasteful water practices; and

WHEREAS, on January 4, 2022, the Water Board adopted Resolution 2022-002, thereby enacting Section 995 of Title 23 of the California Code of Regulations (Title 32 CCR Section 995) which prohibits certain wasteful water uses for a period of one year; and

WHEREAS, the 38.8 inches of precipitation measured at Marin Municipal Water District's Kent precipitation gage (Kent gage) from October 1, 2021 to present exceeds the minimum threshold of 28 inches as required under Water Board Water Right Order 95-17 and the WSCP to declare a "normal" water year within the West Marin Service Area; and

WHEREAS, due to improved water supply conditions within the West Marin Service Area, the Board has determined Stage 2 actions under the WSCP are no longer required; and

WHEREAS, as a result of more than two consecutive years of extreme drought leading up to 2022, dry conditions within the West Marin Service Area and throughout the State persist such that it is necessary to continue requesting a voluntary 15% reduction in water use in accordance with Stage 1 of the WSCP, and to continue certain prohibitions on wasteful water use in accordance with Title 32 CCR Section 995 and District Regulation 17; and

WHEREAS, the Board desires to amend Sections 4, 5, and 6 of Ordinance No. 39.

NOW, THEREFORE, BE IT RESOLVED:

1. The Board of Directors of the North Marin Water District finds and determines that the foregoing Recitals are true and correct and incorporates these Recitals as if fully set forth herein.
2. The Board of Directors of the North Marin Water District hereby repeals Stage 2 mandatory 25% reduction and prohibitions on non-essential water use under the Water Shortage Contingency Plan for the West Marin Service Area.
3. The Board of Directors of the North Marin Water District hereby discontinues the drought surcharge for the West Marin Service Area.
4. The Board of Directors of the North Marin Water District hereby enacts Stage 1 voluntary 15% reduction in water use under the Water Shortage Contingency Plan for the West Marin Service Area.
5. The Board of Directors of the North Marin Water District hereby amends Sections 4, 5, and 6 of Ordinance No. 39 as indicated in **EXHIBIT A**, attached hereto and incorporated herein by this reference as if fully set forth.

6. This Resolution shall be effective immediately upon adoption and shall remain in effect until such time as modified, repealed, or superseded by further resolution of the Board.

* * * * *

I hereby certify that the foregoing is a true and complete copy of a resolution duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 1st of February 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

Theresa Kehoe, District Secretary
North Marin Water District

(SEAL)

EXHIBIT A

Section 4. Suspension of New Connections to the West Marin Service Area

(a) ~~From July 1, 2021 Until the Board of Directors by resolution declares that the water shortage emergency condition has ended, the Board of Directors may determine by resolution that no new or enlarged connection shall be made to the District's water system except under certain conditions which period is hereinafter referred to as the suspension period, no new or enlarged connection shall be made to the West Marin Service Area except the following:~~

~~(1) connection pursuant to the terms of connection agreements which prior to July 1, 2021, had been executed or had been authorized by the Board of Directors to be executed;~~

~~(2) connections of fire hydrants;~~

~~(3) connections of property previously supplied with water from a well which runs dry.~~

~~(4) connection of property for which the Applicant agrees to defer landscape installation until after the suspension period.~~

~~(b) During the suspension period applications for water service will be processed only if the Applicant acknowledges in writing that such processing shall be at the risk and expense of the Applicant and that if the application is approved in accordance with the District's regulations, such approval shall confer no right upon the Applicant or anyone else until the suspension period has expired, and that the Applicant releases the District from all claims of damage arising out of or in any manner connected with the suspension of connections.~~

~~(c) Upon the expiration of the suspension period, the District will make connections to its water system in accordance with its regulations and the terms of connection agreements for all said applications approved during the suspension period. The water supply then available to the District will be apportioned equitably among all the customers then being served by the District without discrimination against services approved during the suspension period.~~

~~(d) Nothing herein shall prohibit or restrict any modification, relocation or replacement of a connection to the District's system if the General Manager determines that the demand upon the District's water supply will not be increased thereby.~~

Section 5. Waste of Water Prohibited

No water furnished by the District shall be wasted. Waste of water includes, but is not limited to, the following:

(a) The washing of sidewalks, walkways, driveways, parking lots and other hard surfaced areas by direct hosing when runoff water directly flows to a gutter or storm drain, except as may be necessary to properly dispose of flammable or other dangerous liquids or substances, wash away spills that present a trip and fall hazard, or to prevent or eliminate materials dangerous to the public health and safety;

