



**NORTH MARIN WATER DISTRICT**  
**AGENDA - REGULAR MEETING**  
 December 16, 2025 – 4:00 p.m.  
 Location: 999 Rush Creek Place  
 Novato, California

Information about and copies of supporting materials on agenda items are available for public review at the District Office, at the Reception Desk, by calling the District Secretary at (415) 897-4133 or on our website at nmwd.com. 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.

Item	Subject
	<b>CALL TO ORDER</b>
1.	<b>APPROVE MINUTES FROM REGULAR MEETING</b> , December 2, 2025
2.	<b>GENERAL MANAGER'S REPORT</b>
3.	<b>OPEN TIME: (Please observe a three-minute time limit)</b>  This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.
4.	<b>STAFF/DIRECTORS REPORTS</b>
	<b>CONSENT CALENDAR</b> The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.
5.	<b>Consent - Approve:</b> Employer Assisted Housing Loan – Request for Subordination for Refinance
	<b>ACTION CALENDAR</b>
6.	<b>Approve:</b> Accept FY 24/25 Annual Comprehensive Financial Report and Management Report
7.	<b>Approve:</b> Quitclaim Existing Easement – 998 Rush Creek Place, APN 143-160-14
	<b>INFORMATION ITEMS</b>
8.	General Manager Annual Evaluation Process
9.	NBWRA Board Meeting December 15, 2025
10.	NBWA Meeting Agenda – December 5, 2025
11.	<b>NEWS AND MISCELLANEOUS REPORTS</b> Disbursements – Dated November 26, 2025 Disbursements – Dated December 4, 2025 Disbursements – Dated December 11, 2025 Monthly Progress Report ERPA Rebuttal to UNWON Blog – Dec 5, 2025 <u>News Articles:</u> Marin IJ – Water storage plan sought before loss of PG&E dam Marin IJ – Novato appoints new member for vacant City Council seat <u>Social Media Posts:</u> NMWD Web and Social Media Report – November 2025
12.	<b>ADJOURNMENT</b>

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**DRAFT**  
**NORTH MARIN WATER DISTRICT**  
**MINUTES OF REGULAR MEETING**  
**OF THE BOARD OF DIRECTORS**  
December 2, 2025

**CALL TO ORDER**

President Joly called the regular meeting of the Board of Directors of North Marin Water District to order at 4:00 p.m. at the District Headquarters, and the agenda was accepted as presented. Present were Directors Jack Baker, Ken Eichstaedt, Rick Fraites, Michael Joly, and Stephen Petterle. Also, present were General Manager Tony Williams, District Secretary Eileen Mulliner, and AGM/Chief Engineer Eric Miller, and Auditor-Controller Julie Blue.

Robert and Doreen Clark, and Brandon Pirinjian were also in attendance as well as Chris DeGabriele, Brad Stompe, and many members of staff.

**MINUTES**

On the motion of Director Petterle, seconded by Director Fraites, the Board approved the minutes of the November 18, 2025, regular meeting, by the following vote:

AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle

NOES: None

ABSENT: None

ABSTAIN: None

**REORGANIZATION OF BOARD**

**Election of President**

On motion of Director Baker, seconded by Director Petterle, the Board elected Director Eichstaedt as President of the Board for the ensuing year by the following vote:

AYES: Director(s) Baker, Fraites, Joly, and Petterle

NOES: None

ABSENT: None

ABSTAIN: Director Eichstaedt

**Election of Vice-President**

On motion of Director Joly, seconded by Director Fraites, Director Petterle was elected Vice-President of the Board for the ensuing year by the following vote:

AYES: Director(s) Baker, Eichstaedt, Fraites, and Joly

NOES: None

ABSENT: None

ABSTAIN: Director Petterle

1 Establishment of Meeting Times and Place and Confirm 2026 Meeting Schedule

2 On motion of Director Fraites, seconded by Director Baker, the Board set the time and place  
3 of regular meeting to be generally the first and third Tuesday of each month at 4:00 p.m. at the  
4 District office and the first meeting in November 2026 will be on November 3 (Tuesday) by the  
5 following vote:

6 AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle

7 NOES: None

8 ABSENT: None

9 ABSTAIN: None

10 Establishes the Manner of Calling Special Meetings

11 On the motion of Director Joly, seconded by Director Baker, the Board approved special  
12 meetings of the Board to be held as provided as dictated in Section 54956 of the Government Code  
13 by the following vote:

14 AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle

15 NOES: None

16 ABSENT: None

17 ABSTAIN: None

18 Appointment of District Officers

19 On the motion of Director Petterle, seconded by Director Joly, the following District officers  
20 were appointed for the ensuing year: Tony Williams, General Manager; Eileen Mulliner, Executive  
21 Assistant/District Secretary; Julie Blue, Auditor-Controller; and Eric Miller, Assistant General  
22 Manager/Chief Engineer by the following vote:

23 AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle

24 NOES: None

25 ABSENT: None

26 ABSTAIN: None

27 Committee Appointments

28 On the motion of Director Petterle, seconded by Director Baker, the committee appointments  
29 were approved with minor changes by the following vote:

30 AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle

31 NOES: None

32 ABSENT: None

33 ABSTAIN: None

34 **GENERAL MANAGER'S REPORT**

35 Mr. Williams gave a brief Potter Valley Update. He said there was a motion for intervention  
36 filed by the District in November, a copy in the Miscellaneous section of the agenda. He said that



1 the motion was filed with the assistance of District Special Counsel and many other entities have  
2 filed as well.

3 He mentioned that Marin Water had recently had a joint coordination meeting with several  
4 agencies regarding their Atmospheric River Capture project.

5 He said he had attended a coordination meeting with Marin Sonoma in Petaluma.

6 Mr. Williams reminded the Board that the District's Holiday Lunch is on December 12<sup>th</sup>.

7 He informed the Board that the December 15<sup>th</sup> NBWRA meeting will be held at the District.

8 Mr. Williams noted that the last 2025 Board meeting will be on December 16<sup>th</sup> per the  
9 approved 2025 schedule.

10 **OPEN TIME**

11 President Eichstaedt asked if anyone in the audience wished to bring up an item not on the  
12 agenda and there was no response.

13 **ACTION CALENDAR**

14 **RESOLUTION OF APPRECIATION FOR ROBERT CLARK**

15 President Eichstaedt asked if any Director had a comment and Director Petterle spoke first  
16 and said that Robert has always been very helpful and informative. Director Joly said that it has  
17 been an honor to work with Robert and that he has great institutional knowledge and will be missed.  
18 Director Fraites said Robert has always provided good information, he is well informed, and has  
19 been an asset to the District, he thanked Robert for his work. President Eichstaedt said he was very  
20 impressed with Robert's commitment and dedication, and his work in West Marin including Western  
21 Weekend, the peace garden, and chili cookoff. He, too, thanked Robert for his work. Director Baker  
22 agreed with what the other Directors said and that Robert has been a great asset to the District and  
23 he will be missed. Former General Manager Chris Degabriele spoke and said that Robert was a  
24 good manager of people, and he represented the District well. He said it was a pleasure to have  
25 hired him and now see him retire. He said he has been a great asset to the District and thanked him  
26 for his assistance in the past, and congratulated him on his retirement. Brad Stompe spoke and said  
27 they had worked together many years and mentioned several difficult times such as PSPS's,  
28 flooding at the Pt. Reyes Treatment Plant, and aqueduct landslide. He congratulated Robert on his  
29 retirement. President Eichstaedt read Robert's Resolution of Appreciation aloud and Mr. Williams  
30 presented it to Robert. Robert spoke and thanked the Board for their kind words and leadership and  
31 thanked everyone who spoke. He said the District was like a second family and it has been a great  
32 opportunity to see the District grow over the years. He mentioned that he plans to remain involved  
33 with the West Marin Rotary. The room stood and applauded Robert.

On the motion of Director Petterle, seconded by Director Joly, the Board approved the Resolution of Appreciation for Robert Clark by the following vote:

AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle

NOES: None

ABSENT: None

ABSTAIN: None

**EXCEPTION TO CALPERS 180-DAY WAIT PERIOD REQUIREMENT FOR RETIRING EMPLOYEE**

Tony Williams gave the highlights of the memo to the Board, noting that Robert Clark has a great deal of knowledge of the District's water rights, one of the many things that Mr. Clark will assist the District with as an annuitant.

On the motion of Director Joly, seconded by Director Petterle, the Board approved the Exception to CalPERS 180-Day Wait Period Requirement for Retiring Employee, Robert Clark, by the following vote:

AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle

NOES: None

ABSENT: None

ABSTAIN: None

**EMPLOYER ASSISTED HOUSING PROGRAM LOAN REQUEST – BRANDON PIRINJIAN**

Julie Blue presented the memo to the Board. Brandon Pirinjian spoke to the Board saying he is happy to be able to move back to Novato and raise his family where he grew up and that he really enjoys working at the District and thanked the Board.

On the motion of Director Petterle, seconded by Director Fraites, the Board approved the Employer Assisted Housing Program Loan Request for Brandon Pirinjian by the following vote:

AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle

NOES: None

ABSENT: None

ABSTAIN: None

**DISTRICT PROPERTY AT 25 GIACOMINI ROAD, APN 119-270-04**

Tony Williams gave an overview of the item, including a summary of the offer to purchase received from CLAM.

On the motion of Director Joly, seconded by Director Fraites, the Board approved the sale of the District Property at 25 Giacomini Road, APN 119-270-04, by the following vote:

AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle

NOES: None

1 ABSENT: None

2 ABSTAIN: None

3 On the motion of Director Joly, seconded by Director Petterle, the Board approved the first  
4 right of refusal regarding the District Property at 25 Giacomini Road, by the following vote:

5 AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle

6 NOES: None

7 ABSENT: None

8 ABSTAIN: None

9 **NORTH BAY WATERSHED ASSOCIATION 2026 CONFERENCE SPONSORSHIP – DIRECT**  
10 **STAFF**

11 There was some discussion regarding the monetary amount that the District would sponsor,  
12 and the final decision was to sponsor \$1,500. Director Petterle asked if we would have a half-page  
13 ad in the conference materials, Mr. Williams said that the sponsorship comes with the inclusion of  
14 the District logo in all conference materials.

15 On the motion of Director Joly, seconded by Director Petterle, the Board approved the North  
16 Bay Watershed Association 2026 Conference Sponsorship in the amount of \$1,500 by the following  
17 vote:

18 AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle

19 NOES: None

20 ABSENT: None

21 ABSTAIN: None

22 **INFORMATION ITEMS**

23 **TAC MEETING AGENDA – DECEMBER 1, 2025**

24 The Technical Advisory Committee December 1, 2025 meeting agenda was presented by  
25 Tony Williams. He noted #8, regarding Jake Spaulding of SCWA has been promoted to the position  
26 held by Lynne Roselli who recently retired.

27 **NBWA MEETING AGENDA – NOVEMBER 7, 2025**

28 Director Fraites gave an overview of the November 7, 2025 NBWA meeting of which the  
29 topic was River Otters. He noted that the upcoming December meeting will be held here at the  
30 District.

31 President Eichstaedt thanked Director Joly for his term as President.

32 **ADJOURNMENT**

33 President Joly adjourned the meeting at 5:13 p.m.

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Submitted by

Eileen Mulliner  
District Secretary

DRAFT

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**MEMORANDUM**

To: Board of Directors December 16, 2025

From: Tony Williams, General Manager 

Subject: Employer Assisted Housing Loan – Request for Subordination for Refinance  
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**RECOMMENDED ACTION:** Authorize the General Manager to sign the Subordination Agreement presented by Security National Mortgage

**FINANCIAL IMPACT:** None

Employer Assisted Housing Loan Background

In June 2025, District employee Eric Miller utilized the District's Employer Assisted Housing Program to purchase the real property known as 80 Drakewood Lane in Novato (the "Property"). The purchase price for the Property was \$965,000. Eric and his wife, April Miller, obtained a first position loan in the amount of \$578,150, which loan was secured by a Deed of Trust against the Property (the "Senior Deed of Trust"). Through the Employer Assisted Housing Program, the couple also obtained a loan in the amount of \$300,000 from the District. The District loan was also secured by a Deed of Trust against the Property (the "Junior Deed of Trust").

Re-Finance

Mr. Miller has advised District personnel that he wants to re-finance the senior loan against the Property. The current balance of the senior loan is approximately \$574,000. The amount of the refinance would be approximately \$581,000, which includes processing, underwriting, lenders title insurance, and other administrative fees.

The law concerning priority of deeds of trust is "first in time, first in right." Since the Senior Deed of Trust was recorded before the District's Junior Deed of Trust, in the event of foreclosure the Senior Deed of Trust would be paid off in full before the Junior Deed of Trust. However, if the re-finance is completed, Security National Mortgage would record its Deed of Trust after the District's Junior Deed of Trust and therefore be second in line in the event of foreclosure. Security National Mortgage is requiring the District to sign a subordination agreement as part of the refinance closing. The effect of the subordination agreement is to move the new Deed of Trust ahead of the Junior Deed of Trust in priority even though it was recorded later in time. Security National Mortgage will only refinance the loan for Eric and April if the District signs the subordination agreement.

### Subordination Agreement

Legal Counsel for the District has approved the subordination agreement as to form. The question for the Board is whether the District should agree to subordinate. If the District does not sign the subordination agreement, then the District's Junior Deed of Trust will remain second to the existing Senior Deed of Trust. The amount of the senior loan is approximately \$574,000. If the District signs the subordination agreement, its Junior Deed of Trust will be second to the new loan in the amount of approximately \$581,000. Therefore, the District faces minimal risk in signing the subordination agreement because, in the event of a foreclosure where the property's sale price does not cover both the senior and junior deeds of trust, the District's position would be essentially the same whether or not the agreement is signed since the first loan ahead of the District would only be slightly more than the current loan.

Security National Mortgage required an appraisal for the refinance, which came in at \$990,000. This value should be enough in the event of foreclosure to pay in full both deeds of trust. However, what the property would obtain, at a Trustee's Sale, could be less than the appraised value.

District staff believe the intent of the Employer Assisted Housing Program is to help employees purchase affordable housing near the District offices in exchange for being available on call. Allowing the refinancing by signing the subordination agreement would support this intent. Since the amount of the new loan is the same as the balance of the existing loan, the refinance should result in more favorable payment terms for the couple and therefore help them better afford their home and less likely to default on the loans.

### RECOMMENDATION:

Authorize the General Manager to sign the Subordination Agreement presented by Security National Mortgage

### ATTACHMENTS:

1. Subordination Agreement-Employer Assisted Housing Loan for Eric and April Miller

RECORDING REQUESTED BY

WHEN RECORDED MAIL TO:

Name  
Address  
City, State, & Zip Code

APN: 150-521-15

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**SUBORDINATION AGREEMENT**

**NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.**

THIS AGREEMENT, made this \_\_\_\_ day of \_\_\_\_, 20XX, by Eric M. Miller and April M. Miller, owner of the land hereinafter described and hereinafter referred to as "Owner", and North Marin Water District, present owner and holder of the deed of trust and note first hereinafter described and hereinafter referred to as "Beneficiary":

WITNESSETH

THAT WHEREAS, Eric M. Miller and April M. Miller did execute a deed of trust, dated June 3, 2025, to Old Republic Title Company, as Trustee, covering;

**LOT 106, AS SHOWN UPON THAT CERTAIN MAP ENTITLED, "KADEN PARK UNIT NO. 3 IN THE CITY OF NOVATO, COUNTY OF MARIN", FILED FOR RECORD APRIL 23, 1965 IN VOLUME 13 OF MAPS, AT PAGE 14, MARIN COUNTY RECORDS. LOCATED IN THE COUNTY OF MARIN, STATE OF CALIFORNIA**

to secure a note in the sum of \$300,000.00, dated June 3, 2025, in favor of North Marin Water District, which deed of trust was recorded on June 6, 2025, at Series/Instrument 2025-0015422, Official Records of said county; and

WHEREAS Owner has executed, or is about to execute, a deed of trust and note not to exceed the sum of \$581,000.00, dated \_\_\_\_, 20XX in favor of Security National Mortgage, Inc., hereinafter referred to as "Lender", payable with interest and upon the terms and conditions described therein, which deed of trust is to be recorded concurrently herewith; and

WHEREAS, it is a condition precedent to obtaining said loan that said deed of trust last above mentioned shall unconditionally be and remain at all times a lien or charge upon the land hereinbefore described, prior and superior to the lien or charge of the deed of trust first above mentioned; and

WHEREAS Lender is willing to make said loan provided the deed of trust securing the same is a lien or charge upon the above described property prior and superior to the lien of charge of the deed of trust first above mentioned and provided that Beneficiary will specifically and unconditionally subordinate the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender; and

WHEREAS it is to the mutual benefit of the parties hereto that Lender make such loan to Owner; and Beneficiary is willing that the deed of trust securing the same shall, when recorded, constitute a lien or charge upon said land which is unconditionally prior and superior to the lien or charge of the deed of trust first above mentioned.

