



NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
June 28, 2022 – 6:00 p.m.
Location: Virtual Meeting
Novato, California

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 pursuant to the authorizations provided by Government Code section 54953(e)."

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.

Est. Time	Item	Subject
6:00 p.m.	CALL TO ORDER	
	1.	GENERAL MANAGER'S REPORT
	2.	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.
	3.	STAFF/DIRECTORS REPORTS
	4.	PUBLIC HEARING/APPROVE Consider Proposed Novato Service Area Water Rate Increase Resolution
	5.	PUBLIC HEARING/APPROVE: Consider Proposed West Marin Water Rate Increase Resolution
	6.	PUBLIC HEARING/APPROVE: Consider Proposed Ocean Marin Sewer Rate Increase Resolution
	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.	
	7.	Consent – Approve: Annual Water Quality Report – Novato
	8.	Consent – Approve: Annual Water Quality Report – Point Reyes
	9.	Consent – Approve: Amendment 1 to Utility Agreement between the State of California and North Marin Water District for Caltrans' MSN B2
	ACTION CALENDAR	
	10.	Approve: Novato & West Marin Service Areas FY 22/23/ Budgets
	11.	MISCELLANEOUS Disbursements – Dated June 23, 2022
7:30 p.m.	12.	ADJOURNMENT

1

2

3

4



MEMORANDUM

To: Board of Directors Date: June 28, 2022

From: Tony Williams, General Manager *[Signature]*
 Julie Blue, Auditor/Controller *[Signature]*

Subject: Public Hearing – Proposed Novato Service Area Rate Increase
T:\AC\Budget\FY-2022.23\Rate Increase & Prop 218\Novato Public Hearing - Rate Increase FY22.23.docx

RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: Additional \$1,118,000 in FY 22/23 Revenue

A virtual public hearing to consider adoption of a proposed 6% rate increase in the cost of water, effective July 1, 2022, is occurring at the June 28 Board Meeting at 6:00 PM. On May 13, 2022 customers were noticed individually of the proposed increase by mailer (Attachment 1) and a notice of the Public Hearing was published in the June 14 edition of the Marin Independent Journal (Attachment 2). The proposed increase is structured as a 6% rate increase to both the commodity rate and bimonthly service charge rate for Novato Water and Recycled Water customers.

Under law, a customer protest of 50% plus one would invalidate the proposed increase. Through June 20, 2022 the District received 7 official protests against the proposed increase. The customer protest letters are included as Attachment 3. Staff also received 8 calls related to the rate increase. The customers had general questions regarding the rate increase, including when the rate increases would be in effect.

On March 3, 2020 the Board accepted the 2020 Novato and Recycled Water Rate Study Report. The rate study report provided a five-year financial plan, including a 6% rate increase for FY 22/23. The rate study was also used as a basis for the updated FY 22/23 financial plan and budget. Additionally, the Board approved the Drought Surcharge Review on March 15, 2022. The proposed drought surcharge is an added percentage per 1,000 gallons for all water used during a Board declared stage 2 or higher drought.

The General Manager will make a presentation, included as Attachment 4, on the need for the proposed water cost increase at the meeting, after which the Board can accept public comment. Attachment 5 is a draft of Resolution 22-XX and Regulation 54 showing the proposed changes.

Staff Recommendation

After closing the public hearing, approve Resolution 22-XX (Attachment 5) amending Regulation 54 pertaining to Water Rates and Charges to reflect a rate increase of 6% for the customers in the Novato Service Area effective July 1 of 2022.



**NORTH MARIN
WATER DISTRICT**

NOTICE OF PUBLIC HEARING

REGARDING PROPOSED RATE INCREASES AND RESTRUCTURED DROUGHT SURCHARGES

For the Novato Service Area

This Notice provides information about proposed increases to North Marin Water District's water rates and charges for the Novato Service Area and restructured drought surcharges. The Board of Directors will hold a public hearing at which public comments will be considered and written protests will be counted before the Board votes on the proposed increases.

NEW HEARING DATE: **Tuesday, June 28, 2022**
TIME: **6:00 p.m.**
VIRTUAL LOCATION*: **Zoom Meeting**
<https://us02web.zoom.us/j/82191971947>
Meeting ID: 821 9197 1947 **Password:** 466521

The District proposes increasing revenue for fiscal year 2022-2023. If approved at the public hearing on June 28, 2022, the new rates and rate structure changes will go into effect on July 1, 2022.

**Due to ongoing COVID-19 related risks to public health and safety, the public hearing is scheduled to be conducted via Zoom utilizing the link above. If conditions change, information on a physical location for an in-person public hearing will be provided on the District website at www.nmwd.com.*

REASONS FOR THE PROPOSED RATE INCREASE

The key reasons that a 6% rate increase is needed are described below.

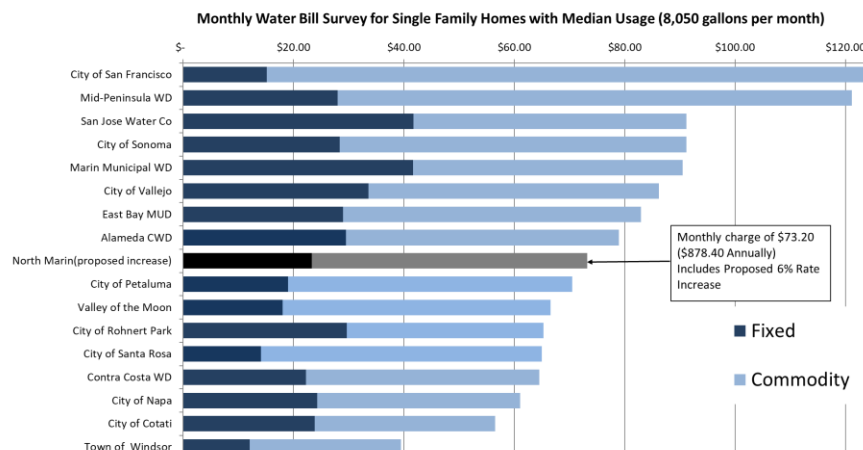
Increased investment in water facilities. The District must continue to invest in facility upgrades and replacements with an approximate cost of \$4 million per year. These investments benefit the system's fire protection, water supply and aging infrastructure and help to address the need to properly maintain the District's \$132 million system of pipelines, pumps, reservoirs, treatment plants, valves, hydrants, laboratory, monitoring systems, buildings and more.

Rising costs to purchase imported water. The District typically imports 75% of its water from Sonoma County Water Agency. The cost of purchasing imported water accounts for 30% of the budget and the wholesale water supplier has forecast that the costs will continue to increase by 6% every year.

Impact of inflation on all costs. The proposed revenue increase is designed to meet all the costs of providing water service. This includes purchasing, treating, and delivering safe, high-quality, reliable water to your home or business without fail, every day and around the clock.

RATE COMPARISON

Our rates are the lowest in Marin County and at the median for water agencies around the Bay Area region.



Details of Proposed Rate Increases

Proposed 6% rate increase.

Novato Water - North Marin Water District is proposing a 6% rate increase to cover the increasing costs of providing quality potable water service to our Novato Water service area customers.

Recycled Water - A 6% rate increase is proposed for the Recycled Water System.

The typical residential customer (approximately 56% of all customers) will pay about \$4.50 more per month if the changes are approved (\$9.00 on the bi-monthly bill).

PROPOSED BI-MONTHLY FIXED SERVICE CHARGES

The Bi-Monthly Fixed Service Charge includes an account charge and a meter charge. The meter charge is based on an industry standard that apportions costs based on meter size and flow capacity. Most single-family residential customers have a 5/8" meter. Residential accounts that have a 1" meter due to fire requirements, but would otherwise have a 5/8" meter, are charged at the 5/8" meter rate.

PROPOSED BI-MONTHLY FIXED SERVICE CHARGE FOR POTABLE WATER		
Meter Size (in inches)	Current Fixed Charge	Proposed Fixed Charge
5/8"	\$43.95	\$46.58
1"	\$78.50	\$83.21
1.5"	\$136.08	\$144.25
2"	\$205.18	\$217.50
3"	\$389.45	\$412.82
4"	\$596.76	\$632.56
6"	\$1,172.60	\$1,242.96
8"	\$1,518.11	\$1,609.20

PROPOSED BI-MONTHLY FIXED SERVICE CHARGE FOR RECYCLED WATER		
Meter Size (in inches)	Current Fixed Charge	Proposed Fixed Charge
5/8"	\$51.71	\$54.81
1"	\$90.93	\$96.38
1.5"	\$156.31	\$165.69
2"	\$234.76	\$248.84
3"	\$443.96	\$470.60
4"	\$679.31	\$720.07
6"	\$1,333.07	\$1,413.05

To learn how the proposed rates will affect your specific water bill, check out the District’s water cost calculator, available at nmwd.com/account/annual-cost-calculator. **The maximum rates that may be imposed are shown in this document.** Prior to implementing the rates, the Board of Directors may choose to implement the full amount or less, but not more.

PROPOSED RESTRUCTURED DROUGHT SURCHARGES

The proposed restructured drought surcharges are implemented only when the Board declares a Stage 2 (currently in effect) through Stage 6 water shortage as defined by Novato Water's Water Shortage Contingency Plan. The temporary drought surcharges would be applied to the potable water usage rates (but not the fixed monthly service charges), and the amount of the surcharge would vary with the amount of required water use reductions. The temporary drought surcharges are expressed as a percentage of the then-current water usage rate. The 2022 drought surcharge rate review can be found at <https://nmwd.com/wp-content/uploads/2022/03/2022-Novato-West-Marin-Water-Drought-Surcharge-Review.pdf>

PROPOSED DROUGHT SURCHARGE STRUCTURE*							
Quantity Charge Per 1,000 Gallons	Normal Supply	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6
Water Shortage Surcharge	None	0%	5%	13%	21%	30%	42%
Tier 1 (0 to 262 gal/day)	\$6.18	\$6.18	\$6.49	\$6.98	\$7.48	\$8.03	\$8.78
Tier 2 (262 to 720 gal/day)	\$7.00	\$7.00	\$7.35	\$7.91	\$8.47	\$9.10	\$9.94
Tier 3 (> 720 gal/day)	\$8.62	\$8.62	\$9.05	\$9.74	\$10.43	\$11.21	\$12.24
Fixed Month Charge	Varies	No changes to this service charge					

*Example Calculation for Zone A Single Family Residential Rates FY 22/23

**Example Calculation for Zone A Single Family Residential Rates FY 22/23*

and Restructured Drought Surcharges

PROPOSED TIERED QUANTITY (USAGE) CHARGES

The Tiered Quantity (Usage) Charges has three tiers that reflect the costs of the different sources of water.

Tier 1 (1-262 gallons per day - GPD) is based on the cost of imported water. Tier 2 (263-720 GPD) is based on the cost of locally treated water from Stafford Lake. Tier 3 (>720 GPD) is based on the cost of locally treated water plus the cost of the District's conservation program, which is paid by those customers that use the most water. Usage charges include an **elevation zone charge** to recover the costs of pumping water to higher elevations.

PROPOSED BI-MONTHLY TIERED USAGE RATES FOR RESIDENTIAL POTABLE WATER						
Quantity Charge Per 1,000 Gallons	CURRENT RATES			PROPOSED RATES		
	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2	Tier 3
Residential Elevation Zone A	\$5.83	\$6.60	\$8.13	\$6.18	\$7.00	\$8.62
Residential Elevation Zone B	\$6.64	\$7.41	\$8.94	\$7.03	\$7.85	\$9.47
Residential Elevation Zone C	\$8.06	\$8.83	\$10.36	\$8.54	\$9.36	\$10.98

PROPOSED BI-MONTHLY TIERED USAGE RATES FOR COMMERCIAL POTABLE WATER				
Quantity Charge Per 1,000 Gallons	CURRENT RATES		PROPOSED RATES	
	Winter	Summer	Winter	Summer
Commercial Elevation Zone A	\$5.83	\$8.13	\$6.18	\$8.62
Commercial Elevation Zone B	\$6.64	\$8.94	\$7.03	\$9.47
Commercial Elevation Zone C	\$8.06	\$10.36	\$8.54	\$10.98

PROPOSED FIRE SERVICE CHARGES

Fire Service Charges apply to commercial connections with fire sprinklers. The charges are based on the actual cost of maintaining fire service lines.

PROPOSED BI-MONTHLY FIRE CONNECTION CHARGE		
Service Size	Current	Proposed
1"	\$15.09	\$16.00
2"	\$19.91	\$21.10
4"	\$55.54	\$58.88
6"	\$78.02	\$82.70
8"	\$103.70	\$109.92
10"	\$135.80	\$143.94

PROPOSED BI-MONTHLY USAGE RATES FOR OTHER WATER SERVICES

These charges are for additional services that are offered to customers.

PROPOSED BI-MONTHLY USAGE RATES		
Quantity Charge Per 1,000 Gallons		
Water Type	Current	Proposed
Raw	\$3.11	\$3.29
Recycled	\$6.61	\$7.01
Temporary/Fire Svc	\$7.41	\$7.85



NORTH MARIN WATER DISTRICT

PO Box 146
Novato, CA 94948
nmwd.com

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U.S. POSTAGE
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SAN RAFAEL, CA
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BOARD OF DIRECTORS

Stephen Petterle, President
Rick Fraites, Vice President
Jack Baker, Director
James Grossi, Director
Michael Joly, Director

GENERAL MANAGER

Tony Williams

Notice of Public Hearing on Proposed Rate Increases

Where to Learn More, Get Answers, and Make Comments

CONTACT US:

Phone: 415-897-4133
Email: info@nmwd.com

VISIT OUR WEBSITE:

www.nmwd.com

ATTEND THE BOARD HEARING

The Board will review and consider adopting the rate increases at a virtual meeting on June 28, 2022, at 6:00 p.m. via Zoom at:

<https://us02web.zoom.us/j/82191971947>. *Due to ongoing COVID-19 related risks to public health and safety, the public hearing is scheduled to be conducted via Zoom utilizing the link above. If conditions change, information on a physical location for an in-person public hearing will be provided on the District website at www.nmwd.com.*

At the Public Hearing: The Board of Directors will accept and consider all written protests and will hear and consider all verbal comments to the proposed rate increases at the Public Hearing. Verbal comments must be accompanied by a written protest to qualify as a valid protest. At the conclusion of the Hearing, the Board of Directors will consider adoption of the proposed rate increases as outlined in this notice. If written protests of the proposed changes are presented by a majority of the property owners or tenants subject to the proposed changes, the proposed rate increases will not be adopted.

How to Protest the Proposed Rate Increases

Any owner of a parcel upon which the water service charges are proposed to be changed, or any tenant that directly pays the water bill for such parcel, may submit a written protest of the proposed rate changes. Only one protest will be counted per parcel. Written protests must: (1) state that the property owner or tenant is opposing the proposed increases; (2) provide the location of the parcel (by street address, assessor's parcel number, or customer account number); and (3) include the name and signature of the property owner or tenant submitting the protest. Written protests may be submitted by mail or in person to the District Secretary at North Marin Water District, PO Box 146, Novato, CA 94948, or in person at the Public Hearing (if an in-person hearing is conducted). All written protests must be received prior to the close of the public input portion of the Public Hearing. Protests submitted via email or other electronic means will not be accepted. Please mark the protest: Attn: Novato Rate Hearing.

Invoice Text: NORTH MARIN WATER DISTRICT
PUBLIC HEARING NOTICE

Purpose: Consider Proposed Rate Increase

Impact Area: Greater Novato Area

Date and Time: Tuesday, June 28, 2022 at 6:00 p.m.

Place: North Marin Water District, 999 Rush Creek Place, Novato, CA

* Due to ongoing Covid-19 related risks to public health and safety, the public hearing is scheduled to be conducted via Zoom. The Zoom link for public participation can be below or at www.nmwd.com.

PROPOSAL

NMWD is proposing an increase in water rates and charges of 6% for Novato customers effective July 1 of 2022.

REASON FOR THE PROPOSED INCREASE

Increased investment in water facilities. The District must continue to invest in facility upgrades and replacements with an approximate cost of \$4 million per year. This will help to address the need to properly maintain the District's \$132 million system of pipelines, pumps, reservoirs, treatment plants, valves, hydrants, laboratory, monitoring systems, buildings and more.

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Impact of inflation on all costs. The proposed revenue increase is designed to meet all the costs of providing water service. This includes purchasing, treating, and delivering safe, high-quality, reliable water to your home or business without fail, every day and around the clock.

IMPACT

Residential Accounts: For the typical Novato single-family residence, the proposed increase would add \$4.50 per month (\$9.00 per bimonthly bill) to the cost of water beginning July 1, 2022.

Non-Residential Accounts (Commercial, Institutional & Irrigation): Non-residential accounts would see a 6% increase beginning July 1, 2022.

Customers can determine the increase in their annual water cost based on their water use over the past year from NMWD's website. Insert your NMWD account number and the name on your account into the Annual Water Cost Calculator on NMWD's website at <https://nmwd.com/account/annual-cost-calculator/>.

PUBLIC HEARING

A public hearing will be held via Zoom at 6:00 p.m. on Tuesday, June 28, 2022, to consider enactment of the proposed increases. You are invited to participate in the hearing via Zoom at <https://us02web.zoom.us/j/82191971947>, Meeting ID: 821 9197 1947, Password: 466521, or mail your comments to PO Box 146, Novato, CA 94948. For more information visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

June 14, 2022

Marin Independent Journal

4000 Civic Center Drive, Suite 301
San Rafael, CA 94903
415-382-7335
legals@marinij.com

2074361

NORTH MARIN WATER DISTRICT
PO BOX 146
NOVATO, CA 94948

PROOF OF PUBLICATION (2015.5 C.C.P.)

STATE OF CALIFORNIA County of Marin

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years, and not a party to or interested in the above matter. I am the principal clerk of the printer of the MARIN INDEPENDENT JOURNAL, a newspaper of general circulation, printed and published daily in the County of Marin, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Marin, State of California, under date of FEBRUARY 7, 1955, CASE NUMBER 25566; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

06/14/2022

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated this 14th day of June, 2022.

Signature

PROOF OF PUBLICATION

Legal No. 0006674120

NORTH MARIN WATER DISTRICT

Purpose: Consider Proposed Rate Increase
Impact Area: Greater Novato Area
Date and Time: Tuesday, June 28, 2022 at 6:00 p.m.
Place: North Marin Water District, 999 Rush Creek Place, Novato, CA
* Due to ongoing Covid-19 related risks to public health and safety, the public hearing is scheduled to be conducted via Zoom. The Zoom link for public participation can be below or at www.nmwd.com.

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June 14, 2022

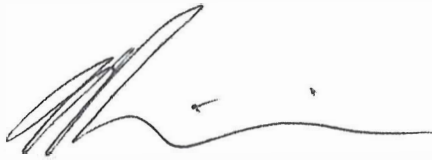
5/11/2022

ATTACHMENT 3

I, Matthew Sevieri, property owner at
620 Midway Blvd Novato Ca

Strongly oppose the proposed water
rate increase.

-Matthew Sevieri



RECEIVED

MAY 19 2022

North Marin Water District

North Marin Water District

Board of directors and General Manager

I am Todd Smith owner of the
property and house at 2052 Tiely Rd.
Novato, Ca.

I Todd Smith owner of the above
property and customer of North Marin
Water District oppose the proposed
water rate increases.

Sincerely
Todd Smith

RECEIVED

MAY 23 2022

North Marin Water District

North Marin Water District

I write to you opposing any and all proposed rate increases. My property address is 700 Rowland Blvd, Novato, ca. I am an owner of said property.

David L. Hansell Jr.

Submitted May 15,2022

RECEIVED

MAY 23 2022

North Marin Water District

May 16, 2022

To Whom It May Concern,

I am the property owner of parcel # 146-071-51 and I am writing to voice my opposition to the proposed rate increase for the North Marin Water District. I hope you will reconsider this proposal and find ways to cut costs without passing along additional costs to consumer during this very challenging time.

Thank you for your consideration,

A handwritten signature in black ink that reads "Wanda Milford". The script is cursive and fluid, with the first name "Wanda" and last name "Milford" clearly legible.

Wanda Milford

RECEIVED

MAY 24 2022

North Marin Water District

May 21, 2022

District Secretary
North Marin Water District
PO Box 146
Novato Ca 94948

NMWD Account #1874304

Dear District Secretary and NMWD Water Board,

I am writing you again this year as I do every year, to have mercy on the rate payers, the good people of Novato and not increase the water rates.

It's not fair and it needs to stop. Yet year after year you increase the rates no matter how much water we conserve.

Constant fee increases and taxes from our government and special districts are driving the working class, middle class and seniors out of Novato, and out of the state. I know this because I am selling their houses in Novato!

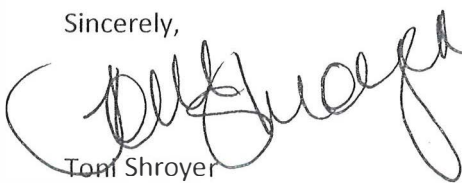
The good people of Novato deserve better than constant money grabs.

Perhaps consider lowering some of the tiers to help people?

In addition, NMWD contributes to the high cost of building second units by charging inflated hookup fees and additional monthly charges that go with them. These fees among other county and government financial attacks make it almost financially impossible to build second units. As a result, fewer second units are being built, which hurts our housing needs. NMWD needs to be a good steward in this regard and has chosen not to be.

I am asking the NMWD Board not to unanimously rubber stamp another rate increase. I am hoping, (although this has never happened in the past) that at least one Board Member will be a critical thinker and vote against the increase.

Sincerely,



Tom Shroyer
1955 Indian Valley Rd
Novato Ca 94947
415-640-2754

RECEIVED

MAY 26 2022

North Marin Water District

District Secretary
North Marin Water District
P.O. Box 146
Novato, CA 94948
Attn. Novato Rate Hearing

May 23, 2022

I oppose the proposed rate increases.

Christel Martin
(Mrs. L. Martin)
144 San Felipe Way
Novato, CA 94945
Property Owner

RECEIVED

MAY 31 2022

North Marin Water District

North Marin Water District
Novato, CA 94948

June 6, 2022

Re: Proposed rate increase

To Whom it May Concern,

I received the notice of proposed rate increase to be heard at the public hearing dated June 28, 2022. I protest the rate increase.

Sincerely,

Simon Baker
790 Storybook Ct
Novato, CA 94947

RECEIVED

JUN 10 2022

North Marin Water District



**NORTH MARIN
WATER DISTRICT**

**Novato Water
Proposed
Water Rate Increase**

June 28, 2022

Why an increase is needed

- ❖ Rising Purchased Water Costs
- ❖ Continual Investments in Water Facilities and Infrastructure
- ❖ Increasing Operating Costs
- ❖ Maintaining Adequate Cash Reserves and Debt Ratio

Based on 2020 Novato and Recycled Water Rate Study Report; and Drought Surcharge Study

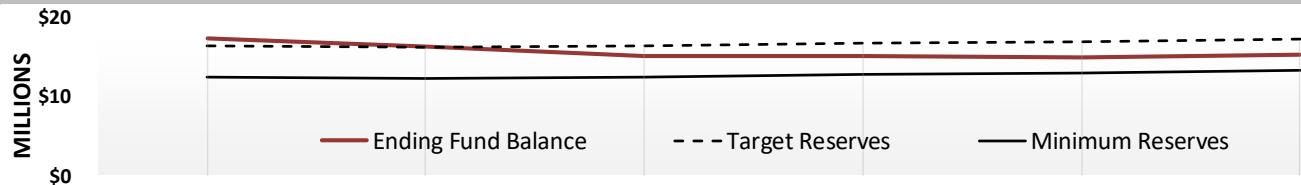
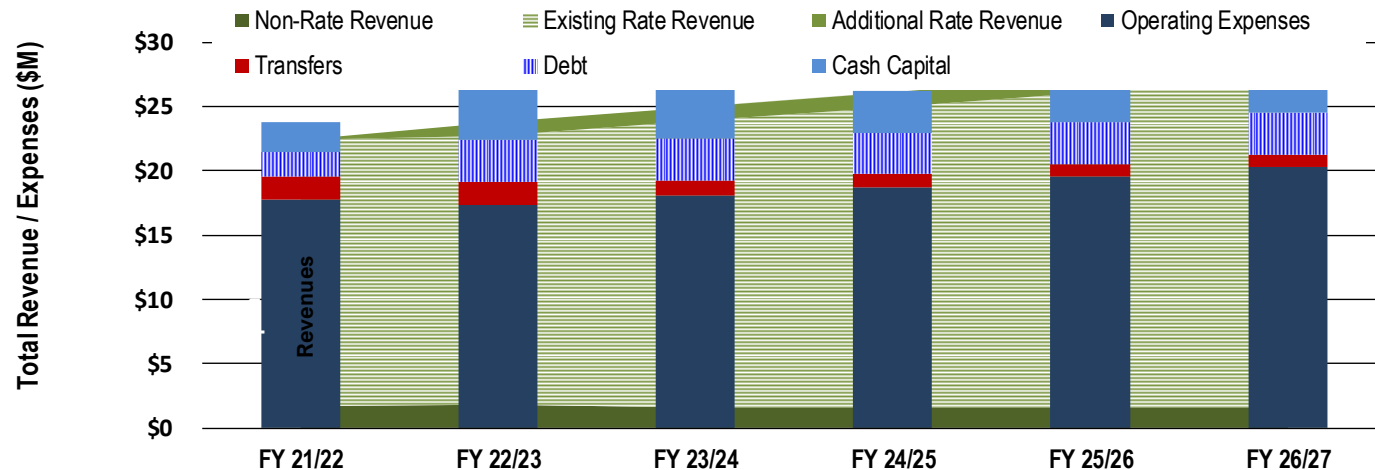


Novato Water Rate Factors

- Keeping pace with Inflation – *currently* 8.6%
- Cost of Water Supply – 5.2% increase SCWA
- Capital Spending - \$4M/year
- Reserve Targets
 - ❖ Operating Reserves
 - ❖ Liabilities
 - ❖ Maintenance Accrual Fund

Financial Forecast

Novato Water Financial Forecast Chart



FY 21/22 FY 22/23 FY 23/24 FY 24/25 FY 25/26 FY 26/27

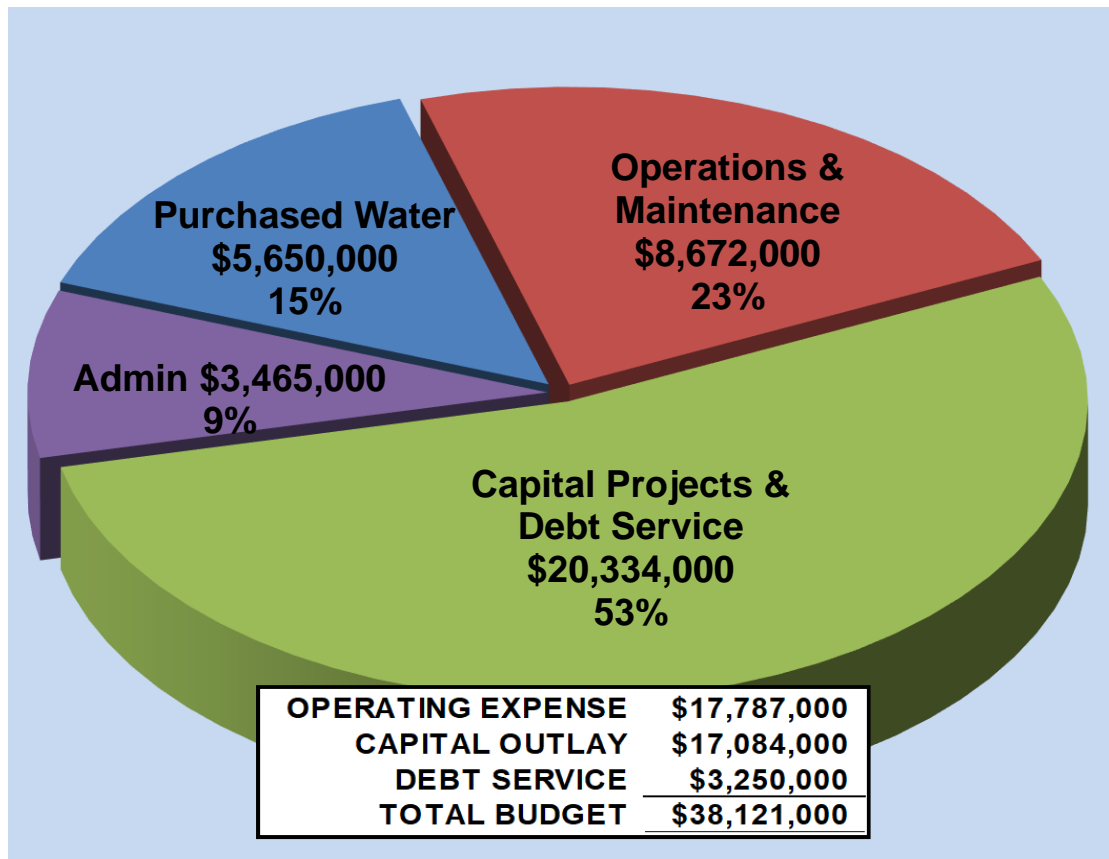
6.0% 6.0% 6.0% 5.0% 5.0% 5.0%

Debt Coverage Ratio: 2.04 1.72 1.86 1.99 2.14 2.29

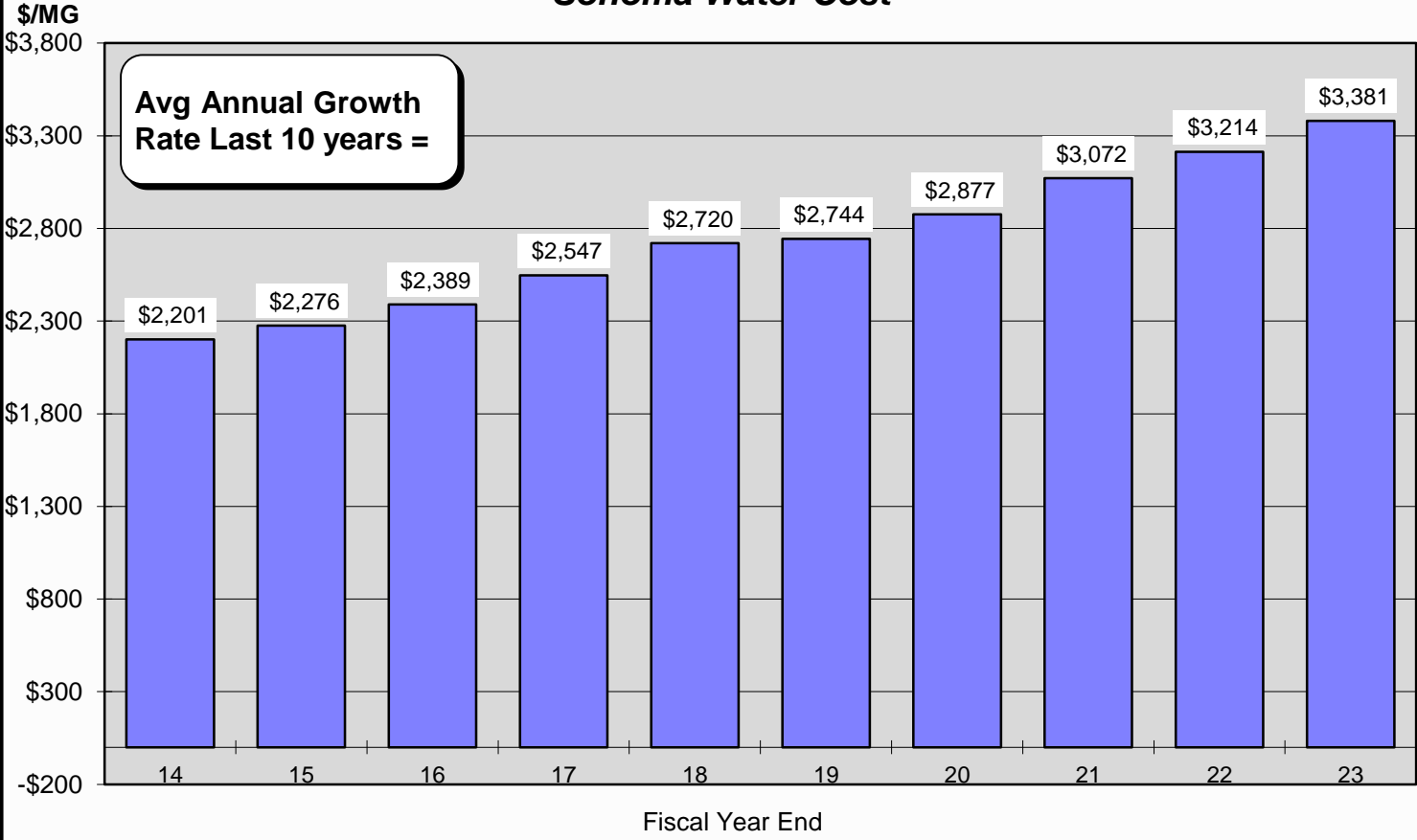
Net Debt Proceeds: \$1.4M \$12.7M \$2.4M \$0.0M \$0.0M \$0.0M