(b) The escape of water through breaks or leaks within the customers' plumbing or private distribution system for any substantial period of time within which such break or leak should reasonably have been discovered and corrected. It shall be presumed that a period of seventy-two (72) hours after the customer discovers such a break or leak or receives notice from the District, is a reasonable time within which to correct such break or leak, or, as a minimum, to stop the flow of water from such break or leak;

EXHIBIT A

(c) Irrigation in a manner or to an extent which allows excessive run-off of water or unreasonable over-spray of the areas being watered. Every customer is deemed to have his/her water system under control at all times, to know the manner and extent of his/her water use and any run-off, and to employ available alternatives to apply irrigation water in a reasonably efficient manner;

(d) Washing cars, boats, trailers or other vehicles and machinery directly with a hose not equipped with a shutoff nozzle;

(e) Water for non-recycling decorative water fountains;

(f) Water for new non-recirculating conveyor car wash systems;

(g) Water for new non-recirculating industrial clothes wash systems;

(h) Water for single pass coolant systems;

(i) Potable water for outdoor landscaping during or within 48 hours of measurable rainfall;

(j) Potable water on ornamental turf in public street medians;

(k) Drinking water other than on request in eating or dining establishments;

(l) Water for the daily laundering of towels and linens in hotels and motels without offering guests the option of choosing not to have daily laundering.

(m) Any use of water that is prohibited under Section 995 of Title 23 of the California Code of Regulations as adopted, and as may be amended from time to time, by the State Water Resources Control Board.

Section 6. Prohibition of Non-Essential Use of Water

(a) No water furnished by the District shall be used for any purpose declared to be non-essential by this ordinance, or resolution modifying this ordinance, for the following stages of action as determined by the Board of Directors after considering specific triggers consistent with the Water Shortage Contingency Plan for the West Marin Service Area.

Stage 1 - Voluntary Stage (15% reduction). Achieve 15% reduction in water usage compared to the corresponding billing period in 2013 by encouraging voluntary rationing, enforcement of water wasting regulations and water conservation Regulation 17, requesting customers to make conscious efforts to conserve water, encourage private sector to use alternate sources, and encourage night irrigation.

Stage 2: Mandatory Stage (25% reduction)

(b) The following uses are declared to be non-essential from and after ~~July 1, 2021 until~~ such time as the Board determines by ~~subsequent~~ resolution that Stage 2 actions under the District's Water Shortage Contingency Plan for the West Marin Service Area are ~~no longer~~ required:

- (1) Washing sidewalks, driveways, parking areas, tennis courts, patios or other exterior paved areas except by Marin County Fire Department or other public agency for the purpose of public safety;
- (2) refilling a swimming pool completely drained after July 1;
- (3) non-commercial washing of privately-owned motor vehicles, trailers and boats except from a bucket and except that a hose equipped with a shut-off nozzle may be used for a quick rinse.

EXHIBIT A

- (4) any use of water from a fire hydrant except fighting fires, human consumption, essential construction needs or use in connection with animals;
- (5) watering of any lawn, garden, landscaped area, tree, shrub or other plant except from:
 - a. a handheld hose equipped with an automatic shut-off nozzle;
 - b. a container;
 - c. a drip irrigation system; or
 - d. an overhead sprinkler irrigation system used under the following conditions:
 - i. an overhead sprinkler irrigation system can be used if the customer maintains an overall 25% reduction in water use compared to the corresponding billing period in 2013, (customers using less than 200 gallons per day are permitted to water their landscape without a 25% reduction) and properly operates the irrigation system in a non-wasteful manner on those days as specified in Section 6(c)(3) below and between the hours of 7:00 p.m. and 9:00 a.m. the next day. If overhead sprinkler water is used in a wasteful manner, the General Manager may prohibit sprinkling by that customer.
- (6) watering more than ~~3~~ 2 days per week using drip irrigation; or watering more than 4 days per week using overhead spray irrigation;
- (7) watering within 48 hours of measurable rainfall;
- (8) irrigating lawn area on public street medians;
- (9) use of water for dust control, soil compaction, or backfill consolidation at construction sites;
- (10) initial filing of any swimming pool for which application for a building permit was made;
- (11) use by a vehicle washing facility in excess of 25% less than the amount used by it during the corresponding billing period in 2013. If the facility was not operating in 2013, an assumed amount shall be computed by the District from its records.
- (12) any non-residential use in excess of 25% less than the amount used by the customer during the corresponding billing period in 2013. If connection to the District system was not in existence or use in 2013, an assumed amount will be computed from the District's records;
- (13) Intertie deliveries to Inverness Public Utilities District (IPUD), except for critical needs as determined by the General Manager;
- (14) Deliveries to customers outside the service area except as needed for human consumption, sanitation and public safety or as stipulated in outside service agreements.