NOW THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, and in order to induce Lender to make the loan above referred to, it is hereby declared, understood and agreed as follows:

**SUBORDINATION, RECORDED DEED OF TRUST TO DEED OF TRUST TO RECORD.**

- (1) That said deed of trust securing said note in favor of Lender, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge on the property therein described, prior and superior to the lien or charge of the deed of trust first above mentioned;
- (2) That Lender would not make its loan above described without this subordination agreement;
- (3) That this agreement shall be the whole and only agreement with regard to the subordination of the lien or charge of the deed of trust first above mentioned to the lien or charge of the deed of trust in favor of Lender above referred to and shall supersede and cancel, but only insofar as would affect the priority between the deeds of trust hereinbefore specifically described, any prior agreements as to such subordination, including, but not limited to, those provisions, if any, contained in the deed of trust first above mentioned, which provide for the subordination of the lien or charge thereof to another deed or deeds of trust or to another mortgage or mortgages.

Beneficiary declares, agrees and acknowledges that:

- (a) He/She consents to and approves (i) all provisions of the note and deed of trust in favor of Lender above referred to, and (ii) all agreements, including but not limited to any loan or escrow agreements, between Owner and Lender for the disbursement of the proceeds of Lender's loan;
- (b) Lender in making disbursements pursuant to any such agreement is under no obligation or duty to, nor has Lender represented that it will, see to the application of such proceeds by the person or persons to whom Lender disburses such proceeds and any application or use of such proceeds for purposes other than those provided for in such agreement or agreements shall not defeat the subordination herein made in whole or in part;
- (c) He/She intentionally and unconditionally waives, relinquishes and subordinates the lien or charge of the deed of trust first above mentioned in favor of the lien or charge upon said land of the deed of trust in favor of Lender above referred to and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and
- (d) An endorsement has been placed upon the Note secured by the deed of trust first above mentioned that said deed of trust has by this instrument been subordinated to the lien or charge of the deed of trust in favor of Lender above referred to.

**NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.**

**IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.  
(CLTA SUBORDINATION FORM "A")**

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## MEMORANDUM

To: Board of Directors Date: December 16, 2025  
 From: Julie Blue, Auditor/Controller *JB*  
 Subject: Accept Fiscal Year 2024/2025 (FY 24/25) Annual Comprehensive Financial Report (ACFR) and Management Report

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**RECOMMENDED ACTION:** Accept FY 24/25 ACFR and Management Report

**FINANCIAL IMPACT:** Annual audit cost is \$29,600

### Audit Summary

The Fiscal Year 2024/2025 (FY 24/25) financial statements were audited by C.J. Brown & Company, CPAs, the District's independent external audit firm, and the Annual Comprehensive Financial Report (ACFR) was prepared in collaboration between District staff. The Auditor/Controller will present the FY 24/25 ACFR (Attachment 1) and the Management Report (Attachment 2), and a copy of the presentation is included as Attachment 3 to this memorandum.

The key statement in the Independent Auditor's Report, found on page 9, states: "In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Marin Water District as of June 30, 2025 and 2024, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America." This unmodified opinion is the most favorable opinion an outside auditor can issue on an entity's financial statements.

The Management Report (Attachment 2) states that the auditor did not identify any deficiencies in the District's internal control that might result in material misstatement of the District's financial statements. The independent auditor did not have any comments or recommendations regarding internal controls.

Once accepted by the Board, the ACFR will be submitted to the Government Finance Officers Association (GFOA) for consideration of the Certificate of Achievement for Excellence in Financial Reporting award. The District has received this award for the past 16 consecutive years, demonstrating a consistent commitment to transparency and high standards in financial reporting.

### Accounting Adjustments

Accounting adjustments were made by staff after submitting the general ledger trial balance to the outside auditor and are disclosed on the last eight pages of the Management Report. The number of adjusting entries increased from the prior fiscal year from 11 up to 19. The

significant adjusting entries were posted for pension adjustments related to the Governmental Accounting Standards Board Statement 68 (GASB 68), other post-employment benefit adjustments (OPEB, GASB 75), and the removal of assets related to the old administrative building. Additionally, the District implemented GASB 101 which updates how employee leave balances are accounted for, requiring recognition of liabilities for unused sick leave and other compensated time, ensuring more accurate financial reporting on these obligations.

The following changes make up the majority of the adjusting entries:

- 1) A GASB 68 adjustment to net pension expense of \$980,956 and a decrease in the Pension Liability of \$104,577 to \$18,203,208.
- 2) A GASB 75 other post-employment benefits (OPEB) net decrease to expenses of \$29,500 and a decrease in the OPEB Liability of \$541,953 to \$4,327,665.
- 3) An adjustment for the removal of \$807,150 worth of assets resulting from the disposal of assets that no longer exist due to the Administration and Laboratory Upgrade project.
- 4) Implementation of GASB 101 with an adjustment of \$155,504 for FY 24/25, restatement entry for FY 23/24 of \$177,484, and a restatement entry for FY 22/23 of \$115,240.

#### RECOMMENDATION

Accept Fiscal Year 2024/2025 (FY 24/25) Annual Comprehensive Financial Report (ACFR) and Management Report.

#### ATTACHMENTS:

1. Draft Annual Comprehensive Financial Report FY 24/25 (ACFR)
2. Draft Management Report FY 24/25
3. CJ Brown & Company CPAs Presentation FY 24/25





# Annual Comprehensive Financial Report

**Novato, California**  
For the fiscal years ended  
June 30, 2025 and 2024



**NORTH MARIN  
WATER DISTRICT**







## **NORTH MARIN WATER DISTRICT**

<b>Name</b>	<b>Title</b>	<b>Elected/ Appointed</b>	<b>Current Term</b>
<b>Michael Joly</b>	<b>President</b>	<b>Elected</b>	<b>12/24 – 12/28</b>
<b>Ken Eichstaedt</b>	<b>Vice-President</b>	<b>Elected</b>	<b>12/24 – 12/26</b>
<b>Jack Baker</b>	<b>Director</b>	<b>Elected</b>	<b>12/24 – 12/28</b>
<b>Rick Fraites</b>	<b>Director</b>	<b>Elected</b>	<b>12/22 – 12/26</b>
<b>Stephen Petterle</b>	<b>Director</b>	<b>Elected</b>	<b>12/24 – 12/28</b>

**Anthony Williams, General Manager  
North Marin Water District  
999 Rush Creek Place  
Novato, California 94945  
(415) 897- 4133 – [www.nmwd.com](http://www.nmwd.com)**

**North Marin Water District**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**NORTH MARIN WATER DISTRICT**

999 Rush Creek Place  
Novato, California 94945

Prepared by:  
Finance Department  
*Julie Blue, Auditor-Controller*  
*Nancy Williamson, Accounting Supervisor*  
*Ling Reilly, Senior Accountant*

**North Marin Water District  
Annual Comprehensive Financial Report  
For the Fiscal Years Ended June 30, 2025 and 2024**

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## **Introductory Section**

Presentation Draft Subject to Board Approval





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December 16, 2025

To: Members of the Board of Directors and Customers of the North Marin Water District

The Annual Comprehensive Financial Report (ACFR) for the North Marin Water District (District) for the fiscal years ended June 30, 2025 and 2024 is hereby submitted. This report has been prepared in accordance with guidelines established by the Governmental Accounting Standards Board (GASB). District staff prepared the data incorporated in this financial report and are responsible for its accuracy, completeness, and fairness of presentation, including all disclosures. We believe the information presented is accurate in all material respects and is designed to provide a clear understanding of the District's financial position and activities, consistent with GASB standards.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A). This transmittal letter is intended to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found on page 12 of this report.

### **District Structure and Leadership**

The District is an independent special district, operating under the authority of Division 12 of the California Water Code. Since 1948, the District has provided water service to its customers. The District is governed by a five-member Board of Directors, each elected from one of five geographical areas from within the District's service area. The General Manager oversees day-to-day operations in accordance with policies and procedures established by the Board of Directors. As of June 30, 2025, the District employed 57 regular employees, with additional temporary and seasonal employees hired as needed. The District had 58 budgeted full-time positions, including 26 office and 32 field positions. The Board of Directors generally meets on the first and third Tuesday of each month. Meetings are publicly noticed, and customers are encouraged to attend.

### **District Services**

The District provides water service to the greater Novato area and to areas of West Marin (Point Reyes Station, Olema, Bear Valley, Inverness Park and Paradise Ranch Estates). The District provides sewer service to the Oceana Marin subdivision adjacent to the Dillon Beach Village community.

DIRECTORS: JACK BAKER · KEN EICHSTAEDT · RICK FRAITES · MICHAEL JOLY · STEPHEN PETTERLE

OFFICERS: ANTHONY WILLIAMS, General Manager · EILEEN MULLINER, District Secretary · JULIE BLUE, Auditor-Controller · ERIC MILLER, Asst. GM/Chief Engineer

### **District Services, continued**

The District provides water service to over 61,000 residents in the greater Novato area through 20,882 potable water service connections and 104 recycled water connections. The District also provides water service to approximately 1,800 residents in the Point Reyes service area of West Marin County through 802 service connections and sewer service to approximately 500 residents in the Oceana Marin service area of West Marin County through 241 service connections.

Residential customers comprise approximately 90% of the District's customer base and consume approximately 80% of the water produced annually. On average, the District purchases approximately 80% of its Novato water supply from the Sonoma County Water Agency (SCWA) with the balance made up from the District's Stafford Lake Reservoir and recycled water. The District purchased approximately 2.1 billion gallons of water in fiscal year 2025 and 1.7 billion gallons of water in fiscal year 2024 from SCWA.

### **Economic Condition, Outlook, and Major Initiatives**

The District carries out its Mission with a highly motivated and competent staff empowered to conduct the District's business who strive to meet or exceed customer needs and expectations. Each day, District employees carry out the mission of providing potable and recycled water and sewer services that are reliable, high-quality, environmentally responsible, and reasonably priced.

The Russian River water delivery system operated by SCWA provides approximately 80% of Novato's water supply. Novato rainfall in fiscal year 2025 totaled 25.5" which was about 97% of the historical average annual rainfall.

North Marin's Stafford Lake water treatment plant produced 309 million gallons of water to supplement Russian River supplies with local water supply during the fiscal year. Recycled water treatment facilities at Novato Sanitary District, Las Gallinas Valley Sanitary District and North Marin's Deer Island treatment facilities combined to provide 265 million gallons of highly treated recycled wastewater to large landscape irrigation customers and commercial car washes in Novato.

An 8.5% rate increase for customers in the Novato service area was authorized by the Board of Directors effective July 1, 2024. The typical Novato detached single-family home uses 78,000 gallons of water a year and costs the customer about \$897 per year. These rates are slightly below the median when compared to 16 other Bay Area water suppliers.

### **Major Initiatives**

The activities of the Board and staff are driven by our mission to provide water and sewer services that are reliable, of high-quality, environmentally responsible, and reasonably priced. The District's major strategic priorities and initiatives include the following:

1. Increase local control and the long-term reliability of the water supply;
2. Increase communication with customers and ensure quality service;
3. Provide proactive and cost-effective asset management and operations;
4. Retain a high quality, motivated, and efficient workforce with excellent programs and investments in equipment, technology and training;
5. Ensure long-term financial stability, security, and ratepayer value; and
6. Increase preparedness for emergencies as well as long-term challenges such as drought and climate change.



## **Accomplishments**

The District completed the following projects and accomplishments in fiscal year 2024-25 based on the initiatives listed above:

- Completed the West Marin Water Rate Study and secured Board approval for a five-year schedule of rate increases through the Proposition 218 process. These increases will fund the District's Capital Improvement Plan, supporting essential infrastructure upgrades, system reliability, and long-term financial sustainability;
- Completed the Administration and Laboratory Upgrade Project. Administrative and lab staff returned to the District Headquarters during the fiscal year, and the upgraded laboratory was successfully certified;
- Completed construction of the Crest Pump Station on Bahia Drive, replacing the aging facility at School Road and Sunset Trail to improve service in Northeast Novato;
- Rebuilt the retaining wall at the Cherry Hill Pump Station on Robinhood Drive in Novato;
- Improved access to an underground pressure tank near Hayden Avenue in Novato, enabling faster maintenance and outage response;
- Received \$1.19 million in grant funding reimbursement for the Oceana Marin Treatment Pond Rehabilitation Project.

## **District Water Supply**

Stafford Lake – Local Source Provides approximately 20% of the District's Supply

Stafford Lake lies four miles west of downtown Novato and collects the runoff from 8.3 square miles of watershed land adjacent to the upper reaches of Novato Creek. The lake has a surface area of 230 acres and holds 4,450 AF (acre-feet) (1,450 MG) of water by virtue of the Stafford Dam which was originally built in 1951 and subsequently raised 9 feet in 1984. Water from Stafford Lake is fed into the 6 million gallons per day (MGD) treatment plant (STP) located just below the dam. In fiscal year 2025 and 2024, 948 AF (309 MG) and 1,255 AF (409 MG) respectively, was produced by the Stafford Lake Water Treatment Plant.

Russian River – Provides approximately 80% of the District's Annual Supply

Russian River water originates from both the Eel River and the Russian River watersheds northeast of the City of Ukiah (Lake Mendocino) and west of Healdsburg (Lake Sonoma). Lake Mendocino's Coyote Dam impounds the Eel River diversions through the Potter Valley Project (PVP) and direct winter runoff from the local watershed. Lake Sonoma's Warm Springs Dam impounds winter runoff from the Dry Creek and Warm Springs watersheds. Lakes Mendocino and Sonoma combined can store 367,500 acre-feet (AF) to meet the regions' water supply needs, which totaled 45,184 acre-feet in fiscal year 2025. Releases from the lakes flow to a point about 10 miles upstream of Guerneville where SCWA's six deep Ranney Collector wells collect river water that has been filtered through 60 to 90 feet of natural sand and gravel to perforated pipes located at the bottom of each well. The thick layer of sand and gravel through which the water must pass before reaching the intake pipes provides a highly efficient, natural filtration process which, with chlorination treatment, produces clear, potable, bacteria-free water. This water is then fed directly into the Agency's aqueduct system.

### **District Water Supply, continued**

During the fiscal years 2025 and 2024, the District received 6,323 AF (2,060 MG) and 5,134 AF (1,673 MG), respectively, of Russian River water. The District has an agreement in place with the Agency to provide sufficient supply to meet the District's current and future water supply needs. There continues to be competing interests for Russian River water, principally to protect steelhead and salmon listed as threatened species under the Endangered Species Act.