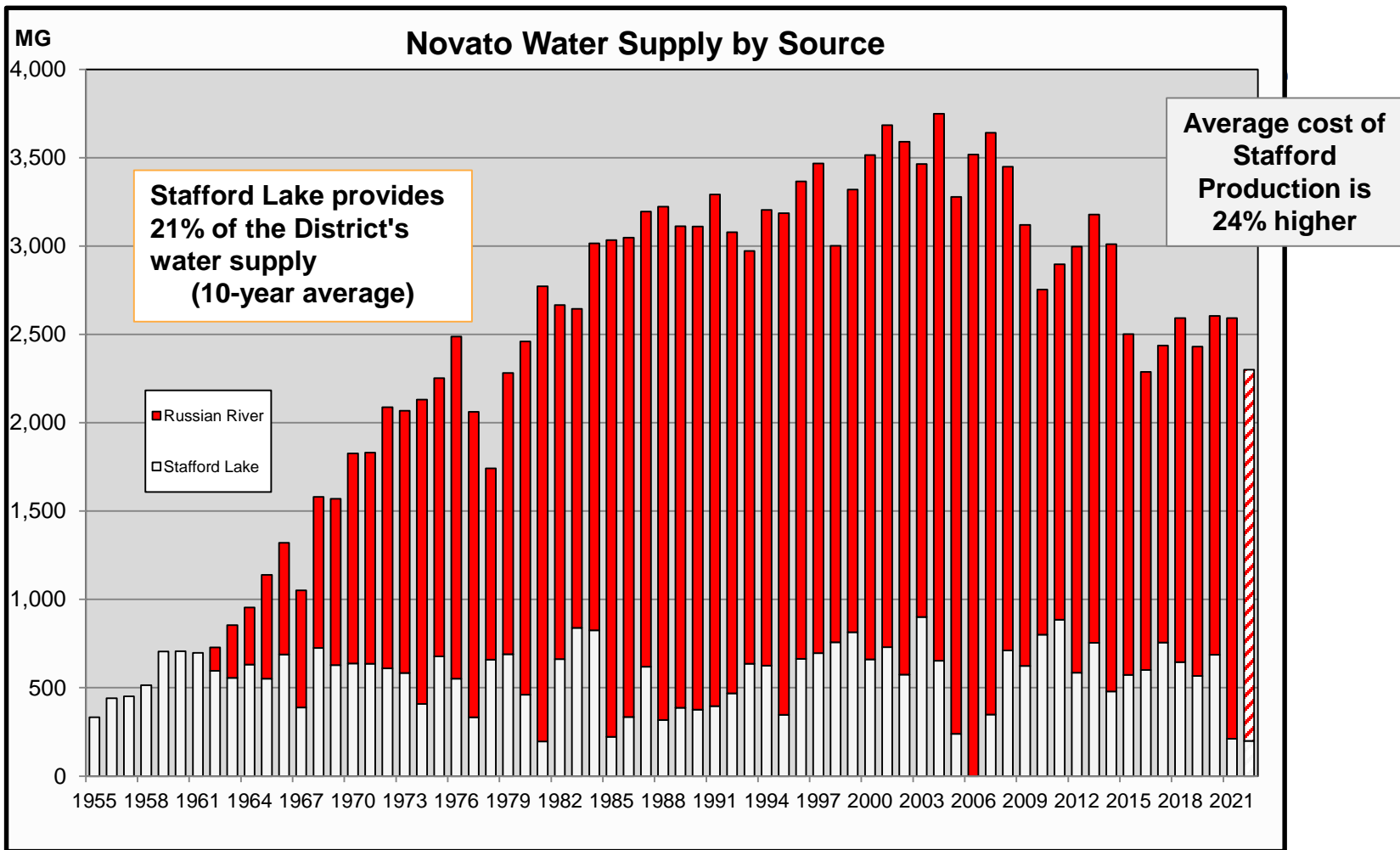


Proposed FY22/23 Novato Water Budget

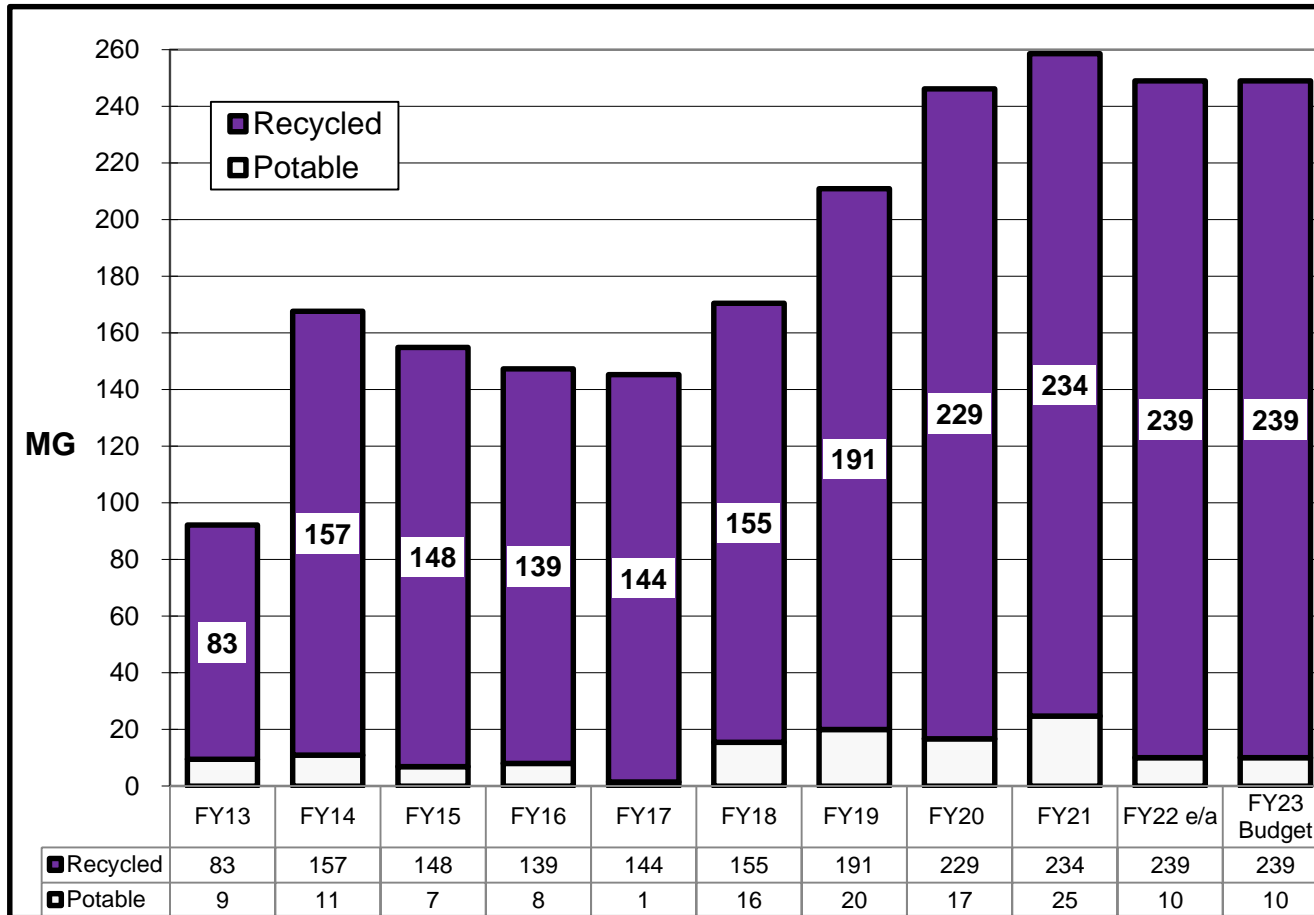


Sonoma Water Cost





NMWD Recycled Water





Aging Infrastructure

NMWD Water Facilities and Infrastructure

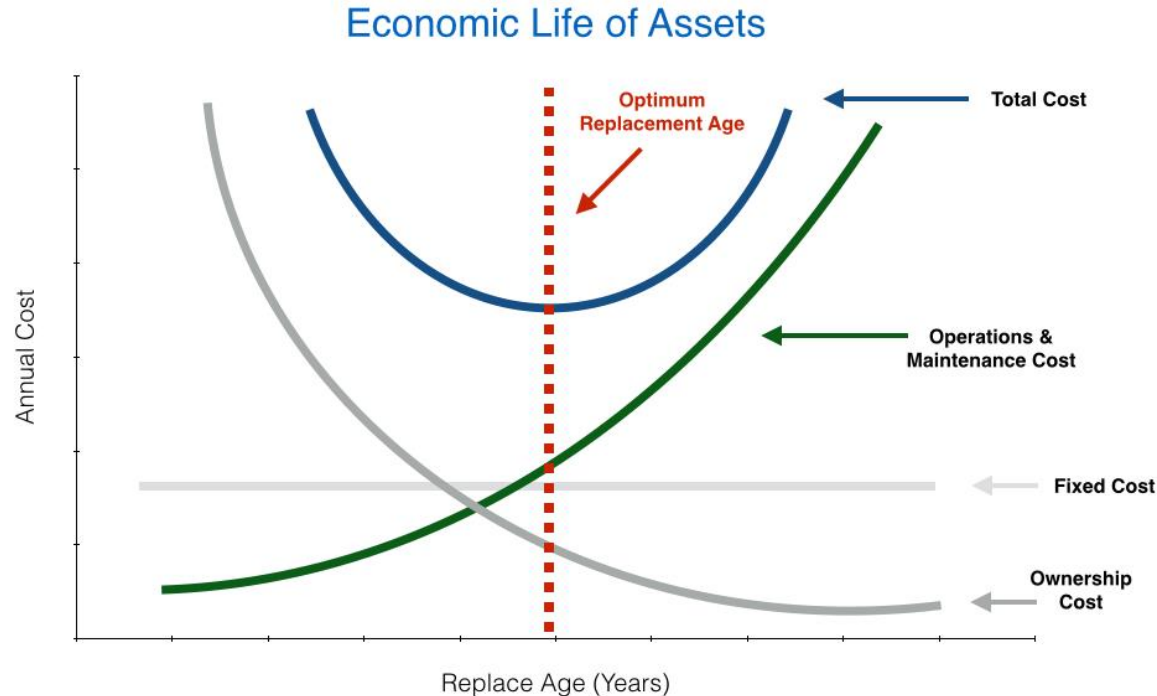
Novato Service Area

- ❖ 330 Miles of Pipelines
- ❖ 33 Storage Tanks (38 MG)
- ❖ 26 Pump Stations
- ❖ 13 Pressure Regulating Stations
- ❖ 2600+ Fire Hydrants
- ❖ One Potable Water Treatment Plant
- ❖ One Recycled Water Treatment Plant
- ❖ Full Service Water Quality Laboratory
- ❖ Headquarters and Corporation Yard



Facilities & Infrastructure Asset Management

>\$100M in Assets



Major Projects Planned FY23

Novato Service Area

Main/Pipeline Replacements

Novato Blvd Widening - Diablo to Grant (4100LF)	\$1,000,000
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Main/Pipeline Additions

Loop Zone Mall Area Near Nave Ct/ S. Novato Blvd	\$275,000
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Facilities

NMWD Admin and Laboratory Upgrade	\$12,650,000
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Water Supply Enhancements

Water Supply Enhancement - STP, Dam	\$100,000
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Tank Rehabilitation

Lynwood Seismic Upgrade/Coating	\$1,000,000
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Other Projects

Pipelines, Pump Stations, Tanks, STP, System Improvements	\$1,502,000
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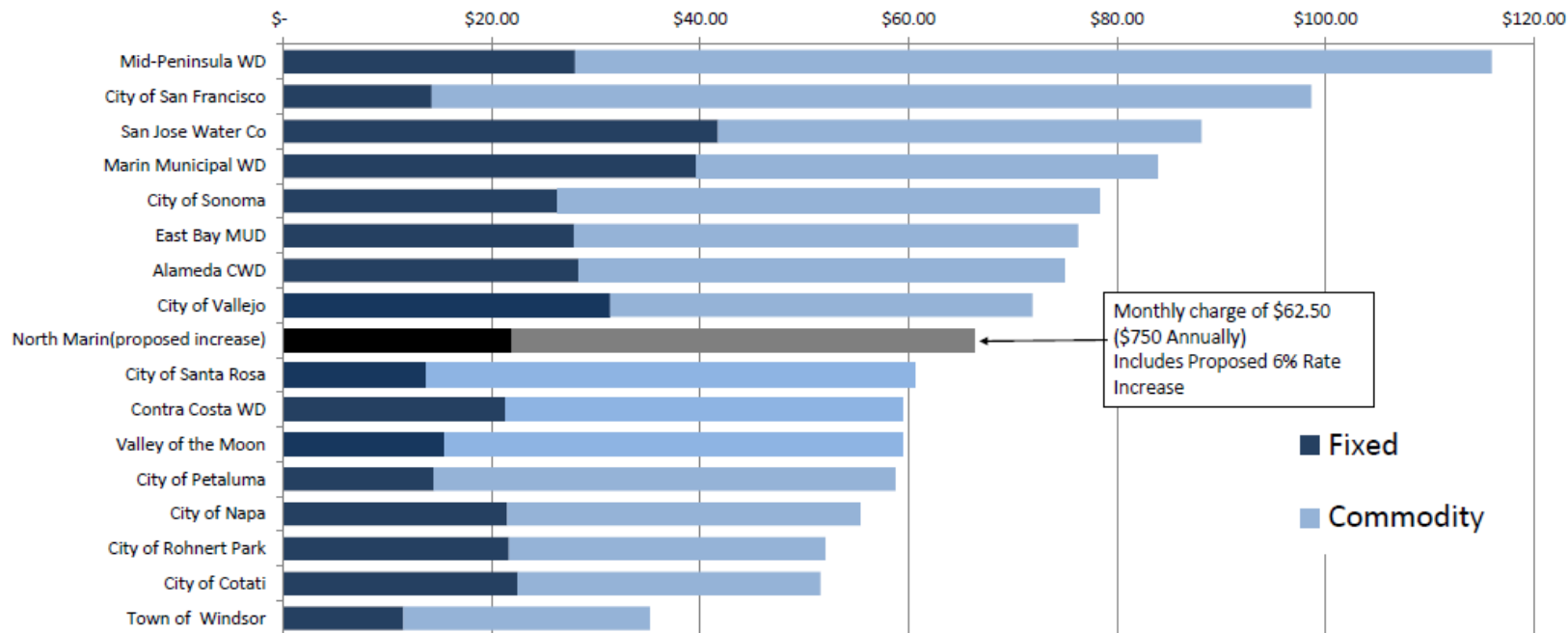




Rate Comparisons and Public Outreach

Novato Water Rate Comparison

Monthly Water Bill Survey for Single Family Homes with Median Usage (7,600 gallons per month)



Rate Increase Notification

- ✓ March 15th BOD Meeting (Drought Surcharge)
- ✓ April 19th BOD Meeting
- ✓ Mailed Rate Increase Notices
- ✓ Newspaper Notices
- ✓ June 28, 2022 Public Hearing

Summary of Responses

Letters Opposing Rate Increase	7*
Number of Calls Related to Increase	8*

**As of June 20, 2022*



Questions?

RESOLUTION 22-XX**RESOLUTION OF THE BOARD OF DIRECTORS OF
NORTH MARIN WATER DISTRICT
AMENDING REGULATION 54 – WATER RATES**

WHEREAS, the Board of Directors hereby finds and determines that certain of the water rates and charges adjusted herein or previously adopted by the Board are imposed based on the supply of water to be used or consumed by the customer. The Board of Directors also finds and determines that these rates and charges are not imposed upon real property or upon a person as an incident of property ownership, and such rates or charges may be reduced or avoided by a customer by reducing or discontinuing water use; and

WHEREAS, on March 3, 2020, the Board of Directors of the North Marin Water District (the “Board of Directors”) accepted the 2020 Novato and Recycled Water Rate Study, dated March 4, 2020 (the “Rate Study”), which described recommendations for cost allocation and rate setting;

WHEREAS, the Board of Directors has considered the recommendation of the North Marin Water District’s (the “District”) General Manager to increase water rates consistent with the Rate Study in order to achieve a revenue increase of 6 percent; and

WHEREAS, the Board of Directors conducted a duly noticed public hearing on June 28, 2022 on the General Manager’s recommendation, and notice of the hearing was provided to all District customers by mail on May 13, 2022, and the Board has considered all of the information received by the Board regarding the proposed recommendation, including the written protests received prior to and comments received at the public hearing; and

WHEREAS, the Board of Directors accepted and caused a tabulation of all written protests against the proposed treated water rates and based upon the results of the tabulation a majority protest against the proposed rates does not exist; and

WHEREAS, the Board of Directors finds and determines that the District has complied with the procedural and substantive requirements set forth in Article XIII D of the California Constitution (Proposition 218) and all relevant statutes that provide for revisions to property-related rates and charges, including rates for treated water service, and the Board further finds and determines that the recommended revisions to the water rates are in the best interests of the District and will pay for ongoing operations, maintenance, repair and improvements to the District’s facilities; and

WHEREAS, the California Environmental Quality Act (CEQA), Section 15273. Rates, Tolls, Fares, and Charges, states that CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of:

- (1) Meeting operating expenses, including employee wage rates and fringe benefits;

- (2) Purchasing or leasing supplies, equipment, or materials;
- (3) Meeting financial reserve needs and requirements;
- (4) Obtaining funds for capital projects, necessary to maintain service within existing service areas.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the North Marin Water District hereby declares each of the foregoing recitals true and correct and fully incorporated herein; and

BE IT RESOLVED by the Board of Directors of North Marin Water District that Regulation 54 of the North Marin Water District is adopted as follows, effective on the dates as shown in Attachment 1.

* * * * *

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 twenty-eighth of June 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

(SEAL)

Theresa Kehoe, District Secretary
North Marin Water District

**NORTH MARIN WATER DISTRICT
REGULATION 54
WATER RATES**

a. Rates for Domestic, Commercial and Industrial Users, **Novato Service Area**

- (1) The following minimum service charge and water quantity rates shall be paid for domestic, commercial and industrial water service for each meter once every two months:

<u>A BI-MONTHLY SERVICE CHARGE OF:</u>	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
Standard 5/8-inch meter	\$43.95 <u>46.58</u>
For 1-inch meter*	\$78.50 <u>83.21</u>
1.5-inch meter*	\$136.08 <u>144.25</u>
2-inch meter	\$205.18 <u>217.50</u>
3-inch meter	\$389.45 <u>412.82</u>
4-inch meter	\$596.76 <u>632.56</u>
6-inch meter	\$1,172.60 <u>1,242.96</u>
8-inch meter	\$1,518.11 <u>1,609.20</u>

*(see paragraph f)

<u>RECYCLED WATER A BI-MONTHLY SERVICE CHARGE OF:</u>	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
Standard 5/8-inch meter	\$51.71 <u>54.81</u>
For 1-inch meter	\$90.93 <u>96.38</u>
1.5-inch meter*	\$156.31 <u>165.69</u>
2-inch meter	\$234.76 <u>248.84</u>
3-inch meter	\$443.96 <u>470.60</u>
4-inch meter	\$679.34 <u>720.07</u>
6-inch meter	\$1,333.07 <u>1,413.05</u>

<u>PLUS, A QUANTITY CHARGE OF:</u>	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
<u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u>	
First 262 gallons per day (gpd)	\$5.83 <u>6.18</u>
263 up to 720 gpd	\$6.60 <u>7.00</u>
Use in excess of 720 gpd	\$8.13 <u>8.62</u>

<u>Rate for 1,000 Gal for All Other Potable Water Accounts</u>	
Commercial, Institutional & Irrigation Accounts – 10/1 – 6/30	\$5.83 <u>6.18</u>
Commercial, Institutional & Irrigation Accounts - 7/1 – 9/30	\$8.13 <u>8.62</u>

<u>Rate For 1,000 Gallons For Non-Potable Water</u>	
Recycled Water	\$6.64 <u>7.01</u>
Raw (Untreated) Water from Stafford Lake	\$3.14 <u>3.29</u>

PLUS, AN ELEVATION ZONE CHARGE FOR EACH 1,000 GALLONS

<u>Zone</u>	<u>Elevation</u>	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
A	0 through 60 feet	\$0.00
B	60 feet – 200 feet	\$0.84 <u>0.85</u>
C*	200 feet +	\$2.23 <u>2.36</u>

*Any consumer receiving water through a District owned and maintained hydro-pneumatic system shall be assigned to Zone C irrespective of said consumer's actual elevation.

(2) Consumers outside the Improvement District boundary shall pay the Elevation Zone C Rate.

(3) In the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the Greater Novato Area, a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the liquidated damages assessed by the Sonoma County Water Agency pursuant to the water shortage and apportionment provisions of the Restructured Agreement for Water Supply. ~~The Drought Surcharge shall be a quantity charge for each 1,000 gallons of potable water use as follows:~~

~~Residential Accounts: Use in excess of 300 gallons per day \$1.00~~

~~Commercial, Institutional and Irrigation Accounts: All Use \$1.00~~

The Drought Surcharge shall be an added percentage of the current water usage rate as follows:

Residential, Commercial, and Irrigation Accounts:

<u>Quantity Charge</u>	<u>Normal</u>						
<u>Per 1,000 Gallons</u>	<u>Supply</u>	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Stage 4</u>	<u>Stage 5</u>	<u>Stage 6</u>
<u>Drought Surcharge</u>	<u>None</u>	<u>0%</u>	<u>5%</u>	<u>13%</u>	<u>21%</u>	<u>30%</u>	<u>42%</u>

b. Rates for Service to Privately Owned Fire Protection Systems, All Service Areas

The rates for service through detector check assemblies owned by the District to privately owned and maintained systems supplying sprinklers, hydrants or other facilities exclusively for firefighting shall be paid once every two months as follows:

Size of Detector Assembly

	Novato Rate Effective <u>7/1/21</u> <u>7/1/22</u>	West Marin Rate Effective <u>7/1/21</u> <u>7/1/22</u>
1 inch	\$15.09 <u>16.00</u>	\$15.09 <u>16.00</u>
2 inches	\$19.94 <u>21.10</u>	\$19.94 <u>21.10</u>
4 inches	\$55.54 <u>58.87</u>	\$55.54 <u>58.87</u>
6 inches	\$78.02 <u>82.70</u>	\$78.02 <u>82.70</u>
8 inches	\$103.70 <u>109.92</u>	\$103.70 <u>109.92</u>
10 inches	\$135.80 <u>143.95</u>	\$135.80 <u>143.95</u>

c. Rates for Domestic, Commercial and Industrial Users, West Marin Service Area

(1) The following minimum service charge and water quantity rates shall be paid for domestic, commercial and industrial water service for each meter once every two months:

BI-MONTHLY SERVICE CHARGE

	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
For 5/8 x 3/4-inch meter	\$42.59 <u>45.15</u>
For 1-inch meter*	\$104.80 <u>111.09</u>
For 1 1/2-inch meter*	\$208.47 <u>220.98</u>
For 2-inch meter	\$332.88 <u>352.85</u>

For 3-inch meter	\$664.64 <u>704.52</u>
For 4-inch meter	\$1,037.87 <u>1,100.14</u>
For all meters in Paradise Ranch Estates	\$42.59 <u>45.15</u>
*(see paragraph f)	

PLUS, A QUANTITY CHARGE OF:

<u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u>	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
First 250 gallons per day (gpd).....	\$8.88 <u>9.41</u>
251 up to 600 gpd.....	\$12.94 <u>13.68</u>
Use in excess of 600 gpd.....	\$18.33 <u>19.43</u>
<u>Rate Per 1,000 Gallons for All Other Accounts</u>	
Commercial, Industrial and Irrigation Accounts 10/1 – 6/30	\$8.88 <u>9.41</u>
Commercial, Industrial and Irrigation Accounts 7/1 – 9/30	\$18.33 <u>19.43</u>

PLUS, A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS

<u>Zone</u>	<u>Hydraulic Zone</u>	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
1	Point Reyes Station	\$0.00
2	Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0'–365')	\$2.19 <u>2.32</u>
3	Olema	\$1.10 <u>1.17</u>
4	Upper Paradise Ranch Estates (Elevation 365'+)	\$6.16 <u>6.53</u>

- (2) Effective July 1, 202~~2~~4 consumers outside the Improvement District boundary shall pay an additional ~~\$4.08~~4.32 per 1,000 gallons.

- (3) In the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the West Marin Service Area, a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the cost of water purchased from Marin Municipal Water District for release into Lagunitas Creek, pursuant to the Interconnection Agreement between Marin Municipal and NMWD. ~~The Drought Surcharge shall be a quantity charge for each 1,000 gallons as follows:~~

~~Residential Accounts: Use in excess of 200 gallons per day~~\$2.50

~~Commercial, Institutional and Irrigation Accounts: All Use~~\$2.50

The Drought Surcharge shall be an added percentage of the current water usage rate as follows:

Residential, Commercial, and Irrigation Accounts:

<u>Quantity Charge</u> <u>Per 1,000 Gallons</u>	<u>Normal Supply</u>	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>
<u>Drought Surcharge</u>	<u>None</u>	<u>0%</u>	<u>13%</u>	<u>30%</u>

d. Rates for Water Service from Hydrants or Other Temporary Service

The following rates shall be paid for water delivered via hydrant meter or pursuant to permit issued by the District from hydrants or for any temporary service as authorized in Regulation 5 or for use through a fire service meter.

Novato Service Area

Rate Effective 7/1/21 7/1/22

For each 1,000 gallons \$7.41 7.85

West Marin Service Area

Rate Effective 7/1/21 7/1/22

For each 1,000 gallons \$15.40 16.01

The quantity of water delivered as aforesaid shall be determined by the District.

e. Not used.

f. Minimum Service Charge for Residential Connections with Fire Fighting Equipment

Rate Effective 7/1/21 7/1/22

Where a meter larger than is otherwise required is installed solely to provide capacity for private fire sprinklers or other firefighting equipment in single-family residential connections the minimum bi-monthly service charge shall be:

Novato: \$43.95 46.58
West Marin: \$42.59 45.15

g. Charges for Testing & Maintenance of Backflow Preventers Performed by District

(1) Each consumer having a backflow prevention device serviced by the District shall pay a bimonthly fee for servicing the device as shown below.

District Owned DCV Devices:

Services Performed by District	Size	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
Testing, Repair, Replacement	3/4" + 1"	<u>\$44.84</u> <u>15.73</u>
Testing, Repair, Replacement	1 1/2"	<u>\$49.61</u> <u>20.79</u>

Privately Owned DCV Devices:

Services Performed by District	Size	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
Testing	3/4" + 1"	<u>\$8.48</u> <u>8.99</u>
Testing	1 1/2"	<u>\$44.84</u> <u>15.73</u>
Testing	2"	<u>\$22.79</u> <u>24.16</u>
Testing	3" + 4"	<u>\$33.39</u> <u>35.39</u>

District Owned RPP Devices:

Services Performed by District	Size	Rate Effective 7/1/21 7/1/22
Testing, Repair, Replacement	3/4" + 1"	\$25.44 26.97
Testing, Repair, Replacement	1 1/2" + 2"	\$30.74 32.58
Testing, Repair, Replacement	3" + 4"	\$137.80 146.07
Testing, Repair, Replacement	6" + 8"	\$296.80 314.61

Privately Owned RPP Devices:

Services Performed by District	Size	Rate Effective 7/1/21 7/1/22
Testing	3/4" + 1"	\$45.90 16.85
Testing	1 1/2" + 2"	\$29.68 31.46
Testing	3" + 4"	\$63.07 66.85
Testing	6" + 8"	\$121.90 129.21

If any customer requires that testing or maintenance be performed outside of normal work hours of the District, an additional charge equivalent to the overtime charges incurred by the District will be assessed.

(2) Exemptions

Exemptions from the testing program are permitted on a case-by-case basis as may be approved by the District and the California Department of Public Health, Office of Drinking Water, District Sanitary Engineer. All such exemptions are conditioned on periodic inspection to ensure that exemption criteria are still being met.

	Rate Effective 7/1/21 7/1/22
Each consumer that applies for and receives such an exemption shall pay a bimonthly fee of:	\$3.18 3.37

5



MEMORANDUM

To: Board of Directors

Date: June 28, 2022

From: Tony Williams, General Manager *AW*
Julie Blue, Auditor/Controller *JB*

Subject: Public Hearing – Proposed West Marin Water Rate Increase
T:\AC\Budget\FY-2022.23\Rate Increase & Prop 218\WM Public Hearing - Rate Increase FY22.23.docx

RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: Additional \$60,000 in FY 22/23 Revenue

A virtual public hearing to consider adoption of a proposed 6% rate increase in the cost of water, effective July 1, 2022, is occurring at the June 28 Board Meeting at 6:00 PM. On May 13, 2022 customers were noticed individually of the proposed increase by mailer (Attachment 1) and a notice of the Public Hearing was published in the June 9 edition of the Point Reyes Light (Attachment 2). The proposed increase is structured as a 6% rate increase to both the commodity rate and bimonthly service charge rate.

Under law, a customer protest of 50% plus one would invalidate the proposed increase. Through June 20, 2022 the District received no official protests against the proposed increase. Staff received 1 call related to the rate increase. The customer had a general question regarding the rate increase.

On March 16, 2021 the Board accepted the 2021 West Marin Water Rate Study Report. The rate study report provided a five-year financial plan, including a 6% rate increase for FY 22/23. The rate study was also used as a basis for the updated FY 22/23 financial plan and budget. Additionally, the Board approved the Drought Surcharge Review on March 15, 2022. The proposed drought surcharge is an added percentage per 1,000 gallons for all water used during a Board declared stage 2 or higher drought.

The General Manager will make a presentation, included as Attachment 3, on the need for the proposed water cost increase at the meeting, after which the Board can accept public comment. Attachment 4 is a draft of Resolution 22-XX and Regulation 54 showing the proposed changes.

Staff Recommendation

After closing the public hearing, approve Resolution 22-XX (Attachment 4) amending Regulation 54 pertaining to Water Rates and Charges to reflect a rate increase of 6% for the customers in the West Marin Water Service Area effective July 1, 2022.



**NORTH MARIN
WATER DISTRICT**

NOTICE OF PUBLIC HEARING

REGARDING PROPOSED RATE INCREASES AND RESTRUCTURED DROUGHT SURCHARGES

For the West Marin Water System Service Area

This Notice provides information about proposed increases to North Marin Water District's West Marin Water System Service Area water rates and charges and restructured drought surcharges. The Board of Directors will hold a public hearing at which public comments will be considered and written protest will be counted before the Board votes on the proposed changes.

HEARING DATE: Tuesday, June 28, 2022

TIME: 6:00 p.m.

VIRTUAL LOCATION*: Zoom Meeting

<https://us02web.zoom.us/j/82191971947>

Meeting ID: 821 9197 1947 Password: 466521

The District proposes increasing revenue for fiscal year 2022-2023. If approved at the public hearing on June 28, 2022, the new rates and rate structure changes will go into effect on July 1, 2022.

**Due to ongoing COVID-19 related risks to public health and safety, the public hearing is scheduled to be conducted via Zoom utilizing the link above. If conditions change, information on a physical location for an in-person public hearing will be provided on the District website at www.nmwd.com.*

REASONS FOR THE PROPOSED RATE INCREASE

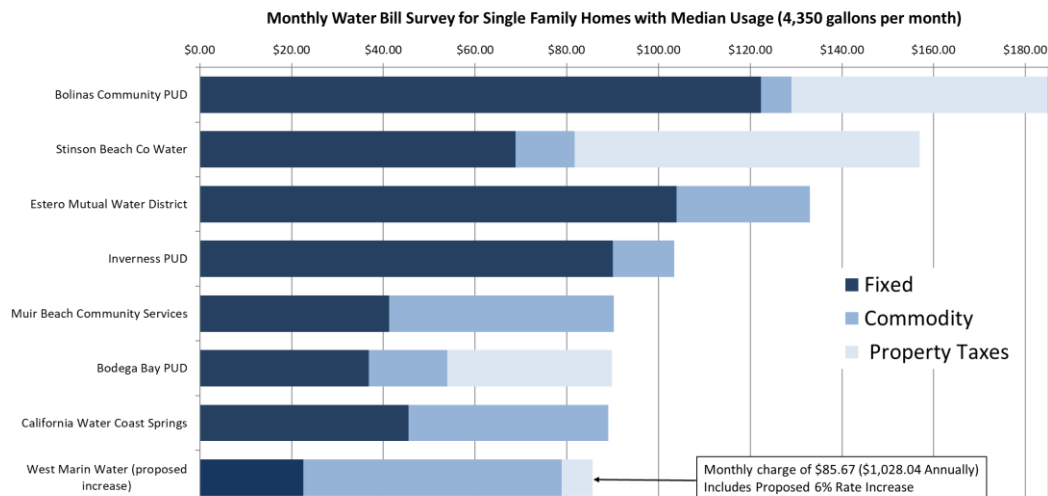
The key reasons that a 6% rate increase is needed are described below.

Continued investment in water facilities. The District must continue to make investments in facility upgrades and replacements that will benefit the West Marin Water System's fire protection, water supply, and aging infrastructure. This will help to properly maintain the service area's treatment plant, 26 miles of pipeline, 7 pump stations, 13 tanks, 3 wells, 168 hydrants, monitoring systems, and more.

Impact of inflation on all costs. The proposed revenue increase is designed to meet all the costs of providing water service, all of which rise every year with inflation. These costs include treating and delivering safe, high-quality, reliable water to your home or business without fail, every day and around the clock.

RATE COMPARISON

Our West Marin water rates are the lowest when compared to other West Marin Coastal Area Retail Water Agencies.



Details of the Proposed Rate Increases

Proposed 6% rate increase. North Marin Water District is proposing a 6% rate increase in its West Marin Water System in order to cover the increasing costs of providing potable water that is reliable, high quality, environmentally responsible and reasonably priced.

The typical residential customer (approximately 78% of all customers) will pay about \$4.45 more per month if the changes are approved (\$8.90 on the bi-monthly bill).

PROPOSED BI-MONTHLY FIXED SERVICE CHARGES

The bi-monthly fixed Service Charge is made up of an account charge and a meter charge. The meter charge is based on an industry standard that apportions costs based on meter size and flow capacity. Most single-family residential customers have a 5/8" meter. Residential accounts that have a 1" meter due to fire requirements, but would otherwise have a 5/8" meter, are charged at the 5/8" meter rate.

PROPOSED BI-MONTHLY FIXED SERVICE CHARGE FOR Potable WATER		
Meter Size (in inches)	Current Fixed Charge	Proposed Fixed Charge
5/8"	\$42.59	\$45.15
1"*	\$104.80	\$111.09
1.5"	\$208.47	\$220.98
2"	\$332.88	\$352.85
3"	\$664.64	\$704.52
4"	\$1,037.87	\$1,100.14

*Residential accounts that have a 1" meter due to fire requirements, but would otherwise have 5/8" meter, are charged at the 5/8" meter rate.

To learn how the proposed rates will affect your specific water bill, check out the District's water cost calculator, available at nmwd.com/account/annual-cost-calculator. The proposed changes in rates are based on detailed engineering, financial, and legal evaluations carried out with the help of recognized experts in water rates. The rates conform to California law requiring that each class of customers (residential and commercial) pay their proportionate share of the cost to serve them. **The maximum rates that may be imposed are shown in this document.** Prior to implementing the rates, the Board of Directors may choose to implement the full amount or less, but not more.

PROPOSED RESTRUCTURED DROUGHT SURCHARGE

The proposed restructured drought surcharges are implemented only when the Board declares a Stage 2 or Stage 3 water shortage as defined by West Marin's Water Shortage Contingency Plan. The temporary drought surcharges would be applied to the water usage rates (but not the fixed monthly service charges), and the amount of the surcharge would vary with the amount of required water use reductions. The temporary drought surcharges are expressed as a percentage of the then-current water usage rate. The 2022 drought surcharge rate review can be found at: <https://nmwd.com/wp-content/uploads/2022/03/2022-Novato-West-Marin-Water-Drought-Surcharge-Review.pdf>

PROPOSED TEMPORARY DROUGHT SURCHARGE STRUCTURE*				
Quantity Charge Per 1,000 Gallons	Normal Supply	Stage 1	Stage 2	Stage 3
Water Shortage Surcharge	None	0%	13%	30%
Tier 1 (0 to 250 gal/day)	\$9.41	\$9.41	\$10.63	\$12.23
Tier 2 (251 to 600 gal/day)	\$13.68	\$13.68	\$15.46	\$17.78
Tier 3 (> 601 gal/day)	\$19.43	\$19.43	\$21.96	\$25.26
Fixed Month Charge	Varies	No changes to this service charge		

*Example Calculation for Zone 1 Single Family Residential Rates FY 22/23

and Restructured Drought Surcharges

PROPOSED TIERED QUANTITY (USAGE) CHARGES

The proposed Quantity (usage) Charges has three tiers that reflect the costs of the different sources of water. Tier 1 (1-250 gallons per day (GPD)) is based on the cost of drawing water from existing wells and half of the capital costs associated with developing a new well. Tier 2 (251-600 GPD) includes all of Tier 1 costs, as well as the remaining capital costs associated with the new well. Tier 3 (>600 GPD) includes all of the Tier 2 costs, as well as the costs of the District's conservation program. Usage charges include an **elevation (hydraulic) zone charge** to recover the costs of pumping water to higher elevations.

PROPOSED BI-MONTHLY TIERED USAGE RATES FOR RESIDENTIAL POTABLE WATER						
Quantity Charge Per 1,000 Gallons	CURRENT RATES			PROPOSED RATES		
	Tier 1	Tier 2	Tier 3	Tier 1	Tier 2	Tier 3
Residential Elevation Zone 1	\$8.88	\$12.91	\$18.33	\$9.41	\$13.68	\$19.43
Residential Elevation Zone 3*	\$9.98	\$14.01	\$19.43	\$10.58	\$14.85	\$20.60
Residential Elevation Zone 2*	\$11.07	\$15.10	\$20.52	\$11.73	\$16.01	\$21.75
Residential Elevation Zone 4**	\$15.04	\$19.07	\$24.49	\$15.94	\$20.21	\$25.96

PROPOSED BI-MONTHLY TIERED USAGE RATES FOR COMMERCIAL POTABLE WATER				
Quantity Charge Per 1,000 Gallons	CURRENT RATES		PROPOSED RATES	
	Winter	Summer	Winter	Summer
Commercial Elevation Zone 1	\$8.88	\$18.33	\$9.41	\$19.43
Commercial Elevation Zone 3*	\$9.98	\$19.43	\$10.58	\$20.60
Commercial Elevation Zone 2*	\$11.07	\$20.52	\$11.73	\$21.75
Commercial Elevation Zone 4**	\$15.04	\$24.49	\$15.94	\$25.96

* Zone 3 (Olema) is at a lower elevation than Zone 2 (Inverness Park, Bear Valley, and Lower Paradise Ranch Estates)

** Zone 4 (Upper Paradise Ranch Estates).

PROPOSED FIRE SERVICE CHARGES

Fire Service Charges apply to commercial connections with fire sprinklers. The charges are based on the actual cost of maintaining fire service lines.

PROPOSED BI-MONTHLY FIRE CONNECTION CHARGE		
Service Size	Current	Proposed
1"	\$15.09	\$16.00
1.5" & 2"	\$19.91	\$21.10
4"	\$55.54	\$58.87
6"	\$78.02	\$82.70
8"	\$103.70	\$109.92
10"	\$135.80	\$143.95

PROPOSED BI-MONTHLY USAGE RATES FOR OTHER WATER SERVICES

These charges are for additional services that are offered to customers.