The 2008 Biological Opinion (BiOp) for the Russian River watershed, which outlined requirements to preserve, protect, and restore fisheries while maintaining existing water supplies, expired in September 2023. In response, Sonoma Water, the U.S. Army Corps of Engineers, and the Mendocino County Russian River Flood Control District submitted a new biological assessment to the National Marine Fisheries Service (NMFS). In April 2025, NMFS issued the updated BiOp and Essential Fish Habitat Response. The District continues to support efforts to protect fisheries and ensure a reliable water supply for the region.

### **Internal Control Structure**

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft or misuse. The internal control structure also ensures that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefit likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

### **Budgetary Control**

The District Board of Directors adopts an operating and capital budget annually, prior to the start of each fiscal year. This budget serves as the foundation for financial reporting, operational oversight, and accountability across the District's enterprise functions and capital projects. Budgeting and financial reporting follow the accrual basis of accounting, consistent with the District's financial statements.

### **Investment Policy**

The Board of Directors has adopted an investment policy that conforms to state law, District ordinance and resolutions, prudent money management, and the "prudent person" standard. The objective of the Investment Policy is safety, liquidity, and yield. District funds are invested in the State Treasurer's Local Agency Investment Fund, US Treasury notes, time certificates of deposit and the US Bank Global Money Market Fund.

### **Water Rates and District Revenues**

Revenue from user charges generated from District customers supports District operations. Accordingly, water and sewer rates are reviewed annually. Water and sewer rates are user charges imposed on customers for services and are the primary component of the District's revenue. Water rates are comprised of a commodity (water use) charge and a bi-monthly service charge (fixed charge); while, sewer rates are comprised exclusively of a fixed charge.

### **Audit and Financial Reporting**

State Law and Bond covenants require the District to obtain an annual audit of its financial statements by an independent Certified Public Accountant. The accounting firm of C.J. Brown & Company, CPAs has conducted the audit of the District's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.


### **Awards and Acknowledgements**


For the sixteenth consecutive year, the District was awarded the Government Finance Officers Association of the United States and Canada's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its 2024 and 2023 Annual Comprehensive Financial Report. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that this Annual Comprehensive Financial Report meets the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for 2025.

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would also like to thank the members of the Board of Directors for their continued support in planning and implementation of the North Marin Water District's fiscal policies.

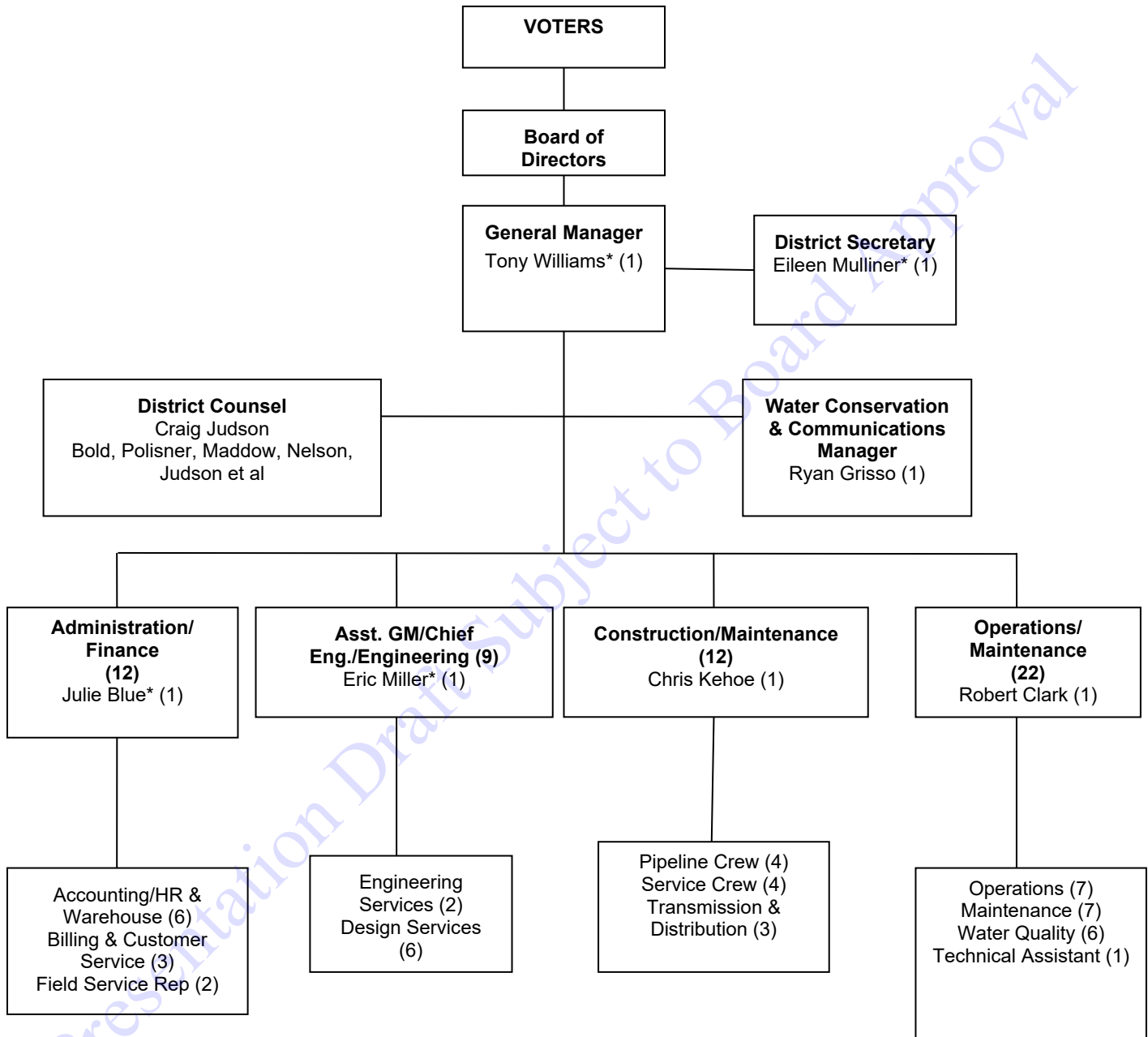
Respectfully submitted,

  
\_\_\_\_\_  
Anthony Williams, General Manager

  
\_\_\_\_\_  
Julie Blue, Auditor-Controller

# North Marin Water District Organizational Chart As of June 30, 2025

Budgeted Full Time Employees (FTE): 58



\*Also serves as District officer





Government Finance Officers Association

**Certificate of  
Achievement for  
Excellence in  
Financial  
Reporting**

Presented to

**North Marin Water District  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

## **Financial Section**

Presentation Draft Subject to Board Approval





## **Independent Auditor's Report**

Board of Directors  
North Marin Water District  
Novato, California

### **Report on the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the North Marin Water District (District), which comprises the statements of net position as of June 30, 2025 and 2024, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Marin Water District as of June 30, 2025 and 2024, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Independent Auditor's Report, continued

### ***Auditor's Responsibilities for the Audits of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control–related matters that we identified during the audits.

### ***Emphasis of Matter***

As part of our audit of the June 30, 2025, financial statements, we audited the adjustments described in Note 14.

As discussed in Note 1.C to the financial statements, on June 30, 2025, the District adopted new accounting guidance *Governmental Accounting Standards Board Statement No. 101 – Compensated Absences*. As a result the District has recorded prior period adjustments to restate net position as of July 1, 2022 and July 1, 2023, respectively. Our opinion is not modified with respect to this matter.

## **Independent Auditor's Report, continued**

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 18 and the required supplementary information on pages 64 through 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section on pages 1 through 8, the supplementary information of combining schedules on pages 67 through 70, and the statistical section on pages 71 through 85 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information of combining schedules is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 16, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 86 and 87.

**C.J. Brown & Company, CPAs**

Cypress, California

December 16, 2025

**North Marin Water District**  
***Management's Discussion and Analysis***  
**For the Fiscal Years Ended June 30, 2025 and 2024**

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the North Marin Water District (District) provides an introduction to the financial statements of the District for the fiscal years ended June 30, 2025 and 2024. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

**Financial Highlights**

- In fiscal year 2025, the District's net position increased 1.9% or \$2,481,838 to \$132,347,707 due to capital contributions of \$2,534,408, offset by a net loss from ongoing operations of \$52,570, which included offsets of \$3,207,433 in current year GASB 68 pension adjustments. In fiscal year 2024, the District's net position increased 3.0% or \$3,760,131 to \$129,865,869 due to net revenue from ongoing operations of \$1,620,457, which includes offsets of \$620,382 and \$107,271 in current year GASB 68 pension and GASB 75 other post-employment benefit adjustments, respectively, and capital contributions of \$2,139,674.
- In fiscal year 2025, the District's total revenues increased 10.3% or \$3,001,464 to \$32,281,448. In fiscal year 2024, the District's total revenues increased 13.4% or \$3,452,043 to \$29,279,984.
- In fiscal year 2025, the District's operating revenues increased 13.7% or \$3,699,845 to \$30,662,972. In fiscal year 2024, the District's operating revenues increased 11.2% or \$2,718,416 to \$26,963,127.
- In fiscal year 2025, the District's non-operating revenues decreased by 30.1% or \$698,381 to \$1,618,476. In fiscal year 2024, the District's non-operating revenues increased by 46.3% or \$733,627 to \$2,316,857.
- In fiscal year 2025, the District's total expenses including depreciation and amortization increased 16.9% or \$4,674,491 to \$32,334,018. In fiscal year 2024, the District's total expenses including depreciation and amortization increased 27.2% or \$5,919,452 to \$27,659,527.
- In fiscal year 2025, the District's operating expenses, before depreciation and amortization, increased 21.5% or \$4,812,743 to \$27,153,707. In fiscal year 2024, the District's operating expenses, before depreciation and amortization, increased 39.8% or \$6,357,665 to \$22,340,964.
- In fiscal year 2025, the District's non-operating expenses decreased by 6.7% or \$78,593 to \$1,100,688. In fiscal year 2024, the District's non-operating expenses decreased by 4.3% or \$53,589 to \$1,179,281.
- In fiscal year 2025, the District's capital contributions increased by 18.4% or \$394,734 to \$2,534,408. In fiscal year 2024, the District's capital contributions increased by 21.5% or \$378,379 to \$2,139,674.

**Required Financial Statements**

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the District's investments in resources (assets), deferred outflows resources, obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. This statement can also be used to evaluate profitability and creditworthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period.

**North Marin Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**Required Financial Statements, continued**

The Statement of Cash Flows reports cash receipts, cash payments, and the net change in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

**Financial Analysis of the District**

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District in a way that helps the reader answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the District's *net position* and changes in it. One can think of the District's net position – the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources – as one way to measure the District's financial health, or *financial position*. Over time, *increases* or *decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, new or changed government legislation or accounting standards, as well as changes in Federal and State water quality standards.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 24 through 63.

**Statements of Net Position**

Below is a summary of the statements of net position, and presents a comparison between June 30, 2025, 2024, and 2023.

<b>Condensed Statements of Net Position</b>					
	<b>2025</b>	<b>As Restated 2024</b>	<b>Change</b>	<b>As Restated 2023</b>	<b>Change</b>
<b>Assets:</b>					
Current assets	\$ 26,615,332	35,736,171	(9,120,839)	39,992,888	(4,256,717)
Non-current assets	6,582,169	4,728,756	1,853,413	6,896,968	(2,168,212)
Capital assets, net	161,220,388	155,093,702	6,126,686	147,063,309	8,030,393
<b>Total assets</b>	<u>194,417,889</u>	<u>195,558,629</u>	<u>(1,140,740)</u>	<u>193,953,165</u>	<u>1,605,464</u>
<b>Deferred outflows of resources</b>	<u>5,547,450</u>	<u>7,014,861</u>	<u>(1,467,411)</u>	<u>6,917,788</u>	<u>97,073</u>
<b>Liabilities:</b>					
Current liabilities	8,517,846	9,404,723	(886,877)	9,370,592	34,131
Non-current liabilities	57,891,789	62,186,447	(4,294,658)	63,356,094	(1,169,647)
<b>Total liabilities</b>	<u>66,409,635</u>	<u>71,591,170</u>	<u>(5,181,535)</u>	<u>72,726,686</u>	<u>(1,135,516)</u>
<b>Deferred inflows of resources</b>	<u>1,207,997</u>	<u>1,116,451</u>	<u>91,546</u>	<u>2,038,529</u>	<u>(922,078)</u>
<b>Net position:</b>					
Net investment in capital assets	122,635,433	116,599,712	6,035,721	112,410,898	4,188,814
Restricted	7,862,799	8,146,966	(284,167)	7,432,578	714,388
Unrestricted	1,849,475	5,119,191	(3,269,716)	6,262,262	(1,143,071)
<b>Total net position</b>	<u>\$ 132,347,707</u>	<u>129,865,869</u>	<u>2,481,838</u>	<u>126,105,738</u>	<u>3,760,131</u>

**North Marin Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**Statements of Net Position, continued**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of the District exceeded liabilities and deferred inflows by \$132,347,707 and \$129,865,869 as of June 30, 2025 and 2024, respectively.

By far the largest portion of the District's net position (93% and 90% as of June 30, 2025 and 2024, respectively) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are *not* available for future spending.

At the end of fiscal years 2025 and 2024, the District showed a positive balance in its unrestricted net position of \$1,849,475 and \$5,119,191, respectively. See note 13 for further information.

**Statements of Revenues, Expenses, and Changes in Net Position**

Below is a summary of the statements of revenues, expenses, and changes in net position, and presents a comparison between the years ended June 30, 2025 and 2024.

**Condensed Statements of Revenues, Expenses, and Changes in Net Position**

	2025	As Restated 2024	Change	As Restated 2023	Change
<b>Revenue:</b>					
Operating revenue	\$ 30,662,972	26,963,127	3,699,845	24,244,711	2,718,416
Non-operating revenue	1,618,476	2,316,857	(698,381)	1,583,230	733,627
<b>Total revenue</b>	<u>32,281,448</u>	<u>29,279,984</u>	<u>3,001,464</u>	<u>25,827,941</u>	<u>3,452,043</u>
<b>Expense:</b>					
Operating expense	27,153,707	22,340,964	4,812,743	15,983,299	6,357,665
Depreciation and amortization	4,079,623	4,139,282	(59,659)	4,523,906	(384,624)
Non-operating expense	1,100,688	1,179,281	(78,593)	1,232,870	(53,589)
<b>Total expense</b>	<u>32,334,018</u>	<u>27,659,527</u>	<u>4,674,491</u>	<u>21,740,075</u>	<u>5,919,452</u>
<b>Net income (loss) before capital contributions</b>	(52,570)	1,620,457	(1,673,027)	4,087,866	(2,467,409)
<b>Capital contributions</b>	<u>2,534,408</u>	<u>2,139,674</u>	<u>394,734</u>	<u>1,761,295</u>	<u>378,379</u>
<b>Changes in net position</b>	2,481,838	3,760,131	(1,278,293)	5,849,161	(2,089,030)
<b>Net position, beginning of year as restated</b>	<u>129,865,869</u>	<u>126,105,738</u>	<u>3,760,131</u>	<u>120,256,577</u>	<u>5,849,161</u>
<b>Net position, end of year as restated</b>	<u>\$ 132,347,707</u>	<u>129,865,869</u>	<u>2,481,838</u>	<u>126,105,738</u>	<u>3,760,131</u>

The statement of revenues, expenses, and changes of net position shows how the District's net position changed during the fiscal year. In the case of the District, net position increased 1.9% or \$2,481,838 to \$132,347,707 due to capital contributions of \$2,534,408, offset by a net loss from ongoing operations of \$52,570, which included offsets of \$3,207,433 in current year GASB 68 pension adjustments. In fiscal year 2024, the District's net position increased 3.0% or \$3,760,131 to \$129,865,869 due to net revenue from ongoing operations of \$1,620,457, which includes offsets of \$620,382 and \$107,271 in current year GASB 68 pension and GASB 75 other post-employment benefit adjustments, respectively, and capital contributions of \$2,139,674.