PROPOSED BI-MONTHLY USAGE RATES		
Quantity Charge Per 1,000 Gallons		
Water Type	Current	Proposed
Temporary/Fire Svc	\$15.10	\$16.01
Outside Improvement District - Surcharge	\$4.08	\$4.32



NORTH MARIN WATER DISTRICT

PO Box 146
Novato, CA 94948
nmwd.com

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BOARD OF DIRECTORS

Stephen Petterle, President
Rick Fraites, Vice President
Jack Baker, Director
James Grossi, Director
Michael Joly, Director

GENERAL MANAGER

Tony Williams

Notice of Public Hearing on Proposed Rate Increases

Where to Learn More, Get Answers, and Make Comments

CONTACT US:

Phone: 415-897-4133
Email: info@nmwd.com

VISIT OUR WEBSITE:

www.nmwd.com

ATTEND THE BOARD HEARING

The Board will review and consider adopting the rate increases at a virtual meeting on June 28, 2022, at 6:00 p.m. via Zoom at:

<https://us02web.zoom.us/j/82191971947>. Due to ongoing COVID-19 related risks to public health and safety, the public hearing is scheduled to be conducted via Zoom utilizing the link above. If conditions change, information on a physical location for an in-person public hearing will be provided on the District website at www.nmwd.com.

At the Public Hearing: The Board of Directors will accept and consider all written protests and will hear and consider all verbal comments to the proposed rate increases and rate structure modifications at the Public Hearing. Verbal comments must be accompanied by a written protest to qualify as valid a protest. At the conclusion of the Hearing, the Board of Directors will consider adoption of the proposed rate increases as described in this notice. If written protests of the proposed changes are presented by a majority of the property owners or tenants subject to the proposed changes, the proposed rate increases will not be adopted.

How to Protest the Proposed Changes

Any owner of a parcel upon which the water service charges are proposed to be changed, or any tenant that directly pays the water bill for such parcel, may submit a written protest of the proposed rate changes. Only one protest will be counted per parcel. Written protests must: (1) state that the property owner or tenant is opposing the proposed increases; (2) provide the location of the parcel (by street address, assessor's parcel number, or customer account number); and (3) include the name and signature of the property owner or tenant submitting the protest. Written protests may be submitted by mail or in person to the District Secretary at North Marin Water District, PO Box 146, Novato, CA 94948, or in person at the Public Hearing (if an in-person hearing is conducted). All written protests must be received prior to the close of the public input portion of the Public Hearing. Protests submitted via email or other electronic means will not be accepted. Please mark the protest: Attn: West Marin Water Rate Hearing.

**NORTH MARIN WATER DISTRICT
PUBLIC HEARING NOTICE**

Purpose: Consider Proposed Rate Increase and Rate Structure Changes
Impact Area: West Marin Water Service Area
Date and Time: Tuesday, June 28, 2022 at 6:00 p.m.
Place: North Marin Water District, 999 Rush Creek Place, Novato, CA
* Due to ongoing Covid-19 related risks to public health and safety, the public hearing is scheduled to be conducted via Zoom. The Zoom link for public participation can be found below or at www.nmwd.com.

PROPOSAL

NMWD is proposing an increase in water rates and charges of 6% for West Marin Water customers effective July 1 of 2022.

REASON FOR THE PROPOSED RATE INCREASE

Continued investment in water facilities. The District must continue to make investments in facility upgrades and replacements that will benefit the West Marin Water System's fire protection, water supply, and aging infrastructure. This will help to properly maintain the service area's treatment plant, 26 miles of pipeline, 7 pump stations, 13 tanks, 3 wells, 168 hydrants, monitoring systems, and more.

Impact of inflation on all costs. The proposed revenue increase is designed to meet all the costs of providing water service, all of which rise every year with inflation. These costs include treating and delivering safe, high-quality, reliable water to your home or business without fail, every day and around the clock.

IMPACT

For the typical West Marin Water single-family residence, the proposed increase would add \$4.45 per month (\$8.90 per bimonthly bill) to the cost of water beginning July 1, 2022.

Customers can determine the increase in their annual water cost based on their water use over the past year from NMWD's website. Insert your NMWD account number and the name on your account into the Annual Water Cost Calculator on NMWD's website at <https://nmwd.com/account/annual-cost-calculator/>

PUBLIC HEARING

A public hearing will be held via Zoom at 6:00 p.m. on Tuesday, June 28, 2022, to consider enactment of the proposed increases. You are invited to participate in the hearing via Zoom at <https://us02web.zoom.us/j/82191971947>, Meeting ID: 821 9197 1947, Password: 466521, or mail your comments to PO Box 146, Novato, CA 94948. For more information visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

PROOF OF PUBLICATION (2015.5 CCP)

This space is for the County Clerk's Filing Stamp

STATE OF CALIFORNIA County of Marin

I am a citizen of the United States and a resident of the county aforesaid. I am over the age of eighteen years, and not a party to or interest in the above-entitled matter. I am the publisher of the Point Reyes Light, a newspaper of general circulation, printed and published in the town of Point Reyes Station, County of Marin and which newspaper has been adjudged a newspaper for general circulation by the Superior Court of the County of Marin, State of California, under the date April 26, 1949, Case Number 183007; that the notice of which annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates to wit:


6/9/22

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date at Inverness, California, this

6/9/22

Signature



Proof of Publication

NORTH MARIN WATER DISTRICT PUBLIC HEARING NOTICE

Purpose: Consider Proposed Rate Increase and Rate Structure Changes
Impact Area: West Marin Water Service Area

Date and Time: Tuesday, June 28, 2022 at 6:00 p.m.

Place: North Marin Water District, 999 Rush Creek Place, Novato, CA

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Published in the Point Reyes Light, June 9, 2022.



**NORTH MARIN
WATER DISTRICT**

**West Marin Water
Proposed
Water Rate Increase**

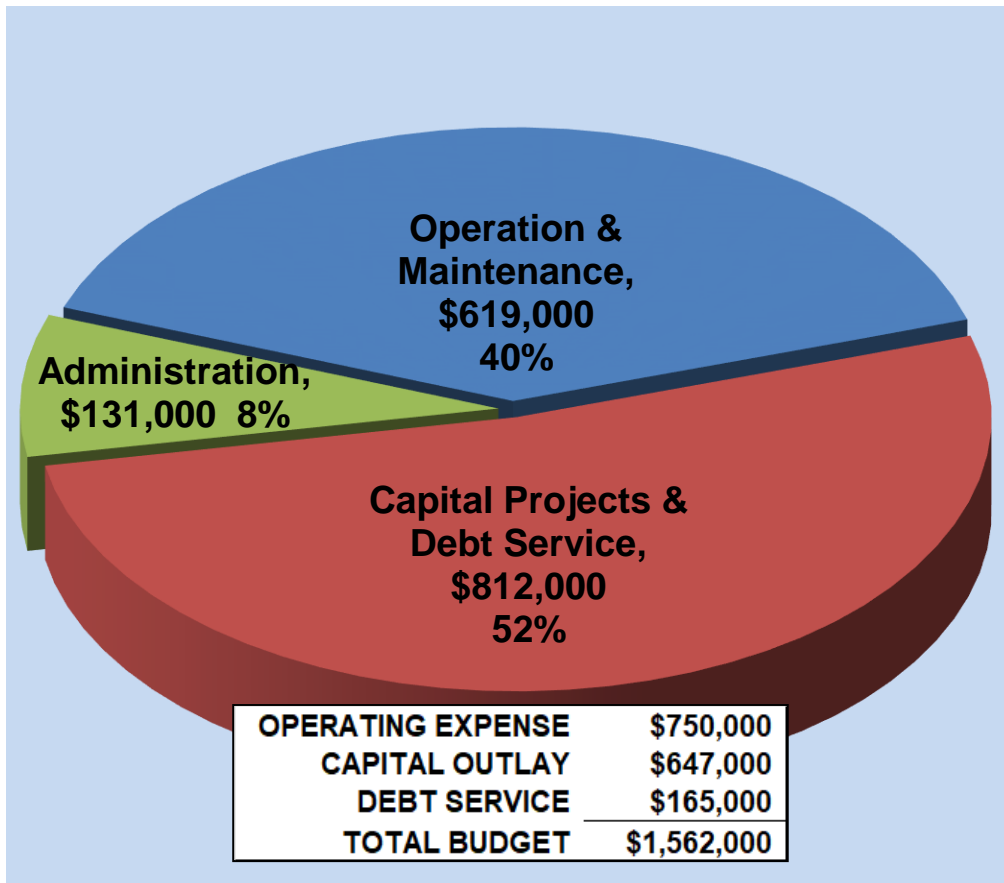
June 28, 2022

Why and increase is needed

- ❖ Continual Investments in Water Facilities and Infrastructure
- ❖ Increasing Operating Costs
- ❖ Reserves and Debt Ratio



Proposed FY22/23 WM Water Budget





Aging Infrastructure

NMWD Water Facilities and Infrastructure

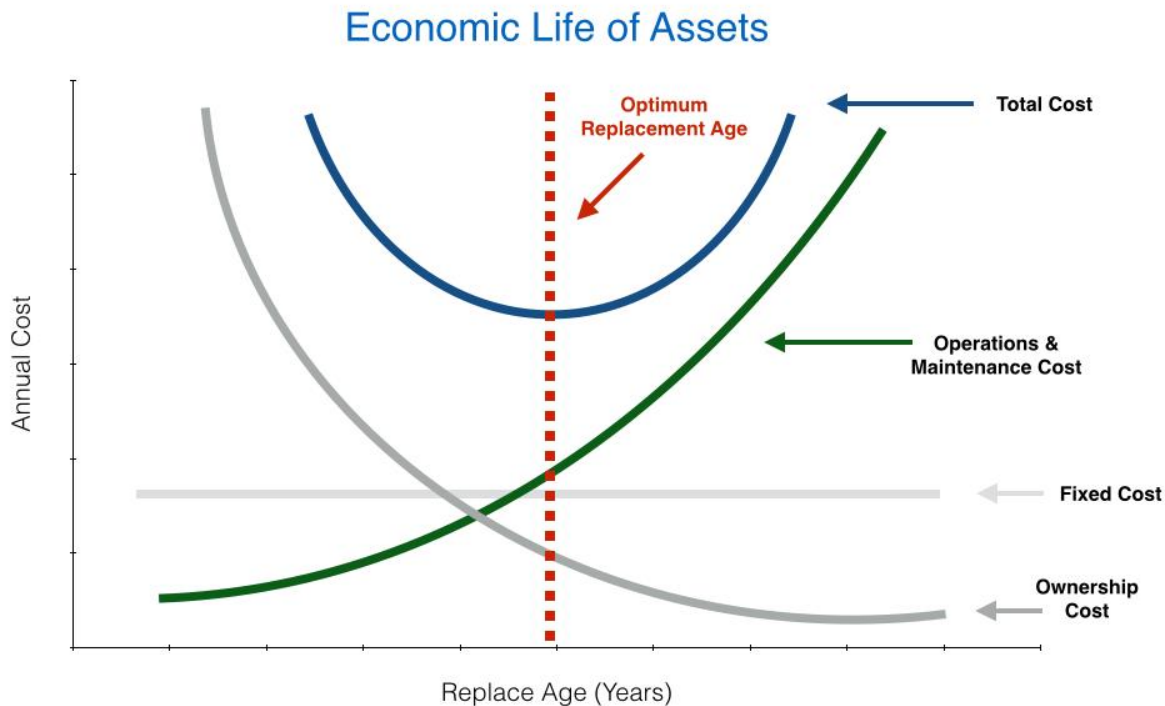
West Marin Service Area

- ❖ 4* Water Supply Wells
 - 2 “Coast Guard Wells”
 - “Gallagher Wells” 1 ex. + 1 new*
- ❖ 13 Storage Tanks (1.1MG)
- ❖ 6 Pump Stations
- ❖ 175+ Fire Hydrants
- ❖ One Water Treatment Plant
- ❖ Full Service WQ Laboratory



Facilities & Infrastructure Asset Management

~\$10M in Assets



Major Projects Planned

West Marin Service Area

New Gallagher Well #2	\$380,000
Gallagher Ranch Streambank Stabilization	\$5,000
Lagunitas Creek Bridge Pipe Replacement (Caltrans)	\$52,000
Miscellaneous Water System Improvements	\$150,000
PRE Replace 2-inch Galvanized Pipe	\$45,000
Raise Valves for HWY 1 Paving (Caltrans)	\$15,000
TOTAL WEST MARIN WATER SYSTEM PROJECTS	<u>\$647,000</u>



West Marin Water Grant Funding

DWR Small Community Drought Relief

- ❖ Gallagher Well No. 2

 - ✓ \$462,019

- ❖ Gallagher Well No. 1 Rehabilitation

 - ❑ Amendment to Well No. 2 grant

CalOES/FEMA Hazard Mitigation Grant Program

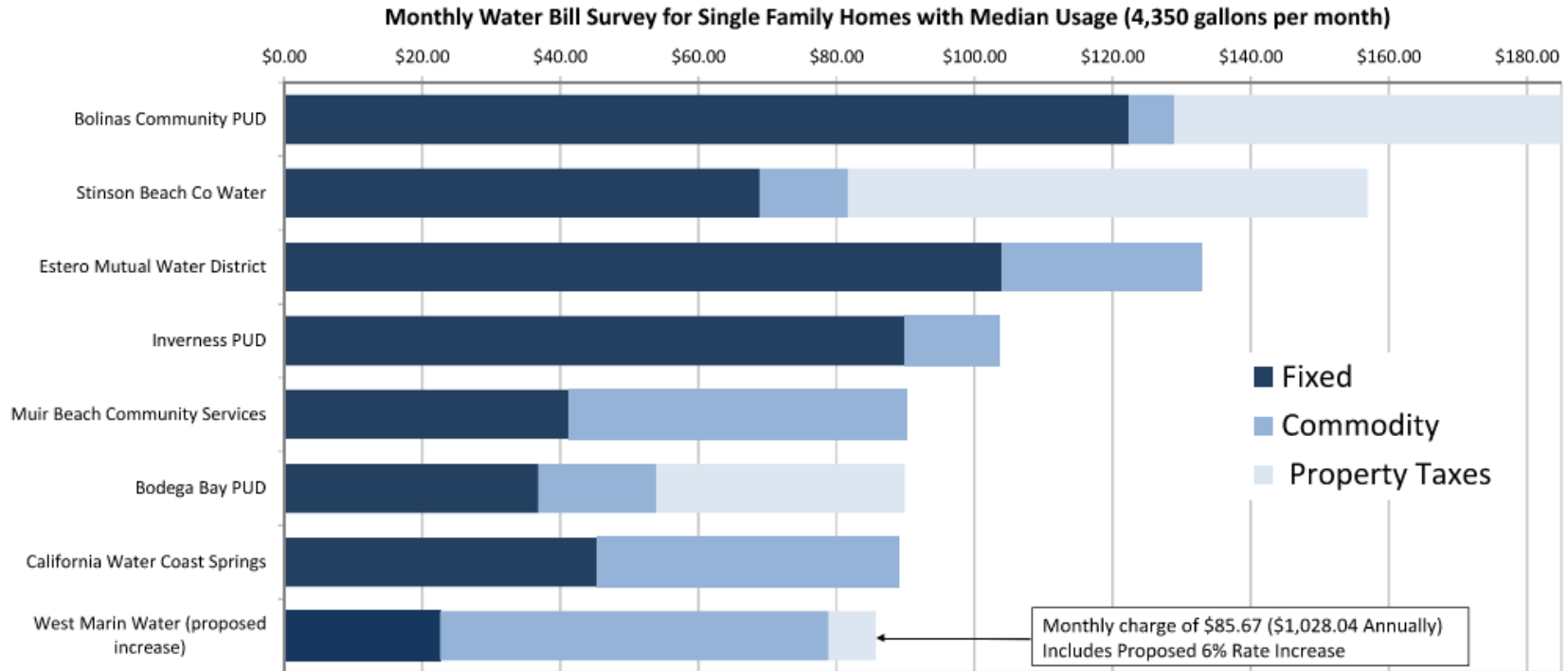
- ❖ Lagunitas Creek Bridge Pipeline

 - ❑ \$ 696,000 applied




Rate Comparisons and Public Outreach

West Marin Water Rate Comparison



Rate Increase Notification

- ✓ March 15th BOD (drought surcharge)
- ✓ April 19th BOD Meeting
- ✓ Mailed Rate Increase Notices
- ✓ Newspaper Notices
- ✓ June 28, 2022 Public Hearing



**NORTH MARIN
WATER DISTRICT**

NOTICE OF PUBLIC HEARING

REGARDING PROPOSED RATE INCREASES AND
RESTRUCTURED DROUGHT SURCHARGES
For the West Marin Water System Service Area

This Notice provides information about proposed increases to North Marin Water District's West Marin Water System Service Area water rates and charges and restructured drought surcharges. The Board of Directors will hold a public hearing at which public comments will be considered and written protest will be counted before the Board votes on the proposed changes.

HEARING DATE: Tuesday, June 28, 2022
TIME: 6:00 p.m.

VIRTUAL LOCATION*: Zoom Meeting
<https://us02web.zoom.us/j/82191971947>
Meeting ID: 821 9197 1947 **Password:** 466521

The District proposes increasing revenue for fiscal year 2022-2023. If approved at the public hearing on June 28, 2022, the new rates and rate structure changes will go into effect on July 1, 2022.

**Due to ongoing COVID-19 related risks to public health and safety, the public hearing is scheduled to be conducted via Zoom utilizing the link above. If conditions change, information on a physical location for an in-person public hearing will be provided on the District website at www.nmwd.com.*

Summary of Responses

Letters Opposing Rate Increase	0*
Number of Calls Related to Increase	1*

**As of June 20, 2022*



Questions?

RESOLUTION 22-XX**RESOLUTION OF THE BOARD OF DIRECTORS OF
NORTH MARIN WATER DISTRICT
AMENDING REGULATION 54 – WATER RATES**

WHEREAS, the Board of Directors hereby finds and determines that certain of the water rates and charges adjusted herein or previously adopted by the Board are imposed based on the supply of water to be used or consumed by the customer. The Board of Directors also finds and determines that these rates and charges are not imposed upon real property or upon a person as an incident of property ownership, and such rates or charges may be reduced or avoided by a customer by reducing or discontinuing water use; and

WHEREAS, on March 16, 2021, the Board of Directors of the North Marin Water District (the “Board of Directors”) accepted the 2021 West Marin Water Rate Study, dated April 14, 2021 (the “Rate Study”), which described recommendations for cost allocation and rate setting; and

WHEREAS, the Board of Directors has considered the recommendation of the North Marin Water District’s (the “District”) General Manager to increase water rates consistent with the Rate Study in order to achieve a revenue increase of 6 percent; and

WHEREAS, the Board of Directors conducted a duly noticed public hearing on June 28, 2022 on the General Manager’s recommendation, and notice of the hearing was provided to all District customers by mail on May 13, 2022, and the Board has considered all of the information received by the Board regarding the proposed recommendation, including the written protests received prior to and comments received at the public hearing; and

WHEREAS, the Board of Directors accepted and caused a tabulation of all written protests against the proposed treated water rates and based upon the results of the tabulation a majority protest against the proposed rates does not exist; and

WHEREAS, the Board of Directors finds and determines that the District has complied with the procedural and substantive requirements set forth in Article XIII D of the California Constitution (Proposition 218) and all relevant statutes that provide for revisions to property-related rates and charges, including rates for treated water service, and the Board further finds and determines that the recommended revisions to the water rates are in the best interests of the District and will pay for ongoing operations, maintenance, repair and improvements to the District’s facilities; and

WHEREAS, the California Environmental Quality Act (CEQA), Section 15273. Rates, Tolls, Fares, and Charges, states that CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, or other charges by public agencies which the public agency finds are for the purpose of:

- (1) Meeting operating expenses, including employee wage rates and fringe benefits;

- (2) Purchasing or leasing supplies, equipment, or materials;
- (3) Meeting financial reserve needs and requirements;
- (4) Obtaining funds for capital projects, necessary to maintain service within existing service areas.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the North Marin Water District hereby declares each of the foregoing recitals true and correct and fully incorporated herein; and

BE IT RESOLVED by the Board of Directors of North Marin Water District that Regulation 54 of the North Marin Water District is adopted as follows, effective on the dates as shown in Attachment 1.

* * * * *

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 twenty-eighth of June 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

(SEAL)

Theresa Kehoe, District Secretary
North Marin Water District

**NORTH MARIN WATER DISTRICT
REGULATION 54
WATER RATES**

a. Rates for Domestic, Commercial and Industrial Users, **Novato Service Area**

- (1) The following minimum service charge and water quantity rates shall be paid for domestic, commercial and industrial water service for each meter once every two months:

<u>A BI-MONTHLY SERVICE CHARGE OF:</u>	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
Standard 5/8-inch meter	\$43.95 <u>46.58</u>
For 1-inch meter*	\$78.50 <u>83.21</u>
1.5-inch meter*	\$136.08 <u>144.25</u>
2-inch meter	\$205.18 <u>217.50</u>
3-inch meter	\$389.45 <u>412.82</u>
4-inch meter	\$596.76 <u>632.56</u>
6-inch meter	\$1,172.60 <u>1,242.96</u>
8-inch meter	\$1,518.11 <u>1,609.20</u>

*(see paragraph f)

<u>RECYCLED WATER A BI-MONTHLY SERVICE CHARGE OF:</u>	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
Standard 5/8-inch meter	\$51.71 <u>54.81</u>
For 1-inch meter	\$90.93 <u>96.38</u>
1.5-inch meter*	\$156.31 <u>165.69</u>
2-inch meter	\$234.76 <u>248.84</u>
3-inch meter	\$443.96 <u>470.60</u>
4-inch meter	\$679.34 <u>720.07</u>
6-inch meter	\$1,333.07 <u>1,413.05</u>

<u>PLUS, A QUANTITY CHARGE OF:</u>	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
<u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u>	
First 262 gallons per day (gpd)	\$5.83 <u>6.18</u>
263 up to 720 gpd	\$6.60 <u>7.00</u>
Use in excess of 720 gpd	\$8.13 <u>8.62</u>

<u>Rate for 1,000 Gal for All Other Potable Water Accounts</u>	
Commercial, Institutional & Irrigation Accounts – 10/1 – 6/30	\$5.83 <u>6.18</u>
Commercial, Institutional & Irrigation Accounts - 7/1 – 9/30	\$8.13 <u>8.62</u>

<u>Rate For 1,000 Gallons For Non-Potable Water</u>	
Recycled Water	\$6.64 <u>7.01</u>
Raw (Untreated) Water from Stafford Lake	\$3.14 <u>3.29</u>

PLUS, AN ELEVATION ZONE CHARGE FOR EACH 1,000 GALLONS

<u>Zone</u>	<u>Elevation</u>	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
A	0 through 60 feet	\$0.00
B	60 feet – 200 feet	\$0.84 <u>0.85</u>
C*	200 feet +	\$2.23 <u>2.36</u>

*Any consumer receiving water through a District owned and maintained hydro-pneumatic system shall be assigned to Zone C irrespective of said consumer's actual elevation.

(2) Consumers outside the Improvement District boundary shall pay the Elevation Zone C Rate.

(3) In the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the Greater Novato Area, a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the liquidated damages assessed by the Sonoma County Water Agency pursuant to the water shortage and apportionment provisions of the Restructured Agreement for Water Supply. ~~The Drought Surcharge shall be a quantity charge for each 1,000 gallons of potable water use as follows:~~

~~Residential Accounts: Use in excess of 300 gallons per day \$1.00~~

~~Commercial, Institutional and Irrigation Accounts: All Use \$1.00~~

The Drought Surcharge shall be an added percentage of the current water usage rate as follows:

Residential, Commercial, and Irrigation Accounts:

<u>Quantity Charge</u>	<u>Normal</u>						
<u>Per 1,000 Gallons</u>	<u>Supply</u>	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Stage 4</u>	<u>Stage 5</u>	<u>Stage 6</u>
<u>Drought Surcharge</u>	<u>None</u>	<u>0%</u>	<u>5%</u>	<u>13%</u>	<u>21%</u>	<u>30%</u>	<u>42%</u>

b. Rates for Service to Privately Owned Fire Protection Systems, All Service Areas

The rates for service through detector check assemblies owned by the District to privately owned and maintained systems supplying sprinklers, hydrants or other facilities exclusively for firefighting shall be paid once every two months as follows:

Size of Detector Assembly

	Novato Rate Effective <u>7/1/21</u> <u>7/1/22</u>	West Marin Rate Effective <u>7/1/21</u> <u>7/1/22</u>
1 inch	\$15.09 <u>16.00</u>	\$15.09 <u>16.00</u>
2 inches	\$19.94 <u>21.10</u>	\$19.94 <u>21.10</u>
4 inches	\$55.54 <u>58.87</u>	\$55.54 <u>58.87</u>
6 inches	\$78.02 <u>82.70</u>	\$78.02 <u>82.70</u>
8 inches	\$103.70 <u>109.92</u>	\$103.70 <u>109.92</u>
10 inches	\$135.80 <u>143.95</u>	\$135.80 <u>143.95</u>

c. Rates for Domestic, Commercial and Industrial Users, West Marin Service Area

(1) The following minimum service charge and water quantity rates shall be paid for domestic, commercial and industrial water service for each meter once every two months:

BI-MONTHLY SERVICE CHARGE

	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
For 5/8 x 3/4-inch meter	\$42.59 <u>45.15</u>
For 1-inch meter*	\$104.80 <u>111.09</u>
For 1 1/2-inch meter*	\$208.47 <u>220.98</u>
For 2-inch meter	\$332.88 <u>352.85</u>

For 3-inch meter	\$664.64 <u>704.52</u>
For 4-inch meter	\$1,037.87 <u>1,100.14</u>
For all meters in Paradise Ranch Estates	\$42.59 <u>45.15</u>
*(see paragraph f)	

PLUS, A QUANTITY CHARGE OF:

<u>Residential Rate for Each 1,000 Gallons Per Dwelling Unit</u>	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
First 250 gallons per day (gpd).....	\$8.88 <u>9.41</u>
251 up to 600 gpd.....	\$12.94 <u>13.68</u>
Use in excess of 600 gpd.....	\$18.33 <u>19.43</u>
<u>Rate Per 1,000 Gallons for All Other Accounts</u>	
Commercial, Industrial and Irrigation Accounts 10/1 – 6/30	\$8.88 <u>9.41</u>
Commercial, Industrial and Irrigation Accounts 7/1 – 9/30	\$18.33 <u>19.43</u>

PLUS, A HYDRAULIC ZONE CHARGE FOR EACH 1,000 GALLONS

<u>Zone</u>	<u>Hydraulic Zone</u>	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
1	Point Reyes Station	\$0.00
2	Bear Valley, Silver Hills, Inverness Park & Lower Paradise Ranch Estates (Elevation 0'–365')	\$2.19 <u>2.32</u>
3	Olema	\$1.10 <u>1.17</u>
4	Upper Paradise Ranch Estates (Elevation 365'+)	\$6.16 <u>6.53</u>

- (2) Effective July 1, 202~~2~~4 consumers outside the Improvement District boundary shall pay an additional ~~\$4.08~~4.32 per 1,000 gallons.

- (3) In the event a mandatory reduction in water use is triggered under the District's Water Shortage Contingency Plan for the West Marin Service Area, a Drought Surcharge will be implemented simultaneous with enactment of the mandatory stage. The Drought Surcharge will serve to mitigate the revenue loss resulting from a reduction in water use, as well as the cost of water purchased from Marin Municipal Water District for release into Lagunitas Creek, pursuant to the Interconnection Agreement between Marin Municipal and NMWD. ~~The Drought Surcharge shall be a quantity charge for each 1,000 gallons as follows:~~

~~Residential Accounts: Use in excess of 200 gallons per day~~\$2.50

~~Commercial, Institutional and Irrigation Accounts: All Use~~\$2.50

The Drought Surcharge shall be an added percentage of the current water usage rate as follows:

Residential, Commercial, and Irrigation Accounts:

<u>Quantity Charge</u> <u>Per 1,000 Gallons</u>	<u>Normal Supply</u>	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>
<u>Drought Surcharge</u>	<u>None</u>	<u>0%</u>	<u>13%</u>	<u>30%</u>

d. Rates for Water Service from Hydrants or Other Temporary Service

The following rates shall be paid for water delivered via hydrant meter or pursuant to permit issued by the District from hydrants or for any temporary service as authorized in Regulation 5 or for use through a fire service meter.

Novato Service Area

Rate Effective 7/1/21 7/1/22

For each 1,000 gallons ~~\$7.41~~ \$7.85

West Marin Service Area

Rate Effective 7/1/21 7/1/22

For each 1,000 gallons ~~\$15.40~~ \$16.01

The quantity of water delivered as aforesaid shall be determined by the District.

e. Not used.

f. Minimum Service Charge for Residential Connections with Fire Fighting Equipment

Rate Effective 7/1/21 7/1/22

Where a meter larger than is otherwise required is installed solely to provide capacity for private fire sprinklers or other firefighting equipment in single-family residential connections the minimum bi-monthly service charge shall be:

Novato: ~~\$43.95~~ \$46.58
West Marin: ~~\$42.59~~ \$45.15

g. Charges for Testing & Maintenance of Backflow Preventers Performed by District

(1) Each consumer having a backflow prevention device serviced by the District shall pay a bimonthly fee for servicing the device as shown below.

District Owned DCV Devices:

Services Performed by District	Size	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
Testing, Repair, Replacement	3/4" + 1"	\$44.84 <u>\$15.73</u>
Testing, Repair, Replacement	1 1/2"	\$49.61 <u>\$20.79</u>

Privately Owned DCV Devices:

Services Performed by District	Size	Rate Effective <u>7/1/21</u> <u>7/1/22</u>
Testing	3/4" + 1"	\$8.48 <u>\$8.99</u>
Testing	1 1/2"	\$44.84 <u>\$15.73</u>
Testing	2"	\$22.79 <u>\$24.16</u>
Testing	3" + 4"	\$33.39 <u>\$35.39</u>

District Owned RPP Devices:

Services Performed by District	Size	Rate Effective <u>7/1/21</u> 7/1/22
Testing, Repair, Replacement	3/4" + 1"	\$25.44 26.97
Testing, Repair, Replacement	1 1/2" + 2"	\$30.74 32.58
Testing, Repair, Replacement	3" + 4"	\$137.80 146.07
Testing, Repair, Replacement	6" + 8"	\$296.80 314.61

Privately Owned RPP Devices:

Services Performed by District	Size	Rate Effective <u>7/1/21</u> 7/1/22
Testing	3/4" + 1"	\$45.90 16.85
Testing	1 1/2" + 2"	\$29.68 31.46
Testing	3" + 4"	\$63.07 66.85
Testing	6" + 8"	\$121.90 129.21

If any customer requires that testing or maintenance be performed outside of normal work hours of the District, an additional charge equivalent to the overtime charges incurred by the District will be assessed.

(2) Exemptions

Exemptions from the testing program are permitted on a case-by-case basis as may be approved by the District and the California Department of Public Health, Office of Drinking Water, District Sanitary Engineer. All such exemptions are conditioned on periodic inspection to ensure that exemption criteria are still being met.

	Rate Effective <u>7/1/21</u> 7/1/22
Each consumer that applies for and receives such an exemption shall pay a bimonthly fee of:	\$3.18 3.37

6



MEMORANDUM

To: Board of Directors Date: June 28, 2022

From: Tony Williams, General Manager *TW*
 Julie Blue, Auditor/Controller *JB*

Subject: Public Hearing – Proposed Oceana Marin Sewer Rate Increase
T:\AC\Budget\FY-2022.23\Rate Increase & Prop 218\OM Public Hearing - Rate Increase FY22.23.docx

RECOMMENDED ACTION: Approve

FINANCIAL IMPACT: Additional \$14,000 in FY 22/23 Revenue

A virtual public hearing to consider adoption of a proposed 5% rate increase in the cost of sewer services, effective July 1, 2022, is occurring at the June 28 Board Meeting at 6:00 PM. An increase in the sewer service charge, which is collected on the property tax roll, must be adopted by ordinance, which requires reading at a Board Meeting. On May 13, 2022 customers were noticed individually of the proposed increase by mailer (Attachment 1) and a notice of the Public Hearing was published in the June 9 edition of the Point Reyes Light (Attachment 2).

Under law, a customer protest of 50% plus one would invalidate the proposed increase. Staff did not receive any protests, emails, or phone calls in response to the customer notification.

After staff provides information on the proposed sewer rate increase, public comment can be taken. Attachment 3 is a draft of Ordinance 43 incorporating the proposed changes and Attachment 4 is a draft of Resolution No. 22-XX amending Regulation 109.

The five-year financial forecast for Oceana Marin (OM) Sewer was reviewed by the Board of Directors at a public meeting on April 5, 2022. The District wide budgets, including OM, were reviewed by the Board at a public meeting held June 7, 2022, to be approved at the June 28, 2022 board meeting.

Rate Increase Proposal Detail

The proposed 5% Oceana Marin Sewer rate increase would add \$60 annually (\$5 per month), from \$1,236 annually to \$1,296, for each equivalent dwelling unit. If enacted, the proposed increase is expected to generate \$14,000 in additional revenue next fiscal year.

A rate increase of 5% for FY 22/23 and subsequent increases of 5% are included in the 5-year financial forecast. This will assist in the funding of \$3 million in Capital Improvement Projects scheduled over the next five years.

Budgeted System Improvement Projects

Capital Improvement Projects budgeted for the upcoming fiscal year include:

- \$1.2 million towards the Treatment Pond Rehabilitation Project with completion of the project in FY 23/24 for an additional \$205,000. The costs of this project will be offset with 60% grant funding from the California Office of Emergency Services.
- \$125,000 towards Sewer Force Main Improvements.
- \$40,000 for continued infiltration repair work to reduce the amount of rainwater infiltrating into the collection system for FY 22/23 and ongoing for the subsequent 4 years projected.

Future Capital Improvement Projects over the next five fiscal years:

- \$310,000 for the North St. Lift Station Bypass Project.

Budgeted System Improvement Projects

Operating Expenditures, before depreciation, are budgeted to increase 6.7% or \$14,000 from the FY 21/22 adopted budget. The 2021 update of the Coastal Area Annual Sewer Cost Comparison (Attachment 5) shows that, when the County allocation of tax revenue is included as a ratepayer cost, Oceana Marin Sewer service cost will rank highest amount the six coastal sewer agencies surveyed.

Staff Recommendation

After closing the public hearing, approve Ordinance 43 (Attachment 3) electing to have the Oceana Marin Sewer Charges be collected on the tax roll of the County of Marin and approve resolution No. 22-XX (Attachment 4) amending Regulation 109 effective July 1, 2022 to increase the Oceana Marin Sewer Service Rate to \$1,296 per dwelling unit.



**NORTH MARIN
WATER DISTRICT**

999 Rush Creek Place
P.O. Box 146
Novato, CA 94948-0146

PHONE
415-897-4133

EMAIL
info@nmwd.com

WEB
www.nmwd.com

May 12, 2022

RE: Notice of Proposed Oceana Marin Sewer Service Cost Increase

Dear Customer:

This letter is to advise you of a **proposed increase to the Oceana Marin sewer service charge** that would take effect on July 1, 2022. It also provides information about a **Public Hearing scheduled on June 28, 2022**, at which time written protests and oral comments will be considered and a vote on the proposed increase will be taken by the North Marin Water District Board of Directors.

How much is the proposed rate increase?

Current Oceana Marin sewer service charges are \$103/month (\$1,236/year). A **5% increase** is proposed equaling \$108/month (\$1,296/year).

How will the proposed increase affect my sewer bill?

Oceana Marin sewer service charges are collected on the Marin County property tax bill, which is charged annually for the fiscal year period July 1 through June 30. The proposed sewer service charge increase would add \$5 per month to the cost of sewer service for all customers in Oceana Marin, resulting in a total annual charge for fiscal year 22/23 of \$1,296 (\$108 per month for July 2022 through June 2023).

Why are rates being increased?

In January 2016 the District approved a 2015 Master Plan Update that identified over \$3 million in projects necessary to improve the reliability and redundancy of the Oceana Marin Wastewater System. Constructing these improvements will be financially challenging for the 235 customers of the Oceana Marin utility. Even if the projects are constructed over a 20-year period, the cost would still average \$150,000 annually. The proposed increase, if enacted, would generate approximately \$14,100 of additional revenue annually (\$60/year X 235 customers). The entire Master Plan Update is available for review at: <https://nmwd.com/wp-content/uploads/2020/04/011916-1.pdf>.

Additional rate increases will be necessary in future years as the District continues to improve the reliability of the existing facilities and to construct redundant facilities in order to protect against potential system failure and sewage spills. Prior years' rate increases were in-line with financing the CIP plan on a pay-go basis while the current 5-year financial plan includes an annual rate increase of 5% for FY 22/23 and 5% thereafter, and forecasts borrowing funds to complete the plan.

DIRECTORS: JACK BAKER · RICK FRAITES · JAMES GROSSI · MICHAEL JOLY · STEPHEN PETTERLE

OFFICERS: Tony Williams, General Manager/Acting Chief Engineer · TERRIE KEHOE, District Secretary · JULIE BLUE, Auditor-Controller

Public Hearing

A public hearing before the NMWD Board of Directors to consider the proposed sewer service charge increase is scheduled for 6:00 pm, Tuesday, June 28, 2022 via Zoom at the below link:

<https://us02web.zoom.us/j/82191971947>

Meeting ID: 821 9197 1947

Password: 466521.

Due to ongoing COVID-19 related risks to public health and safety, the public hearing is scheduled to be conducted via Zoom utilizing the link above. If conditions change, information on a physical location for an in-person public hearing will be provide on the District's website at www.nmwd.com.

The Board of Directors will accept and consider all written protests and will hear and consider all verbal comments to the proposed sewer service charge increase at the Public Hearing. Verbal comments must be accompanied by a written protest to qualify as a valid protest. At the conclusion of the Hearing, the Board of Directors will consider adoption of the proposed sewer service charge increase as outlined in this notice. If written protests to the proposed sewer service charge increase are presented by a majority of the property owners, the proposed increase will not be adopted.

Your written protest must be received prior to the close of the June 28, 2022 public hearing. Written protests must: 1) state that the property owner is opposing the proposed increase 2) include the name and signature of the property owner; and 3) must include a description of the parcel (parcel number or service address). Only one written protest will be counted for each property. Send written protests to:

District Secretary
North Marin Water District
PO Box 146
Novato, CA 94948

For more information about the North Marin Water District, including a history of the Oceana Marin Sewer System, or to view the most recent Coastal Area Sewer Cost Comparison or the District's audited financial statement, visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

Sincerely,



Tony Williams, PE
General Manager

**NORTH MARIN WATER DISTRICT
NOTICE OF PUBLIC HEARING
REGARDING PROPOSED AMENDMENTS TO ORDINANCE NO. 43, THEREBY
INCREASING OCEANA MARIN SEWER SERVICE CHARGES
FOR FISCAL YEAR 2022-2023
AND ELECTING TO COLLECT SAID CHARGES ON THE TAX ROLL**

NOTICE IS HEREBY GIVEN that on Tuesday, June 28, 2022 at 6:00 p.m. at a regular Board Meeting of North Marin Water District (NMWD) which will be held virtually via Zoom. The NMWD Board of Directors will hold a public hearing to consider amending Ordinance No. 43, thereby increasing Oceana Marin sewer service charges for fiscal year 2022-2023 in the amount of \$108 per month (\$1,296 per year) per parcel (a proposed increase of \$5 per month - \$60 annually) and electing to collect said charges on the tax roll in the same manner as general taxes.

A public hearing will be held via Zoom at 6:00 p.m. on Tuesday, June 28, 2022, to consider enactment of the proposed increases. You are invited to participate in the hearing via Zoom at <https://us02web.zoom.us/j/82191971947>, Meeting ID: 821 9197 1947, Password: 466521, or mail your comments to PO Box 146, Novato, CA 94948. For more information visit NMWD's website at www.nmwd.com or call the District Secretary at (415) 897-4133.

Publish: June 9, 2022 in the Point Reyes Light

PROOF OF PUBLICATION (2015.5 CCP)

This space is for the County Clerk's Filing Stamp

STATE OF CALIFORNIA County of Marin

I am a citizen of the United States and a resident of the county aforesaid. I am over the age of eighteen years, and not a party to or interest in the above-entitled matter. I am the publisher of the Point Reyes Light, a newspaper of general circulation, printed and published in the town of Point Reyes Station, County of Marin and which newspaper has been adjudged a newspaper for general circulation by the Superior Court of the County of Marin, State of California, under the date April 26, 1949, Case Number 183007; that the notice of which annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates to wit:

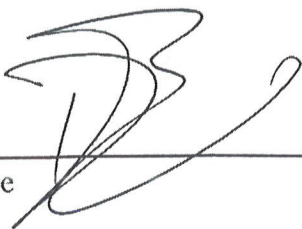
6/9/22

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Date at Inverness, California, this

6/9/22

Signature



Proof of Publication

NORTH MARIN WATER DISTRICT
NOTICE OF PUBLIC HEARING
REGARDING PROPOSED AMEND-
MENTS TO ORDINANCE NO. 43,
THEREBY INCREASING OCEANA
MARIN SEWER SERVICE CHARGES
FOR FISCAL YEAR 2022-2023
AND ELECTING TO COLLECT SAID
CHARGES ON THE TAX ROLL
NOTICE IS HEREBY GIVEN that on
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year 2022-2023 in the amount of \$108
per month (\$1,296 per year) per parcel
(a proposed increase of \$5 per month
- \$60 annually) and electing to collect
said charges on the tax roll in the same
manner as general taxes.
A public hearing will be held via Zoom
at 6:00 p.m. on Tuesday, June 28, 2022,
to consider enactment of the proposed
increases. You are invited to participate in
the hearing via Zoom at [https://us02web.
zoom.us/j/82191971947](https://us02web.zoom.us/j/82191971947), Meeting ID:

821 9197 1947, Password: 466521, or mail
your comments to PO Box 146, Novato,
CA 94948. For more information visit
NMWD's website at www.nmwd.com
or call the District Secretary at (415)
897-4133.
Published in the Point Reyes Light, June
9, 2022.

ORDINANCE NO. 43

**ORDINANCE OF THE BOARD OF DIRECTORS OF
NORTH MARIN WATER DISTRICT
ELECTING TO HAVE OCEANA MARIN SEWER CHARGES BE COLLECTED ON THE TAX
ROLL OF THE COUNTY OF MARIN, STATE OF CALIFORNIA
COMMENCING FISCAL YEAR 2022-23**

Section 1. The Board of Directors hereby finds, determines and declares as follows:

- a. The District has previously developed and instituted a Sewer Service Charge Program to finance the services and facilities furnished by the District in its Improvement Districts No. OM-1 and OM-3 which are herein referred to as Oceana Marin; and
- b. The Board of Directors has reviewed the present sewer service charge and has determined that the sewer service rate should be \$1,296per equivalent dwelling unit for fiscal year 2022-23;

Section 2. In adopting this Ordinance, the Board of Directors finds that:

- a. Written notices of the proposed increase in the sewer service charge were sent by first class U.S. mail to every customer in Improvement Districts No. OM-1 and OM-3 prior to the Public Hearing conducted on June 28, 2022 to consider said report and rate increase effective July 1, 2022.
- b. The District prepared and filed a sewer service charge report with the District Secretary.
- c. On June 9, 2022 , the District Secretary published a notice of Public Hearing and of the filing of said report in the Point Reyes Light, a newspaper of general circulation printed and published in the County.
- d. At the Public Hearing conducted on June28, 2022, all written protests against the proposed increase in the sewer service charge, including those provided in person, by facsimile, email and U.S. mail, were considered and tallied, and the District was not presented with protests by a majority of the owners of the

identified parcels affected by this change.

- e. The amount of the charge imposed does not exceed the proportional cost of the service attributable to the properties receiving service and the charge is only imposed on those properties actually receiving service or for those which service is immediately available.
- f. This action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273 (a) (1-4) of the District CEQA Guidelines.

Section 3. Section c. of that certain Regulation entitled “Regulation 109 – Oceana Marin Sewer Service – Rates and Charges,” passed by the Board of Directors of the North Marin Water District on June 21, 1977, as amended, and attached as Exhibit 1 hereto, is hereby amended to read as follows and is hereby adopted:

c. Sewer Service Rate

For Fiscal Year 2022-23, a sewer service rate of \$1,296 per equivalent unit per year shall be paid by the owner of the land served. In the case of new construction, said rate shall commence when connection is made to the District sewage facility. Upon written notice by the owner in the event a structure is demolished by fire or otherwise removed from the land, an appropriate adjustment shall be made taking into account the reduced use but excluding any adjustment for infiltration inflow. An appropriate portion of the charges collected during the period that no structure existed shall be refunded. The refund period, however, shall not be greater than one year and shall be measured from the date that the District receives written notice from the owner.”

Section 4. The District does hereby elect, pursuant to Section 5473 of the Health and Safety Code of the State of California, to have the sewer service charge, pursuant to its Regulation 109, passed and adopted by the Board of Directors of the North Marin Water District on June 21, 1977, as amended, collected on the tax roll of the County of Marin, State of California, in the manner pursuant to Sections 5471 through 5473.11 of the Health and Safety Code of the State of California.

Section 5. The Secretary shall cause this ordinance to be published in the manner described in Section 31105 of the Water Code.

Section 6. The Secretary of North Marin Water District is hereby directed to file a copy of said report with the Treasurer-Tax Collector of Marin County on or before July 15, 2022, upon which shall be endorsed, over the Secretary's signature, a statement that the report has been adopted by the Board of Directors of the North Marin Water District.

Section 7. The Treasurer-Tax Collector of Marin County shall, upon receipt of said report, enter the amounts of the charges against the respective lots or parcels as they appear on the assessment roll for the fiscal year 2022-2023.

* * * * *

I hereby certify that the foregoing is a true and complete copy of an ordinance duly and regularly adopted by the Board of Directors of NORTH MARIN WATER DISTRICT at a regular meeting of said Board held on the 28th day of June 2022 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(SEAL)

Theresa Kehoe, Secretary
North Marin Water District

**RESOLUTION 22-XX
REVISION OF NORTH MARIN WATER DISTRICT
REGULATION 109
OCEANA MARIN SEWER SERVICE - RATES AND CHARGES**

BE IT RESOLVED by the Board of Directors of North Marin Water District that Regulation 109c of the North Marin Water District is adopted as follows, effective forthwith:

c. Sewer Service Rate

For Fiscal Year 2022-23, a sewer service rate of \$1,296 per equivalent unit per year shall be paid by the owner of the land served. In the case of new construction, said rate shall commence when connection is made to the District sewage facility. Upon written notice by the owner in the event a structure is demolished by fire or otherwise removed from the land, an appropriate adjustment shall be made taking into account the reduced use but excluding any adjustment for infiltration inflow. An appropriate portion of the charges collected during the period that no structure existed shall be refunded. The refund period, however, shall not be greater than one year and shall be measured from the date that the District receives written notice from the owner.

* * * * *

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 twenty eighth day of June, 2022, by the following vote:

AYES:
ABSENT:
ABSTAINED:

NOES:

Theresa Kehoe, District Secretary
North Marin Water District

(SEAL)

2022 COASTAL AREA SEWER COST COMPARISON

4/11/2022

Comparison of NMWD's Charges with Other Agencies based on Charges in effect on 7/1/22

Agency	No. of Sewer Services	Monthly Service Charge	Annual Tax Revenue ⁽¹⁾	Annual Total	
> NMWD Oceana Marin	235	\$108.00 ⁽²⁾	\$289 ⁽³⁾	\$1,585	<
Bolinas Community PUD	163	\$121.08	\$0	\$1,453	
Marshall Community Wastewater System	52	\$107.88 ⁽⁴⁾	\$0	\$1,295	
Tomales Village CSD	126	\$81.90	\$86 ⁽⁵⁾	\$1,069	
Bodega Bay PUD	1,099	\$76.26	\$0	\$915	
Stinson Beach Co Water - Inspection Only	710	\$39.65 ⁽⁶⁾	\$398 ⁽⁷⁾	\$874	

Notes:

- (1) Includes taxes for debt service on outstanding sewer bonds and loans plus any applicable allocation of the AB8 1% County levy distributed to compensate for the Prop 13 elimination of the operation and maintenance tax.
- (2) Includes proposed increase of \$5/month.
- (3) Based on share of 1% County levy. This "allocation" is projected by the County of Marin at \$68,000 for 2022/23 which equates to \$289 per service.
- (4) Community wastewater step-system commenced October 2008. Each parcel has own septic tank, pumped to a community collection tank, then pumped into a community leach field. Rate shown is last year's rate. Rates are based on the Bay Area CPI at April 30th which will be available toward the end of May. Rate used is the April 2021 rate.
- (5) Based on home with net AV of \$432,177 (average 2021/22 AV on 80 single family homes in Tomales) and tax rate of 2.0¢/\$100 AV.
- (6) On-Site Wastewater System - no sewer system. Services provided include septic inspections, ground and surface water monitoring and other inspections required by the State Water Quality Control Board. In addition to the cost paid to Stinson Beach Water Co., each customer must purchase and install their own on-site wastewater system.
- (7) Stinson Beach shares in 1% County levy. This "allocation" was projected by the County of Marin at \$942,454 for 2021/22 of which 30% was allocated to sewer amounting to \$398 per service.

7



MEMORANDUM

To: Board of Directors
From: Pablo Ramudo, Water Quality Supervisor *PR*
Subject: Annual Water Quality Report- Novato
P:\LAB\WQ Supv\CCR\2021\Memo to board- Novato WQ report.docx

Date: 6/28/22

RECOMMENDED ACTION: Approve Text for 2020 Annual Water Quality Report – Novato

FINANCIAL IMPACT: \$9000

The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to its customers annually. The report contains details and results of monitoring for various contaminants throughout the previous year, a description of the sources of water and treatment regimes, as well as general information about water and its chemical constituents.

This year's report was redesigned by Kiosk to share branding and design language with our other communications such as The Waterline newsletter and other conservation mailers. Also, instead of a bill insert to inform our customers about the availability of the report on our website, we used a post card to all postal customers in our district, which allows us to reach residents that don't receive a bill. We will initially order 1000 printed copies of the report to mail to customers who request it, to new customers along with their welcome letter, and to have available in our lobby. Additional copies will be ordered if necessary.

RECOMMENDATION

Approve text and design for the 2021 Annual Water Quality Report (Consumer Confidence Report) for Novato subject to any comments received from the Board of Directors.

Approved by GM *PR*Date *6/22/22*

A close-up photograph of a person's hand holding a clear, faceted glass filled with water. The background is softly blurred, showing parts of the person's arm and clothing. The image is positioned on the left side of the page, partially overlapping a dark blue background.

2021 Annual Water Quality Report

Novato Edition | Published June 2022

In North Marin Water District, your water comes from protected watersheds and is purified to remove pathogens, bacteria and viruses. It is continuously monitored to ensure that it surpasses all state and federal standards for health and safety.

Este informe contiene información muy importante sobre su agua potable. Tradúzcalo o hable con alguien que lo entienda bien. Para más información, llame al (415) 761-8929.



**NORTH MARIN
WATER DISTRICT**



Delivering high quality water to Novato

Water served by North Marin Water District to its customers comes from protected watersheds and is purified using modern treatment techniques to remove pathogens, including bacteria and viruses. Water is continuously monitored to ensure that it surpasses all state and federal standards for health and safety.

This brochure is a snapshot of water quality monitoring performed in 2021. Included are

How your water is treated

North Marin Water District's Stafford Lake Water Treatment Plant produces about 25% of the water needed for Novato. This facility is designed to produce water which meets or exceeds strict state and federal standards for water quality. The water treatment process starts with chlorine dioxide and polymers prior to filtration through layers of anthracite and garnet sand. The water then passes through granular activated charcoal to remove any remaining impurities before adjusting the pH to 8.3 for corrosion control and the addition of a small amount of chlorine for disinfection.

Most of Novato's water supply is purchased as treated water from Sonoma County Water Agency

details about where your water comes from, what it contains, and how it compares to regulatory standards.

Safe, clean water

As you continue to keep your family safe from the COVID-19 virus you can feel confident that your tap remains a safe and reliable source of clean, good-tasting drinking water. If you have any questions regarding this Water Quality Report, contact Pablo Ramudo, Water Quality Supervisor, (415) 761-8929 or (800) 464-6693.

(SCWA). The SCWA water supply is collected from gravel beds 80 feet below and adjacent to the Russian River. The quality of this naturally filtered water is excellent, making additional treatment unnecessary. Water from additional SCWA wells in the Santa Rosa plain can be blended with the Russian River well water to augment water supply. Before delivering the water to Novato, SCWA adds small amounts of chlorine and sodium hydroxide to ensure purity and to adjust the pH to 8.3.

The Stafford Lake water supply blends with the SCWA water supply in the Novato water distribution system. The percentage from each source can vary by day and by season.

Drinking water source assessment for SCWA groundwater supply

In January 2001, a Drinking Water Source assessment for all of the SCWA's water sources was conducted to identify if any potential sources of contamination exist.

The SCWA source water is extracted from groundwater via 6 Rainey Collector Wells and 7 conventional wells located at Wohler and Mirabel, and three wells in the Santa Rosa Plain. The aquifer is recharged by subsurface flows and Russian River water filtering down through the gravel riverbed.

Most of the SCWA water supply comes from wells at Wohler and Mirabel adjacent to the Russian River. These sources are considered to be most vulnerable from wastewater treatment and gravel mining in the area. However, no contaminants associates with these activities were detected in the drinking water.

The SCWA also operates three groundwater wells on the Santa Rosa Plain near Occidental Road, Todd Road and Sebastopol Road. These sources are considered to be most vulnerable from animal feeding operations. However, no contaminants associated with this activity were detected in the drinking water.

A copy of the complete assessment may be reviewed at the California Water Boards-Division of Drinking Water Field Operations Branch office located at 50 D Street, Suite 200, Santa Rosa, CA 95404. You may request a summary of this assessment be sent to you by contacting the Office Representative at (707) 876-2145 (voice) or by email to dwpdist18@waterboards.ca.gov.

Drinking water source water assessment for Stafford Lake

An assessment of watershed activities, which may affect the Stafford Lake source of supply, was performed in 2002 as required by the U.S. Environmental Protection Agency (U.S. EPA). The watershed activities identified with the highest potential for contamination of Stafford Lake are animal feeding/waste disposal at the existing stable and dairy operations on the watershed. These activities increase the potential to introduce microbial contaminants and nutrients to Stafford Lake. North Marin Water District actively works with the stable and dairy owners to control their operations and reduce potential contaminants. The Stafford Lake source water is routinely monitored by North Marin Water District to insure the controls are effective.

A copy of the complete assessment is on file at the North Marin Water District office at 999 Rush Creek Place, Novato, CA 94945.

Stafford Lake Water Treatment Center



2021 Water Quality Data

Primary Drinking Water Standards

Table 1: Report on detected constituents with a primary drinking water standard (PDWS)					Sonoma County Water Agency		Stafford Water Treatment Plant	
Constituent	Units	PHG / [MRDL] (PDWS)	MCL / [MRDL] (PDWS)	Typical Source	Average	Range	Average	Range
Fluoride	mg/L	1.0	2.0	Erosion of natural deposits				
Nitrate (as N)	mg/L	10	10	Soil runoff from fertilizers, leaching from septic systems and sewage	ND	ND	ND	ND
Radioactivity Gross Alpha	PCi/l	0	15	Erosion of natural deposits	ND (1)	ND (1)	ND (2)	ND (2)
					Distribution System			
Chlorine, Free	mg/L	[4.0]	[4.0]	Drinking water disinfectant added for treatment	Average = 0.78 Range = 0.05 – 1.51			
Total Coliform Bacteria	% of samples positive	(0)	>5% of monthly samples positive	Naturally present in the environment	All Samples negative for coliform bacteria 971 samples collect in 2020			
Total Trihalomethanes (3)	µg/L	n/a	80	By-product of drinking water disinfection	Highest Location Running Annual Average = 57.4 Range of all samples = 9.4 – 109			
Total Haloacetic Acids (3)	µg/L	n/a	60	By-product of drinking water disinfection	Highest Location Running Annual Average = 19.9 Range of all samples = 3.2 – 58.8			
Copper	µg/L	170	(AL 1300)	Internal corrosion of household plumbing systems	30 samples collection, none above the action level 90th percentile = 100, Range = ND – 120			
Lead	µg/L	2	(AL 15)	Internal corrosion of household plumbing systems	30 samples collected, none above the action level 90th percentile = ND, Range = ND			

(1) 2014 Data, (2) 2012 Data, (3) Compliance based on a four-quarter running average at each distribution system monitoring location, (4) Average hardness shown in mg/L equates to 6.4 grains per gallon.

Legend

PHG (Public Health Goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

MCLG (Maximum Contaminant Level Goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. EPA.

MCL (Maximum Contaminant Level): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs (SMCL) are set to protect the odor, taste, and appearance of drinking water. MCLs and SMCLs are set by the California and/or U.S. EPA.

PDWS (Primary Drinking Water Standard): MCLs and MRDLs, for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

AL (Action Level): The concentration of a contaminant that, if exceeded, triggers treatment or other requirements that a water system must follow.

TT (Treatment Technique): A required process intended to reduce the level of a contaminant in drinking water.

NTU (Nephelometric Turbidity Units): A measure of suspended material in water.

90th Percentile: Compliance based on highest value after eliminating the highest 10% of values.

MRDL (Maximum Residual Disinfectant Level): The level of a disinfectant added for water treatment that may not be exceeded at the consumer’s tap.

MRDLG (Maximum Residual Disinfectant Level Goal): The level of a disinfectant added for water treatment below which there is no known or exposed risk to health. MRDLGs are set by the U.S. EPA.

NL (Notification Level): The notification level for some unregulated contaminants.

mg/L: Milligrams per liter (parts per million) – equivalent to 4 drops of water in the average sized bathtub.

µg/L: Micrograms per liter (parts per billion) – equivalent to 50 drops in an olympic size swimming pool.

µmhos/cm: Micromhos per centimeter

ND: Not Detected
NA: Not Analyzed
N/A: Not Applicable
PCU: Platinum cobalt units
pCi/l: Picocuries per liter

Secondary Drinking Water Standards

Table 2: Constituents with aesthetic concerns and/or a secondary drinking water standard				Sonoma County Water Agency		Stafford Water Treatment Plant	
Constituent	Units	SMCL	Typical Source	Average	Range	Average	Range
Color	PCU	15	Naturally-occurring organic materials	5	4-9	ND	ND
Odor	TON	3	Naturally-occurring organic materials	ND	ND	NA	NA
Chloride	mg/L	500	Runoff / leaching of natural deposits	5.2	5.1 – 4.5	76	70 – 82
Sulfate	mg/L	500	Leaching of natural deposits, treatment chemicals	12	11 – 13	9.7	7.7 – 12
Turbidity	NTU	5	Soil runoff	0.03	0.013 – 2.0	0.15	0.09 – 0.19
Total Dissolved Solids	mg/L	1000	Runoff / leaching of natural deposits	130	120 – 150	240	240
Sodium	mg/L	n/a	Naturally-occurring and treatment chemicals	8.3	7.5 – 9.1	36	30 – 40
Hardness (4)	mg/L	n/a	Leaching of natural deposits	110	100 – 120	110	110 – 120
Radon	pCi/l	n/a	See “Radon in Air” on page 7	103	82.4	n/a	n/a
Specific Conductance	µmhos/cm	1600	Substances that form ions in water	240	230 – 260	420	390 – 440
Manganese	µg/L	50	Leaching from natural deposits	ND	ND	ND	ND-25

Other Water Quality Parameters

Table 3: Unregulated contaminants with no established maximums							
The results below are part of monitoring conducted in 2019 in compliance with the Fourth Unregulated Contaminant Monitoring Rule (UCMR4). In addition to the regulated haloacetic acids presented in Table 1, detections of other classes of haloacetic acids are presented below. Other contaminants tested in compliance with UCMR4 were not detected in drinking water.							
Constituent	Units	Primary MCL [Notification Level]	State PHG or Federal (MCLG)	Typical Source	System Range	System Average	Meets Regulations (YES/NO)
HAA6Br	µg/L	n/a	n/a	By-product of drinking water disinfection	0.84-8.8	5.8	Yes
HAA9	µg/L	n/a	n/a	By-product of drinking water disinfection	2.0 - 2.2	9.6	Yes



A message from the United States Environmental Protection Agency

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells.

As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive materials, and can pick up substances resulting from the presence of animals or from human activity.

Contaminants that may be present in source water include:

- Microbial Contaminants, such as viruses and bacteria, that may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.
- Inorganic Contaminants, such as salts and metals, that can be naturally occurring or result from urban stormwater runoff, industrial or domestic wastewater discharges, oil and gas production, mining or farming.
- Pesticides and Herbicides, that may come from a variety of sources such as agriculture, urban stormwater runoff, and residential uses.
- Organic Chemical Contaminants, including synthetic and volatile organic chemicals, that are by-products of industrial processes and petroleum production, and can also come from gas stations, urban stormwater runoff, agricultural applications and septic systems.
- Radioactive Contaminants, that can be naturally-occurring or be the result of oil and gas production and mining activities.

In order to ensure that tap water is safe to drink, the U.S. Environmental Protection Agency (USEPA) and the California Department of Public Health (CDPH) prescribe regulations that limit the amount of certain contaminants in water provided by public water systems. DHS regulations also establish limits for contaminants in bottled water that provide the same protection for public health.

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the USEPA’s Safe Drinking Water Hotline (800) 462-4791. Some people may be more vulnerable to contaminants in drinking water than the general population.

Immunocompromised persons such as persons with cancer undergoing chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. USEPA/ Centers for Disease Control (CDC) guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available from the Safe Drinking Water Hotline (800) 462-4791.

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Radon in air

Radon is a radioactive gas that can move from decomposed granite soils into a home through cracks and holes in the foundation. Radon can also get into indoor air when running tap water for showering and other household activities. In most cases, radon from tap water is a small source of radon in air. Radon is a known human carcinogen. It can lead to lung cancer. Drinking water containing



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If you are concerned about radon in your home, test the air in your home: Testing is inexpensive and easy. For additional information, call your state radon program or call EPA’s Radon Hotline (800-SOS-RADON).

Notice to kidney dialysis patients

Chlorine dioxide is used as pre-oxidant in water produced from Stafford Lake Water Treatment Plant. Customers undergoing kidney dialysis treatment are advised to use sufficient pre-treatment to ensure chlorine dioxide does not pose a threat to the dialysis process.

Concerning lead and drinking water

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. There is no lead in drinking water produced by North Marin Water District and there are no district owned lead service lines within our system, however lead can leach into drinking water from materials and components associated with customers’ service lines and home plumbing.

North Marin Water District is responsible for providing high quality drinking water to your meter, but cannot control the variety of materials used in home plumbing components. When water in your household plumbing has been sitting for several hours, you can minimize the potential for lead exposure by running your tap water for 30 seconds to 2 minutes before using water for drinking or cooking.

If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at www.epa.gov/safewater/lead

nmwd.com/wq

If you have any questions regarding this Water Quality Report, contact Pablo Ramudo, Water Quality Supervisor, (415) 761-8929 or (800) 464-6693.

Este informe contiene información muy importante sobre su agua potable. Tradúzcalo o hable con alguien que lo entienda bien. Para más información, llame al (415) 761-8929.



**NORTH MARIN
WATER DISTRICT**

8



MEMORANDUM

To: Board of Directors

Date: 6/28/22

From: Pablo Ramudo, Water Quality Supervisor *PR*Subject: Annual Water Quality Report- Point Reyes
P:\LAB\WQ Supv\CCCR\2021\Memo to board- WM WQ report.docx**RECOMMENDED ACTION:** Approve Text for 2021 Annual Water Quality Report – Point Reyes**FINANCIAL IMPACT:** \$1500

The Safe Drinking Water Act requires water suppliers to publish and distribute a report of water quality information to its customers annually. The report contains details and results of monitoring for various contaminants throughout the previous year, a description of the sources of water and treatment regimes, as well as general information about water and its chemical constituents.

This year's report was redesigned by Kiosk to share branding and design language with our other communications such as The Waterline newsletter and other conservation mailers. Also, instead of a bill insert to inform our customers about the availability of the report on our website, we used a post card to all postal customers in our district, which allows us to reach residents that don't receive a bill. We will initially order 100 printed copies of the report to mail to customers who request it, to new customers along with their welcome letter, and to have available in our lobby. Additional copies will be ordered if necessary.

RECOMMENDATION

Approve text and design for the 2021 Annual Water Quality Report (Consumer Confidence Report) for Point Reyes subject to any comments received from the Board of Directors.

Approved by GM *[Signature]*Date *6/22/22*

A close-up photograph of a person's hand holding a clear, faceted glass filled with water. The background is softly blurred, showing parts of the person's arm and clothing. The image is positioned on the left side of the page, partially overlapping a dark blue background.

2021 Annual Water Quality Report

West Marin Edition | Published June 2022

In North Marin Water District, your water comes from protected watersheds and is purified to remove pathogens, bacteria and viruses. It is continuously monitored to ensure that it surpasses all state and federal standards for health and safety.

Este informe contiene información muy importante sobre su agua potable. Tradúzcalo o hable con alguien que lo entienda bien. Para más información, llame al (415) 761-8929.



**NORTH MARIN
WATER DISTRICT**



Delivering high quality water to West Marin

Water served by North Marin Water District to its customers comes from protected watersheds and is purified using modern treatment techniques to remove pathogens, including bacteria and viruses. Water is continuously monitored to ensure that it surpasses all state and federal standards for health and safety.

This brochure is a snapshot of water quality monitoring performed in 2021. Included are

How your water is treated

North Marin Water District’s water is pumped from 3 wells adjacent to Lagunitas Creek. Two of these wells are located in Point Reyes Station and one well is located a mile and a half east of Point Reyes Station at the Gallagher Ranch. Testing shows that the quality of the water at each of the wells is excellent. Iron and manganese are the principal contaminants found, and although they do not have any negative effects on health, they can affect the color of the water. For this reason, we treat and filter the water to completely remove both of these metals. Chlorine is added as a disinfectant.

Due to their proximity to Lagunitas Creek and Tomales Bay, the two wells in Point Reyes Station

details about where your water comes from, what it contains, and how it compares to regulatory standards.

Safe, clean water

As you continue to keep your family safe from the COVID-19 virus you can feel confident that your tap remains a safe and reliable source of clean, good-tasting drinking water. If you have any questions regarding this Water Quality Report, contact Pablo Ramudo, Water Quality Supervisor, (415) 761-8929 or (800) 464-6693.

are prone to salt water intrusion. Once the salty water is in the aquifer that feeds the wells it can take many months for salinity to return to normal. We typically take steps to minimize the amount of salty water that is drawn into our wells, but the problem has been worsening in the last few years due to sea level rise and a changing bay. The Gallagher Well is beyond the reach of the tides and is not affected by saltwater intrusion. A new pipeline to this well, completed in 2014, has given North Marin Water District the ability to draw on this alternate source during occurrences of salinity intrusion in order to provide drinking water that is free from the effects of increased salts.

Source water assessment

An Assessment of watershed activities, which may affect the Point Reyes source of supply, was completed in July 2002 as required by the US Environmental Protection Agency. The activities identified with the highest potential for contamination of the Point Reyes groundwater supply are salt water intrusion and activities associated with the operation of the US Coast Guard housing wastewater system and maintenance facility area. These activities increase the potential to introduce chemical and microbial contaminants into the local groundwater. The Point Reyes groundwater is routinely monitored by North Marin Water District. No contaminants have been detected with the exception of occasional increases in salt concentrations. Water produced at the Point Reyes water treatment plant meets federal and state water quality requirements. A copy of the complete assessment is on file at the North Marin Water District office at 999 Rush Creek Place, Novato, CA 94945.

Salinity intrusion

North Marin Water District is experiencing salinity intrusion at two of our three wells, these being the wells situated adjacent to the former Coast Guard housing facility. Our third well, situated on the Gallagher Ranch, is not affected by salinity intrusion. Throughout the cooler months we were able to supply our customers water almost solely from our Gallagher Well, but during the higher-demand summer months our system will be supplemented with higher salinity water from the Coast Guard wells.

We test our water supply weekly for a number of chemical and microbial constituents, including those associated with higher salts like sodium, chloride, conductance, and total dissolved solids. There are no health-based regulations for these mineral constituents in public drinking water, however there are aesthetic standards as detailed in the table on the next page. In 2020 the water served by North Marin Water District was above these aesthetic standard for several months, the water having an undesirable salty taste that was noted by many customers.

Sodium is an essential nutrient for the body, necessary for proper nerve function. The FDA recommends a dietary intake of 2300 milligrams per day, but most Americans consume between 2700 to 7000 milligrams per day. Some medical conditions make reducing sodium necessary, with the most severe restrictions limiting sodium intake to no more than 1375-1800 milligrams per day. North Marin Water District publishes the weekly sodium and chloride levels in the Point Reyes Light when the sodium level rises above 50 milligrams per liter so that those of our customers who are advised by their physicians to account for sodium in their diets can adjust their sodium intake as needed.

For those customers on a salt restricted diet, we have developed a plan to make water from the Gallagher Well available at fill stations on the former Coast Guard property. The fill stations will be available on specified days when the sodium concentration in the water served to customers’ homes reaches 115 milligrams per liter. This value is derived from the FDA recommended sodium intake of 2300 milligrams per person per day and represents a contribution from drinking water of 10% based on the typical drinking water consumption of 2 liters per day. For details about the fill stations including directions and hours of operations please visit our website www.nmwd.com/wq

Stafford Lake Water Treatment Center



2021 Water Quality Data

Primary Drinking Water Standards

Table 1: Report on detected constituents with a primary drinking water standard (PDWS)						
Constituent	Units	PHG / [MRDLG] (MCLG)	MCL / [MRDL] (PDWS)	Point Reyes Treatment Plant	Point Reyes Distribution System	Typical Source
Total Trihalomethanes (1)	µg/L	n/a	80	n/a	Highest Location Running Annual average = 55.1 Range = 31.3 - 82.9	By-product of drinking water disinfection
Haloacetic Acids (1)	µg/L	n/a	60	n/a	Highest Location Running Annual average = 19.7 Range = 3.7 – 35.5	By-product of drinking water disinfection
Lead	µg/L	2	(Action level 15)	ND	90th Percentile = 13 None of 10 samples above action level	Internal corrosion of household water plumbing system and fixtures
Copper	µg/L	170	(Action level 1300)	ND	90th Percentile = 480 None of 10 samples above action level	Internal corrosion of household water plumbing system and fixtures
Fluoride	mg/L	1.0	2.0	Average = ND Range = ND – 0.10	n/a	Erosion of natural deposits
Chlorine, free	mg/L	[4.0]	[4.0]	n/a	Average = 0.35 Range = 0.04 – 0.87	Drinking water disinfectant
Coliform Bacteria	# of positive samples per month	0	2 or more positive monthly samples	n/a	All samples negative for coliform bacteria, 91 samples collected in 2020	Naturally present in the environment
Barium	µg/L	2	1	Average = ND Range = ND – 0.130	n/a	Erosion of natural deposits
Arsenic	µg/L	0.004(0)	10	Average = ND Range = ND – 2.0	n/a	Erosion of natural deposits; runoff from orchards

1) Compliance is based on a four-quarter running average at each distribution system monitoring location

Legend

PHG (Public Health Goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. PHGs are set by the California Environmental Protection Agency.

MCLG (Maximum Contaminant Level Goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs are set by the U.S. EPA.

MCL (Maximum Contaminant Level): The highest level of a contaminant that is allowed in drinking water. Primary MCLs are set as close to the PHGs (or MCLGs) as is economically and technologically feasible. Secondary MCLs (SMCL) are set to protect the odor, taste, and appearance of drinking water. MCLs and SMCLs are set by the California and/or U.S. EPA.

PDWS (Primary Drinking Water Standard): MCLs and MRDLs, for contaminants that affect health along with their monitoring and reporting requirements, and water treatment requirements.

AL (Action Level): The concentration of a contaminant that, if exceeded, triggers treatment or other requirements that a water system must follow.

TT (Treatment Technique): A required process intended to reduce the level of a contaminant in drinking water.

NTU (Nephelometric Turbidity Units): A measure of suspended material in water.

90th Percentile: Compliance based on highest value after eliminating the highest 10% of values.

MRDL (Maximum Residual Disinfectant Level): The level of a disinfectant added for water treatment that may not be exceeded at the consumer’s tap.

MRDLG (Maximum Residual Disinfectant Level Goal): The level of a disinfectant added for water treatment below which there is no known or exposed risk to health. MRDLGs are set by the U.S. EPA.