**North Marin Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**Statements of Revenues, Expenses, and Changes in Net Position, continued**

A closer examination of the sources of changes in net position reveal that:

In 2025, the District's operating revenues increased 13.7% or \$3,699,845 to \$30,662,972 due primarily to increases in water consumption sales of \$2,495,979 and bi-monthly meter service charges of \$1,218,631, related to increases in rates and water sales volume as compared to the prior year. In 2024, the District's operating revenues increased 11.2% or \$2,718,416 to \$26,963,127 due principally to increases in water consumption sales of \$1,978,200 and bi-monthly meter service charges of \$696,117, related to increases in rates and water sales volume as compared to the prior year.

In 2025, the District's non-operating revenues decreased by 30.1% or \$698,381 to \$1,618,476 due largely to decreases in net investment earnings of \$573,720 and Regulation 15 forfeitures of \$122,500 sourcing from new development deposits forfeited to the District to be used for water conservation programs. In 2024, the District's non-operating revenues increased by 46.3% or \$733,627 to \$2,316,857 due mainly because of increases in net investment earnings of \$528,035 and Regulation 15 forfeitures of \$180,890 sourcing from new development deposits forfeited to the District to be used for water conservation programs.

In 2025, the District's capital contributions increased by 18.4% or \$394,734 to \$2,534,408 due to increases in state and local capital grants of \$763,037, developer contributions of \$530,357, offset by a decrease in connection fees of \$898,660. In 2024, the District's capital contributions increased by 21.5% or \$378,379 to \$2,139,674 due to increases in connection fees of \$676,490 and state and local capital grants of \$96,718, offset by a decrease from developer contributions of \$394,829.

In 2025, the District's operating expenses increased 21.5% or \$4,812,743 to \$27,153,707 due primarily to increases in source of supply of \$2,355,934 due principally to a; 11.74% increase in rates from Sonoma County Water Agency, and a 7% increase in consumption; general and administrative of \$1,091,166 largely due to increases of \$625,130 in non-capitalizable office equipment costs, \$325,075 in GASB 68 related pension adjustments, and \$208,149 in consulting costs; water facilities operations of \$441,593 largely due to increases of \$335,761 in labor costs, \$90,223 in maintenance costs, and \$35,486 in GASB 68 related pension adjustments; transmission and distribution of \$333,664 due chiefly as a result of increases of \$239,836 in labor costs, \$87,168 in maintenance costs, and \$89,435 in GASB 68 related pension adjustments; water treatment of \$273,646 mainly due to increases of \$218,567 in laboratory labor and services, \$94,725 in water quality programs, \$77,980 in GASB 68 related pension amounts, and \$44,536 in purification expenses, offset by decreases of \$91,110 in maintenance expenses, and \$52,515 in electricity costs; pumping of \$219,378 primarily due to increases of \$149,854 in electricity costs due to an increase in utility rates and \$65,303 in maintenance expenses.

In 2024, the District's operating expenses increased 39.8% or \$6,357,665 to \$22,340,964 due primarily to increases in transmission and distribution of \$1,359,447 due principally to an increase of \$1,335,921 in GASB 68 related pension; general and administrative of \$1,809,683 mainly due to increases of \$1,165,444 in GASB 68 related pension; source of supply of \$1,725,308 due largely to a; 12.5% increase in rates from Sonoma County Water Agency, and an 8% increase in consumption; water facilities operations of \$626,578 primarily due to increases of \$484,355 in GASB 68 related pension, \$87,479 in labor costs, and \$60,939 in maintenance costs; pumping of \$180,724 mainly because of increases in utility rates; water conservation of \$146,169 largely due to increases of \$28,800 marketing and outreach and \$28,353 in GASB 68 related pension; water treatment of \$305,374 mainly due to increases of \$865,705 in GASB 68 related pension amounts, offset by decreases in purification chemicals of \$474,930 and maintenance of \$78,239; customer service of \$147,193, principally due to \$113,894 in GASB 68 related pension and \$37,090 in billing and credit processing fees.

In 2025, the District's non-operating expenses decreased by 6.7% or \$78,593 to \$1,100,688 due primarily to a decrease in interest expense on long-term debt of \$89,148 offset by an increase of \$10,555 in other non-operating expenses. In 2024, the District's non-operating expenses decreased by 4.3% or \$53,589 to \$1,179,281 due principally to a decrease in interest expense on long-term debt of \$42,831.

**North Marin Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**Statements of Revenues, Expenses, and Changes in Net Position, continued**

In 2025 the District's depreciation and amortization decreased by 1.4% or \$59,659 to \$4,079,623 due primarily to the maturation of existing capital assets and right-to-use equipment leases. In 2024, the District's depreciation and amortization decreased by 8.5% or \$384,624 to \$4,139,282 due principally to the maturation of existing capital assets and right-to-use equipment leases.

**Total District Revenues**

Below is a detailed schedule of the District's total revenues segregated between operating revenues and non-operating revenues.

	<u>2025</u>	<u>As Restated 2024</u>	<u>Change</u>	<u>As Restated 2023</u>	<u>Change</u>
<b>Operating revenues:</b>					
Water consumption sales	\$ 21,012,003	18,516,024	2,495,979	16,537,824	1,978,200
Monthly meter service charge	8,932,174	7,713,543	1,218,631	7,017,426	696,117
Sewer service charge	347,256	324,264	22,992	304,560	19,704
Other charges and services	371,539	409,296	(37,757)	384,901	24,395
<b>Total operating revenues</b>	<u>30,662,972</u>	<u>26,963,127</u>	<u>3,699,845</u>	<u>24,244,711</u>	<u>2,718,416</u>
<b>Non-operating revenues:</b>					
Property tax revenue	149,358	145,929	3,429	143,332	2,597
Investment earnings, net	1,211,162	1,784,882	(573,720)	1,256,847	528,035
Interest earnings from note receivable – BPGL	10,030	10,416	(386)	9,009	1,407
Interest earnings from loan receivable – MMWD	66,518	73,271	(6,753)	79,845	(6,574)
Interest earnings from leases	10,878	11,930	(1,052)	12,782	(852)
Rental revenue	78,008	78,577	(569)	69,876	8,701
Gain on sale of capital assets	7,352	2,940	4,412	-	2,940
Regulation 15 forfeiture	58,390	180,890	(122,500)	-	180,890
Other non-operating revenues	26,780	28,022	(1,242)	11,539	16,483
<b>Total non-operating revenues</b>	<u>1,618,476</u>	<u>2,316,857</u>	<u>(698,381)</u>	<u>1,583,230</u>	<u>733,627</u>
<b>Total revenues</b>	<u>\$ 32,281,448</u>	<u>29,279,984</u>	<u>3,001,464</u>	<u>25,827,941</u>	<u>3,452,043</u>

In 2025, total revenues increased \$3,001,464. In 2024, total revenues increased \$3,452,043.



**North Marin Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**Total District Expenses**

Below is a detailed schedule of the District's total expenses segregated between operating expenses and non-operating expenses.

	<u>2025</u>	<u>As Restated 2024</u>	<u>Change</u>	<u>As Restated 2023</u>	<u>Change</u>
<b>Operating expenses including depreciation expense:</b>					
Source of supply	\$ 9,083,224	6,727,290	2,355,934	5,001,982	1,725,308
Pumping	893,129	673,751	219,378	493,027	180,724
Water facilities operations	1,780,879	1,339,286	441,593	712,708	626,578
Water treatment	2,954,272	2,680,626	273,646	2,375,252	305,374
Transmission and distribution	4,643,209	4,309,545	333,664	2,950,098	1,359,447
Sewage collection and treatment	275,886	277,564	(1,678)	220,375	57,189
Customer service	593,847	533,526	60,321	386,333	147,193
General and administrative	6,417,239	5,326,073	1,091,166	3,516,390	1,809,683
Water conservation	512,022	473,303	38,719	327,134	146,169
Depreciation and amortization	4,079,623	4,139,282	(59,659)	4,523,906	(384,624)
<b>Total operating expenses including depreciation expense</b>	<u>31,233,330</u>	<u>26,480,246</u>	<u>4,753,084</u>	<u>20,507,205</u>	<u>5,973,041</u>
<b>Non-operating expenses:</b>					
Interest expense – long-term debt	1,087,840	1,176,988	(89,148)	1,219,819	(42,831)
Loss on disposition of capital assets	-	-	-	10,885	(10,885)
Other non-operating expenses	12,848	2,293	10,555	2,166	127
<b>Total non-operating expenses</b>	<u>1,100,688</u>	<u>1,179,281</u>	<u>(78,593)</u>	<u>1,232,870</u>	<u>(53,589)</u>
<b>Total expenses</b>	<u>\$ 32,334,018</u>	<u>27,659,527</u>	<u>4,674,491</u>	<u>21,740,075</u>	<u>5,919,452</u>

In 2025, total expenses increased \$4,674,491. In 2024, total expenses increased \$5,919,452.

**Capital Asset Administration**

Changes in capital asset amounts for 2025 were as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2025</u>
Capital assets:				
Non-depreciable assets	\$ 28,829,031	9,994,197	(25,088,353)	13,734,875
Depreciable and amortizable assets	206,171,379	25,400,839	(1,558,441)	230,013,777
Accumulated depreciation and amortization	<u>(79,906,708)</u>	<u>(4,079,623)</u>	<u>1,458,067</u>	<u>(82,528,264)</u>
Total capital assets, net	<u>\$ 155,093,702</u>	<u>31,315,413</u>	<u>(25,188,727)</u>	<u>161,220,388</u>

**North Marin Water District**  
**Management's Discussion and Analysis**  
**For the Fiscal Years Ended June 30, 2025 and 2024**

**Capital Asset Administration, continued**

Changes in capital asset amounts for 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2024</u>
Capital assets:				
Non-depreciable assets	\$ 18,381,029	12,042,022	(1,594,020)	28,829,031
Depreciable and amortizable assets	205,067,640	1,721,673	(617,934)	206,171,379
Accumulated depreciation and amortization	<u>(76,385,360)</u>	<u>(4,139,282)</u>	<u>617,934</u>	<u>(79,906,708)</u>
Total capital assets, net	<u>\$ 147,063,309</u>	<u>9,624,413</u>	<u>(1,594,020)</u>	<u>155,093,702</u>

At the end of fiscal years 2025 and 2024, the District's investment in capital assets (net of accumulated depreciation) totaled \$161,220,388 and \$155,093,702, respectively. This investment in capital assets (net of accumulated depreciation) includes land, transmission and distribution systems, reservoirs, tanks, pumps, buildings and structures, equipment, vehicles, and construction-in-progress. See note 8 for further information.

**Debt Administration**

Changes in long-term debt amounts for 2025 were as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2025</u>
Long-term debt:				
Leases payable	\$ 400,096	86,250	(144,073)	342,273
Loans payable	<u>41,341,630</u>	<u>-</u>	<u>(3,417,395)</u>	<u>37,924,235</u>
Total long-term debt	<u>\$ 41,741,726</u>	<u>86,250</u>	<u>(3,561,468)</u>	<u>38,266,508</u>

Changes in long-term debt amounts for 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2024</u>
Long-term debt:				
Leases payable	\$ 464,421	146,993	(211,318)	400,096
Loans payable	<u>44,668,971</u>	<u>-</u>	<u>(3,327,341)</u>	<u>41,341,630</u>
Total long-term debt	<u>\$ 45,133,392</u>	<u>146,993</u>	<u>(3,538,659)</u>	<u>41,741,726</u>

See note 10 for further information.

**Conditions Affecting Current Financial Position**

Management is unaware of any conditions which could have a significant impact on the District's current financial position, net position, or operating results in terms of past, present, and future.

**Requests for Information**

This financial report is designed to provide the District's funding sources, customers, stakeholders and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Auditor-Controller at 999 Rush Creek Place, Novato, California 94945, Telephone: (415) 897-4133.

# **Basic Financial Statements**

Presentation Draft Subject to Board Approval

**North Marin Water District**  
**Statements of Net Position**  
**June 30, 2025 and 2024**

	<u>2025</u>	<u>As Restated 2024</u>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 11,994,506	4,796,991
Restricted – cash and cash equivalents (note 2)	4,755,409	8,593,084
Restricted – investments (note 2)	1,725,194	14,169,770
Accrued interest receivable	210,536	226,668
Accounts receivable – water and sewer sales and services	5,885,443	5,573,111
Accounts receivable – governmental agencies	147,860	617,700
Accounts receivable – other	258,354	11,647
Leases receivable (note 3)	34,419	32,218
Note receivable (note 4)	39,181	38,791
Loan receivable (note 4)	165,734	161,355
Materials and supplies inventory	943,437	1,007,639
Prepaid expenses and deposits	455,259	507,197
<b>Total current assets</b>	<u>26,615,332</u>	<u>35,736,171</u>
<b>Non-current assets:</b>		
Restricted – investments (note 2)	3,206,164	1,709,884
Leases receivable (note 3)	288,479	326,431
Note receivable (note 4)	944,411	983,592
Loan receivable (note 4)	1,293,115	1,458,849
Notes receivable – employee housing assistance loans, net (note 5)	850,000	250,000
Capital assets, not being depreciated (note 8)	13,734,875	28,829,031
Depreciable capital assets, net (note 8)	<u>147,485,513</u>	<u>126,264,671</u>
<b>Total non-current assets</b>	<u>167,802,557</u>	<u>159,822,458</u>
<b>Total assets</b>	<u>194,417,889</u>	<u>195,558,629</u>
<b>Deferred outflows of resources:</b>		
Deferred other post-employment benefits outflows (note 11)	219,707	236,289
Deferred pension outflows (note 12)	<u>5,327,743</u>	<u>6,778,572</u>
<b>Total deferred outflows of resources</b>	<u>\$ 5,547,450</u>	<u>7,014,861</u>

Continued on next page

See accompanying notes to the basic financial statements.

**North Marin Water District**  
**Statements of Net Position, continued**  
**June 30, 2025 and 2024**

	<u>2025</u>	<u>As Restated 2024</u>
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 2,576,819	3,062,711
Accrued wages and related payables	360,469	335,477
Accrued claims payable	-	29,437
Customer advances and deposits	1,482,901	1,932,799
Accrued interest payable – long-term debt	314,374	335,004
Long-term liabilities – due within one year:		
Compensated absences (note 9)	374,927	377,266
Leases payable (note 10)	125,611	134,871
Loans payable (note 10)	3,023,753	2,948,111
Other post-employment benefits liability (note 11)	258,992	249,047
<b>Total current liabilities</b>	<u>8,517,846</u>	<u>9,404,723</u>
<b>Non-current liabilities:</b>		
Long-term liabilities – due in more than one year:		
Compensated absences (note 9)	502,764	599,347
Leases payable (note 10)	216,662	265,225
Loans payable (note 10)	34,900,482	38,393,519
Other post-employment benefits liability (note 11)	4,068,673	4,620,571
Net pension liability (note 12)	18,203,208	18,307,785
<b>Total non-current liabilities</b>	<u>57,891,789</u>	<u>62,186,447</u>
<b>Total liabilities</b>	<u>66,409,635</u>	<u>71,591,170</u>
<b>Deferred inflows of resources:</b>		
Deferred lease inflows (note 3)	286,100	325,129
Deferred other post-employment benefits inflows (note 11)	558,953	63,082
Deferred pension inflows (note 12)	362,944	728,240
<b>Total deferred inflows of resources</b>	<u>1,207,997</u>	<u>1,116,451</u>
<b>Net position: (note 13)</b>		
Net investment in capital assets	122,635,433	116,599,712
Restricted:		
SRF loan fund – Stafford Treatment Plant	1,070,027	1,067,432
SRF reserve fund – Recycled Water System	1,105,072	1,105,072
Interagency capital replacement and expansion fund	5,687,700	5,974,462
Unrestricted	1,849,475	5,119,191
<b>Total net position</b>	<u>\$ 132,347,707</u>	<u>129,865,869</u>

See accompanying notes to the basic financial statements.