NL (Notification Level): The notification level for some unregulated contaminants.

mg/L: Milligrams per liter (parts per million) – equivalent to 4 drops of water in the average sized bathtub.

µg/L: Micrograms per liter (parts per billion) – equivalent to 50 drops in an olympic size swimming pool.

µmhos/cm: Micromhos per centimeter

ND: Not Detected

NA: Not Analyzed

N/A: Not Applicable

PCU: Platinum cobalt units

pCi/l: Picocuries per liter

Secondary Drinking Water Standards

Table 2: Report on detected constituents of interest					
Constituent	Units	SMCL	Point Reyes Average	Point Reyes Range	Typical Sources
Chloride	mg/L	500	170	14 – 780	Runoff / leaching from natural deposits; seawater influence
Color	PCU	15	ND	ND	Naturally-occurring organic materials
Hardness	mg/L	n/a	210	120 – 500	Generally found in ground and surface water
Manganese	µg/L	50	ND	ND	Leaching from natural deposits
Specific Conductance	µmhos/cm	1600	710	250 – 2700	Substances that form ions when in water; seawater influence
pH	n/a	8.5	7.0	6.9 – 7.1	
Total Dissolved Solids	mg/L	1000	520	170 – 1200	Runoff / leaching from natural deposits
Turbidity	NTU	5	0.05	0.03 – 0.06	Soil runoff
Sodium	mg/L	n/a	61	11 – 260	Generally found in ground and surface water; seawater influence



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**NORTH MARIN
WATER DISTRICT**

9



MEMORANDUM

To: Board of Directors Date: June 28, 2022

From: Tony Williams, General Manager *ADW*

Subject: Approve Amendment 1 to Utility Agreement between the State of California and North Marin Water District for Caltrans' MSN B2

R:\Folders by Job No\7000 jobs\7118 AEEP - See Archive Z\Jun 2022 mtg\BOD Memo Utility Agrmt 1779.5 Amend 1.docx

RECOMMENDED ACTION: Authorize the General Manager to execute Amendment 1 to Utility Agreement No. 1779.5

FINANCIAL IMPACT: \$110,000 (Cost Share Reimbursement)

Background

On July 27, 2009 Caltrans approved the Marin Sonoma Narrows (MSN) High Occupancy Vehicle (HOV) Widening Project. The Caltrans MSN project widened and realigned Highway 101 to accommodate HOV lanes and provided new and upgraded frontage roads and ramps. These improvements extended the Highway right-of-way into portions of the NMWD's pipeline easement for the existing North Marin Aqueduct and therefore Caltrans paid for the bulk of NMWD aqueduct relocation costs as part of the Caltrans MSN project.

One of the NMWD aqueduct relocation segments was associated with the Caltrans MSN B2 project. Accordingly, it was necessary for Caltrans and North Marin Water District to enter into a contractual arrangement for relocation of the MSN B2 (aka Reach A) segment. In June, 2014, a Utility Agreement (UA), which defined said roles and responsibilities as well as identified costs allocated between both agencies related to this reach, was executed with Caltrans. The original UA established a Caltrans cost share amount of \$125,000.00.

NMWD has requested an amendment to the UA for an additional Caltrans cost share amount of \$110,000.00 (Attachment 1) to allow the District to invoice Caltrans for related expenses incurred by NMWD. These expenses include design review, field inspection, construction support and additional easement review incurred during the project, including the close-out process over the last several years.

RECOMMENDATION

Authorize the General Manager to execute the First Amendment to Utility Agreement No. 1779.5.

Approved by GM *ADW*

Date *6/22/22*

District	County	Route	P.M.	E.A.
4	SON	101	0.9/3.6	04-0000-0734 (264089)
Fed. Aid. No.				
Owner's File: 1.7118.02				
FEDERAL PARTICIPATION: On the Project <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No On the Utilities <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				

DATE _____

FIRST AMENDMENT TO UTILITY AGREEMENT NO. 1779.5

WHEREAS, the State of California, acting by and through its Department of Transportation, hereinafter called "STATE", proposed to construct a new overcrossing on US Route 101, between post mile 0.4 and 2.9 north of the Town of Novato in Marin County. The project upgraded the existing expressway to a full access-control freeway, by replacing the existing Petaluma Boulevard South interchange, and constructing a frontage road on both sides of the freeway. North Marin Water District, hereafter called "OWNER", owns, and maintains approximately 468 feet of 30-inch aqueduct within the limits of the STATE's project which requires relocation to accommodate STATE's project, in the manner proposed; and,

WHEREAS, in the performance of said work, increased costs over and above those estimated at the time of the execution of said Agreement were incurred due to additional Design Review, Field Inspection, Construction Support and added Easement Review overruns encountered during the design, construction, and close out phases of the relocation of OWNER's 30-inch water transmission facilities in order to accommodate the construction of STATE's project to upgrade the existing expressway along US Route 101; and,

WHEREAS, it has been determined that, since final costs have overrun the amount shown in said Agreement by 88%, and when the increased cost exceeds by 25% the estimated amount set forth in said Agreement, said Agreement shall be amended to show the increased cost of the work to the STATE; and,

WHEREAS, the estimated cost to the STATE of the work to be performed under said Agreement was \$125,000.00 and by reason of the increased cost referred to above, the amended estimated cost to the STATE is \$235,000.00.

UTILITY AGREEMENT NO. 1779.5

NOW, THEREFORE, it is agreed between the parties as follows:

1. The estimated cost to the STATE of \$125,000.00 as set forth in said Agreement is hereby amended to read \$235,000.00, and is in accordance with the following proration:

Total Estimated Review Cost: UT 1779.5	<u>\$125,000.00</u>
Total Estimated STATE Liability, (100%):	<u>\$125,000.00</u>

Total Estimate Relocation Cost: First Amendment UT 1779.5(A1)	<u>\$110,000.00</u>
Total Estimated STATE Liability, (100%):	<u>\$110,000.00</u>

Total Estimate UT 1779.5	<u>\$125,000.00</u>
Amendment UT 1779.5 (A1).....	<u>\$110,000.00</u>
TOTAL STATE liability.....	<u>\$235,000.00</u>

2. Additional performance of close out review included in description of work above, all other terms and conditions of said Agreement remain unchanged.

IN WITNESS WHEREOF, the above parties have executed this Agreement the day and year above written.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

OWNER:
NORTH MARIN WATER DISTRICT

By: _____
JULIE MCDANIEL Date
Deputy District Director, Right of Way

By _____
Date

APPROVAL RECOMMENDED:

By: _____
JOHN O. CARLSTON Date
ACTING District Office Chief

By _____
KEANNA C. LEVY Date
District Branch Chief

AMENDMENT TO UTILITY AGREEMENT (Continued)

Page 3 of 3

RW 13-5 (Rev. 12/2016)

UTILITY AGREEMENT NO. 1779.5

PLANNING AND MANAGEMENT COMPLETES EXCEPT SHADED COLUMNS

UTILITY COMPLETES:

CT DOCUMENT	EVENT TYPE	DEPT	UNIT	PROJECT ID	PHASE	REPORTING		OBJ CODE		BFY	DOLLAR AMOUNT
1204UA017795	C401	2660	0869	04-0000-0734 (264089)	9E2 (3STRE)	9	1779X5	054	N	11/12	\$73,263.99
1204UA017795	C401	2660	0869	04-0000-0734 (264089)	9E1 (3STIP)	9	1779X5	054	N	11/12	\$24,401.96
1204UA017795	C401	2660	0869	04-0000-0734 (264089)	9E1 (3STIP)	9	1779X5	054	N	13/14	\$25,000.00
1204UA017795	C401	2660	0869	04-0000-0734 (264089)	9E1 (3STIP)	9	1779X5	054	N	17/18	\$2,334.05
1204UA017795	C401	2660	0869	04-0000-0734 (264089)	9E1 (3STIP)	9	1779X5	054	N	22/23	\$110,000.00

EA FUNDING VERIFIED:

Sign:> *Ping Tsai*

Print:> PING TSAI

R/W Planning & Management

Date 6-16-2022

REVIEW/REQUEST FUNDING:

Sign: *Dan Asprogerakas*

Print:> DAN ASPROGERAKAS

Utility Coordinator

Date 6-16-2022

THE ESTIMATED COST TO STATE FOR ITS SHARE OF THE ABOVE DESCRIBED WORK IS \$ 235,000.00

CERTIFICATION OF FUNDS

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure shown here.

HQ Accounting Office				Date
ITEM	CHAP	STAT	FY	AMOUNT
2660-301/302R-0042-20.20	33	2011	11/12	\$73,263.99
2660-301-0042-20.20	33	2011	11/12	\$24,401.96
2660-301-0042-20.20	20	2013	13/14	\$25,000.00
2660-301-0042-20.20	14	2017	17/18	\$2,334.05
2660-301-0042-20.20	TBD	2022	22/23	\$110,000.00

FUND TYPE	PROJECT ID	AMOUNT
Design Funds		\$
Construction Funds		\$
R/W Funds	04-0000-0734 (264089)	\$235,000.00

VENDOR CUSTOMER NO.	VENDOR ADDRESS
VC0000020780	AD001

Distribution: 2 originals to R/W Accounting
1 original returned to Utility Owner
1 original to Utility File

10



MEMORANDUM

To: Board of Directors

Date: June 28, 2022

From: Julie Blue, Auditor/Controller *JB*

Subject: Approve – Novato & West Marin Service Areas FY 22/23 Budgets

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RECOMMENDED ACTION: Approve – Novato & West Marin Service Areas FY 22/23 Budgets**FINANCIAL IMPACT:** Total \$44.1 Million Expenditure Plan
Capital/Equipment/Debt Service - \$24 Million
Operations - \$20.1 Million**Budget Review:**

Attached for review and approval are the FY 22/23 Budgets for North Marin Water District (NMWD) which include Novato Water, Recycled Water (RW), West Marin Water (WM), and Oceana Marin Sewer (OM) (Attachment 1).

To date, the Board of Directors (BOD) have reviewed financial forecasts for each service area in April. These financial forecasts were 5-year projections outlining the overall financial status of each Enterprise and conveyed the need for District wide rate increases. The budgets, as presented, align with the Board approved 2020 Novato and Recycled Water Rate Study, the 2021 West Marin Water Rate Study, and the 2022 Drought Surcharge Review. The BOD also reviewed the FY 22/23 Capital Improvement Project (CIP) Budget and Equipment Budget in early May. The District wide budget (including CIP/Equipment) was presented at the June 7, 2022 for review and Board member input. There have been no substantive changes since the Board's review. Attachment 2 is a presentation summarizing the FY 22/23 Budget.

Budget Expenditure Summary:

Category	Novato	Recycled Water	West Marin Water	Oceana Marin	Total
Capital Improvement Projects	\$ 16,527,000	\$ 350,000	\$ 647,000	\$ 1,375,000	\$ 18,899,000
Debt Service	\$ 3,250,000	\$ 1,163,000	\$ 165,000	\$ -	\$ 4,578,000
Equipment	\$ 557,000	\$ -	\$ -	\$ -	\$ 557,000
Operations & Maintenance	\$ 8,672,000	\$ 218,000	\$ 619,000	\$ 196,000	\$ 9,705,000
Purchased Water	\$ 5,650,000	\$ 380,000	\$ -	\$ -	\$ 6,030,000
Administration	\$ 3,465,000	\$ 106,000	\$ 131,000	\$ 28,000	\$ 3,730,000
Transfers Out RW Capital Expansion Fund	\$ -	\$ 590,000	\$ -	\$ -	\$ 590,000
Total FY 22/23 Budget	\$ 38,121,000	\$ 2,807,000	\$ 1,562,000	\$ 1,599,000	\$ 44,089,000

RECOMMENDED ACTION:

Board approve fiscal year 22/23 Budgets for Novato & West Marin Service Areas.



**NORTH MARIN
WATER DISTRICT**

North Marin Water District

Budgets

Novato & West Marin Service Areas

Draft June 28, 2022

**Fiscal
Year
2022/23**

NORTH MARIN WATER DISTRICT
NMWD.COM
999 RUSH CREEK PLACE
NOVATO, CALIFORNIA 94945

INTRODUCTION

This document contains the fiscal year 2022/23 budgets for North Marin Water District's various enterprise service districts located in Marin County. These are:

Potable Water Service:

Novato

West Marin (Point Reyes Station, Inverness Park, Olema, Bear Valley, Silver Hills & Paradise Ranch Estates)

Recycled Water Treatment, Transmission and Distribution:

Novato

Sewage Collection, Treatment & Reuse/Disposal:

Oceana Marin

Accompanying the operating budgets are capital improvement project expenditures for the fiscal year. Questions regarding these budgets may be directed to Julie Blue, Auditor-Controller, at jblue@nmwd.com or 415-761-8950.

MISSION STATEMENT

Our mission is to meet the expectations of our customers in providing potable and recycled water and sewer services that are reliable, high-quality, environmentally responsible, and reasonably priced.

VISION STATEMENT

We strive to optimize the value of services we provide to our customers and continually seek new ways to enhance efficiency and promote worker and customer engagement and satisfaction.

NMWD VALUES

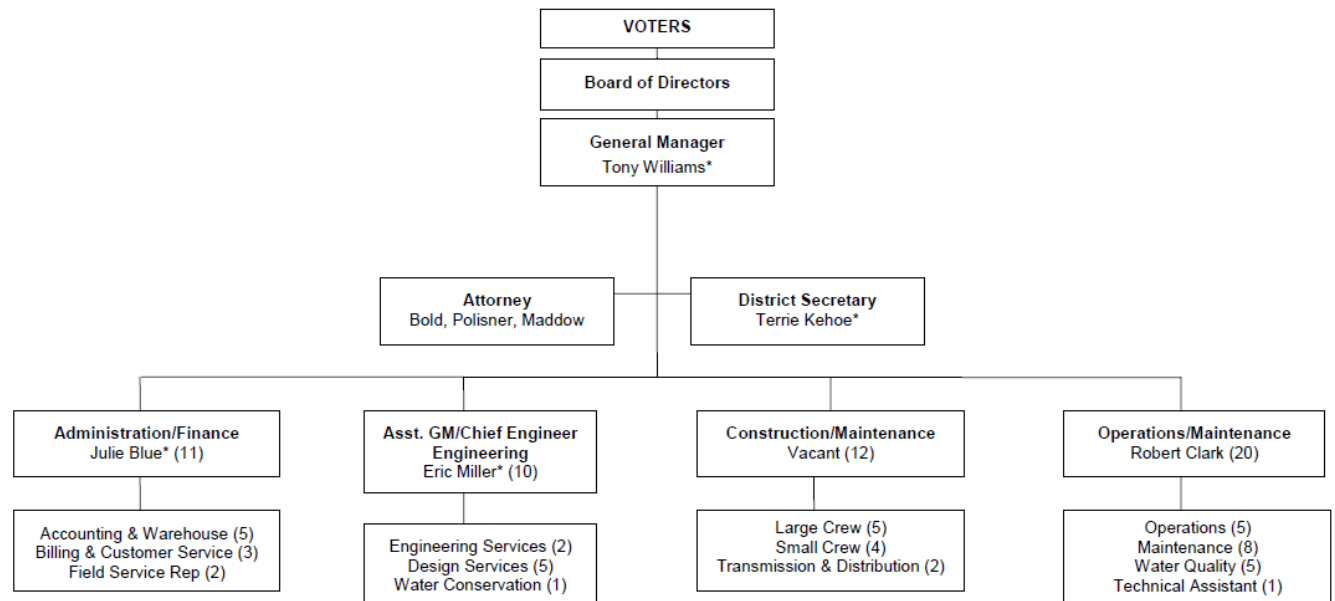
- Accountability – We work transparently and in full view of customers and take responsibility for our work.
- Integrity – Customers can count on quality and fair service from our staff and the District.
- Teamwork – We work cooperatively to accomplish our goals.
- Honesty – We always seek the truth in what we do.
- Respect – We value our customers and co-workers.

ORGANIZATION FACT SHEET

July 2022

Organization:

- 5 Directors elected By-District (Division) for 4-year terms
 - Stephen Petterle (Division 4), President
 - Rick Fraites (Division 5), Vice-President
 - James Grossi (Division 1)
 - Jack Baker (Division 2)
 - Michael Joly (Division 3)
- 1 General Manager, Tony Williams (serves at the pleasure of the Board of Directors)
- 4 Departments
- 55 Employees (regular full-time-equivalent authorized)



*Also serves as District officer

Authority:

Formed by voter approval in April 1948 pursuant to provisions of the County Water District Law (refer Water Code - Division 12). A "voter-run" district.

Territory:

100 square miles (see attached map)

Distribution System Expansion Policy:

"Pay-as-you-go." Connection fees for typical single family units vary for each improvement district and are based on the policy that new growth pays the incremental cost to expand the utility plant allocable to said service.

North Marin Water District Boundary Map

- Marin County
- North Marin Water District Service Boundary



**NORTH MARIN
WATER DISTRICT**

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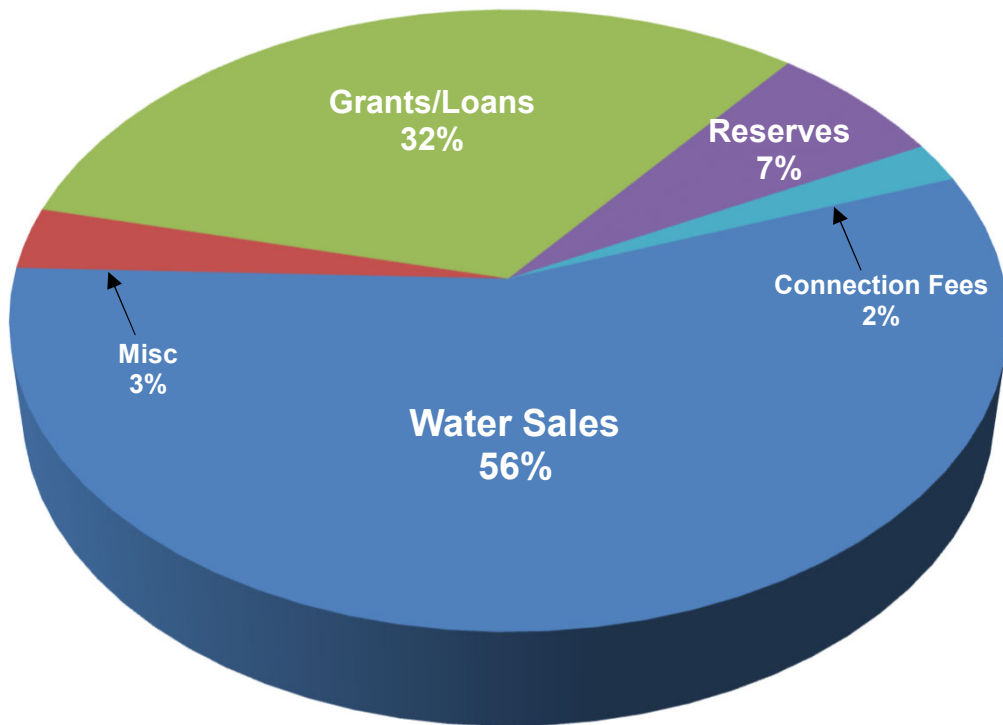
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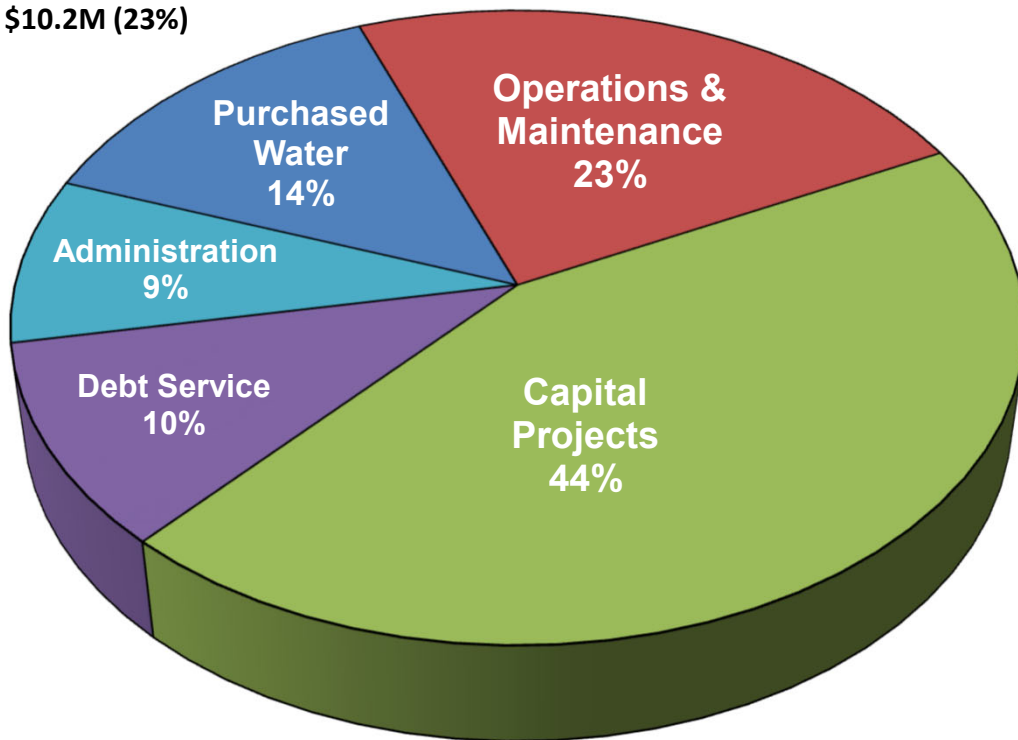
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NORTH MARIN WATER DISTRICT
FY22/23 DRAFT BUDGET - ALL SERVICE AREAS COMBINED
SOURCES = \$44,089,000



Labor = \$10.2M (23%)



USES = \$44,089,000

Excludes Depreciation Expense & Developer Funded Costs

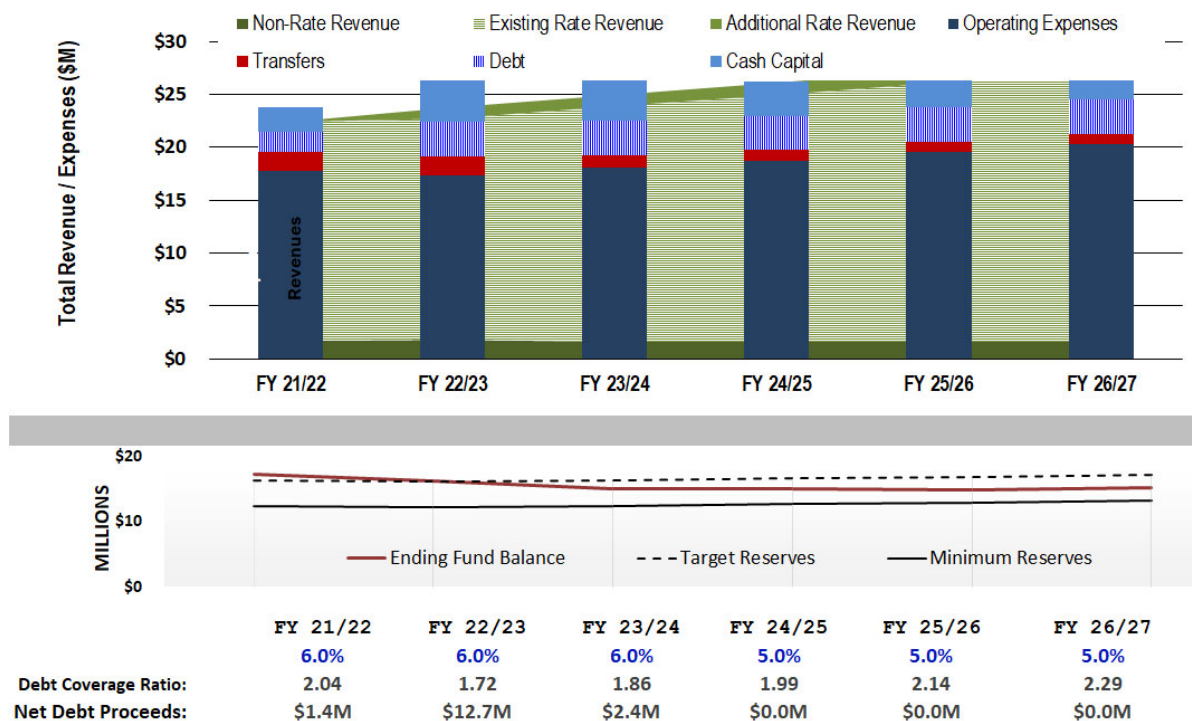
Summary

The \$44.1 million consolidated budget projects operating revenue of \$25.6 million and a net operating income of \$2.5 million. The FY 22/23 budget incorporates \$4.5 million in internally funded capital improvement projects and \$5.7 million in water purchases. After payment of \$4.6 million in debt service, the consolidated budget projects a decrease in cash for the fiscal year of \$2.9 million.

Novato Water

The Novato Potable Water System budget projects a \$3 million cash decrease over the fiscal year. A 6% rate increase in both the commodity and service charge, effective July 1, 2022, will be considered by the Board of Directors at a public hearing occurring on June 28, 2022. Total budget outlay, which includes \$3.9 million in internally funded capital improvement projects, is projected at \$26.9 million which is \$2M higher than the FY 21/22 budget. The below chart shows that the Novato Water financial plan will maintain sufficient cash reserves aiming towards the designated targets and remaining above the minimum level, as established during the 2020 Novato and Recycled Water Rate Study.

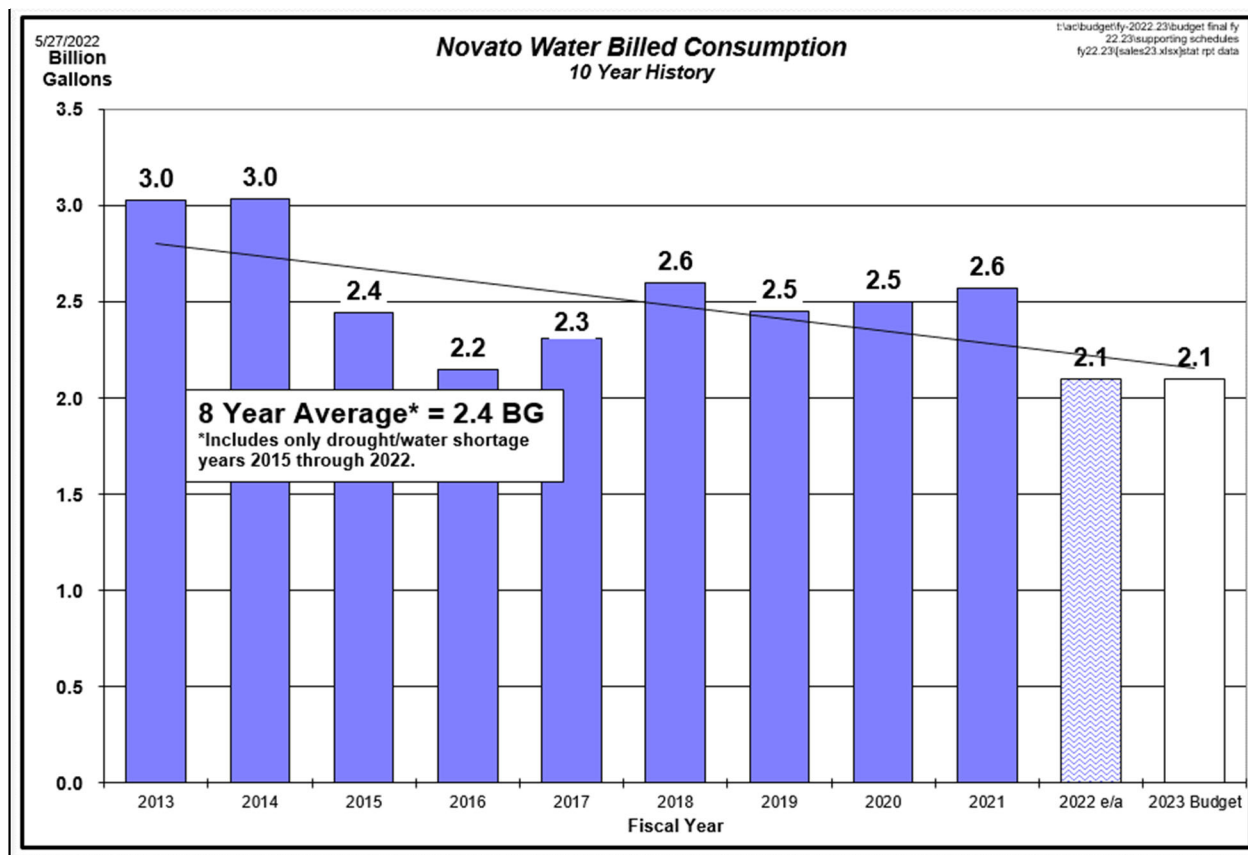
Novato Water Financial Forecast Chart



Operating Revenue

Water Sales - Water sales volume is budgeted at 2.1 billion gallons (BG) which is a 12.5% decrease from the FY 21/22 budget. The decrease is primarily driven by the continuation of mandatory water conservation orders due to ongoing drought conditions and is equivalent to the estimated sales for FY 21/22. The proposed 6% rate increase, effective July 1, 2022 is projected to increase revenues by \$1 million but is highly dependent on water sales volume. The following

chart shows a 10-year history of billed consumption for the Novato Potable Water System. The FY 22/23 Budget also includes a drought surcharge of 5%, assuming drought conditions (Stage 2 water shortage) to continue throughout the fiscal year.



Other Revenue – Connection Fee revenue is budgeted at \$872,000. Connection Fee revenue of \$890,000 for 31 Equivalent Dwelling Units (EDUs) is estimated to be collected in FY 21/22. The annual average connections have been 61 EDUs (FY 17/18 through FY 21/22). Included in the projections is annual Connection Fee revenue equivalent to 30.5 EDUs or about half of the actual five-year average.

The wheeling charge to Marin Municipal Water District is budgeted at \$142,000. This is based on the average revenue collected in the past three years. In addition, MMWD will pay the annual fixed AEEP capital contribution of \$205,000 in accord with the terms of the 2014 Interconnection Agreement. Miscellaneous Revenue of \$216,000, from various sources, includes rental income, backflow charges, and account turn on charges.

Operating Expenditures

Operating expenses (excluding depreciation) are budgeted to increase 1% or \$171,000 from the FY 21/22 budget. The increase is primarily due to inflation adjustments, increases in the cost to purchase water, insurance costs, and personnel costs. This increase is offset by a projected decrease in water purchases due to decreased demand. Water purchases, and some operational costs are variable and dependent on the volume of water produced and purchased while other expenses such as salaries, benefits, general liability insurance, and other administrative costs are fixed. More details are outlined in this budget report.

Source of Supply – The purchase price of water from Sonoma Water (SW) (AKA Sonoma County Water Agency) is projected to increase 5.2% in FY 22/23. This change will result in a cost per acre-foot of \$1,102 for FY 22/23 versus \$1,047 for the current fiscal year and is estimated to increase the cost to purchase water by \$280,000.

Stafford Treatment Plant (STP) Water Production – STP water production is projected at 500 MG in FY 22/23 which is lower than the 10-year average annual production of 544 MG. This estimate could differ from actual operations and is dependent on drought conditions, statewide water restrictions, and water allocations from Sonoma Water. The cost of production at the end of FY 20/21 was \$7,819/MG and varies depending on the volume and length of production.

Although the cost of STP water production is higher than purchases from SW, the benefits of having a local water supply for resiliency and emergency preparedness outweighs the additional costs in operating the plant.

Personnel Costs - The budget includes a staffing level of 55 full-time equivalent (FTE), see table below. There is an increase of a Junior Engineer, one FTE in the Engineering Department, to address an increase in workload demands due to an increase in Capital and Developer Projects. The temporary staffing budget hours are budgeted at 4,975 which is a reduction from the prior year's budget of 7,480 hours. Less temporary hours are needed due to increased efficiencies in the Consumer Services Department and the addition of the full time Junior Engineer position, decreasing the need for Engineering temporary hours.

<u>FTE Staffing</u>	<u>FY23</u>	<u>FY22</u>
Administration	8.0	8.0
Consumer Services	5.0	5.0
Construction/Maintenance	12.0	12.0
Engineering	10.0	9.0
Maintenance	9.0	9.0
Operations	6.0	6.0
Water Quality	<u>5.0</u>	<u>5.0</u>
	<u>55.00</u>	<u>54.00</u>

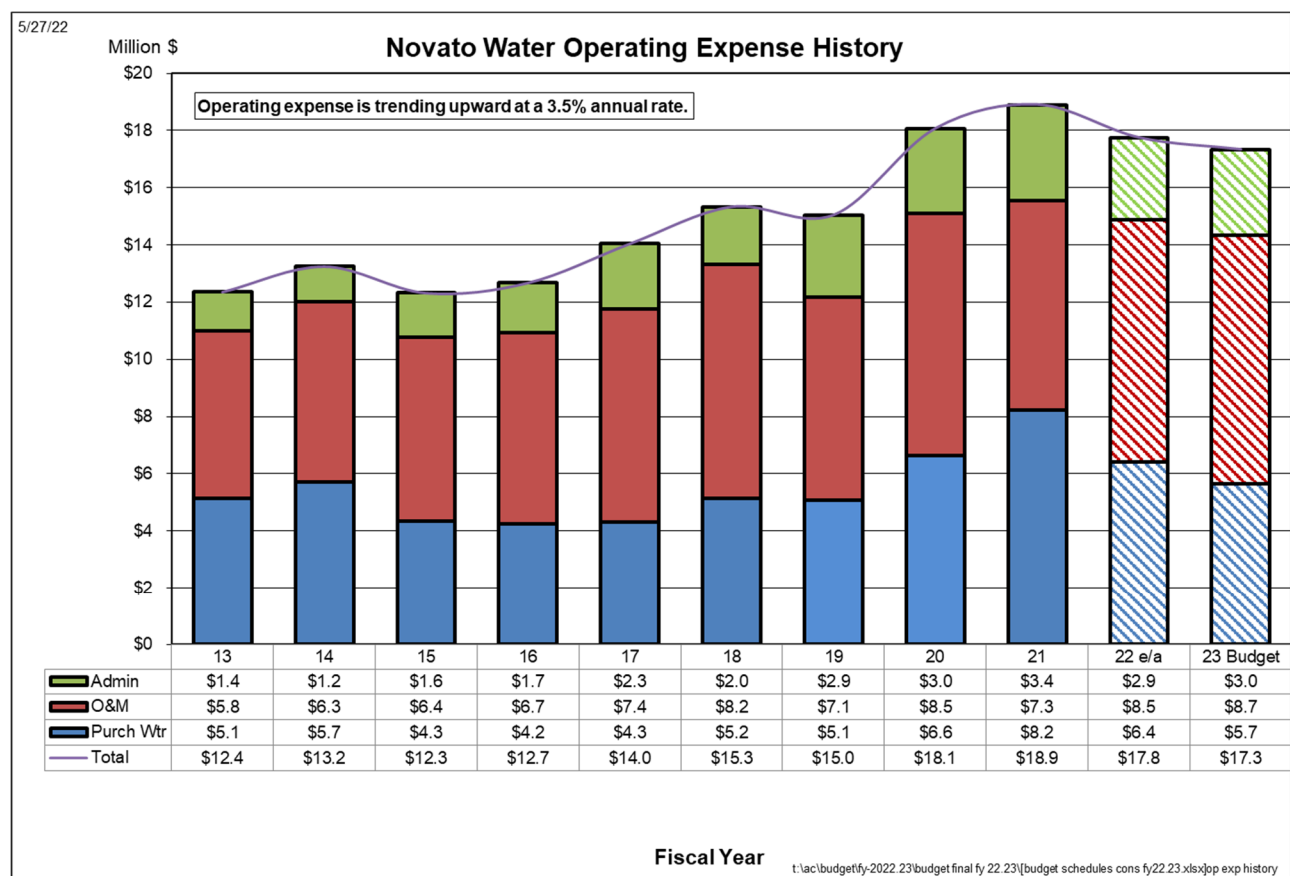
In accordance with the Employee Association and NMWD's Memorandum of Understanding (MOU), a 4.0% cost-of-living salary increase, has been factored into the budget effective October 1, 2022. The MOU links an annual cost-of-living adjustment (COLA) to the change in the Consumer Price Index (CPI). The District entered into a five-year MOU with the NMWD Employee Association beginning on October 1, 2018. The current MOU established a COLA minimum of 2.0% and a maximum of 4%. The 4.0% cost-of-living increase is staff's best projection at this time.