**North Marin Water District**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**For the Years Ended June 30, 2025 and 2024**

	<b>2025</b>	<b>As Restated 2024</b>
<b>Operating revenues:</b>		
Water consumption sales	\$ 21,012,003	18,516,024
Bi-monthly meter service charge	8,932,174	7,713,543
Sewer service charges	347,256	324,264
Other charges and services	371,539	409,296
<b>Total operating revenues</b>	<b>30,662,972</b>	<b>26,963,127</b>
<b>Operating expenses:</b>		
Source of supply	9,083,224	6,727,290
Pumping	893,129	673,751
Water facilities operations	1,780,879	1,339,286
Water treatment	2,954,272	2,680,626
Transmission and distribution	4,643,209	4,309,545
Sewage collection and treatment	275,886	277,564
Customer service	593,847	533,526
General and administrative	6,417,239	5,326,073
Water conservation	512,022	473,303
<b>Total operating expenses</b>	<b>27,153,707</b>	<b>22,340,964</b>
Operating income before depreciation	3,509,265	4,622,163
Depreciation and amortization expense – capital recovery	(4,079,623)	(4,139,282)
<b>Operating (loss) income</b>	<b>(570,358)</b>	<b>482,881</b>
<b>Non-operating revenues(expenses):</b>		
Property tax revenue	149,358	145,929
Investment (market value unrealized loss) earnings, net	1,211,162	1,784,882
Interest earnings from note receivable – BPGL	10,030	10,416
Interest earnings from loan receivable – MMWD	66,518	73,271
Interest earnings from leases receivable	10,878	11,930
Rental revenue	78,008	78,577
Interest expense – long-term debt	(1,087,840)	(1,176,988)
Gain (loss) on sale of capital assets	7,352	2,940
Regulation 15 forfeiture	58,390	180,890
Other non-operating revenues	26,780	28,022
Other non-operating expenses	(12,848)	(2,293)
<b>Total non-operating revenue(expenses), net</b>	<b>517,788</b>	<b>1,137,576</b>
<b>Net (loss) income before capital contributions</b>	<b>(52,570)</b>	<b>1,620,457</b>
<b>Capital contributions:</b>		
Developers and others	1,081,570	551,213
Connection fees	215,510	1,114,170
Capital grants – state and local	1,237,328	474,291
<b>Total capital contributions</b>	<b>2,534,408</b>	<b>2,139,674</b>
<b>Change in net position</b>	<b>2,481,838</b>	<b>3,760,131</b>
<b>Net position, beginning of year, as restated</b>	<b>129,865,869</b>	<b>126,105,738</b>
<b>Net position, end of year, as restated</b>	<b>\$ 132,347,707</b>	<b>129,865,869</b>

See accompanying notes to the basic financial statements.

**North Marin Water District**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>As Restated 2024</u>
<b>Cash flows from operating activities:</b>		
Cash receipts from customers and others	\$ 29,739,205	25,763,762
Cash paid to employees for salaries and wages	(7,232,689)	(7,324,836)
Cash paid to vendors and suppliers for materials and services	(19,494,558)	(13,869,374)
<b>Net cash provided by operating activities</b>	<u>3,011,958</u>	<u>4,569,552</u>
<b>Cash flows from non-capital financing activities:</b>		
Property tax revenue	149,358	145,929
<b>Net cash provided by non-capital financing activities</b>	<u>149,358</u>	<u>145,929</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(10,206,309)	(12,169,675)
Proceeds from the sale of capital assets	7,352	2,940
Proceeds from capital contributions and connection fees	3,004,248	1,810,378
Proceeds from right-to-use leases	86,250	146,993
Principal paid on long-term debt	(3,561,468)	(3,538,659)
Interest paid on long-term debt	(1,108,470)	(1,197,062)
<b>Net cash used in capital and related financing activities</b>	<u>(11,778,397)</u>	<u>(14,945,085)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	25,142,296	11,424,397
Purchases of investments	(14,194,000)	(12,209,000)
Principal received on notes receivable	38,791	38,405
Principal received on loans receivable	197,106	186,249
Investment earnings, net of fair value	1,392,728	1,945,532
<b>Net cash provided by investing activities</b>	<u>11,976,921</u>	<u>1,385,583</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	3,359,840	(8,844,021)
<b>Cash and cash equivalents, beginning of year</b>	<u>13,390,075</u>	<u>22,234,096</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 16,749,915</u>	<u>13,390,075</u>
<b>Reconciliation of cash and cash equivalents to statement of financial position:</b>		
Cash and cash equivalents	\$ 11,994,506	4,796,991
Restricted assets – cash and cash equivalents	4,755,409	8,593,084
<b>Total cash and cash equivalents</b>	<u>\$ 16,749,915</u>	<u>13,390,075</u>

Continued on next page

See accompanying notes to the basic financial statements.

**North Marin Water District**  
**Statements of Cash Flows, continued**  
**For the Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>As Restated 2024</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating (loss) income	\$ (570,358)	482,881
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>		
Depreciation expense – capital recovery	4,079,623	4,139,282
Regulation 15 forfeiture	58,390	180,890
Other non-operating revenue	26,780	28,022
Other non-operating expenses	(12,848)	(2,293)
<b>Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:</b>		
(Increase)Decrease in assets:		
Accounts receivable – water and sewer sales and services	(312,332)	(1,395,365)
Accounts receivable – other	(246,707)	27,766
Materials and supplies inventory	64,202	(67,467)
Prepaid expenses and other deposits	51,938	(81,237)
(Increase)Decrease in deferred outflows of resources:		
Other post-employment benefits related	16,582	(213,750)
Pension related	1,450,829	116,677
Increase(Decrease) in liabilities:		
Accounts payable and accrued expenses	(485,892)	403,132
Accrued wages and related payables	24,992	26,379
Accrued claims payable	(29,437)	9,312
Customer advances and deposits	(449,898)	(40,678)
Compensated absences	(98,922)	166,058
Other post-employment benefit liability	(541,953)	582,396
Net pension liability	(104,577)	1,129,625
Increase(Decrease) in deferred inflows of resources:		
Lease related	(39,029)	(34,783)
Other post-employment benefits related	495,871	(261,375)
Pension related	(365,296)	(625,920)
<b>Total adjustments</b>	<u>3,582,316</u>	<u>4,086,671</u>
<b>Net cash provided by operating activities</b>	<u>\$ 3,011,958</u>	<u>4,569,552</u>
<b>Non-cash investing, capital, and financing transactions:</b>		
Change in fair value of investments	<u>\$ (47,387)</u>	<u>(361,065)</u>

See accompanying notes to the basic financial statements.



**North Marin Water District**  
**Notes to the Basic Financial Statements**  
**For the Years Ended June 30, 2025 and 2024**

**(1) Reporting Entity and Summary of Significant Accounting Policies**

**A. Organization and Operations of the Reporting Entity**

The North Marin Water District (District) is an independent special district formed in April 1948, which operates under the authority of Division 12 of the California Water Code. The District's service area includes the City of Novato, adjacent areas, plus annexed areas in West Marin County. The District is governed by a five-member Board of Directors who serve overlapping four-year terms.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity*. The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

The District's operations are accounted for by the following service areas, some of which were originally established as Improvement Districts. Although the Improvement Districts are legally separate organizations, they are reported herein as if they were part of the primary government because the primary government controls the Improvement Districts, and the Board of Directors serve as their governing board. The following service areas are reported as blended component units.

**Novato Water System** – The Novato Water System is the primary service division of the District and represents the basic primary component of the District.

**West Marin Water System** (formerly *Point Reyes Service Area*) – This service area began in 1970 as a separate voter-approved Improvement District. Point Reyes was consolidated with the Olema Improvement District in 1996 and the Paradise Ranch Estate Improvement District in 2002, forming the West Marin Water System.

**Oceana Marin Sewer Service** – By agreement with a private developer, this service area was formed to provide sewer service to area residents commencing in June 1973.

**Novato Recycled Water System** – This enterprise fund was formed by the District in 2007 to account for the operation of the District's recycled water treatment and distribution system.

**B. Basis of Accounting and Measurement Focus**

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the cost of providing water or wastewater disposal to its service area on a continuing basis be financed or recovered primarily through user charges (water sales and sewer service charges), capital grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and sewer service charges, along with water purchases and wastewater disposal, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal value. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses. Non-operating revenues and expenses, such as grant funding, investment income, and interest expense, result from non-exchange transactions in which the District gives (receives) value without directly receiving (giving) value in exchange.

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**C. Financial Reporting**

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

The District has adopted the following GASB pronouncements in the current year:

*Governmental Accounting Standards Board Statement No. 101*

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. See Note 1.D.12 and Note 5 for the impact of this note on the financial statements due to implementation in the current fiscal year.

*Governmental Accounting Standards Board Statement No. 102*

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position**

**1. Use of Estimates**

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows and disclosures of contingent assets at the date of the financial statements and the changes in net position during the reporting period.

**2. Cash and Cash Equivalents**

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**3. Investments and Investment Policy**

The District has adopted an investment policy directing the District's Auditor-Controller to deposit funds in financial institutions.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

**4. Fair Value Measurements**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- **Level 1** – Valuation is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity, and other assumptions that are internally generated and cannot be observed in the market.

**5. Restricted Assets**

Restricted assets are financial resources generated for a specific purpose such as capital projects or debt service. These assets are for the benefit of a specified purpose and, as such, are legally or contractually restricted by an external third-party agreement.

**6. Accounts Receivable**

The District extends credit to customers in the normal course of operations. Management deems all accounts receivable as collectible at year-end. Accordingly, an allowance for doubtful accounts has not been recorded.

**7. Property Taxes**

The County of Marin Assessor's Office assesses all real and personal property within the County each year. The County of Marin Tax Collector's Office bills and collects the District's share of property taxes and assessments. The County of Marin Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**8. Lease Receivable / Payable**

Leases receivable / payable are measured at the present value of payments expected to be received / paid during the lease term.

**9. Prepaid Expenses**

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

**10. Capital Assets and Leased Assets**

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for capitalizing equipment purchases at \$5,000. Donated assets are recorded at estimated cost at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Dam – 100 years
- Transmission and distribution systems – 50 to 150 years
- Treatment plant – 20 to 50 years
- Sewer mains and pumps – 4 to 40 years
- Buildings and storage facilities – 35 to 50 years
- Equipment and vehicles – 5 to 10 years

Leased assets are amortized on a straight-line basis over the life of the lease term.

**11. Deferred Outflows of Resources**

The statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets applicable to future periods and, therefore, will *not* be recognized as an outflow of resources (expenditure) until that time. The District has the following items that qualify for reporting in this category:

*Post-Employment Benefits Other Than Pensions (OPEB)*

- Deferred outflow for the net differences between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with post-employment benefits.

*Pensions*

- Deferred outflow which is equal to the employer contributions made after the measurement date of the net pension liability. This amount will be amortized-in-full against the net pension liability in the next fiscal year.
- Deferred outflow for the net difference between the actual and expected experience which will be amortized over a closed period equal to the expected average remaining service lives of all employees that are provided with pension.
- Deferred outflow for the net change in assumptions which will be amortized over a closed period equal to the expected average remaining service lives of all employees that are provided with pension.
- Deferred outflow for the net difference between the projected and actual earnings on investments of the pension plan's fiduciary net position. This amount is amortized over a five-year period.

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**11. Deferred Outflows of Resources, continued**

*Pensions, continued*

- Deferred outflow for the net difference between actual contributions and the proportionate share of employer contribution which will be amortized over a closed period equal to the expected average remaining service lives of all employees that are provided with pension.

**12. Compensated Absences**

The District's employees have a vested interest in accrued vacation time. All vacation hours will eventually be either used or paid-off by the District. Employees earn vacation time on a semi-monthly basis. Employees normally earn and use their current vacation time with a small portion being unused each year. As this occurs, the District incurs a future obligation to pay for these unused hours and accrues a liability for such accumulated and unpaid vacation time.

Full-time District employees earn sick leave at a rate of one day per month. District employees may elect to be paid for accumulated and unused sick leave in excess of 90 days, at a rate of one-half of the value of such accumulated amount. The District has accrued a liability for such excess amounts. Employees hired after 10/1/2000 may apply their unused sick leave credit to enhance CalPERS retirement benefits but are not eligible to receive any pay for accrued unused sick leave from the District.

The District has adopted the provisions of GASB Statement No. 101. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The District has determined that the accrued vested sick liability meets the provisions, as reported above, of GASB Statement No. 101 for reporting. Therefore, a liability for the vested and accrued value of sick leave that will be settled in the future by employees as time off is included in the liability for compensated absences.

**13. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation Dates: June 30, 2023 and 2022
- Measurement Date: June 30, 2024 and 2023
- Measurement Period: July 1, 2023 to June 30, 2024 and July 1, 2022 to June 30, 2023

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued**

**14. Deferred Inflows of Resources**

The statements of net position will sometimes report a separate section for deferred inflows of resources. This financial statement element, *deferred inflows of resources*, represents an acquisition of net assets applicable to future periods and, therefore, will *not* be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

*Post-Employment Benefits Other Than Pensions (OPEB)*

- Deferred inflow for the net change in assumptions which will be amortized over a closed period equal to the expected average remaining service lives of all employees that are provided with post-employment benefits.

*Pensions*

- Deferred inflow as a result of the net change in proportions of the net pension liability which will be amortized over a closed period equal to the expected average remaining service lives of all employees that are provided with pension.

**15. Water and Sewer Sales**

Water sales are billed on a bi-monthly cyclical basis. Estimated unbilled water and sewer sales and service charges through June 30<sup>th</sup> have been accrued as of year-end.

**16. Capital Contributions**

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies, or real estate developers desiring services that require capital expenditures or capacity commitment.

**17. Capital and Operating Grants**

When a grant agreement is approved and eligible expenditures are incurred, the amount is recorded as a capital or operating grant receivable on the statements of net position and as capital grant contribution or operating grant revenue, as appropriate, on the statements of revenues, expenses, and changes in net position.

**18. Budgetary Policies**

The District adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparison of actual revenue and expense with planned revenue and expense for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

**19. Net Position**

The financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net investment in capital assets** – This component of net position consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt against the acquisition, construction, or improvement of those assets.
- **Restricted** – This component of net position consists of constraints placed on net position use imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted** – This component of net position consists of net position that does not meet the definition of *net investment in capital assets* or *restricted* components of net position.



**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(2) Cash and Investments**

Cash and investments as of June 30 are classified in the accompanying financial statements as follows:

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 11,994,506	4,796,991
Restricted – cash and cash equivalents	4,755,409	8,593,084
Total cash and cash equivalents	16,749,915	13,390,075
Restricted – investments	1,725,194	14,169,770
Restricted – investments non-current	3,206,164	1,709,884
Total restricted investments	4,931,358	15,879,654
Total cash and investments	\$ 21,681,273	29,269,729

Cash and investments as of June 30 consist of the following:

	<b>2025</b>	<b>2024</b>
Cash on hand	\$ 500	350
Deposits with financial institutions	1,364,579	1,058,657
Deposits with County of Marin Treasury	1,071,027	1,068,438
California Local Agency Investment Fund	14,313,809	11,262,630
Investments	4,931,358	15,879,654
Total cash and investments	\$ 21,681,273	29,269,729

***Investments Authorized by the California Government Code and the District's Investment Policy***

The table below identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage Of Portfolio *</b>	<b>Maximum Investment in One Issuer</b>
State and Local Agency Bonds	5 years	100%	None
U.S. Treasury Obligations	5 years**	100%	None
U.S. Agency Securities	5 years**	100%	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	40%	10%
Non-negotiable Certificates of Deposit	1 year	30%	None
Negotiable Certificates of Deposit	5 years	30%	None
Medium-Term Notes	5 years	30%	None
Repurchase agreements	30 days	100%	None
Money Market Mutual Funds	N/A	20%	10%
California Local Agency Investment Fund (LAIF)	N/A	100%	None
California Asset Management Program (CAMP)	N/A	100%	None

\* Excluding amounts held by bond trustee that are not subject to California Government Code.

\*\* Except when authorized by the District's legislative body in accordance with Government Code Section 53601

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(2) Cash and Investments, continued**

***Custodial Credit Risk***

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). In addition, the District's investment policy requires that no more than two-thirds of the District's deposits in a depository to be collateralized by mortgage-backed securities and the remainder to be collateralized by non-mortgage-backed securities. The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of secured public deposits. As of June 30, 2025 and 2024, bank balances are federally insured up to \$250,000. The remaining balance is collateralized in accordance with the Code; however, collateralized securities are not held in the District's name.

***Deposit in California Local Agency Investment Fund***

The District is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The fair value factor for LAIF is reported on a quarterly basis. The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on an amortized cost basis.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

***Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide requirements for cash flow and liquidity needed for operations.



**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(2) Cash and Investments, continued**

***Interest Rate Risk, continued***

As of June 30, 2025, the District's investments are scheduled to mature as follows:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 months or less	13 to 24 months	25-60 months	More than 60 months
Certificates-of-deposit	\$ 4,931,358	1,725,194	3,206,164	-	-
Total	\$ 4,931,358	1,725,194	3,206,164	-	-

As of June 30, 2024, the District's investments are scheduled to mature as follows:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 months or less	13 to 24 months	25-60 months	More than 60 months
Certificates-of-deposit	\$ 5,404,420	3,694,536	1,709,884	-	-
U.S. Treasury bill	10,475,234	10,475,234	-	-	-
Total	\$ 15,879,654	14,169,770	1,709,884	-	-

Credit ratings as of June 30, 2025, were as follows:

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Ratings AA+ to AA-
Certificates-of-deposit	\$ 4,931,358	N/A	4,931,358	-
Total	\$ 4,931,358		4,931,358	-

Credit ratings as of June 30, 2024, were as follows:

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Ratings AA+ to AA-
Certificates-of-deposit	\$ 5,404,420	N/A	5,404,420	-
U.S. Treasury bill	10,475,234	N/A	-	10,475,234
Total	\$ 15,879,654		5,404,420	10,475,234

***Fair Value Measurements***

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at June 30, 2025, are as follows:

Investment Type	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates-of-deposit	\$ 4,931,358	-	4,931,358	-
Total investments measured at fair value	\$ 4,931,358	-	4,931,358	-

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(2) Cash and Investments, continued**

***Fair Value Measurements, continued***

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at June 30, 2024, are as follows:

Investment Type	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates-of-deposit	\$ 5,404,420	-	5,404,420	-
U.S. Treasury bill	10,475,234	10,475,234	-	-
Total investments measured at fair value	\$ 15,879,654	10,475,234	5,404,420	-

Inputs and valuations methods used for each of the District's investment classes are as follows:

- U.S. Treasury securities – The fair value U.S. Treasury securities is generally based on quoted market prices in active markets (Level 1).
- Certificates-of-deposit – The fair value of certificate-of-deposit is generally determined using a market-based model in which valuation consideration is given to yield or price of comparable securities, coupon rate, maturity, credit quality, and dealer-provided prices (Level 2).

**(3) Leases Receivable**

Changes in leases receivable for 2025 were as follows:

	Balance 2024	Additions	Principal Payments	Balance 2025	Current Portion	Long-term Portion	Deferred Inflows
Leases receivable:							
<i>Novato Water</i>							
Indian Valley Golf Course	\$ 84,851	-	(15,428)	69,423	12,599	56,824	(67,854)
Tower development	261,876	-	(14,544)	247,332	15,677	231,655	(212,961)
Subtotal leases Novato	346,727	-	(29,972)	316,755	28,276	288,479	(280,815)
<i>West Marin Water</i>							
Horizon Cable TV Inc.	11,922	-	(5,779)	6,143	6,143	-	(5,285)
Total leases receivable	\$ 358,649	-	(35,751)	322,898	34,419	288,479	(286,100)

Changes in leases receivable for 2024 were as follows:

	Balance 2023	Additions	Principal Payments	Balance 2024	Current Portion	Long-term Portion	Deferred Inflows
Leases receivable:							
<i>Novato Water</i>							
Indian Valley Golf Course	\$ 95,112	-	(10,261)	84,851	11,895	72,956	(82,238)
Tower development	275,341	-	(13,465)	261,876	14,544	247,332	(232,321)
Subtotal leases Novato	370,453	-	(23,726)	346,727	26,439	320,288	(314,559)
<i>West Marin Water</i>							
Horizon Cable TV Inc.	17,353	-	(5,431)	11,922	5,779	6,143	(10,570)
Total leases receivable	\$ 387,806	-	(29,157)	358,649	32,218	326,431	(325,129)

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(3) Leases Receivable, continued**

***Indian Valley Golf Course***

On July 20, 1988, the District entered into a lease agreement with Indian Valley Golf Course (Indian Valley), whereby Indian Valley has agreed to pay the District monthly for approximately 208.86 acres of watershed area adjoining Stafford Lake for the purpose of maintaining and operating a golf course. The terms of the agreement require Indian Valley to pay the District in monthly installments through June 2030. Monthly installments are adjusted annually based on the cost-of-living index calculated each fiscal year.

Following the guidelines of *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 3.11%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2025 and 2024, deferred inflows were reported at \$67,854 and \$82,238, respectively.

Future payments to be received and deferred inflows as of June 30, 2025, are as follows:

<b>Fiscal Year</b>		<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Deferred Inflows</b>
2026	\$	12,599	1,980	14,579	(13,571)
2027		13,218	1,580	14,798	(13,571)
2028		13,861	1,159	15,020	(13,571)
2029		14,526	719	15,245	(13,571)
2030		15,219	258	15,477	(13,570)
Total		69,423	5,696	75,119	(67,854)
Current		(12,599)			
Non-current	\$	56,824			

***Tower Development***

On August 1, 2010, the District entered into a lease agreement with Verizon Wireless and Tower Development Corporation (Tower Development), whereby Tower Development has agreed to pay the District for providing for construction of a wireless communications antenna. The terms of the agreement require Tower Development to pay the District in annual installments through November 2025 and is adjusted annually by 3.00%.

Following the guidelines of *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 3.11%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2025 and 2024, deferred inflows were reported at \$212,961 and \$232,321, respectively.

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(3) Leases Receivable, continued**

***Tower Development, continued***

Future payments to be received and deferred inflows as of June 30, 2025, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2026	\$ 15,677	7,692	23,369	(19,360)
2027	16,866	7,204	24,070	(19,360)
2028	18,113	6,680	24,793	(19,360)
2029	19,420	6,117	25,537	(19,360)
2030	20,790	5,513	26,303	(19,360)
2031-2035	126,894	16,939	143,833	(96,800)
2036	29,572	920	30,492	(19,361)
Total	247,332	51,065	298,397	(212,961)
Current	(15,677)			
Non-current	\$ 231,655			

***Horizon Cable***

On November 1, 2020, the District entered into a lease agreement with Horizon Cable TV Inc. (Horizon Cable), whereby Horizon Cable has agreed to pay the District for the purpose of operating, maintaining, and replacing facilities for off-air television signal receiving at the District's water tank site number four. The terms of the agreement require Horizon Cable to pay the District in annual installments through October 2026 and is adjusted annually by 3.00%.

Following the guidelines of *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 3.11%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2025 and 2024, deferred inflows were reported at \$5,285 and \$10,570, respectively.

Future payments to be received and deferred inflows as of June 30, 2025, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2026	\$ 6,143	191	6,334	(5,285)
Total	6,143	191	6,334	(5,285)
Current	(6,143)			
Non-current	\$ -			

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(4) Note and Loan Receivable**

Changes in note and loan receivable for 2025 were as follows:

	Balance 2024	Additions	Principal Payments	Balance 2025	Current Portion	Long-term Portion
Note receivable:						
Marin Country Club	\$ 1,022,383	-	(38,791)	983,592	39,181	944,411
Total notes receivable	1,022,383	-	(38,791)	983,592	39,181	944,411
Loan receivable:						
Marin Municipal Water District	1,620,204	-	(161,355)	1,458,849	165,734	1,293,115
Total loans receivable	1,620,204	-	(161,355)	1,458,849	165,734	1,293,115
Total notes and loans receivable	\$ 2,642,587	-	(200,146)	2,442,441	204,915	2,237,526

Changes in notes and loan receivable for 2024 were as follows:

	Balance 2023	Additions	Principal Payments	Balance 2024	Current Portion	Long-term Portion
Note receivable:						
Marin Country Club	\$ 1,060,788	-	(38,405)	1,022,383	38,791	983,592
Total notes receivable	1,060,788	-	(38,405)	1,022,383	38,791	983,592
Loan receivable:						
Marin Municipal Water District	1,777,296	-	(157,092)	1,620,204	161,355	1,458,849
Total loans receivable	1,777,296	-	(157,092)	1,620,204	161,355	1,458,849
Total notes and loans receivable	\$ 2,838,084	-	(195,497)	2,642,587	200,146	2,442,441

**Marin Country Club**

On June 10, 2015, the District entered into a contractual agreement with the Marin Country Club (Country Club), whereby the Country Club agreed to reimburse the District for construction costs incurred for a new recycled water facility in-lieu of connection fees. The Country Club is the primary customer of the Central Service Area pipeline and the receivable from this agreement contributes significantly to the related District debt (see note 8 for further information). The terms of the agreement require the Country Club to reimburse the District in bi-monthly installments through November 2047, and bear an interest rate of 1.00%.

Future payments to be received under the agreement as of June 30, 2025, are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 39,181	9,673	48,854
2027	39,574	9,280	48,854
2028	39,972	8,882	48,854
2029	40,373	8,481	48,854
2030	40,778	8,075	48,853
2031-2035	210,117	34,152	244,269
2036-2040	220,881	23,388	244,269
2041-2045	232,196	12,073	244,269
2046-2048	120,520	1,613	122,133
Total	983,592	115,617	1,099,209
Current	(39,181)		
Non-current	\$ 944,411		

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(4) Note and Loan Receivable, continued**

***Marin Municipal Water District – Interconnection Agreement AEEP***

In February 2019, the District entered into an agreement with Marin Municipal Water District (MMWD) for MMWD to fund a portion of the cost to replace 24,000 feet of the District's aqueduct (Aqueduct Energy Efficiency Project). MMWD uses the District's aqueduct to take water delivery from the Sonoma County Water Agency. On an annual basis, MMWD utilizes an average of 51% of water flowing through the aqueduct. MMWD benefits from the continued use of the aqueduct through 2040 in exchange for funding a portion of the cost. The District received an initial payment of \$480,000 and financed the remaining \$3,142,883. The loan bears an interest rate of 2.71% and matures on July 2032. Principal and interest payments of \$205,320 are due annually on July 1.

Future payments to be received under the agreement as of June 30, 2025, are as follows:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 165,734	39,586	205,320
2027	170,231	35,089	205,320
2028	174,850	30,470	205,320
2029	179,595	25,725	205,320
2030	184,468	20,852	205,320
2031-2033	583,971	31,989	615,960
<b>Total</b>	<b>1,458,849</b>	<b>183,711</b>	<b>1,642,560</b>
Current	(165,734)		
Non-current	\$ 1,293,115		

**(5) Notes Receivable – Employee Housing Assistance Loans**

The District's Employer Assisted Housing Program (Program) allows up to \$300,000 to be loaned to an employee for a period of up to 15 years for the purchase of a home within the District's service area. This allows an employee to respond rapidly to customer calls or emergencies affecting the operation of the District. Repayment is due upon sale of the employee's residence, termination of employment, or other events as described in the Program documents. Interest earned on the loan is based on the amount of interest foregone using the District's investment portfolio yield.

The following schedule lists the loans for employee housing assistance and their corresponding origination dates as of June 30, 2025 and 2024:

<b>Origination</b>	<b>2025</b>	<b>2024</b>
June 2025	\$ 300,000	-
November 2024	300,000	-
March 2015	250,000	250,000
<b>Total</b>	<b>\$ 850,000</b>	<b>250,000</b>

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(6) Interfund Loans**

Changes in interfund loans for 2025 were as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2025</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Interfund loans:						
West Marin Loan	\$ 911,747	-	(90,677)	821,070	93,168	727,902
Oceana Marin Loan	-	350,000	-	350,000	-	350,000
Total interfund loans	<u>911,747</u>	<u>350,000</u>	<u>(90,677)</u>	<u>1,171,070</u>	<u>93,168</u>	<u>1,077,902</u>

Changes in interfund loans for 2024 were as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2024</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Interfund loans:						
West Marin Loan	\$ 1,000,000	-	(88,253)	911,747	90,677	821,070
Total interfund loan	<u>1,000,000</u>	<u>-</u>	<u>(88,253)</u>	<u>911,747</u>	<u>90,677</u>	<u>821,070</u>

**West Marin Loan**

In 2022, the District entered into an interfund loan agreement between the Novato Water system and West Marin Water system for \$1,000,000 with an interest rate of 2.75% per annum. The proceeds from the loan were used for the purpose of covering construction in progress projects and expense deficits. Principal and interest payments on the loan are due annually beginning July 1, 2023 and maturing in 2033. See the Combining Schedule of Net Position on page 67.

Annual debt service requirements for the loan are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 93,168	22,553	115,721
2027	95,727	19,993	115,720
2028	98,356	17,364	115,720
2029	101,058	14,663	115,721
2030	103,833	11,887	115,720
2031-2033	328,928	18,233	347,161
Total	821,070	<u>104,693</u>	<u>925,763</u>
Current	(93,168)		
Non-current	\$ <u>727,902</u>		

**Oceana Marin Loan**

In 2025, the District entered into an interfund loan agreement between the Novato Water system and Oceana Marin Water system for \$350,000 with an interest rate of 2.99% per annum. The proceeds from the loan were used for the purpose of covering construction in progress projects and expense deficits. Principal and interest payments on the loan are due annually beginning July 1, 2026 and maturing in 2036. See the Combining Schedule of Net Position on page 67.

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(6) Interfund Loans, continued**

*Oceana Marin Loan, continued*

Annual debt service requirements for the loan are as follows:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ -	-	-
2027	30,539	10,479	41,018
2028	31,453	9,565	41,018
2029	32,395	8,623	41,018
2030	33,365	7,653	41,018
2031-2035	182,422	22,669	205,091
2036	39,826	1,191	41,017
<b>Total</b>	<b>350,000</b>	<b>60,180</b>	<b>410,180</b>
Current	-		
Non-current	\$ 350,000		

**(7) Transfer**

In 2025, there were no reported transfers.

In 2024, the Novato Water system transferred \$693,686 to the Novato Recycled system to assist the Novato Recycled system's operations.