The District's average CalPERS retirement contribution rate will increase 1.81%, to 31.45% of earnings, compared to 29.65% from the rate budgeted last year. When applied to the FY 22/23 budgeted earnings this equates to an increase in pension expense of \$173,000. For context the rate in FY 16/17 was 20.2% of earnings and any increases in pension expense has a compounding impact when tied to annual COLA increases. All employees now pay 100% of the CalPERS employee contribution. For budgeting purposes, group health insurance rates remained constant. This cost increased minimally in 2022 and in prior years.

Other Operations & Maintenance Expenses –

- Studies and Special Projects are budgeted at \$359K which include an update to the Novato Water Master Plan and a Pipeline Condition Assessment.
- Water Conservation costs are budgeted to increase 19% over budgeted FY 21/22 costs. This is due to ongoing drought conditions and to align with the actual expenditures expected in FY 21/22.
- An addition of \$20,000 in non-recurring election costs due to the term expiration of two members of the Board of Directors.
- An increase in insurance premiums and claims of \$32,000 from the prior year's budget to align with expected premium costs.

The following chart shows the past 10-years of operating expense (excluding depreciation) for Novato Water. The five-year average increase to actual expenses is 8.6% which is influenced by a one-time payment of \$1.1M in FY 19/20 for bond issued debt service made to SW. Additionally, the average increase in operating expenses is impacted by the purchase of 363.5 million gallons of water from SW to backfeed Stafford Lake in FY 21/22 at the cost of \$1.1 million. The ten-year actual average increase to operating expenses is 5.6%.



Non-Operating Expenses –

- An increase of \$406,000 for costs related to the lease of temporary office and lab space during the Administrative and Laboratory Upgrade Project.

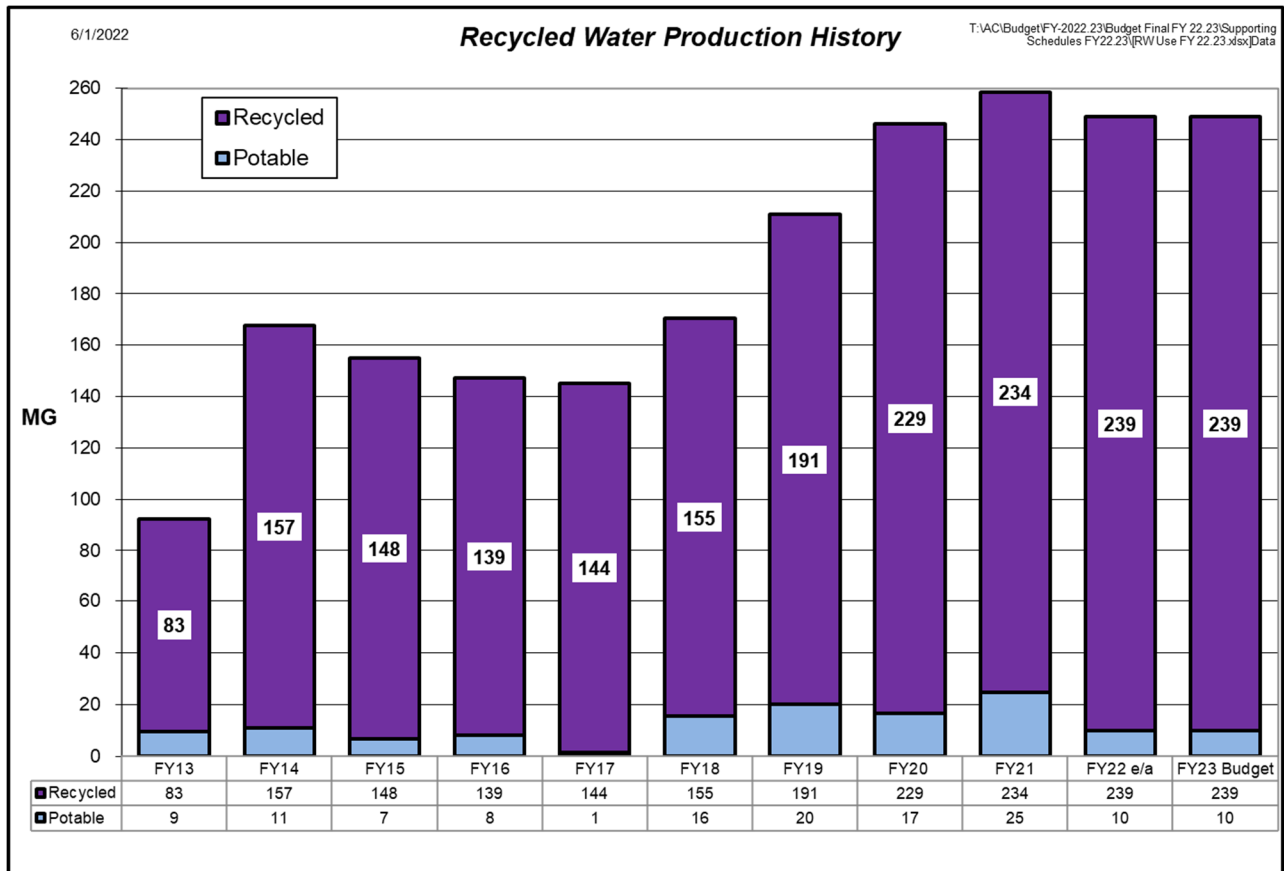
Recycled Water

The FY 22/23 Recycled Water (RW) System Budget projects demand of 249MG which is consistent with the estimated sales volume in FY 21/22. Over the past few years, sales have increased primarily due to the Central expansion project completion in FY 17/18. The budget projects purchase of 180MG of tertiary treated water from Novato Sanitary District for approximately \$1,500/MG and 50MG from Las Gallinas Valley Sanitary District, at an average rate of \$2,200/MG. The Deer Island Plant is budgeted to produce 5MG during the summer, to keep it operating, and to serve as a back-up facility.

Consistent with the potable water increase, a 6% commodity rate and bimonthly service charge increase will be considered by the Board of Directors at a public hearing occurring on June 28, 2022, effective July 1, 2022. The increase is projected to generate \$99,000 in additional revenue next fiscal year.

Operating expenses (excluding depreciation) are budgeted to increase 5% or \$36,000 from the FY 21/22 budget. This increase is primarily due to refined budget estimates to align more closely with expected actual expenses. The RW system is projected to show a net operating income of \$392,000 and an increase of cash for the year of \$396,000.

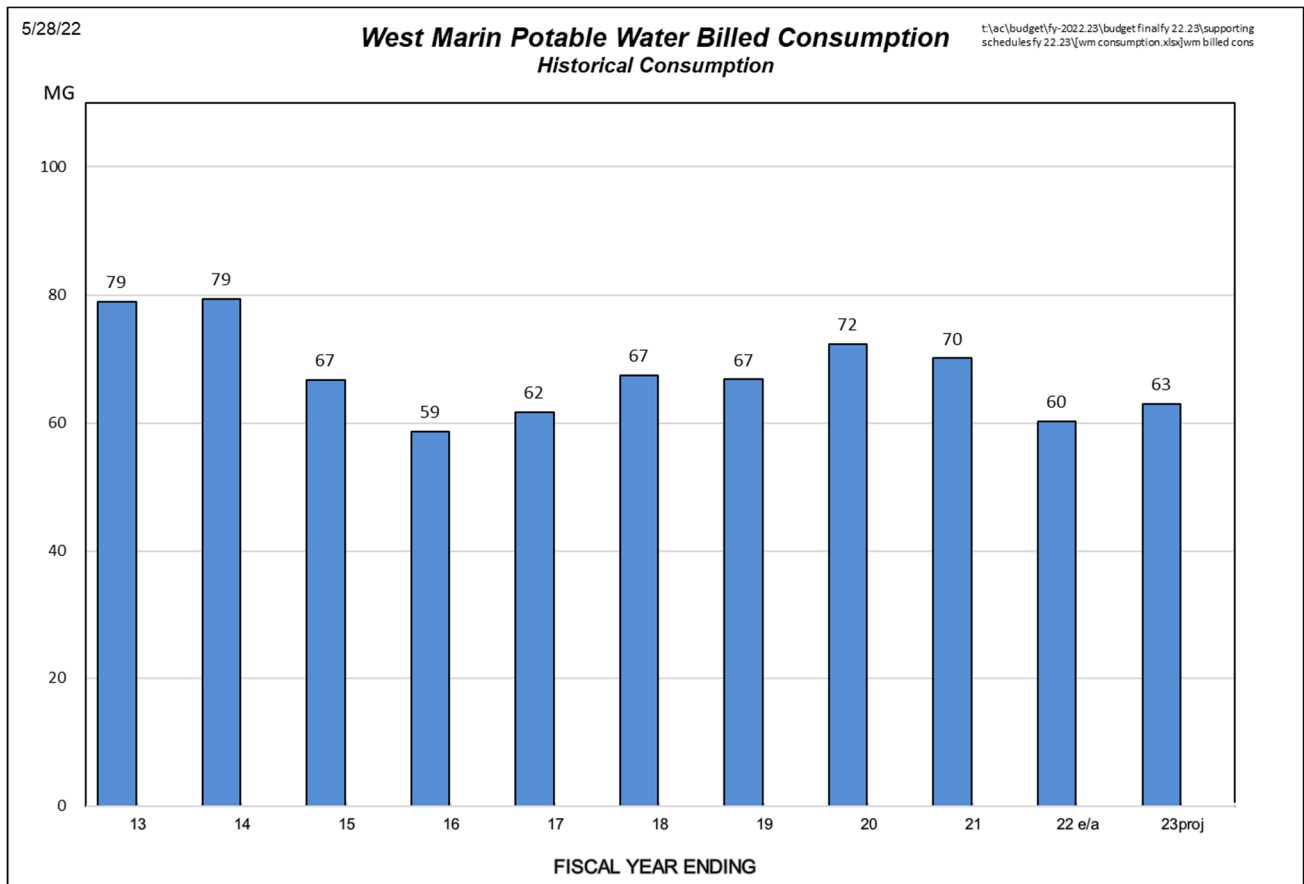
The following chart shows the historical production for the Recycled Water System.



West Marin Water

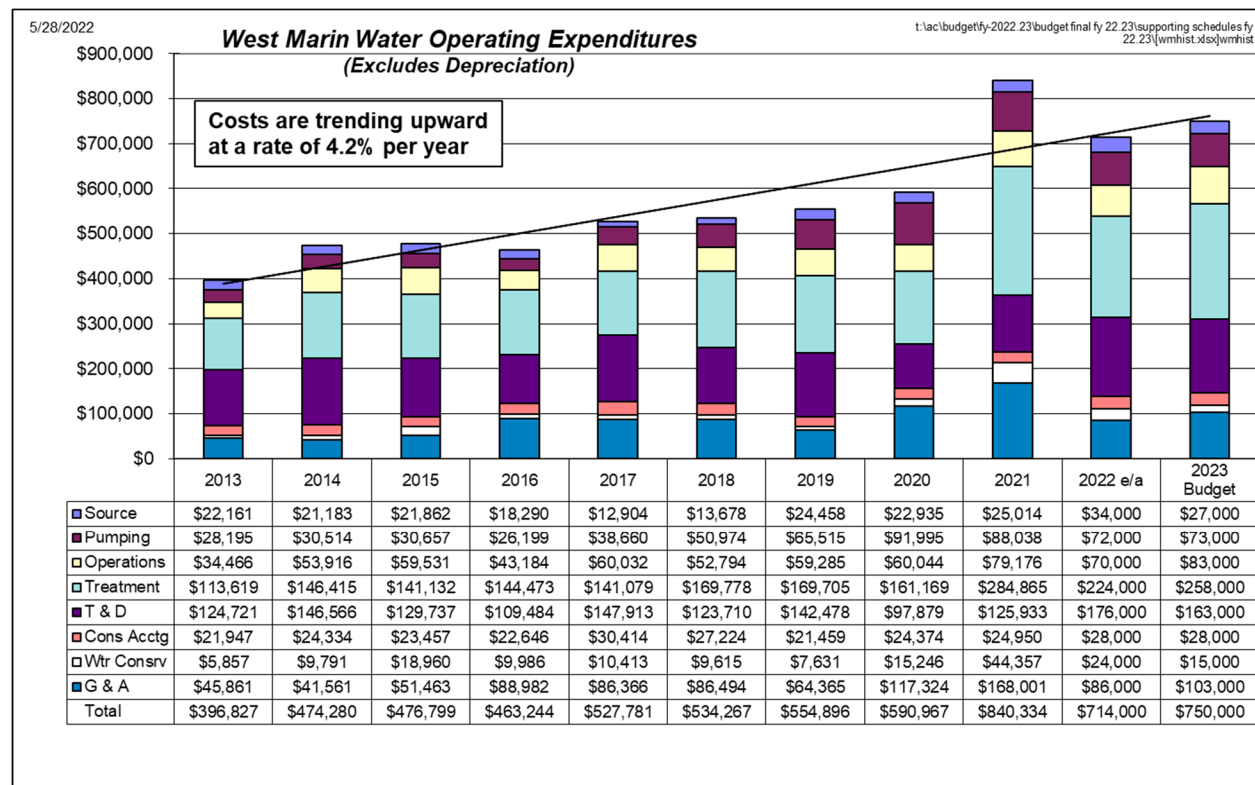
Incorporated in the West Marin Water budget is a 6% rate increase in both the commodity and service charge, effective July 1, 2022. This proposed increase will be considered by the Board of Directors at a public hearing occurring on June 28, 2022. There are no new connection fees budgeted for FY 22/23. Included in the five-year financial forecast is revenue for one new connection every other year.

FY 22/23 water sales volume is budgeted at 63MG and is based on the estimated 60 MG in sales for FY 21/22, adjusted up by 5% for the anticipated slight rebound due to normal year water conditions in Lagunitas Creek. See the below chart for the historical consumption for the WM service area.



WM operating expenditures, before depreciation, are budgeted at \$750,000 which is \$140,000 higher or 22.3% more than the FY 21/22 adopted budget. The increase is primarily due to costs for Water Treatment which include Water Quality and Lab costs for ongoing efforts to monitor salinity intrusion in the West Marin System Source Wells. The budget projects a net operating income of \$97,000 and, after capital outlay and debt service, the system is projected to show a cash decrease for the year of \$71,000.

The below chart shows the past 10-years of operating expense for West Marin Water.

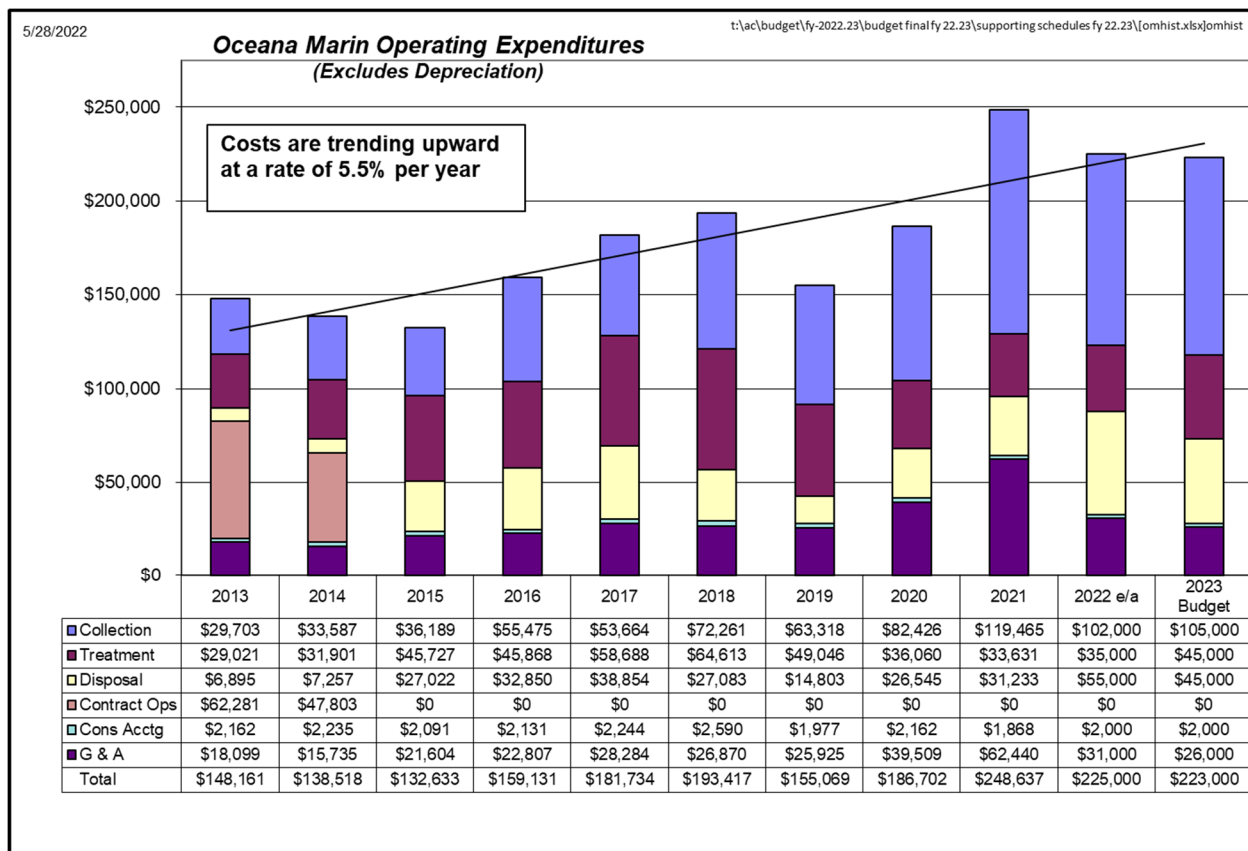


Oceana Marin Sewer

A proposed 5% rate increase (\$5/month - to \$1,296/year) in the Oceana Marin Sewer service charge effective July 1, 2022, is projected to add \$14,000 in additional annual revenue. The increase will be considered by the Board of Directors at a public hearing occurring on June 28, 2022. Growth in the past three years has remained relatively stable so conservatively there is one new connection fee budgeted for FY 22/23. Included in the five-year financial forecast is revenue for one new connection every other year.

FY 22/23 OM operating expenditures, before depreciation, are budgeted at \$223,000 which is an increase of \$14,000 or 6.7% from the FY 21/22 adopted budget. The increase is primarily due to an increase in the annual State Water Resources Control Board permit fees for waste discharge. These fees have increased 58% over the last five years. The budget projects a net operating income of \$36,000 and, after capital outlay, the system is projected to show a cash decrease for the year of \$236,000.

The below chart shows the past 10-years of operating expense for Oceana Marin Sewer.



Capital Improvement Project Budget (CIP)

The Fiscal Year 22/23 and FY 23/24 Capital Improvement Project (CIP) budget includes projects recommended for Novato Water, Recycled Water, West Marin Water, and Oceana Marin Sewer. Also included is a debt service schedule detailing the principal and interest payment required to fund prior CIPs.

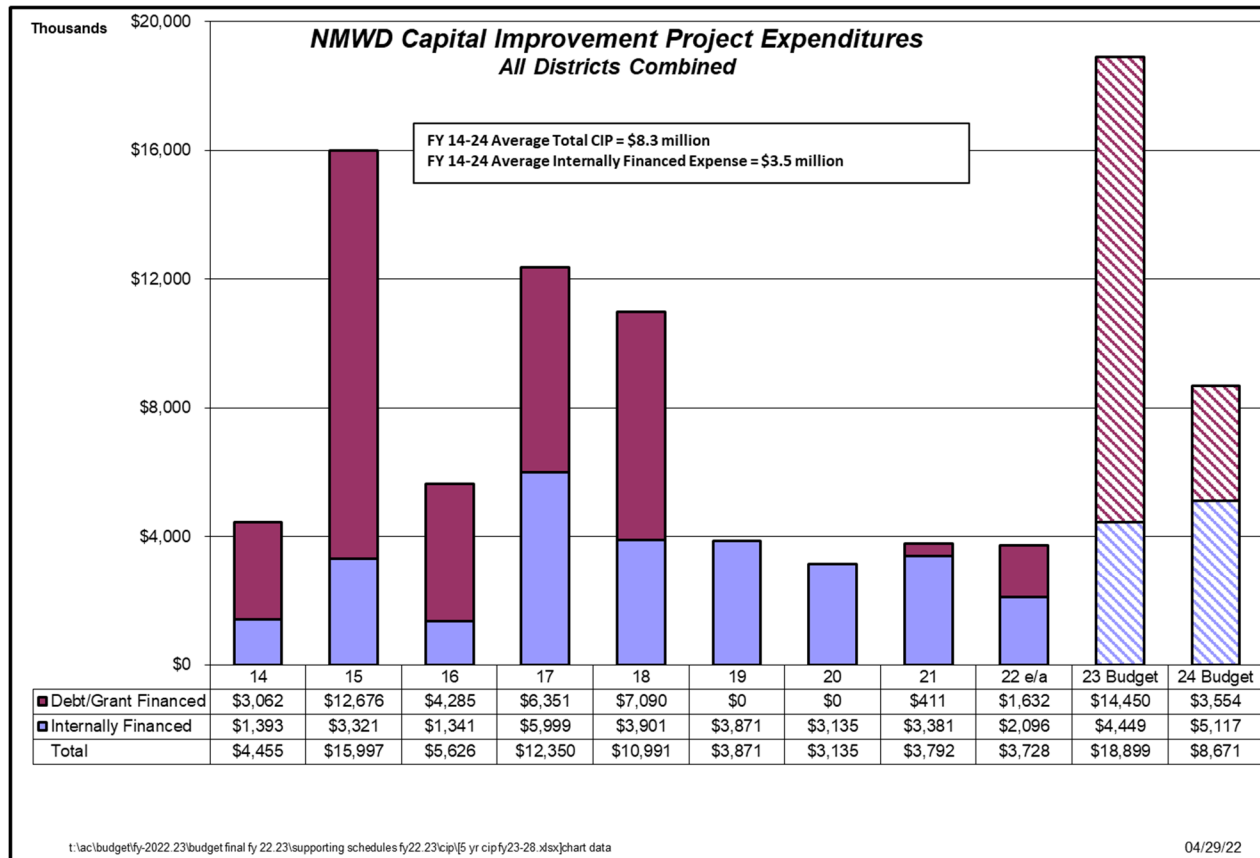
Below is a summary identifying the significant projects (totaling \$400,000 or more) to be undertaken over the next two fiscal years. The below table also includes the total cost of the projects which adds all costs occurring within and outside of the two-year budget period.

<u>Project</u>	<u>FY22/23</u>	<u>FY23/24</u>	<u>Total Project Costs</u>
Administration and Laboratory Upgrade Project	\$ 12,650,000	\$ 2,350,000	\$16,350,000
Novato Blvd Widening – Diablo to Grant (4,100')	1,000,000	1,500,000	2,500,000
Lynwood Recoat/Seismic Upgrade	1,000,000	1,000,000	2,000,000
San Mateo Tank 24" Transmission Main	-	332,000	1,328,000
Oceana Marin Treatment Pond Rehab (OM)	1,200,000	205,000	1,405,000
PRE Tank #1 & #2 Replacement (WM)	-	620,000	620,000
Other Projects	<u>3,049,000</u>	<u>2,664,000</u>	-
Gross Project Outlay	18,899,000	8,671,000	24,203,000
Less Loan/Grant Funding	<u>(14,450,000)</u>	<u>(3,554,000)</u>	<u>(18,004,000)</u>
Net Project Outlay (internally funded)	<u>\$4,449,000</u>	<u>\$5,117,000</u>	<u>\$6,199,000</u>

The two-year combined total project outlay, net of grant/loan funding, totals \$9.6 million, which is \$1 million less than the \$10.6 million combined two-year budget adopted last year. The CIP budget includes 38 projects in FY 22/23 and 31 projects in FY 23/24. This comprehensive plan is developed to confirm that adequate funding and staffing exists to accomplish the budgeted projects planned for FY 22/23.

	Net Cash Outlay (Pay-go)		
<u>District</u>	<u>Proposed FY23 & FY23</u>	<u>Adopted FY21 & FY22</u>	<u>Increase (Decrease)</u>
Novato Water	\$8,457,000	\$8,850,000	\$ (393,000)
Recycled Water	-	450,000	(450,000)
WM Water	434,000	791,000	(357,000)
OM Sewer	675,000	510,000	165,000
Total	<u>\$9,566,000</u>	<u>\$10,601,000</u>	<u>\$ (1,035,000)</u>

The below chart shows the District wide 10-year history of capital improvement projects which averages \$8.3M per year including \$3.5M of internally (or “Pay-Go”) financed projects.



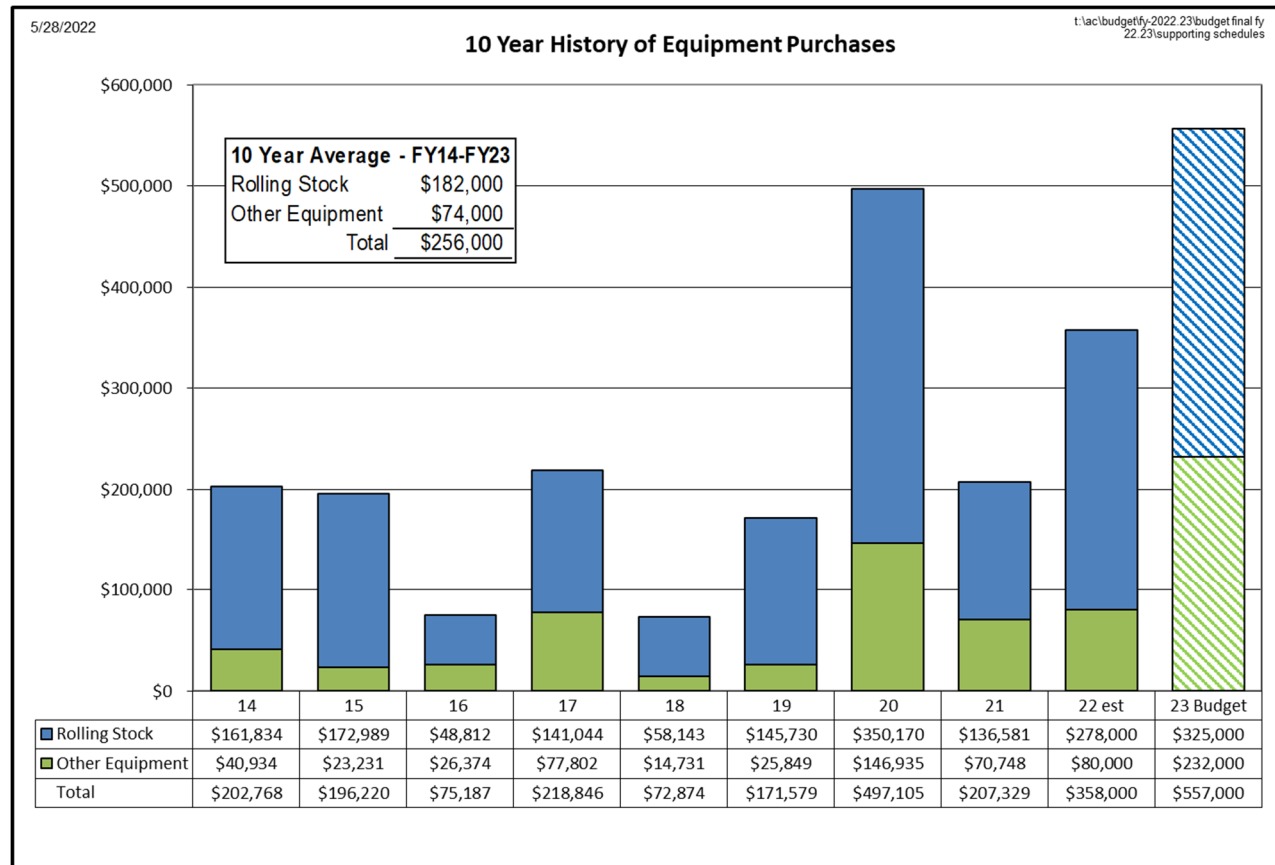
Novato Potable Water's CIP expenditure plan, when viewed over the current fiscal year and the next five years, averages \$4.1 million annually in internally funded projects, which is within the budget constraints of the five-year plan as established with the Board approved 2020 Novato and Recycled Water Rate Study. West Marin Water's CIP expenditure plan, when viewed over the next five years, averages \$280,000 annually in internally funded projects, which is within the budget constraints of the five-year plan as established with the Board approved 2021 West Marin Water Rate Study.

Equipment Budget

The FY 22/23 Equipment Budget totals \$557,000. This is \$262,000 higher than the FY 21/22 Equipment Budget of \$295,000. FY 21/22 estimated actual expenditures are forecast to come in at \$358,000 which is \$63,000 above budget.

In FY 18/19 the District entered into a leasing agreement with Enterprise Fleet Management (EFM) with a plan to lease 27 vehicles, phased in over five years. The prior year budget did not include the leased vehicles due to a change in accounting treatment, effective June 30, 2021. There are currently 15 leased vehicles in the District's fleet. Included in the FY 22/23 budget is \$205,000 for leased vehicles for the replacement of six additional vehicles, ranging from 6 to 10 years old.

Another significant purchase included in the equipment budget is \$150,000 for a meter testing bench and equipment. The following chart shows the ten-year history of equipment purchases.



Debt Service

Principal and interest payments totaling \$4.6 million are budgeted as the annual obligation on \$48.1 million in outstanding debt (as of June 30, 2022), comprised of:

- 1.) \$3.6 million with a 2.69% interest rate for a bank loan used to finance the Advanced Meter Information (AMI) project;
- 2.) \$6.7 million with a 2.39% interest rate for a State Revolving Fund (SRF) loan used to finance the Stafford Water Treatment Plant Rehabilitation;
- 3.) \$12.1 million in SRF loans (with interest varying from 1%-2.6%) used to finance the recycled water distribution system;
- 4.) \$4.4 million with a 3.54% interest rate for a bank loan used to finance the Aqueduct Energy Efficiency Project and West Marin Treatment Plant Solids-Handling Facility;
- 5.) \$1.3 million with a 2.4% interest rate for a SRF loan used to finance the Deer Island Recycled Water Facility;
- 6.) \$20 million with a 3.11% for a bank loan used to finance the Administration and Laboratory Upgrade Project other capital improvement projects in Novato & West Marin.

The Capital Improvement schedule includes additional debt service of \$1,348,000 for the Administration and Laboratory Upgrade Project. The loan was obtained on May 31, 2022 and semi-annual repayments commence in September 2022. Additional debt capacity remains available and the debt financing planned in the CIP budget will allow the District to maintain an average debt service coverage ratio of 1.5 as required by the Board approved Debt Policy. The estimated FY 21/22 consolidated debt service coverage ratio is 1.67.

NORTH MARIN WATER DISTRICT
BUDGET SUMMARY - ALL SERVICE AREAS COMBINED
Fiscal Year 22/23

	<i>Proposed Budget 2022/23</i>	<i>Estimated Actual 2021/22</i>	<i>Adopted Budget 2021/22</i>
OPERATING INCOME			
1 Water Sales	\$24,865,000	\$23,382,000	\$22,957,000
2 Sewer Service Charges	306,000	290,000	290,000
3 Wheeling & Misc Service Charges	381,000	494,000	470,000
4 Total Operating Income	\$25,552,000	\$24,166,000	\$23,717,000
OPERATING EXPENDITURES			
5 Source of Supply	\$6,182,000	\$6,860,000	\$6,559,000
6 Pumping	627,000	487,000	646,000
7 Operations	1,120,000	1,235,000	1,026,000
8 Water Treatment	2,802,000	2,418,000	2,794,000
9 Sewer Service	195,000	192,000	195,000
10 Transmission & Distribution	3,898,000	4,079,000	4,086,000
11 Consumer Accounting	508,000	480,000	528,000
12 Water Conservation	462,000	489,000	381,000
13 General & Administrative	3,222,000	3,102,000	2,440,000
14 Depreciation Expense	4,077,000	3,934,000	3,904,000
15 Total Operating Expenditures	\$23,093,000	\$23,276,000	\$22,559,000
16 NET OPERATING INCOME (LOSS)	\$2,459,000	\$890,000	\$1,158,000
NON-OPERATING INCOME/(EXPENSE)			
17 Tax Proceeds	\$123,000	\$120,000	\$116,000
18 Interest Revenue	332,000	217,000	241,000
19 Miscellaneous Revenue	142,000	69,000	136,000
20 Interest Expense	(1,119,000)	(687,000)	(1,372,000)
21 Transfers Out from Capital Expansion Fund	(590,000)	-	(501,000)
22 Miscellaneous Expense	(407,000)	(284,000)	(3,000)
23 Total Non-Operating Income/(Expense)	(\$1,519,000)	(\$565,000)	(\$1,383,000)
NET INCOME/(LOSS)	\$940,000	\$325,000	(\$225,000)
OTHER SOURCES/(USES) OF FUNDS			
24 Add Depreciation Expense	\$4,077,000	\$3,934,000	\$3,904,000
25 Connection Fees	902,000	929,000	558,000
26 MMWD AEEP Capital Contribution	205,000	205,000	205,000
27 Loans/Grants	13,450,000	1,581,000	5,125,000
28 Marin Country Club Principal Repayment	39,000	38,000	38,000
29 West Marin Loan Principal Repayment	69,000	-	-
30 Capital Improvement Projects	(18,899,000)	(3,730,000)	(11,250,000)
31 CIP Efficiency Adjustment	-	-	1,558,000
32 Transfers In from Capital Expansion Fund	350,000	-	-
33 Capital Equipment Expenditures	(557,000)	(358,000)	(295,000)
34 Low Income Rate Assistance	(42,000)	(21,000)	(86,000)
35 Debt Principal Payments	(3,459,000)	(2,450,000)	(2,541,000)
36 Total Other Sources/(Uses)	(\$3,865,000)	\$128,000	(\$2,784,000)
37 CASH INCREASE/(DECREASE)	(\$2,925,000)	\$453,000	(\$3,009,000)

NOVATO POTABLE WATER
BUDGET SUMMARY
Fiscal Year 22/23

	<i>Proposed Budget 2022/23</i>	<i>Estimated Actual 2021/22</i>	<i>Adopted Budget 2021/22</i>
OPERATING INCOME			
1 Water Sales	\$21,927,000	\$20,713,000	\$20,398,000
2 Wheeling & Misc Service Charges	358,000	356,000	347,000
3 Total Operating Income	\$22,285,000	\$21,069,000	\$20,745,000
OPERATING EXPENDITURES			
4 Source of Supply	\$5,775,000	\$6,452,000	\$6,141,000
5 Pumping	547,000	412,000	561,000
6 Operations	933,000	1,061,000	850,000
7 Water Treatment	2,511,000	2,166,000	2,594,000
8 Transmission & Distribution	3,661,000	3,866,000	3,853,000
9 Consumer Accounting	476,000	448,000	498,000
10 Water Conservation	447,000	465,000	377,000
11 General Administration	2,989,000	2,881,000	2,294,000
12 Depreciation Expense	3,012,000	2,918,000	2,807,000
13 Total Operating Expenditures	\$20,351,000	\$20,669,000	\$19,975,000
14 NET OPERATING INCOME (LOSS)	\$1,934,000	\$400,000	\$770,000
NON-OPERATING INCOME/(EXPENSE)			
15 Interest Revenue	\$280,000	\$172,000	\$150,000
16 Miscellaneous Revenue	136,000	\$64,000	136,000
17 Interest Expense	(846,000)	(416,000)	(1,088,000)
18 Miscellaneous Expense	(406,000)	(283,000)	(2,000)
19 Total Non-Operating Income/(Expense)	(\$836,000)	(\$463,000)	(\$804,000)
20 NET INCOME/(LOSS)	\$1,098,000	(\$63,000)	(\$34,000)
OTHER SOURCES/(USES) OF FUNDS			
21 Add Depreciation Expense	\$3,012,000	\$2,918,000	\$2,807,000
22 Connection Fees	872,000	890,000	558,000
24 MMWD AEEP Capital Contribution	205,000	205,000	205,000
25 West Marin Loan Principal Repayment	69,000	-	100,000
26 Loans/Grants	12,650,000	1,350,000	3,575,000
27 Low Income Rate Assistance Program	(42,000)	(21,000)	(86,000)
28 Capital Equipment Expenditures	(557,000)	(358,000)	(295,000)
29 Capital Improvement Projects	(16,527,000)	(3,220,000)	(8,475,000)
30 CIP Efficiency Adjustment	-	-	1,558,000
31 Debt Principal Payments	(2,404,000)	(1,487,000)	(1,488,000)
32 Connection Fee Transfer from (to) RW	(890,000)	(743,000)	(890,000)
33 Loan Transfer WM/OM - Less WM Repay	(500,000)	(800,000)	(550,000)
34 Total Other Sources/(Uses)	(\$4,112,000)	(\$1,266,000)	(\$2,981,000)
33 CASH INCREASE/(DECREASE)	(\$3,014,000)	(\$1,329,000)	(\$3,015,000)