**(8) Capital Assets**

**Construction-In-Progress**

The District has been involved in various construction projects throughout the year. The balance of the various construction projects that comprise construction-in-progress at June 30 are as follows:

	<b>2025</b>	<b>2024</b>
Developer construction – Novato Water	\$ 1,706,100	1,885,830
Other construction – Novato Water	6,968,359	22,226,275
Other construction – Novato Recycled	233,861	303,024
Other construction – West Marin Water	1,143,929	2,345,352
Other construction – Oceana Marin Sewer	2,189,535	575,459
<b>Total construction-in-progress</b>	<b>\$ 12,241,784</b>	<b>27,335,940</b>



**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(8) Capital Assets, continued**

The change in capital assets for 2025 are as follows:

	<b>Balance 2024</b>	<b>Additions/ Transfers</b>	<b>Deletions/ Transfers</b>	<b>Balance 2025</b>
Non-depreciable assets:				
Land and land rights	\$ 1,493,091	-	-	1,493,091
Construction-in-progress	27,335,940	9,994,197	(25,088,353)	12,241,784
Total non-depreciable assets	28,829,031	9,994,197	(25,088,353)	13,734,875
Depreciable and amortizable assets:				
Distribution system	112,020,941	2,975,970	-	114,996,911
Treatment plant	23,486,730	-	-	23,486,730
Storage facilities	26,430,232	1,862,275	-	28,292,507
Transmission system	29,503,127	125,783	-	29,628,910
Source facilities	5,675,845	1,465,822	-	7,141,667
Sewer facilities	1,218,650	69,456	(9,489)	1,278,617
Structures and improvements	2,502,997	18,405,910	(684,239)	20,224,668
Other plant and equipment	4,515,758	248,874	(698,098)	4,066,534
Right-to-use structures	-	-	-	-
Right-to-use equipment	817,099	246,749	(166,615)	897,233
Total depreciable and amortizable assets	206,171,379	25,400,839	(1,558,441)	230,013,777
Accumulated depreciation and amortization:				
Distribution system	(41,951,706)	(2,033,880)	-	(43,985,586)
Treatment plant	(13,303,554)	(750,671)	-	(14,054,225)
Storage facilities	(10,001,146)	(480,832)	-	(10,481,978)
Transmission system	(5,478,678)	(224,819)	-	(5,703,497)
Source facilities	(2,832,847)	(115,060)	-	(2,947,907)
Sewer facilities	(752,771)	(37,167)	8,105	(781,833)
Structures and improvements	(1,597,463)	(60,801)	668,336	(989,928)
Other plant and equipment	(3,580,085)	(223,290)	615,146	(3,188,229)
Right-to-use structures	-	-	-	-
Right-to-use equipment	(408,458)	(153,103)	166,480	(395,081)
Total accumulated depreciation and amortization	(79,906,708)	(4,079,623)	1,458,067	(82,528,264)
Total depreciable assets, net	126,264,671	21,321,216	(100,374)	147,485,513
Total capital assets, net	\$ 155,093,702	31,315,413	(25,188,727)	161,220,388

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(8) Capital Assets, continued**

The change in capital assets for 2024 are as follows:

	<b>Balance 2023</b>	<b>Additions/ Transfers</b>	<b>Deletions/ Transfers</b>	<b>Balance 2024</b>
Non-depreciable assets:				
Land and land rights	\$ 1,493,091	-	-	1,493,091
Construction-in-progress	16,887,938	12,042,022	(1,594,020)	27,335,940
Total non-depreciable assets	18,381,029	12,042,022	(1,594,020)	28,829,031
Depreciable and amortizable assets:				
Distribution system	111,659,086	361,855	-	112,020,941
Treatment plant	23,263,267	223,463	-	23,486,730
Storage facilities	26,198,518	231,714	-	26,430,232
Transmission system	29,503,127	-	-	29,503,127
Source facilities	5,675,845	-	-	5,675,845
Sewer facilities	1,218,650	-	-	1,218,650
Structures and improvements	2,119,365	383,632	-	2,502,997
Other plant and equipment	4,172,155	373,846	(30,243)	4,515,758
Right-to-use structures	587,691	-	(587,691)	-
Right-to-use equipment	669,936	147,163	-	817,099
Total depreciable and amortizable assets	205,067,640	1,721,673	(617,934)	206,171,379
Accumulated depreciation and amortization:				
Distribution system	(39,931,989)	(2,019,717)	-	(41,951,706)
Treatment plant	(12,557,720)	(745,834)	-	(13,303,554)
Storage facilities	(9,474,615)	(526,531)	-	(10,001,146)
Transmission system	(5,243,574)	(235,104)	-	(5,478,678)
Source facilities	(2,725,437)	(107,410)	-	(2,832,847)
Sewer facilities	(719,065)	(33,706)	-	(752,771)
Structures and improvements	(1,545,085)	(52,378)	-	(1,597,463)
Other plant and equipment	(3,403,347)	(206,981)	30,243	(3,580,085)
Right-to-use structures	(523,638)	(64,053)	587,691	-
Right-to-use equipment	(260,890)	(147,568)	-	(408,458)
Total accumulated depreciation and amortization	(76,385,360)	(4,139,282)	617,934	(79,906,708)
Total depreciable assets, net	128,682,280	(2,417,609)	-	126,264,671
Total capital assets, net	\$ 147,063,309	9,624,413	(1,594,020)	155,093,702

**(9) Compensated Absences**

The District recognizes a liability for compensated absences in accordance with GASB Statement No. 101, "Compensated Absences". Compensated absences comprise unpaid vacation leave that accrue when benefits are fully vested and are determined annually. Compensated absences for governmental funds will generally be liquidated through the general fund. The balance in the proprietary fund will be liquidated through the Novato Water fund.

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(9) Compensated Absences, continued**

As of June 30 2025, the liability for compensated absences was calculated based on employees' pay rates at the fiscal year end and historical usage data, considering employment policies. The liability represents amounts that are more likely than not to be used or paid out. The liability is reported in the Statement of Net Position.

The net change in the compensated absence liability for the fiscal years ended June 30, 2025 and 2024, decreased and increased by \$98,922 and \$166,058, respectively.

The change in compensated absences for 2025 was as follows:

<u>As Restated 2024</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2025</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$ 976,613	-	(98,922) *	877,691	374,927	502,764

The change in compensated absences for 2024 was as follows:

<u>As Restated 2023</u>	<u>Earned</u>	<u>Taken</u>	<u>As Restated 2024</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$ 810,555	166,058 *	-	976,613	377,266	599,347

\*The changes in the compensated absence liabilities are presented as a net change.

**(10) Long-term Debt**

The changes in long-term debt for 2025 was as follows:

	<u>Balance 2024</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2025</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Long-term debt:						
Leases payable:						
Enterprise vehicle leases	\$ 400,096	86,250	(144,073)	342,273	125,611	216,662
Total leases payable	400,096	86,250	(144,073)	342,273	125,611	216,662
Loans payable:						
<i>Novato Water</i>						
2005 DWR loan	4,894,922	-	(933,027)	3,961,895	474,893	3,487,002
2011 B of M loan	3,122,753	-	(381,264)	2,741,489	394,497	2,346,992
2018 JP Morgan Chase Loan	2,985,000	-	(300,000)	2,685,000	305,000	2,380,000
2022 Webster Bank loan	18,367,077	-	(776,681)	17,590,396	800,835	16,789,561
<i>Novato Recycled</i>						
2005 SWRCB loan	782,254	-	(254,593)	527,661	260,703	266,958
2011-2012 SWRCB loans	4,872,887	-	(498,676)	4,374,211	510,556	3,863,655
2016 SWRCB Loan	5,858,350	-	(217,189)	5,641,161	219,361	5,421,800
<i>West Marin Water</i>						
2011 B of M loan	458,387	-	(55,965)	402,422	57,908	344,514
Total loans payable	41,341,630	-	(3,417,395)	37,924,235	3,023,753	34,900,482
Total long-term debt	\$ 41,741,726	86,250	(3,561,468)	38,266,508	3,149,364	35,117,144

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(10) Long-term Debt, continued**

The changes in long-term debt for 2024 was as follows:

	<u>Balance 2023</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance 2024</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Long-term debt:						
Leases payable:						
Enterprise vehicle lease	\$ 397,580	146,993	(144,477)	400,096	134,871	265,225
100 Wood Hollow structure lease	43,972	-	(43,972)	-	-	-
Buck Institute structure lease	22,869	-	(22,869)	-	-	-
Total leases payable	<u>464,421</u>	<u>146,993</u>	<u>(211,318)</u>	<u>400,096</u>	<u>134,871</u>	<u>265,225</u>
Loans payable:						
<i>Novato Water</i>						
2005 DWR loan	5,806,044	-	(911,122)	4,894,922	463,743	4,431,179
2011 B of M loan	3,490,933	-	(368,180)	3,122,753	381,264	2,741,489
2018 JP Morgan Chase Loan	3,275,000	-	(290,000)	2,985,000	300,000	2,685,000
2022 Webster Bank loan	19,120,331	-	(753,254)	18,367,077	776,681	17,590,396
<i>Novato Recycled</i>						
2005 SWRCB loan	1,030,881	-	(248,627)	782,254	254,593	527,661
2011-2012 SWRCB loans	5,359,962	-	(487,075)	4,872,887	498,676	4,374,211
2016 SWRCB Loan	6,073,389	-	(215,039)	5,858,350	217,189	5,641,161
<i>West Marin Water</i>						
2011 B of M loan	512,431	-	(54,044)	458,387	55,965	402,422
Total loans payable	<u>44,668,971</u>	<u>-</u>	<u>(3,327,341)</u>	<u>41,341,630</u>	<u>2,948,111</u>	<u>38,393,519</u>
Total long-term debt	<u>\$ 45,133,392</u>	<u>146,993</u>	<u>(3,538,659)</u>	<u>41,741,726</u>	<u>3,082,982</u>	<u>38,658,744</u>

**Enterprise Vehicle Lease**

In May 2019, the District entered into an agreement with Enterprise Fleet Management Trust (Enterprise) to lease vehicles from time to time, commencing on the delivery date of each vehicle. As of June 30, 2025, the District maintains leases for 24 vehicles with delivery dates from April 2020 through June 2025. Each vehicle has a term of 60 months with principal and interest due monthly through 2029.

Following the guidelines set forth by *GASB Statement No. 87*, the District has recorded a right-to-use asset and a lease payable at present value with interest rates ranging from -0.03% to 0.43%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Annual lease payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 125,611	10,765	136,376
2027	100,254	7,826	108,080
2028	73,095	4,871	77,966
2029	35,644	1,985	37,629
2030	7,669	311	7,980
Total	<u>342,273</u>	<u>25,758</u>	<u>368,031</u>
Current	<u>(125,611)</u>		
Non-current	<u>\$ 216,662</u>		

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(10) Long-term Debt, continued**

**100 Wood Hollow Structure Lease**

In March 2022, the District entered into an agreement with 100 Wood Hollow Drive Owner LLC to rent 10,289 square feet of building space for the purpose of providing a temporary location for the District's headquarters operations for the duration of the District's headquarters remodeling project. Terms of the agreement commenced on May 15, 2022, for a period of 15 months, with base rent due monthly at \$28,295 per month, for months 1-12 and \$29,735 for months 13-15.

Following the guidelines set forth by *GASB Statement No. 87*, the District has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 3.11%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

In 2024, the District revised the lease terms to month-to-month in the anticipation of the close of construction on the District's headquarters building in Novato. In 2025, the lease was terminated when the District administration moved into its remodeled headquarters building.

**Buck Institute Structure Lease**

In February 2022, the District entered into an agreement with The Buck Institute for Research on Aging to rent laboratory facility space for purposes of conducting water quality testing for the duration of the District's headquarters remodeling project. Terms of the agreement commenced on February 16, 2022, for a period of 19 months with base rent due quarterly at \$8,964 per month for months 1-12 and \$9,233 for months 13-19.

Following the guidelines set forth by *GASB Statement No. 87*, the District has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 3.11%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

In 2024, the District revised the lease terms to month-to-month in the anticipation of the close of construction on the District's headquarters building in Novato. In 2025, the lease was terminated when the District administration moved into its remodeled headquarters building.

**2005 DWR Loan – Novato Water segment**

In 2005, the District entered into an agreement with the California Department of Water Resources (DWR) for a loan in an amount not-to-exceed \$16,528,850 with an interest rate of 2.39% per annum. The proceeds from the loan were used for the reconstruction of the Stafford Water Treatment Plant. Principal and interest payments on the loan are due semi-annually on January 1<sup>st</sup> and July 1<sup>st</sup> and matures in 2030.

Annual debt service requirements for the loan are as follows:

<b>Fiscal Year</b>		<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$	474,893	47,344	522,237
2027		966,878	77,597	1,044,475
2028		990,124	54,350	1,044,474
2029		1,013,930	30,544	1,044,474
2030		516,070	6,168	522,238
Total		3,961,895	216,003	4,177,898
Current		(474,893)		
Non-current	\$	<u>3,487,002</u>		

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(10) Long-term Debt, continued**

**2005 SWRCB Loan – Novato Recycled Water segment**

In 2005, the District entered into an agreement with the California State Water Resources Control Board (SWRCB) for a loan in an amount of \$4,302,560 with an interest rate of 2.40% per annum. The proceeds from the loan were used to construct the Deer Island Recycled Water Facility. Principal and interest are payable annually on June 19<sup>th</sup> and matures in 2027.

As noted in note 3, the District entered into a contractual agreement with Stone Tree Golf Course whereby Stone Tree Golf Course agreed to reimburse the District for construction costs incurred for the new recycled water facility in-lieu of connection fees. As the major customer of the recycled water facility, Stone Tree Golf Course contributed a significant amount towards the District's repayment of this loan.

Annual debt service requirements for the loan are as follows:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 260,703	12,664	273,367
2027	266,958	6,407	273,365
Total	527,661	19,071	546,732
Current	(260,703)		
Non-current	\$ 266,958		

**2011-2012 SWRCB Loans – Novato Recycled Water segment – North and South Service Areas**

In 2011, the District entered into an agreement with the California State Water Resources Control Board (SWRCB) for a loan in an amount not-to-exceed \$4,364,335 with an interest rate of 2.60% per annum. The proceeds from the loan were used to construct the Recycled Water Expansion project – North Service Area. As of June 30, 2013, the loan totaled \$4,375,605 consisting of eligible reimbursement cost of \$4,364,335 and capitalized interest charges of \$11,270. Principal and interest payments of \$281,892 are payable annually and matures in 2033.

In 2012, the District entered into an agreement with the California State Water Resources Control Board (SWRCB) for a loan in an amount not-to-exceed \$5,480,740 with an interest rate of 2.20% per annum. The proceeds from the loan were used to construct the Recycled Water Expansion project – South Service Area. Principal and interest payments of \$332,407 are payable annually and matures in 2034.

Annual debt service requirements for the loan are as follows:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 510,556	103,743	614,299
2027	522,720	91,579	614,299
2028	535,177	79,122	614,299
2029	547,932	66,367	614,299
2030	560,993	53,306	614,299
2031-2034	1,696,833	80,532	1,777,365
Total	4,374,211	474,649	4,848,860
Current	(510,556)		
Non-current	\$ 3,863,655		

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(10) Long-term Debt, continued**

**2011 Bank of Marin Loan – Novato Water and West Marin Water Segments**

In October 2011, the District entered into a loan agreement with the Bank of Marin for a 20-year \$8.0 million construction loan with an interest rate of 3.42% per annum. The proceeds of the loan were used for the North Marin Aqueduct Energy Efficiency Project and West Marin water improvements. Principal and interest payments of \$46,067 are payable monthly on the 27<sup>th</sup> day of each month and matures in September 2031.

Annual debt service requirements for the loan are as follows:

<b>Fiscal Year</b>		<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$	452,405	100,395	552,800
2027		468,107	84,693	552,800
2028		484,175	68,625	552,800
2029		501,159	51,641	552,800
2030		518,553	34,247	552,800
2031-2032		719,512	17,555	737,067
Total		3,143,911	357,156	3,501,067
Current		(452,405)		
Non-current	\$	2,691,506		

**2016 SWRCB Loan – Novato Recycled Water segment – Central Service Area**

In 2016, the District entered into an agreement with the California State Water Resources Control Board (SWRCB) for an amount not-to-exceed \$10,450,708. The amount consists of a 30-year loan totaling \$7,130,503 with an interest rate of 1.00% per annum and capital grant totaling \$3,320,205. The proceeds of the loan were used to construct the Recycled Water Expansion project – Central Service Area. Principal and interest are payable annually on December 31<sup>st</sup> and matures in 2048.