NOVATO POTABLE WATER**Fiscal Year 22/23 Five-Year Financial Forecast**

	Proposed Budget FY 22/23	Forecast FY 23/24	Forecast FY 24/25	Forecast FY 25/26	Forecast FY 26/27	
1	6.00%	5.00%	5.00%	5.00%	5.00%	
Rate Revenue						
2	Water Rate Revenue	\$20,143,000	\$22,178,000	\$23,287,000	\$24,451,000	\$25,674,000
3	Drought Surcharge	750,000	-	-	-	-
4	Change due to growth	15,000	16,000	17,000	18,000	19,000
5	Increase due to rate adjustment	1,019,000	1,109,000	1,164,000	1,223,000	1,284,000
Non-Rate Revenues						
6	Wholesale Rate Revenue	\$142,000	\$142,000	\$142,000	\$142,000	\$142,000
7	Other Charges	216,000	182,000	182,000	182,000	182,000
8	Interest Earnings	255,000	173,000	173,000	173,000	173,000
9	Connection Fees	872,000	872,000	872,000	872,000	872,000
10	Miscellaneous Revenue	136,000	75,000	75,000	75,000	75,000
11	Loan Repayment WM	94,000	94,000	94,000	94,000	94,000
12	MMWD AEEP Contributions	205,000	205,000	205,000	205,000	205,000
13	Total Revenue	\$23,847,000	\$25,046,000	\$26,211,000	\$27,435,000	\$28,720,000
O&M Costs						
14	Source of Supply	\$5,775,000	\$6,122,000	\$6,489,000	\$6,878,000	\$7,291,000
15	Pumping	547,000	563,000	580,000	597,000	615,000
16	Other Operations	933,000	961,000	990,000	1,020,000	1,051,000
17	Water Treatment	2,511,000	2,586,000	2,664,000	2,744,000	2,826,000
18	Transmission & Distribution	3,661,000	3,771,000	3,884,000	4,001,000	4,121,000
19	Consumer Accounting	476,000	490,000	505,000	520,000	536,000
20	Water Conservation	447,000	460,000	474,000	488,000	503,000
21	General Administration	2,989,000	3,079,000	3,171,000	3,266,000	3,364,000
22	Total Operating Expenses	\$17,339,000	\$18,032,000	\$18,757,000	\$19,514,000	\$20,307,000
Capital Costs						
23	Total Capital Spending	\$17,084,000	\$6,461,000	\$4,707,000	\$3,739,500	\$3,852,000
24	Debt/Grant Funded Capital	12,650,000	2,350,000	-	-	-
25	Grant Funded Capital	-	249,000	1,505,000	-	-
26	Existing Debt Service	\$1,902,000	\$3,250,000	\$3,250,000	\$3,250,000	\$3,250,000
27	Cash Funded Capital Projects	4,434,000	3,862,000	3,202,000	3,739,500	3,852,000
28	New Debt Service	1,348,000	-	-	-	-
29	Total Capital Expenses	\$7,684,000	\$7,112,000	\$6,452,000	\$6,989,500	\$7,102,000
Transfers/Other						
30	Transfer Out to Recycled Water	\$890,000	\$890,000	\$890,000	\$890,000	\$890,000
31	Transfer Out to WM/OM	500,000	-	-	-	-
32	Funding for Affordability Program	42,000	84,000	84,000	84,000	84,000
33	Other Expenses	406,000	283,000	-	-	-
34	Total Revenue Requirement	\$26,861,000	\$26,401,000	\$26,183,000	\$27,477,500	\$28,383,000
35	Beginning Year Balance	\$19,333,000	\$16,319,000	\$14,964,000	\$14,992,000	\$14,950,000
36	Surplus/(Shortfall)	(\$3,014,000)	(\$1,355,000)	\$28,000	(\$42,500)	\$337,000
37	Restricted Reserves	\$1,045,000	\$1,045,000	\$1,045,000	\$1,045,000	\$1,045,000
38	End of Year Balance	\$16,319,000	\$14,964,000	\$14,992,000	\$14,949,500	\$15,287,000
39	<i>Minimum Reserves (by policy)</i>	\$12,180,000	\$12,411,000	\$12,652,000	\$12,905,000	\$13,169,000
40	<i>Available Cash (Unrestricted)</i>	\$3,094,000	\$1,508,000	\$1,295,000	\$999,500	\$1,073,000
41	Debt Coverage Ratio	1.72	1.86	1.99	2.14	2.29

NMWD DRAFT BUDGET

NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 22/23

	Proposed Budget 22/23	Estimated Actual 21/22	Adopted Budget 21/22	Actual 20/21	Actual 19/20	Actual 18/19	Actual 17/18	Actual 16/17
STATISTICS								
1 Active Meters	20,704	20,694	20,616	20,607	20,554	20,546	20,543	20,544
2 Avg Commodity Rate/1,000 Gal (Net)	\$7.37	\$6.89	\$6.72	\$6.68	\$6.37	\$6.00	\$6.00	\$5.40
3 Potable Consumption (BG)	2.10	2.10	2.40	2.57	2.40	2.42	2.58	2.31
OPERATING INCOME								
4 Water Sales	\$21,987,000	\$20,779,000	\$20,470,000	\$22,141,460	\$20,709,608	\$19,145,251	\$19,645,814	\$16,772,060
5 Bill Adjustments	(60,000)	(66,000)	(72,000)	(61,290)	(59,788)	(72,061)	(143,395)	(130,587)
6 Sales to MMWD	-	-	-	-	-	-	155,846	-
7 Wheeling Charges-MMWD	142,000	165,000	101,000	155,436	104,765	97,866	92,977	91,374
8 Miscellaneous Service Revenue	216,000	191,000	246,000	198,474	257,864	266,268	268,563	252,038
9 TOTAL OPERATING INCOME	\$22,285,000	\$21,069,000	\$20,745,000	\$22,434,080	\$21,012,449	\$19,437,324	\$20,019,805	\$16,984,885
OPERATING EXPENSE								
SOURCE OF SUPPLY								
10 Supervision & Engineering	\$9,000	\$8,000	\$12,000	\$9,002	\$13,274	\$7,564	\$9,303	\$11,264
11 Operating Expense - Source	15,000	7,000	15,000	7,517	8,289	9,195	6,236	8,513
12 Maintenance/Monitoring of Dam	38,000	21,000	69,000	23,927	30,588	33,686	22,203	24,059
13 Maintenance of Lake & Intakes	14,000	-	21,000	5,790	14,240	24,172	10,690	7,575
14 Maintenance of Watershed	39,000	4,000	46,000	10,378	19,689	4,446	29,646	36,218
15 Water Purchased for Resale to MMWD	-	-	-	-	-	-	111,891	-
16 Water Quality Surveillance	2,000	1,000	18,000	722	1,642	1,669	6,728	3,513
17 Contract Water - SCWA	5,650,000	6,360,000	5,950,000	7,131,008	6,623,534	5,082,987	5,151,516	4,320,623
18 Contract Water - SCWA Backfeed	0	41,000	-	1,098,109	-	-	-	-
19 GASB 68 & 75 Adjustment	8,000	10,000	10,000	3,403	7,592	3,690	8,535	5,682
20 TOTAL SOURCE OF SUPPLY	\$5,775,000	\$6,452,000	\$6,141,000	\$8,289,856	\$6,718,848	\$5,167,409	\$5,356,748	\$4,417,447
PUMPING								
21 Operating Expense	\$0	\$3,000	\$3,000	-	-	-	-	-
22 Maintenance of Structures/Grounds	32,000	30,000	33,000	41,581	34,416	56,801	32,611	28,514
23 Maintenance of Pumping Equipment	49,000	47,000	55,000	28,068	158,903	41,304	39,435	30,354
24 Electric Power - Pumping	450,000	312,000	450,000	473,378	341,401	285,772	293,588	246,869
25 GASB 68 & 75 Adjustment	16,000	20,000	20,000	6,887	14,298	5,272	6,967	3,496
26 TOTAL PUMPING	\$547,000	\$412,000	\$561,000	\$549,914	\$549,018	\$389,149	\$372,601	\$309,233
OPERATIONS								
26 Supervision & Engineering	\$211,000	\$264,000	\$171,000	\$263,382	\$232,895	\$215,732	\$253,594	\$234,870
27 Operating Expense	380,000	472,000	319,000	414,387	507,830	306,774	400,138	343,890
28 Maintenance Expense	64,000	65,000	56,000	58,439	52,959	38,570	50,339	47,202
29 Telemetry Equipment/Controls Maint	61,000	53,000	96,000	55,401	61,798	84,979	94,523	101,568
30 Leased Line Expense	20,000	19,000	20,000	18,506	16,656	16,678	17,414	17,592
31 GASB 68 & 75 Adjustment	197,000	188,000	188,000	82,878	136,794	48,442	107,728	63,553
32 TOTAL OPERATIONS	\$933,000	\$1,061,000	\$850,000	\$892,993	\$1,008,932	\$711,175	\$923,736	\$808,675

NMWD DRAFT BUDGET

NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 22/23

	Proposed Budget 22/23	Estimated Actual 21/22	Adopted Budget 21/22	Actual 20/21	Actual 19/20	Actual 18/19	Actual 17/18	Actual 16/17
WATER TREATMENT								
33 Supervision & Engineering	\$187,000	\$173,000	\$157,000	\$130,881	\$170,261	\$156,176	\$169,851	\$168,945
34 Operating Expense	250,000	184,000	353,000	144,628	284,929	228,878	276,795	349,671
35 Purification Chemicals	435,000	145,000	435,000	91,248	503,664	376,960	438,348	247,260
36 Sludge Disposal	111,000	81,000	130,000	72,767	93,987	88,352	100,305	107,942
37 Maintenance of Structures/Grounds	83,000	126,000	108,000	99,063	93,901	53,090	50,913	78,910
38 Purification Equipment Maintenance	221,000	326,000	193,000	199,629	200,107	162,714	212,385	186,246
39 Electric Power - Treatment	157,000	142,000	156,000	134,502	160,692	122,831	157,374	129,652
40 Laboratory Expense (net)	768,000	653,000	726,000	619,178	729,142	649,647	758,936	768,965
41 GASB 68 & 75 Adjustment	299,000	336,000	336,000	125,575	244,230	107,310	212,624	150,494
42 TOTAL WATER TREATMENT	\$2,511,000	\$2,166,000	\$2,594,000	\$1,617,471	\$2,480,913	\$1,945,958	\$2,377,531	\$2,188,085
TRANSMISSION & DISTRIBUTION								
43 Supervision & Engineering	\$677,000	\$840,000	\$636,000	\$633,781	\$600,516	\$534,500	\$659,085	\$569,303
44 Maps & Records	146,000	162,000	163,000	132,140	121,602	132,053	159,512	168,267
45 Operation of T&D System	586,000	640,000	674,000	739,662	890,714	720,417	594,175	582,483
46 Storage Facilities Expense	117,000	87,000	147,000	141,484	113,029	107,033	110,077	155,641
47 Maintenance of Valves & Regulators	153,000	183,000	193,000	113,317	135,586	87,285	173,762	196,162
48 Maintenance of Mains	191,000	218,000	204,000	223,073	168,454	167,959	190,307	149,584
49 Backflow Prevention Program	237,000	238,000	243,000	231,595	187,669	231,822	186,692	155,536
50 Maintenance of Copper Services	214,000	194,000	215,000	189,641	131,389	182,789	157,337	159,769
51 Maintenance of PB Service Lines	425,000	424,000	498,000	482,542	443,334	558,788	471,527	473,695
52 Maintenance of Meters	107,000	134,000	145,000	135,771	96,608	113,810	126,985	66,356
53 Detector Check Assembly Maint	83,000	94,000	74,000	40,072	81,718	80,416	46,056	72,208
54 Maintenance of Hydrants	79,000	70,000	79,000	68,567	48,301	25,607	18,087	51,020
55 GASB 68 & 75 Adjustment	646,000	582,000	582,000	271,727	423,300	199,802	349,390	228,385
56 TOTAL TRANSMISSION & DISTRIB	\$3,661,000	\$3,866,000	\$3,853,000	\$3,403,372	\$3,442,219	\$3,142,281	\$3,242,992	\$3,028,409
CONSUMER ACCOUNTING								
57 Meter Reading & Collection	\$53,000	\$25,000	\$142,000	\$23,359	\$38,348	\$99,549	\$190,554	\$182,663
58 Billing & Accounting	153,000	141,000	135,000	197,175	248,703	210,805	280,268	289,503
59 Contract Billing	15,000	16,000	18,000	18,752	13,742	15,484	16,395	16,692
60 Postage & Supplies	60,000	64,000	55,000	69,038	48,071	51,267	52,735	56,373
61 Credit Card Fees	60,000	57,000	65,000	59,613	64,242	55,709	46,678	29,685
62 Lock Box Service	11,000	11,000	11,000	10,998	10,998	10,944	10,944	10,944
63 Uncollectible Accounts	10,000	17,000	5,000	23,681	8,362	14,994	12,352	12,709
64 Office Equipment Expense	64,000	86,000	35,000	28,205	35,601	12,675	45,256	11,350
65 Distributed to Other Operations	(16,000)	(16,000)	(15,000)	(16,454)	(17,814)	(15,104)	(19,008)	(17,161)
66 GASB 68 & 75 Adjustment	66,000	47,000	47,000	27,626	56,438	29,463	75,257	49,950
67 TOTAL CONSUMER ACCOUNTING	\$476,000	\$448,000	\$498,000	\$441,993	\$506,690	\$485,786	\$711,431	\$642,708

NMWD DRAFT BUDGET

NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 22/23

	Proposed Budget 22/23	Estimated Actual 21/22	Adopted Budget 21/22	Actual 20/21	Actual 19/20	Actual 18/19	Actual 17/18	Actual 16/17
WATER CONSERVATION								
68 Residential	\$266,000	\$279,000	\$252,000	\$203,188	\$198,881	\$246,347	\$235,438	\$270,150
69 Commercial	5,000	4,000	7,000	3,579	6,481	7,983	5,818	1,702
70 Public Outreach/Information	111,000	146,000	98,000	111,992	125,537	51,040	33,789	30,618
71 Large Landscape	10,000	13,000	19,000	10,128	17,317	19,839	33,662	36,818
72 GASB 68 & 75 Adjustment	55,000	23,000	1,000	23,170	34,547	16,575	36,183	21,754
73 TOTAL WATER CONSERVATION	\$447,000	\$465,000	\$377,000	\$352,057	\$382,764	\$341,784	\$344,890	\$361,042
GENERAL & ADMINISTRATION								
74 Director's Expense	\$46,000	\$45,000	\$42,000	\$41,450	\$40,873	\$36,815	\$37,111	\$34,384
75 Legal Fees	31,000	37,000	21,000	28,892	16,569	20,853	20,173	28,043
76 Human Resources	197,000	184,000	51,000	93,557	52,870	96,677	62,348	31,451
77 Auditing Services	25,000	20,000	20,000	16,008	19,651	22,731	19,706	16,220
78 Consulting Services/Studies	324,000	357,000	351,000	115,503	142,010	304,645	223,041	51,567
79 General Office Salaries	1,254,000	1,313,000	1,158,000	1,271,279	1,157,428	1,083,904	1,441,496	1,492,719
80 Office Supplies	36,000	16,000	42,000	31,434	33,783	31,761	33,753	35,048
81 Employee Events	12,000	4,000	12,000	1,186	9,369	10,664	10,123	9,726
82 Other Administrative Expense	56,000	9,000	15,000	8,508	6,281	7,289	12,528	13,960
83 Election Cost	20,000	0	-	250	0	18,915	0	2,077
84 Dues & Subscriptions	98,000	125,000	97,000	106,192	83,386	79,986	59,362	59,046
85 Vehicle Expense	8,000	8,000	8,000	8,112	8,112	8,112	8,634	9,325
86 Meetings, Conf & Training	156,000	125,000	194,000	79,640	111,593	107,583	149,670	186,436
87 Telephone, Water, Gas & Electricity	58,000	47,000	52,000	48,474	46,251	38,758	40,595	45,355
88 Building & Grounds Maintenance	32,000	73,000	60,000	97,509	77,130	58,884	75,130	62,856
89 Office Equipment Expense	128,000	123,000	120,000	112,374	143,224	109,014	97,003	95,465
90 Insurance Premiums & Claims	195,000	192,000	163,000	145,870	109,939	99,040	92,292	87,319
91 Retiree Medical Benefits	221,000	210,000	224,000	209,174	186,221	197,855	174,528	164,969
92 (Gain)/Loss on Overhead Charges	159,000	153,000	(90,000)	(107,012)	(322,446)	905,403	(357,925)	(19,931)
93 G&A Distributed to Other Operations	(169,000)	(202,000)	(135,000)	(147,885)	(130,592)	(140,526)	(157,976)	(161,036)
94 G&A Applied to Construction Projects	(363,000)	(348,000)	(501,000)	(351,489)	(389,809)	(374,552)	(346,105)	(290,813)
95 GASB 68 & 75 Adjustment	465,000	390,000	390,000	1,547,510	1,578,730	140,290	306,927	328,170
96 TOTAL GENERAL & ADMINISTRATION	\$2,989,000	\$2,881,000	\$2,294,000	\$3,356,536	\$2,980,572	\$2,864,101	\$2,002,414	\$2,282,356
97 Depreciation Expense	\$3,012,000	\$2,918,000	\$2,807,000	\$2,857,337	\$2,660,688	2,752,212	\$2,730,867	\$2,710,627
98 TOTAL OPERATING EXPENSE	\$20,351,000	\$20,669,000	\$19,975,000	\$21,761,528	\$20,730,643	\$17,799,855	\$18,063,210	\$16,748,582
100 NET OPERATING INCOME/(LOSS)	\$1,934,000	\$400,000	\$770,000	\$672,551	\$281,805	\$1,637,470	\$1,956,595	\$236,303

NOVATO RECYCLED WATER
BUDGET SUMMARY
Fiscal Year 22/23

	Proposed Budget 2022/23	Estimated Actual 2021/22	Adopted Budget 2021/22
OPERATING INCOME			
1 Recycled Water Sales	\$1,746,000	\$1,647,000	\$1,554,000
2 Bimonthly Service Charge	123,000	116,000	116,000
3 Miscellaneous Service Charges	15,000	15,000	-
3 Total Operating Income	\$1,884,000	\$1,778,000	\$1,670,000
OPERATING EXPENDITURES			
4 Purchased Water - NSD	\$270,000	\$264,000	\$270,000
5 Purchased Water - LGVSD	110,000	110,000	120,000
6 Pumping	7,000	3,000	9,000
7 Operations	104,000	104,000	97,000
8 Water Treatment	33,000	28,000	35,000
9 Transmission & Distribution	74,000	37,000	65,000
10 Consumer Accounting	2,000	2,000	2,000
11 General Administration	104,000	104,000	70,000
12 Depreciation	788,000	768,000	779,000
13 Total Operating Expenditures	\$1,492,000	\$1,420,000	\$1,447,000
14 NET OPERATING INCOME (LOSS)	\$392,000	\$358,000	\$223,000
NON-OPERATING INCOME/(EXPENSE)			
15 Interest Revenue	\$30,000	26,000	\$70,000
16 MCC Interest Payments	10,000	11,000	11,000
17 Transfers Out from Capital Expansion Fund	(590,000)	-	(501,000)
18 Deer Island SRF Loan Interest Expense	(30,000)	(36,000)	(36,000)
19 Distrib System SRF Loans Interest Exp	(201,000)	(215,000)	(215,000)
20 Total Non-Operating Income/(Expense)	(\$781,000)	(\$214,000)	(\$671,000)
21 NET INCOME/(LOSS)	(\$389,000)	\$144,000	(\$448,000)
OTHER SOURCES/(USES) OF FUNDS			
22 Add Depreciation Expense	\$788,000	\$768,000	\$779,000
23 Connection Fees Transferred from (to) Novato	890,000	743,000	890,000
24 RW Central Area Expansion Grant	-	147,000	0
25 Marin Country Club Principal Repayment	39,000	38,000	38,000
26 Capital Improvement Projects	(350,000)	(30,000)	(100,000)
27 Transfers In from Capital Expansion Fund	350,000	0	0
28 Deer Island SRF Loan Principal Payments	(243,000)	(237,000)	(237,000)
29 Distrib System SRF Loan Principal Pmts	(689,000)	(675,000)	(675,000)
30 Total Other Sources/(Uses)	\$785,000	\$754,000	\$695,000
31 CASH INCREASE/(DECREASE)	\$396,000	\$898,000	\$247,000

NMWD DRAFT BUDGET

NOVATO RECYCLED WATER

Fiscal Year 22/23 Five-Year Financial Forecast

Fiscal Year Ending June 30 >		Proposed Budget FY 22/23	Forecast FY 23/24	Forecast FY 24/25	Forecast FY 25/26	Forecast FY 26/27
1	Active Services @ Fiscal Year End	96	96	96	96	96
2	Commodity Rate/1,000 Gal	\$7.01	\$7.36	\$7.73	\$8.12	\$8.52
3	Consumption (MG)	249	224	224	224	224
OPERATING REVENUE						
4	Recycled Water Sales	\$1,746,000	\$1,650,000	\$1,732,000	\$1,819,000	\$1,910,000
5	Bi-monthly Service Charge	123,000	129,000	135,000	142,000	149,000
6	Water Loads & Turn on Charges	15,000	15,000	15,000	15,000	15,000
7	Total Operating Revenue	\$1,884,000	\$1,794,000	\$1,882,000	\$1,976,000	\$2,074,000
OPERATING EXPENSE						
8	Purchased Water - NSD	\$270,000	\$278,000	\$286,000	\$295,000	\$304,000
9	Purchased Water - LGVSD	110,000	110,000	110,000	110,000	110,000
10	Other Operating Expenses	324,000	334,000	344,000	354,000	365,000
11	Depreciation	788,000	788,000	788,000	788,000	788,000
12	Total Operating Expense	\$1,492,000	\$1,510,000	\$1,528,000	\$1,547,000	\$1,567,000
NON-OPERATING REVENUE/(EXPENSE)						
13	Interest Revenue	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
14	Interest Expense	(231,000)	(213,000)	(193,000)	(190,000)	(185,000)
15	Transfers Out from Capital Expansion Fun	(590,000)	(536,000)	(571,000)	(609,000)	(648,000)
16	Other Revenue/(Expense)	-	-	-	-	-
17	Total Non-Op Revenue/(Expense)	(\$781,000)	(\$709,000)	(\$724,000)	(\$759,000)	(\$793,000)
18	NET INCOME/(LOSS)	(\$389,000)	(\$425,000)	(\$370,000)	(\$330,000)	(\$286,000)
OTHER SOURCES/(USES) OF FUNDS						
19	Add Depreciation Expense	\$788,000	\$788,000	\$788,000	\$788,000	\$788,000
20	Loan Principal Repayment Received	39,000	39,000	39,000	39,000	39,000
21	Grants	-	-	-	-	-
22	Novato Potable FRC Fund Trsf	890,000	890,000	890,000	890,000	890,000
23	Capital Improvement Projects	(350,000)	(200,000)	(100,000)	(100,000)	(100,000)
24	Transfers In from Capital Expansion Fund	350,000	200,000	100,000	100,000	100,000
25	Deer Island TP Loan Principal	(243,000)	(246,000)	(249,000)	(251,000)	(253,000)
26	SRF Loan Principal - System Expansion	(689,000)	(704,000)	(721,000)	(722,000)	(725,000)
27	Other Sources/(Uses)	-	-	-	-	-
28	Total Other Sources/Uses	\$785,000	\$767,000	\$747,000	\$744,000	\$739,000
29	Cash Increase/(Decrease)	\$396,000	\$342,000	\$377,000	\$414,000	\$453,000
30	Ending Reserve Balance	\$6,574,000	\$6,916,000	\$7,293,000	\$7,707,000	\$8,160,000
31	% Rate Increase¹	6.0%	5.0%	5.0%	5.0%	5.0%

¹Fiscal year 2023 Rate increase to be reviewed for approval by the Board of Directors on June 21, 2022. FY 2024 through 2027 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 22/23

	Proposed Budget 2022/23	Estimated Actual 2021/22	Adopted Budget 2021/22
OPERATING INCOME			
1 Water Sales	\$1,069,000	\$1,022,000	\$1,005,000
2 Misc Service Charges	8,000	7,000	7,000
3 Total Operating Income	\$1,077,000	\$1,029,000	\$1,012,000
OPERATING EXPENDITURES			
4 Source of Supply	\$27,000	\$34,000	\$28,000
5 Pumping	73,000	72,000	76,000
6 Operations	83,000	70,000	79,000
7 Water Treatment	258,000	224,000	165,000
8 Transmission & Distribution	163,000	176,000	168,000
9 Consumer Accounting	28,000	28,000	26,000
10 Water Conservation	15,000	24,000	4,000
11 General Administration	103,000	86,000	64,000
12 Depreciation Expense	230,000	201,000	269,000
13 Total Operating Expenditures	\$980,000	\$915,000	\$879,000
14 NET OPERATING INCOME (LOSS)	\$97,000	\$114,000	\$133,000
NON-OPERATING REVENUE/(EXPENSE)			
15 Tax Proceeds - PR-2 Tax Allocation	\$60,000	\$58,000	\$56,000
16 Miscellaneous Revenue	6,000	5,000	-
17 Interest Revenue	8,000	2,000	6,000
18 Loan Interest Expense	(42,000)	(20,000)	(30,000)
19 Total Non-Operating Income/(Expense)	\$32,000	\$45,000	\$32,000
20 NET INCOME/(LOSS)	\$129,000	\$159,000	\$165,000
OTHER SOURCES/(USES) OF FUNDS			
21 Add Depreciation Expense	\$230,000	\$201,000	\$269,000
22 Connection Fees	-	39,000	-
23 Grant/Loan Proceeds	340,000	884,000	550,000
24 Capital Improvement Projects	(647,000)	(438,000)	(1,085,000)
25 Debt Principal Payments	(123,000)	(51,000)	(141,000)
26 Total Other Sources/(Uses)	(\$200,000)	\$635,000	(\$407,000)
27 CASH INCREASE/(DECREASE)	(\$71,000)	\$794,000	(\$242,000)

WEST MARIN WATER**Fiscal Year 22/23 Five-Year Financial Forecast**

		Proposed				
		Budget	Forecast	Forecast	Forecast	Forecast
		FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
BASIC DATA						
1	Active Meters	789	790	790	791	791
2	Avg Commodity Rate/1,000 Gal	\$12.94	\$13.72	\$14.54	\$15.41	\$15.88
3	Potable Consumption (MG)	63.0	65.0	65.0	65.0	65.0
OPERATING REVENUE						
4	Commodity Charge	\$815,000	\$892,000	\$945,000	\$1,002,000	\$1,032,000
5	Bimonthly Service Charge	254,000	269,000	285,000	285,000	285,000
6	Miscellaneous Service Charges	8,000	8,000	8,000	8,000	8,000
7	Total Operating Revenue	\$1,077,000	\$1,169,000	\$1,238,000	\$1,295,000	\$1,325,000
8	Operating Expenditures	\$750,000	\$773,000	\$796,000	\$820,000	\$845,000
9	Depreciation Expense	230,000	241,000	253,000	279,000	287,000
10	Total Operating Expense	\$980,000	\$1,014,000	\$1,049,000	\$1,099,000	\$1,132,000
11	NET OPERATING INCOME	\$97,000	\$155,000	\$189,000	\$196,000	\$193,000
NON-OPERATING REVENUE/(EXPENSE)						
12	Interest Revenue	\$8,000	\$7,000	\$6,000	\$5,000	\$4,000
13	Interest Expense	(42,000)	(38,000)	(34,000)	(30,000)	(26,000)
14	PR-2 County Tax Allocation	60,000	61,000	62,000	63,000	64,000
15	Miscellaneous	6,000	6,000	6,000	6,000	6,000
16	Total Non-Op Revenue/(Expense)	32,000	36,000	40,000	44,000	48,000
17	Net Income	\$129,000	\$191,000	\$229,000	\$240,000	\$241,000
OTHER SOURCES/(USES)						
18	Add Depreciation Expense	\$230,000	\$241,000	\$253,000	\$279,000	\$287,000
19	Connection Fees	-	23,000	-	23,000	-
20	Capital Improvement Projects	(647,000)	(727,000)	(1,560,000)	(501,000)	(647,000)
21	Grant/Loan Proceeds	340,000	100,000	1,100,000	-	-
22	Loan from Novato Water Principal	(69,000)	(72,000)	(74,000)	(76,000)	(78,000)
23	Debt Principal Payments	(54,000)	(55,000)	(57,000)	(59,000)	(61,000)
24	Total Other Sources/(Uses)	(\$200,000)	(\$490,000)	(\$338,000)	(\$334,000)	(\$499,000)
25	Cash Increase/(Decrease)	(\$71,000)	(\$299,000)	(\$109,000)	(\$94,000)	(\$258,000)
26	Operating Reserve	\$250,000	\$258,000	\$265,000	\$273,000	\$174,000
27	System Expansion Reserve	585,000	278,000	162,000	60,000	-
28	Liability Contingency Reserve	99,000	99,000	99,000	99,000	-
29	ENDING CASH BALANCE	\$934,000	\$635,000	\$526,000	\$432,000	\$174,000
30	% Rate Increase¹	6.0%	6.0%	6.0%	6.0%	3.0%

¹Fiscal year 2023 Rate increase to be reviewed for approval by the Board of Directors on June 28, 2022. FY 2024 through are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

OCEANA MARIN SEWER
BUDGET SUMMARY
Fiscal Year 22/23

	Proposed Budget 2022/23	Estimated Actual 2021/22	Adopted Budget 2021/22
OPERATING INCOME			
1 Monthly Sewer Service Charge	\$306,000	\$290,000	\$290,000
2 Misc Service Charges	-	-	-
3 Total Operating Income	\$306,000	\$290,000	\$290,000
OPERATING EXPENDITURES			
4 Sewage Collection	\$105,000	\$102,000	\$94,000
5 Sewage Treatment	45,000	35,000	54,000
6 Sewage Disposal	45,000	55,000	47,000
7 Consumer Accounting	2,000	2,000	2,000
8 General Administration	26,000	31,000	12,000
9 Depreciation Expense	47,000	47,000	49,000
10 Total Operating Expenditures	\$270,000	\$272,000	\$258,000
11 NET OPERATING INCOME (LOSS)	\$36,000	\$18,000	\$32,000
NON-OPERATING REVENUE/(EXPENSE)			
12 OM-1/OM-3 Tax Allocation	\$63,000	\$62,000	\$60,000
13 Interest Revenue	4,000	6,000	4,000
14 Interest Expense	-	-	(3,000)
15 Miscellaneous Expense	(1,000)	(1,000)	(1,000)
16 Total Non-Op Income/(Expense)	\$66,000	\$67,000	\$60,000
NET INCOME/(LOSS)	\$102,000	\$85,000	\$92,000
OTHER SOURCES/(USES) OF FUNDS			
17 Add Depreciation Expense	\$47,000	\$47,000	\$49,000
18 Connection Fees	30,000	-	-
19 Grant/Loan Proceeds	960,000	-	1,450,000
20 Capital Improvement Projects	(1,375,000)	(42,000)	(\$1,590,000)
21 Total Other Sources/(Uses)	(\$338,000)	\$5,000	(\$91,000)
22 CASH INCREASE/(DECREASE)	(\$236,000)	\$90,000	\$1,000

OCEANA MARIN SEWER**Fiscal Year 22/23 Five-Year Financial Forecast**

		Proposed				
		Budget	Forecast	Forecast	Forecast	Forecast
		FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
1	Number of Connections	236	236	237	237	237
2	Monthly Service Charge	\$108.00	\$113.00	\$119.00	\$125.00	\$131.00
OPERATING REVENUE						
3	Monthly Service Charge	\$306,000	\$320,000	\$338,000	\$356,000	\$373,000
4	Total Operating Revenue	\$306,000	\$320,000	\$338,000	\$356,000	\$373,000
OPERATING EXPENSE						
5	Operating Expenditures	\$223,000	\$229,000	\$235,000	\$242,000	\$249,000
6	Depreciation Expense	47,000	70,000	79,000	87,000	92,000
7	Total Operating Expense	\$270,000	\$299,000	\$314,000	\$329,000	\$341,000
8	NET OPERATING INCOME	\$36,000	\$21,000	\$24,000	\$27,000	\$32,000
NON-OPERATING REVENUE/(EXPENSE)						
9	Interest Revenue	\$4,000	\$3,000	\$1,000	\$6,000	\$4,000
10	Interest Expense	-	(16,000)	(14,000)	(25,000)	(23,000)
11	OM-1/OM-3 Tax Allocation	63,000	64,000	65,000	66,000	67,000
12	Miscellaneous Expense	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
13	Total Non-Op Revenue/(Expense)	\$66,000	\$50,000	\$51,000	\$46,000	\$47,000
14	Net Income	\$102,000	\$71,000	\$75,000	\$73,000	\$79,000
OTHER SOURCES/(USES)						
15	Add Depreciation Expense	\$47,000	\$70,000	\$79,000	\$87,000	\$92,000
16	Connection Fees	30,000	-	30,000	-	-
17	Capital Improvement Projects	(1,375,000)	(565,000)	(452,000)	(282,000)	(312,000)
18	Grant/Loan Proceeds	960,000	305,000	800,000	-	-
19	Debt Principal Payments	-	(43,000)	(45,000)	(81,000)	(86,000)
20	Total Other Sources/(Uses)	(\$338,000)	(\$233,000)	\$412,000	(\$276,000)	(\$306,000)
21	Cash Increase/(Decrease)	(\$236,000)	(\$162,000)	\$487,000	(\$203,000)	(\$227,000)
22	ENDING CASH BALANCE	\$297,000	\$135,000	\$622,000	\$419,000	\$192,000
23	% Rate Increase¹	5.0%	5.0%	5.0%	5.0%	5.0%

¹Fiscal year 2023 Rate increase to be reviewed for approval by the Board of Directors on June 28, 2022. FY 2024 through are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

CAPITAL IMPROVEMENT PROJECTS

		FY23	FY24	FY23 & FY24 Project Description
1.	PIPELINE REPLACEMENTS/ADDITIONS			
	a. Main/Pipeline Replacements			
1.7189.00	1 Replace 12" Pipe S. Novato Blvd (785LF)	\$50,000	\$200,000	Replace 60 year old pipe near or at its end of useful life/in conjunction with City paving
1.7183.xx	2 Replace Plastic Thin Walled Pipe < 4-inch	\$150,000	\$150,000	Ongoing systematic replacement of all plastic thin walled pipe < 4-inch.
1.7195.00	3 Novato Blvd Widening - Diablo to Grant (4100LF)	\$1,000,000	1,500,000	Replaces 60 year old cast iron pipe and replaces 50+ old ACP with 12" PVC; Joint project with City and Novato Sanitary District
	Subtotal	\$1,200,000	\$1,850,000	
	b. Main/Pipeline Additions			
1.7150.00	1 San Mateo Tank 24" Transmission Main	\$20,000	\$332,000	Grant Project combined with Crest Pump Station
	2 Loop Los Robles Rd and Posada Del Sol (230LF)	-	\$125,000	Master Plan Project 1b-11, Correlated with item No. 1b. 6 below (2025)
1.7206.00	3 Loop Zone Mall Area Near Nave Ct/ S. Novato	\$275,000	-	Master Plan Project 1b-09, Correlated with item No. 1b. 6 below (2030)
	Subtotal	\$295,000	\$457,000	
	c. Polybutylene (PB) Service Line Replacements			
1.7139.xx	1 Replace PB in Sync w/City Paving (30 Services)	\$60,000	-	Ongoing sys replacement of PB services in advance of City paving projects
1.7123.xx	2 Other PB Replacements (40 Services)	\$80,000	-	
	Subtotal	\$140,000	-	
	d. Relocations to Sync w/City & County CIP			
1.8737.xx	1 Other Relocations	\$25,000	\$70,000	Relocate facilities for yet to be identified City/County Projects
	Subtotal	\$25,000	\$70,000	
	e. Aqueduct Replacements & Enhancements			
1.7118.02	1 MSN B2-Utility Agreement Costs	\$12,000	-	Finalize pipeline easements and agreements
	Subtotal	\$12,000	-	
	TOTAL PIPELINE REPLACEMENTS/ADDITIONS	\$1,672,000	\$2,377,000	

CAPITAL IMPROVEMENT PROJECTS

		FY23	FY24	FY23 & FY24 Project Description
2.	SYSTEM IMPROVEMENTS			
1.7007.16	a. DCDA Repair/Replace-FY23 (~8/yr)	\$100,000	\$100,000	Master Plan Project 2-01
1.7090.04	b. Anode Installations-FY23 (150/yr)	\$10,000	\$10,000	Master Plan Project 2-03
1.6313.20	c. Pressure Reducing Station - Harbor Drive	-	\$25,000	Upgrades and improvements to valves and vaults
1.6302.21	d. Rehab Black Point Pressure Regulating Station	-	\$175,000	Upgrades and improvements to valves and vaults
1.7136.00	e. Facilities Security Enhancements	\$25,000	-	
	f. Other System Improvements	\$200,000	-	
	TOTAL SYSTEM IMPROVEMENTS	\$335,000	\$310,000	
3.	BUILDING, YARD, STP IMPROVEMENTS			
	a. Administration Building			
1.6501.44	1 NMWD Headquarters Upgrade (Note 1)	\$12,650,000	\$2,350,000	50-year-old building requires significant upgrading; Phases 1 - 2 shown
	Subtotal	\$12,650,000	\$2,350,000	
	b. Yard Upgrade			
	1 Program Assessment for Site Improvements	-	\$75,000	Re-confirm previous site program study and phase projects as required
	Subtotal	-	\$75,000	
	c. Stafford Treatment Plant			
1.6610.22	1 Replace Sludge Line to Center Road (4"@ 4,400')	\$25,000	-	
1.6610.xx	2 Other Treatment Plant Improvements	\$50,000	\$100,000	Miscellaneous plant improvements, include roll up door
1.6600.97	3 Efficiency Improvements	\$50,000	-	Improvement of sludge treatment process as suggested in the Efficiency Study and HSPS
1.6610.23	4 Water Supply Enhancement - STP Modifications	\$50,000	-	Based on outcome of Local Water Supply Enhancement Study
	Subtotal	\$175,000	\$100,000	
	d. Stafford Dam / Watershed			
1.6600.69	1 Dam Concrete Repair (Apron)	-	\$150,000	Ongoing patch repairs as needed until full replacement FY27
1.6600.96	2 Leveroni Creek Embankment Repair (Note 2)	-	\$175,000	Repair/stabilize culvert embankment under access road to STP/IVGC
1.6610.24	3 Water Supply Enhancements - Dam	\$50,000	-	Based on outcome of Local Water Supply Enhancement Study
	Subtotal	\$50,000	\$325,000	
	TOTAL BUILDING, YARD, STP IMPROVEMENTS	\$12,875,000	\$2,850,000	

CAPITAL IMPROVEMENT PROJECTS

		FY23	FY24	FY23 & FY24 Project Description
4.	STORAGE TANKS/PUMP STATIONS			
	a. Clear Tank Sites			
	1 Woodland Heights (120,000 gal, 1974)	-	\$100,000	Consider for future Recycled Water Opportunities
1.6207.20	2 Old Ranch Rd Tank (removal post install Tank No. 2)	\$100,000	-	
	Subtotal	\$100,000	\$100,000	
	b. Tank Rehabilitation			
1.6216.20	1 Fire Flow Backfeed Valve Nunes Tank	\$200,000	-	Master Plan Project 4-03
	2 Recoating of Other Tanks (Garner in FY23)	\$170,000	\$17,000	
1.6213.24&1.6214.20	3 Lynwood Seismic Upgrade/Coating	\$1,000,000	\$1,000,000	Master Plan Project 4-04
	Subtotal	\$1,370,000	\$1,017,000	
	c. Pump Station Rehabilitation and Replacement			
1.6141.00	1 Crest PS	\$10,000	-	See 1.b.1 San Mateo Tank 24" Main
1.6112.26	2 Lynwood PS Upgrade	\$40,000	\$200,000	Upgrades tied to Study
	Subtotal	50,000	\$200,000	
	d. Hydropneumatic Systems			
1.7170.00	1 Hydropneumatic Upgrades, Phase 1	\$50,000	\$250,000	Specific project to be confirmed by Hydraulic Pneumatic Study
	Subtotal	\$50,000	\$250,000	
	e. 1 Other Tank & PS Improvements	\$75,000	\$75,000	Master Plan Project 4-07. Includes SS discharge, tank cleaning system, etc
	Subtotal	\$75,000	\$75,000	
	TOTAL STORAGE TANKS/PUMP STATIONS	\$1,645,000	\$1,642,000	
	TOTAL NOVATO SERVICE AREA	\$16,527,000	\$7,179,000	
5.	RECYCLED WATER			
5.7162.04	a. Replace CI in Atherton Avenue (1320LF)	\$350,000	-	Evaluate 1950's era cast iron pipe re-purposed for RW, potential slip lining
5.7162.xx	b. Other Recycled Water Expenditures	-	\$100,000	Retrofit existing potable irrigation customers to RW
	c. Reservoir Hill Tank Leak Repair	-	\$100,000	Small leak detected in FY22; needs repair
	TOTAL RECYCLED WATER PROJECTS	\$350,000	\$200,000	

CAPITAL IMPROVEMENT PROJECTS

		FY23	FY24	FY23 & FY24 Project Description
6.	WEST MARIN WATER SYSTEM			
2.6609.20	a. New Gallagher Well #2	\$380,000	-	West Marin Master Plan Project 3-02
2.8829.xx	b. PB Replace in Sync w/ County Paving	-	\$52,000	West Marin Master Plan Project 1c-01 For 25 replacements
2-7185-00	c. Gallagher Ranch Streambank Stabilization	\$5,000	\$5,000	Monitoring costs over 5 years.
	d. PRE Tank #1 & #2 Replacement	-	\$620,000	West Marin Master Plan Project 4-04 & 4-05
2.8912.00	e. Lagunitas Creek Bridge Pipe Replacement (Caltrans)	\$52,000	\$50,000	Relocate/replace 8-inch water main across Lagunitas Creek Bridge
	f. Miscellaneous Water System Improvements	\$150,000	-	West Marin Master Plan Project 4-12
2.7192.xx	g. PRE Replace 2-inch Galvanized Pipe	\$45,000	-	Replacement of aging galvanized pipe
2.7203.00	h. Raise Valves for HWY 1 Paving	\$15,000	-	Relocation of water facilities in conjunction with Caltrans Paving
	TOTAL WEST MARIN WATER SYSTEM PROJECTS	\$647,000	\$727,000	
7.	OCEANA MARIN SEWER SYSTEM			
8.8672.28	a. Infiltration Repair (Manhole Relining)	\$40,000	\$40,000	Ongoing work to identify and repair collection pipelines to prevent rainwater from leaking into the system
8.7173.00	b. OM Treatment Pond Rehab-404 Grant-FEMA	\$1,200,000	\$205,000	Hazard mitigation project to armor the existing earthen treatment pond berms to minimize storm erosion and damage due to earthquakes
8.7173.01	c. OM Treatment Pond Rehab-Grant Management	\$10,000	\$10,000	
	d. North St. Lift Station Bypass	-	\$310,000	
8.7208.00	e. Sewer Force Main Improvements	\$125,000	-	Adding isolation valves or other appurtenances in the 3,000+ LF FM to allow for repairs in the system. Commence Design and wait for funding
	TOTAL OCEANA MARIN SEWER SYSTEM PROJECTS	\$1,375,000	\$565,000	

CAPITAL IMPROVEMENT PROJECTS

	FY23	FY24	FY23 & FY24 Project Description
<u>SUMMARY - GROSS PROJECT OUTLAY</u>			
Novato Water	\$16,527,000	\$7,179,000	
Recycled Water	\$350,000	\$200,000	
West Marin Water	\$647,000	\$727,000	
Oceana Marin Sewer	\$1,375,000	\$565,000	
GROSS PROJECT OUTLAY	<u>\$18,899,000</u>	<u>\$8,671,000</u>	
LESS FUNDED BY LOANS/GRANTS/OTHER			
a. Office/Yard Building Refurbish (Note 1)	(\$12,650,000)	(\$2,350,000)	
b. Crest PS/San Mateo Tank Pipeline Grant	-	(\$249,000)	
c. RW Capital Replacement Expansion Fund	(\$350,000)	(\$200,000)	
d. WM Novato Water Loan to WM (Note 3)	(\$150,000)	(\$350,000)	
e. OM Novato Water Loan to WM (Note 4)	(\$500,000)	-	
f. WM CA DWR Drought Relief Grant	(\$340,000)	-	
g. WM Lagunitas Ck Bridge Pipeline Grant	-	(\$100,000)	
h. OM Treatment Pond Rehab Grant (Note 5)	(\$460,000)	(\$305,000)	
TOTAL LOAN/GRANT FUNDS	<u>(\$14,450,000)</u>	<u>(\$3,554,000)</u>	
<u>SUMMARY - NET PROJECT OUTLAY</u>			
Novato Capital Improvement Net Project Outlay	\$3,877,000	\$4,580,000	
Recycled Water	\$0	\$0	
West Marin Water	\$157,000	\$277,000	
Oceana Marin Sewer	\$415,000	\$260,000	
NET PROJECT OUTLAY	<u>\$4,449,000</u>	<u>\$5,117,000</u>	
Total Number of District Projects	38	31	
Novato 5-Year Average of Internally Funded Projects FY23-FY27	\$4,120,000		
RW 5-Year Average of Internally Funded Projects FY23-FY27	\$60,000		
West Marin 5-Year Average of Internally Funded Projects FY23-FY27	\$280,000		
Oceana Marin 5-Year Average of Internally Funded Projects FY23-FY27	\$260,000		

CAPITAL IMPROVEMENT PROJECTS

	FY23	FY24	FY23 & FY24 Project Description
NOVATO POTABLE WATER DEBT SERVICE			
a. STP SRF Loan	\$1,044,000	\$1,044,000	
b. AEEP Bank Loan	\$482,000	\$482,000	
c. Advanced Meter Info Retrofit Loan	\$376,000	\$376,000	
d. Admin Building Renovation Loan (Note 1)	\$1,348,000	\$1,348,000	
	<u>\$3,250,000</u>	<u>\$3,250,000</u>	
NOVATO RECYCLED WATER DEBT SERVICE			
e. Deer Island Facility SRF Loan	\$273,000	\$273,000	
f. RW North Expansion SRF Loan	\$282,000	\$282,000	
g. RW South Expansion SRF Loan	\$332,000	\$332,000	
h. RW Central Exp SRF Loan (Net of MCC)	\$276,000	\$276,000	
	<u>\$1,163,000</u>	<u>\$1,163,000</u>	
WEST MARIN WATER DEBT SERVICE			
i. WM Novato Loan Payback	\$94,000	\$94,000	
j. TP Solids Handling Bank Loan	\$71,000	\$71,000	
	<u>\$165,000</u>	<u>\$165,000</u>	
OCEANA MARIN SEWER DEBT SERVICE			
k. OM Novato Loan Payback	-	\$59,000	
	<u>\$0</u>	<u>\$59,000</u>	
TOTAL DEBT SERVICE	<u>\$4,578,000</u>	<u>\$4,637,000</u>	
NET PROJECT OUTLAY & DEBT SERVICE	<u><u>\$9,027,000</u></u>	<u><u>\$9,754,000</u></u>	

CAPITAL IMPROVEMENT PROJECTS

	FY23	FY24	FY23 & FY24 Project Description
STUDIES & SPECIAL PROJECTS			
a. Novato Water Rate Study	-	\$60,000	
b. Novato Water Master Plan Update (Note 6)	\$175,000	-	
c. Novato Connection Fee Study	\$20,000	-	
d. Compensation Survey & Review	\$15,000	-	
e. Lynwood /San Marin Zone 2 Modification Evaluation	\$30,000	-	
f. Stafford Lake Sediment Survey (every 10 yrs.)	-	\$60,000	
g. Cathodic Protection Master Plan (Note 7)	-	\$40,000	
h. Drought Contingency Plan - NBWRA	\$9,000	-	
i. West Marin Connection Fee Study	\$10,000	-	
j. West Marin Water Master Plan (every 10 years)	-	\$65,000	
k. Coast Guard Housing-PRTP Study	\$25,000	-	
l. Stafford Dam Master Plan	\$25,000	-	
m. Tank & Pipeline Easement	-	\$25,000	
n. Pipeline Condition Assessment (Note 8)	\$50,000	-	
Total studies undertaken by the District	<u>\$359,000</u>	<u>\$250,000</u>	

Note 1 - \$16.3M NMWD Headquarters Upgrade is funded by a 20 year 3.11% interest Bank Loan.

Note 2 - Project developed as part of October 2017 Feasibility Assessment prepared by Prunuske Chatham, Inc.

Note 3 - Loan from Novato Water - As included in the 2021 WM Water rate study - to be paid back with interest. Loan to occur in FY22 & FY23.

Note 4 - Loan from Novato Water - As included in the five-year financial forecast.

Note 5 - Project to be funded 60% by grants. Eligible project costs are budgeted at \$1.5M (60%=\$914K). Also includes loans for capital projects of \$250K in FY23.

Note 6 - Novato Master Plan Update will be enhanced to include hydraulics, vulnerabilities (seismic, flooding, etc.), Frosty Lane pit, San Marin pit and NMA

Note 7 - Cathodic Protection Master Plan to Include an inventory and assessment of critical pipelines, casings, and highway crossings.

Note 8 - Perform pipeline condition assessment including large diameter pipelines to prioritize master plan designated improvements. Incl pipelines in narrow R/W and creek crossings.

EQUIPMENT EXPENDITURES

Fiscal Year 22/23 Budget

		Approved	Description
1 OPERATIONS/MAINTENANCE			
12107.01.00	a.	\$150,000	Meter Maintenance Program
12105.01.00	b.	\$42,000	Total Organic Carbon (TOC) Analyzer
		\$192,000	
2 Engineering & Construction			
12106.01.00	a.	\$40,000	GPS Unit (Surveying)
		\$40,000	Field GPS unit for locating new and exist. pipes, valves, etc.
3 VEHICLE & ROLLING EQUIPMENT EXPENDITURES			
12108.01.00	a.	\$60,000	STP Forklift 5,000 lbs
12104.01.00	b.	\$60,000	100 KW Portable Generator
12104.01.00	c.	\$205,000	Leased Vehicles
		\$325,000	Replace 6 Vehicles #515, 516, 518, 520, 521 & 522
		\$557,000	
		Total	

	Adopted Budget 2021/22	Estimated Actual 2021/22	Proposed Budget 2022/23
RECAP			
Equipment	\$160,000	\$80,000	\$232,000
Rolling Stock	\$135,000	\$278,000	\$325,000
	\$295,000	\$358,000	\$557,000



**Fiscal Year 22/23 - Budget Review
Novato & West Marin Service Areas
*Draft June 28, 2022***

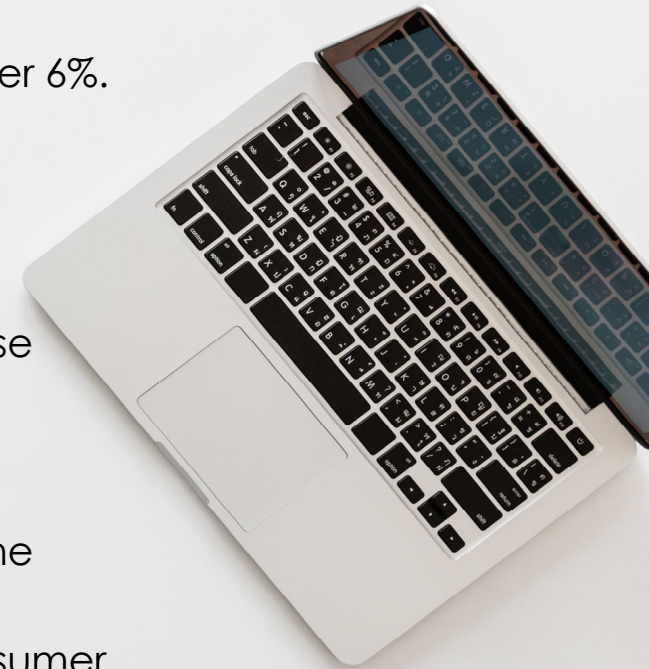
Agenda

1. Key Assumptions
2. Consolidated Budget
3. Capital Improvement Projects
4. Equipment Budget
5. Studies & Special Projects
6. Outstanding Debt
7. Novato Water Summary

Key Assumptions

1. Water Sales –

Novato Water	2.1 Billion Gallons
Recycled Water	249 Million Gallons
West Marin Water	63 Million Gallons
2. Rate Increases – Novato Water, Recycled Water, West Marin Water 6%.
Drought Surcharge Structural Rate Change. Oceana Marin 5%
increase in Sewer Service Charges
3. Stafford Treatment Plant Water Production 500 Million Gallons
4. Sonoma County Water Agency – 5.2% increase in Cost to Purchase
Water
5. Personnel Costs –
 - Increase in Full Time Equivalent (FTE) Employees – Addition of one
Junior Engineer position.
 - Reduction in Temporary Hours – Due to Increase of 1 FTE & Consumer
Services Department Efficiencies.
 - 4% cost of living increases per Memo of Understanding with the
Employee Association.

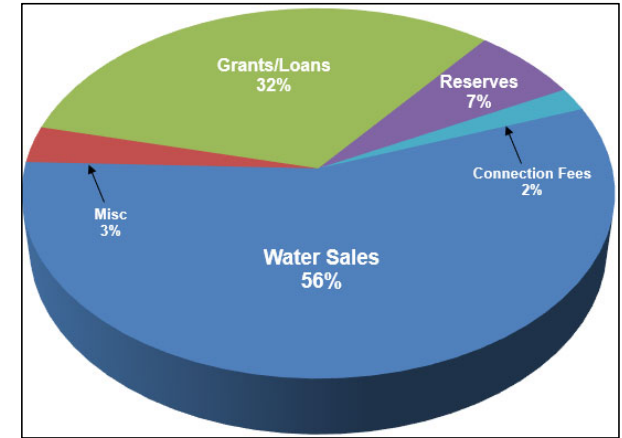


Fiscal Year 22/23

All Service Areas Combined

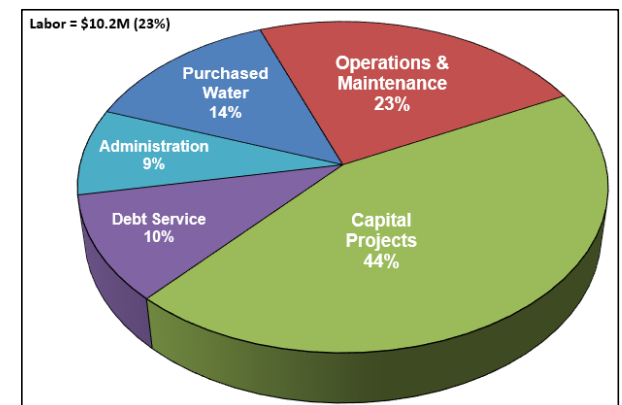
SOURCES - \$44,089,000:

<i>Budget Sources-Revenue & Reserves:</i>	Novato Water	Recycled Water	West Marin Water	Oceana Marin Sewer	Consolidated
Water Sales	\$ 21,927,000	\$ 1,869,000	\$ 1,069,000	\$ -	\$ 24,865,000
Sewer Service Charges	-	-	-	306,000	306,000
Wheeling & Miscellaneous Charges	358,000	15,000	8,000	-	381,000
Total Operating Income	\$ 22,285,000	\$ 1,884,000	\$ 1,077,000	\$ 306,000	\$ 25,552,000
Loans/Grants/Capital Contributions	\$ 11,534,000	\$ 1,279,000	\$ 340,000	\$ 960,000	\$ 14,113,000
Connection Fees	872,000	-	-	30,000	902,000
Interest/Miscellaneous Revenue	416,000	40,000	14,000	4,000	474,000
Tax Proceeds	-	-	60,000	63,000	123,000
Reserves - Cash (Increase)/Decrease	3,014,000	(396,000)	71,000	236,000	2,925,000
Total Revenue & Reserves	\$ 38,121,000	\$ 2,807,000	\$ 1,562,000	\$ 1,599,000	\$ 44,089,000



Uses - \$44,089,000:

<i>Budget Uses/Expenditures:</i>	Novato Water	Recycled Water	West Marin Water	Oceana Marin Sewer	Consolidated
Capital Improvement Projects & Equipment	\$ (17,084,000)	\$ (350,000)	\$ (647,000)	\$ (1,375,000)	\$ (19,456,000)
Operating Expenditures (less Depreciation)	(17,339,000)	(704,000)	(750,000)	(223,000)	(19,016,000)
Debt Service	(3,250,000)	(1,163,000)	(165,000)	-	(4,578,000)
Non-Operating Income/(Expense)	(448,000)	(590,000)	-	(1,000)	(1,039,000)
Total Budget Expenditures	\$ (38,121,000)	\$ (2,807,000)	\$ (1,562,000)	\$ (1,599,000)	\$ (44,089,000)



List of Two-Year Capital Improvement Projects

<u>Project</u>	<u>FY22/23</u>	<u>FY23/24</u>	<u>Total Project Costs</u>
Administration and Laboratory Upgrade Project	\$ 12,650,000	\$ 2,350,000	\$16,350,000
Novato Blvd Widening – Diablo to Grant (4,100')	1,000,000	1,500,000	2,500,000
Lynwood Recoat/Seismic Upgrade	1,000,000	1,000,000	2,000,000
San Mateo Tank 24" Transmission Main	-	332,000	1,328,000
Oceana Marin Treatment Pond Rehab (OM)	1,200,000	205,000	1,405,000
PRE Tank #1 & #2 Replacement (WM)	-	620,000	620,000
Other Projects	<u>3,049,000</u>	<u>2,664,000</u>	-
Gross Project Outlay	18,899,000	8,671,000	24,203,000
Less Loan/Grant Funding	<u>(14,450,000)</u>	<u>(3,554,000)</u>	<u>(18,004,000)</u>
Net Project Outlay (internally funded)	<u>\$4,449,000</u>	<u>\$5,117,000</u>	<u>\$6,199,000</u>

Novato 5-Year Average of Internally Funded Projects FY23-FY27	\$4,120,000
RW 5-Year Average of Internally Funded Projects FY23-FY27	\$60,000
West Marin 5-Year Average of Internally Funded Projects FY23-FY27	\$280,000
Oceana Marin 5-Year Average of Internally Funded Projects FY23-FY27	\$260,000

Equipment Budget

EQUIPMENT EXPENDITURES

Fiscal Year 22/23 Budget

		Approved	Description
1 OPERATIONS/MAINTENANCE			
12107.01.00	a. Meter Maintenance Program	\$150,000	Testing Bench for Meters up to 2"
12105.01.00	b. Total Organic Carbon (TOC) Analyzer	\$42,000	
		\$192,000	
2 ENGINEERING & CONSTRUCTION			
12106.01.00	a. GPS Unit (Surveying)	\$40,000	Field GPS unit for locating new and exist. pipes, valves, etc.
		\$40,000	
3 VEHICLE & ROLLING EQUIPMENT EXPENDITURES			
12108.01.00	a. STP Forklift 5,000 lbs	\$60,000	
12104.01.00	b. 100 KW Portable Generator	\$60,000	
12104.01.00	c. Leased Vehicles	\$205,000	Replace 6 Vehicles #515, 516, 518, 520, 521 & 522
		\$325,000	
Total		\$557,000	

	Adopted Budget	Estimated Actual	Proposed Budget
RECAP	2021/22	2021/22	2022/23
Equipment	\$160,000	\$80,000	\$232,000
Rolling Stock	\$135,000	\$278,000	\$325,000
	\$295,000	\$358,000	\$557,000

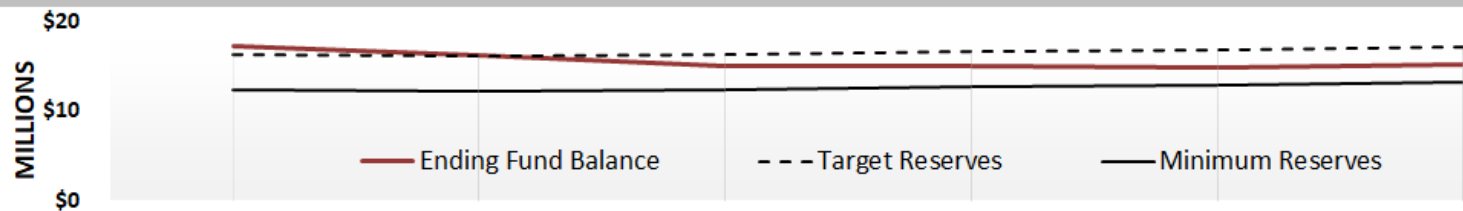
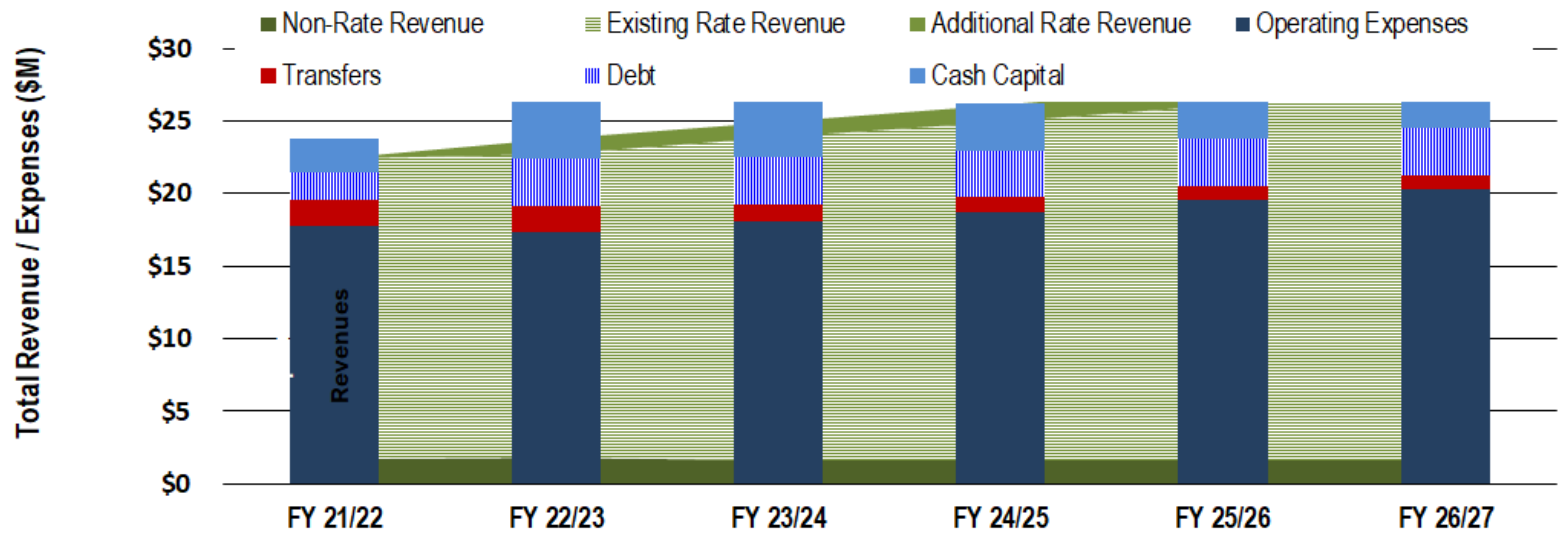
Studies & Special Projects

<i>Studies & Special Projects:</i>	Total
Novato Water Master Plan Update	\$ 175,000
Pipeline Condition Assessment	50,000
Lynwood /San Marin Zone 2 Modification Evaluation	30,000
Coast Guard Housing-PRTP Study	25,000
Stafford Dam Master Plan	25,000
Novato Connection Fee Study	20,000
Compensation Survey & Review	15,000
West Marin Connection Fee Study	10,000
Drought Contingency Plan	9,000
<i>Total Studies & Special Projects</i>	\$ 359,000

Total Debt Outstanding – As of June 30, 2022

<i>Financing Purpose</i>	<i>Type/Source</i>	<i>Interest Rate</i>	<i>Final Payment</i>	<i>Balance as of June 30, 2022</i>
Stafford Water Treatment Plant Rehab	State Revolving Fund (SRF)	2.39%	July 2029	\$ 6,700,000
Aqueduct Energy Efficiency Project & WM Treatment Plant	Bank Of Marin	3.54%	October 2031	4,400,000
Advanced Meter Information (AMI) Project	Chase Bank	2.69%	March 2033	3,600,000
Deer Island Treatment Plant	State Revolving Fund (SRF)	2.40%	June 2027	1,300,000
Recycled Water (RW) North	State Revolving Fund (SRF)	2.60%	June 2034	2,500,000
Recycled Water (RW) South	State Revolving Fund (SRF)	2.20%	June 2034	3,300,000
Recycled Water (RW) Central	State Revolving Fund (SRF)	1.00%	December 2047	6,300,000
Administration & Laboratory Upgrade Project	Webster Bank	3.11%	March 2042	20,000,000
Total Debt				\$48,100,000

Novato Water Financial Forecast Chart



	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Debt Coverage Ratio:	6.0%	6.0%	6.0%	5.0%	5.0%	5.0%
Net Debt Proceeds:	2.04	1.72	1.86	1.99	2.14	2.29
	\$1.4M	\$12.7M	\$2.4M	\$0.0M	\$0.0M	\$0.0M

Budget Review & Rate Hearing Schedule

- | | |
|--|----------------|
| 1. Financial Plan Update (Review - Complete) | April 5, 2022 |
| 2. Review & Approve Prop 218 Notices (Approve - Complete) | April 19, 2022 |
| 3. Capital Project & Equipment Budget (Review – Complete) | May 3, 2022 |
| 4. Operations/Maintenance and Capital Budget (Complete) | June 7, 2022 |
| 5. Operations/Maintenance and Capital Budget (Approve) | June 28, 2022 |
| 6. Public Hearing to Enact New Water & Sewer Rates (Approve) | June 28, 2022 |

11

DISBURSEMENTS - DATED JUNE 23, 2022

Date Prepared 6/20/22

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 6/15/22 & Final Payout	\$184,191.74
90493*	US Bank Card	Check Ball (\$356), Zoom for Board Meetings (2 months) (\$93), Shelving for District Yard (\$2,075), Payment Dropbox (\$836), Microsoft-Monthly Subscription (\$296), Amer. Water College T3 & T4 Training Courses (\$775), Counter Valve Turner (\$296), Retirement Book/Event, Food & Supplies - (\$977), CA Soc of Municipal Finance Officers (Webinar \$200 & Recruitment Posting-\$275), Parts for Air Hammers (\$260), & Misc Office Supplies & Expenses (\$452), less Credit for Solid State Drives (-\$1,220)	\$5,672.67
90494*	Internal Revenue Service	Federal & FICA Taxes PPE 6/15/22	88,844.22
90495*	State of California	State Taxes & SDI PPE 6/15/22	21,567.13
90496*	CalPERS	Pension Contribution PPE 6/15/22	41,035.48
60892*	JCA Construction	Office Counter Fabrication	8,865.00
60893*	Unicorn Group	Postage-Water Quality Cards	4,232.95
EFT*	US Bank	May Bank Analysis Charge (Lockbox \$912 & Other \$466 Less Interest \$148)	\$1,229.52
1	Alpha Analytical Labs	Lab Testing	1,845.00
2	Arrow Benefits Group	May Dental Claims Expense	6,019.52
3	Asbury Environmental Services	Used Paint Disposal	300.00
4	A.S.T.I.	Backflow Testing (20)	2,325.00
5	Bank of Marin	Bank of Marin Loan Principal & Interest (Pymt 128 of 240) Aqueduct Energy Efficiency Project	46,066.67
6	Behan, Robert	Novato "Washer Rebate" Program	100.00

DISBURSEMENTS - DATED JUNE 23, 2022

Date Prepared 6/20/22

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
7	California Water Service	Water Service (0 ccf)	30.35
8	Clipper Direct	July Commuter Benefit Program	76.00
9	Comcast	June Internet Connection	199.50
10	Cooper Doyle, Mary	Novato "Washer Rebate" Program	100.00
11	Diesel Direct West	Diesel (589 gal) (\$4,134) & Gasoline (854 gal) (\$5,213)	9,347.57
12	Electrical Equipment Co	Parts for Gallagher Well #2 Project	1,367.86
13	Scott Foster Engineering Inc.	Prog Pymt#1: Kastania & Ignacio Pump Station Pressure Surge Analysis (Balance Remaining on Contract \$9,740)	10,260.00
14	GHD Inc.	Prog Pymt#15: Old Ranch Road Tank #2 Design Services (Balance Remaining on Contract \$25,840)	1,372.62
15	InfoSend, Inc.	May Processing Fee for Water Bills (\$1,324), Postage (\$3,656) & Monthly Support Fee (\$888)	5,868.30
16	International Dioxide Inc	Housing (\$1,331) & Filter for Sodium Dioxide Production (STP)	1,555.36
17	Kehoe, Chris	Exp Reimb: Data Recovery of Damaged District Cell Phone	90.00
18	Lee, Alan	Refund Overpayment on Closed Account	278.07
19	Maggiora & Ghilotti	Prog Pymt#6: Old Ranch Road Tank No. 2 Construction Services (Balance Remaining on Contract \$377,010)	116,610.00
20	McLellan Co, WK	Misc Paving	46,291.78
21	Mohri, Tatsuro James	Novato "Water Smart Landscaping Efficiency" Program Residential	200.00
22	NeoGOV	Annual License (\$3,988) & Renewal (\$933) (Budget \$4,600) (7/22-7/23)	4,921.09

DISBURSEMENTS - DATED JUNE 23, 2022

Date Prepared 6/20/22

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:


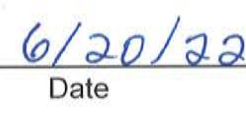
Seq	Payable To	For	Amount
23	Novato Builders Supply	Lumber & Parts for Storage Room (\$220)	252.83
24	Office Depot	Misc Office Supplies	103.01
25	O'Reilly Auto Parts	Car Wash (8)	82.18
26	Parkinson Accounting Systems	Accounting Software Support	292.50
27	Peterson Trucks	Service Parts ('06 Int'l Crew Truck-\$420, '06 Int'l 4300-\$104)	524.78
28	Pacific Gas & Electric Co	Power: Bldgs/Yard (\$4,596), Other (\$183), Pumping (\$38,762), Rect/Controls (\$613) & Treatment (\$166)	44,320.29
29	Point Reyes Prop Mgmt Assn	June HOA Fees (25 Giacomini Rd)	75.05
30	Randall Bros. Automotive	Smog Test ('02 Chevy Silverado)	180.30
31	Russell, Ryan	Refund of Deposit/New Development/WC Restriction-Novato	1,000.00
32	Six Robblees' Inc.	Spare Wheel ('19 Ditch Witch)	258.18
33	Soiland Co., Inc.	Asphalt Recycling (23 yds)	708.57
34	SPG Solar Facility XII, LLC	May Energy Delivered Under Solar Services Agreement	16,720.13
35	State Water Resources Control	Grade T4 Renewal (Corda)	105.00
36	Syar Industries Inc	EZ Street (6 tons)	1,072.19
37	Toll, Daniel	Refund Overpayment on Closed Account	49.34
38	Unicorn Group	Printing of West Marin Waterline Newsletter (750) (\$693) & Postage (\$203)	895.83
39	Winzer Corporation	Washers for Shop (50)	23.45
		TOTAL DISBURSEMENTS	<u>\$677,527.03</u>

DISBURSEMENTS - DATED JUNE 23, 2022

Date Prepared 6/20/22

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
The foregoing payroll and accounts payable vouchers totaling \$677,527.03 are hereby approved and authorized for payment.			

	
Auditor-Controller	Date

	
General Manager	Date