As noted in note 3, the District entered into a contractual agreement with the Marin Country Club whereby the Country Club agreed to reimburse the District for construction costs incurred for the new recycled water pipeline in-lieu of connection fees. As the primary customer of the Central Service Area pipeline, the Country Club contributes a significant amount towards the District's repayment of this loan.

Annual debt service requirements for the loan are as follows:

<b>Fiscal Year</b>		<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$	219,361	56,412	275,773
2027		221,555	54,218	275,773
2028		223,770	52,002	275,772
2029		226,008	49,765	275,773
2030		228,268	47,505	275,773
2031-2035		1,176,041	202,823	1,378,864
2036-2040		1,236,031	142,833	1,378,864
2041-2045		1,299,081	79,783	1,378,864
2046-2048		811,046	16,275	827,321
Total		5,641,161	701,616	6,342,777
Current		(219,361)		
Non-current	\$	5,421,800		



**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(10) Long-term Debt, continued**

**2018 JP Morgan Chase Loan**

In 2018, the District entered into an agreement with JP Morgan Chase Bank for a loan in an amount of \$4,600,000 with an interest rate of 2.69% per annum. The proceeds of the loan were used to finance the acquisition and construction of the automated meter information system throughout the District's Novato service area. Principal and interest payments on the loan are due semi-annually on September 1<sup>st</sup> and March 1<sup>st</sup> and matures in 2033.

Annual debt service requirements for the loan are as follows:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 305,000	72,227	377,227
2027	315,000	64,022	379,022
2028	320,000	55,549	375,549
2029	330,000	46,941	376,941
2030	340,000	38,064	378,064
2031-2033	1,075,000	58,239	1,133,239
<b>Total</b>	<b>2,685,000</b>	<b>335,042</b>	<b>3,020,042</b>
Current	(305,000)		
Non-current	\$ 2,380,000		

**2022 Webster Bank Loan**

In May 2022, the District entered into an agreement with Webster Bank, N.A. for a loan in the amount of \$20,000,000 with an interest rate of 3.11% per annum. The proceeds of the loan were used to finance the improvements to its system, consisting of the District's headquarters building upgrade and expansion project, and other capital projects. Principal and interest payments on the loan are due semi-annually on September 1<sup>st</sup> and March 1<sup>st</sup> and matures in 2043.

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$ 800,835	547,061	1,347,896
2027	825,741	522,155	1,347,896
2028	851,422	496,475	1,347,897
2029	877,901	469,996	1,347,897
2030	905,204	442,693	1,347,897
2031-2035	4,966,221	1,773,263	6,739,484
2036-2040	5,788,019	951,464	6,739,483
2041-2043	2,575,053	120,739	2,695,792
<b>Total</b>	<b>17,590,396</b>	<b>5,323,846</b>	<b>22,914,242</b>
Current	(800,835)		
Non-current	\$ 16,789,561		



**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(11) Other Post-employment Benefits (OPEB) Plan**

**General Information about the OPEB Plan**

*Plan description* – The District's defined benefit OPEB plan (Plan) provides OPEB for all permanent full-time employees. The Plan is a single-employer defined benefit OPEB plan administered by the District. The District's Board of Directors has the authority to establish and amend the benefit terms and financing requirements of the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits provided* – The District offers other post-employment medical benefits to retired employees who satisfy the eligibility rules. Spouses and surviving spouses are also eligible to receive benefits.

The District contributes up to \$319.22 to PEMHCA on behalf of each retiree eligible for PEMHCA. The District makes supplemental contributions towards certain retirees' PEMHCA premiums if the retiree has attained age 55 and has completed at least 12 years of service with the District at the time of retirement. For employees hired on or after October 1, 2018, the retiree must be at least age 55 at the date of retirement with a minimum of 20 years of full-time equivalent service.

The District's contribution varies by group and retirement date, as follows:

(1) Retiring on or after January 1, 2013, all groups: Up to 85% of the Kaiser 2-party rate each year, offset by the District's basic contribution of \$319.22/month to PEMHCA. If there is no covered spouse, or once the spouse has attained age 65, this changes to 85% of the Kaiser 1-party rate. The supplement ends upon the retiree's attainment of age 65\*.

(2) Retiring on or after June 1, 2005, but before January 1, 2013, all groups: Up to 90% of the Kaiser 2-party rate each year, offset by the District's basic contribution of \$319.22/month to PEMHCA. If there is no covered spouse, or once the spouse has attained age 65, this changes to 90% of the Kaiser 1-party rate. The supplement ends upon the retiree's attainment of age 65\*.

(3) Retiring before June 1, 2005:

- *Represented* – Up to 100% of the Kaiser 2-party rate (or 1-party rate if single or if spouse has attained age 65) until retiree's age 65; after age 65, the dollar amount is capped at a flat \$409.91/month. All amounts are offset by the District's basic \$319.22/month to PEMHCA.
- *Unrepresented* – Up to 90% of the Kaiser 2-party rate (or 1-party rate if single or if spouse has attained age 65) until retiree's age 65; after age 65, the dollar amount is capped at a flat \$364.87/month. All amounts are offset by the District's basic \$319.22/month to PEMHCA.
- Coverage terminates for the spouse when the spouse becomes eligible for Medicare, or for both the retiree and spouse when the retiree becomes eligible for Medicare.

\* If a retiree covered under the medical plan dies before age 65, his/her spouse may continue District-paid group health coverage until age 65 if ineligible for other health insurance coverage, i.e., through employment or remarriage.

*Employees covered by benefit terms* – At June 30, the following employees were covered by the benefit terms:

	<u>2025</u>	<u>2024</u>
Inactive employees or beneficiaries currently receiving benefit payments	39	39
Inactive employees entitled to but not receiving benefit payments	-	-
Active employees	<u>55</u>	<u>55</u>
	<u>94</u>	<u>94</u>

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(11) Other Post-employment Benefits (OPEB) Plan, continued**

**General Information about the OPEB Plan, continued**

*Contributions* – The Plan and its contribution requirements for eligible retired employees of the District are established and may be amended by the Board of Directors. The District pays a portion of the cost of health insurance for retirees under any group plan offered by CalPERS, subject to certain restrictions as determined by the District. The annual contribution is based on the actuarially determined contribution. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of *GASB Statement No. 75*.

**Total OPEB Liability**

The District's total OPEB liability of \$4,327,665 and \$4,869,618 was measured as of June 30, 2025 and 2024, respectively, and was determined by an actuarial valuation as of July 1, 2023 for measurement periods July 1, 2024 to June 30, 2025 and July 1, 2022, to June 30, 2023, respectively.

*Actuarial assumptions and other inputs* – The total OPEB liability measured based on the July 1, 2023, actuarial valuations were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2025 - 2.50 percent 2024 - 2.50 percent
Salary increases	3.00 percent, average, including inflation
Discount rate	2025 - 5.20 percent 2024 - 3.97 percent
Healthcare cost trend rates	2025 - 5.25 percent for 2025-2029, 5.00 percent for 2030-2039, 4.75 percent for 2040-2049, 4.50 percent for 2050-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for 2025-2029 and 4.00 percent for 2030 and later years.
Healthcare cost trend rates	2024 - 5.50 percent for 2024, 5.25 percent for 2025-2029, 5.00 percent for 2030-2039, 4.75 percent for 2040-2049, 4.50 percent for 2050-2069 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for 2024-2029 and 4.00 percent for 2030 and later years.

As of and for the years ended June 30, 2025 and 2024, the discount rates were based on the Fidelity GO AA 20-Years Municipal Index of 5.20% and 3.97%, respectively.

As of and for the year ended June 30, 2025, pre-retirement mortality rates were based on the CalPERS Experience Study (2000-2019).

As of and for the year ended June 30, 2024, pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2023 valuation was based on a review of plan experience during the periods July 1, 2024 to June 30, 2025 and July 1, 2022 to June 30, 2023.

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(11) Other Post-employment Benefits (OPEB) Plan, continued**

***Changes in the Total OPEB Liability***

	<b>Total OPEB Liability 2025</b>	<b>Total OPEB Liability 2024</b>
Balance at beginning of year	\$ 4,869,618	4,287,222
Changes for the year:		
Service cost	197,591	196,490
Interest	194,240	188,823
Difference between expected and actual experience	-	228,085
Changes in assumptions or other inputs	(581,350)	277,919
Benefit payments	(352,434)	(308,921)
Net change	(541,953)	582,396
Balance at end of year	\$ 4,327,665	4,869,618

There were no changes in benefit terms.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.97% in 2024 to 5.20% in 2025.

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the District as of June 30, 2025, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<b>Discount Rate - 1% (4.20%)</b>	<b>Current Discount Rate (5.20%)</b>	<b>Discount Rate + 1% (6.20%)</b>
District's total OPEB liability	\$ 4,792,940	4,327,665	3,920,436

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the District as of June 30, 2024, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	<b>Discount Rate - 1% (2.97%)</b>	<b>Current Discount Rate (3.97%)</b>	<b>Discount Rate + 1% (4.97%)</b>
District's total OPEB liability	\$ 5,401,725	4,869,618	4,404,730

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(11) Other Post-employment Benefits (OPEB) Plan, continued**

***Changes in the Total OPEB Liability, continued***

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the District as of June 30, 2025, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease (4.25%) increasing to 5.25%)</b>	<b>Healthcare Cost Trend Rates (5.25%) increasing to 6.25%)</b>	<b>1% Increase (6.25%) increasing to 7.25%)</b>
District's total OPEB liability	\$ 3,951,797	4,327,665	4,789,157

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the District as of June 30, 2024, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease (4.50%) increasing to 5.50%)</b>	<b>Healthcare Cost Trend Rates (5.50%) increasing to 6.50%)</b>	<b>1% Increase (6.50%) increasing to 7.50%)</b>
District's total OPEB liability	\$ 4,472,902	4,869,618	4,404,730

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended June 30, 2025 and 2024, the District recognized OPEB income and expense of \$29,500 and \$107,271, respectively. The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30:

<b>Description</b>	<b>2025</b>		<b>2024</b>	
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in assumptions	\$ -	(558,953)	-	(63,082)
Differences between actual and expected experience	219,707	-	236,289	-
Total	\$ 219,707	(558,953)	236,289	(63,082)

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(11) Other Post-employment Benefits (OPEB) Plan, continued**

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, continued***

As of June 30, 2025, amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Actuarially Determined Deferred Outflows/(Inflows) - OPEB Plan</b>			
<b>Fiscal Year June 30:</b>	<b>Net Changes in Assumptions</b>	<b>Net Differences between Expected and Actual Experience</b>	<b>Net Deferred Outflows/(Inflows) of Resources</b>
2026	\$ (158,708)	50,030	(108,678)
2027	(164,888)	47,680	(117,208)
2028	(43,922)	26,522	(17,400)
2029	(36,078)	26,522	(9,556)
2030	(155,357)	68,953	(86,404)
Total	\$ (558,953)	219,707	(339,246)

As of June 30, 2024, amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Actuarially Determined Deferred Outflows/(Inflows) - OPEB Plan</b>			
<b>Fiscal Year June 30:</b>	<b>Net Changes in Assumptions</b>	<b>Net Differences between Expected and Actual Experience</b>	<b>Net Deferred Outflows/(Inflows) of Resources</b>
2025	\$ (17,085)	16,582	(503)
2026	(90,314)	50,030	(40,284)
2027	(96,494)	47,680	(48,814)
2028	24,472	26,522	50,994
2029	116,339	95,475	211,814
Total	\$ (63,082)	236,289	173,207

***Schedule of Changes in the District's Total OPEB Liability and Related Ratios***

See page 64 for the Required Supplementary Schedule.

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(12) Defined Benefit Pension Plan**

***Plan Description***

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Pension Plan (PERF C) administered by the California Public Employees' Retirement System (CalPERS). The PERF C consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety plans respectively. Benefit provisions under the Plan are established by State Statute and the District's resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website or may be obtained from their executive office at 400 Q Street, Sacramento, California 95811.

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District's CalPERS 2.0% at 60 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. For employees hired prior to January 1, 2013, who are current members of CalPERS or a reciprocal agency as of December 31, 2012 and have not been separated from service from such agency for more than six months, the retirement benefit is 2.5% at 55 years of age; highest single year of compensation. All other employees hired on or after January 1, 2013, are eligible for the District's CalPERS 2.0% at 62 Retirement Plan under PEPRA based on the average annual compensation for the last three years of employment.

The District participates in the PERF C miscellaneous risk pool. The provision and benefits for the PERF C miscellaneous pool in effect at June 30, are summarized as follows:

	<b>Classic</b>	<b>PEPRA</b>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	
Benefit payments	monthly for life	
Retirement age	50 - 55	57 - 62
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	2025: 7.96%	2025: 7.75%
	2024: 7.96%	2024: 7.75%
Required employer contribution rates	2025: 14.13%	2025: 7.87%
	2024: 14.06%	2024: 7.68%

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(12) Defined Benefit Pension Plan, continued**

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by an actuary and shall be effective on July 1, following notice of the change in rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the fiscal years ended June 30, the District's pension contributions were as follows:

	<b>Miscellaneous Plan</b>	
	<b>2025</b>	<b>2024</b>
Contributions – employer	\$ 2,226,481	1,918,876

**Net Pension Liability**

As of June 30, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	<b>2025</b>	<b>2024</b>
Proportionate share of net pension liability	\$ 18,203,208	18,307,785

The District's net pension liability for the PERF C is measured as the proportionate share of the net pension liability for the miscellaneous pool. As of June 30, 2025 and 2024, the net pension liability of the Plan is measured as of June 30, 2024 and 2023 (the measurement dates), respectively. The total pension liability for the PERF C's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 and 2022 (valuation dates), rolled forward to June 30, 2024 and 2023, respectively, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's change in the proportionate share of the net pension liability for the Plan as of the measurement dates for June 30, 2025 and 2024, were as follows:

	<b>Proportionate Share</b>
Proportion at Measurement Date – June 30, 2023	0.14872 %
Change in proportion	(0.00197)
Proportion at Measurement Date – June 30, 2024	0.14675
Change is proportion	0.00335
Proportion at Measurement Date – June 30, 2025	0.15010 %

**Deferred Pension Outflows (Inflows) of Resources**

For the years ended June 30, 2025 and 2024, the District recognized pension expense of \$3,207,433 and \$2,539,258, respectively.



**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(12) Defined Benefit Pension Plan, continued**

***Deferred Pension Outflows (Inflows) of Resources, continued***

At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date at June 30	\$ 2,226,481	-	1,918,876	-
Net difference between actual and expected experience	1,512,423		790,179	
Net change in assumptions	467,860	-	1,105,323	-
Net difference between projected and actual earnings on plan investments	1,047,934	-	2,964,194	-
Net difference between actual contribution and proportionate share of contribution	73,045	-	-	(225,035)
Net change due to differences in proportion of net pension liability	-	(362,944)	-	(503,205)
Total	\$ 5,327,743	(362,944)	6,778,572	(728,240)

As of June 30 2025 and 2024, the District reported \$2,226,481 and \$1,918,876, respectively, as deferred outflows of resources related to contributions subsequent to the measurement dates. Pension contributions subsequent to the measurement date for the year ended June 30, 2025, will be recognized as a reduction of the net pension liability for the year ended June 30, 2026. Pension contributions subsequent to the measurement date for the year ended June 30, 2024, were recognized as a reduction of the net pension liability for the year ended June 30, 2025.

At June 30, 2025, other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized as pension expense as follows:

Fiscal Year	Net Difference between Expected and Actual Experience	Net Change in Assumptions	Net Difference between Projected and Actual Earnings on Pension Plan Investments	Net Difference between Actual Contribution and Proportionate Share of Contribution	Net Change due to Differences in Proportions	Net, Deferred Outflows/(Inflows) of Resources
June 30,						
2026	\$ 582,717	458,077	(192,519)	(23,789)	(255,625)	568,861
2027	625,147	4,746	1,961,950	59,955	(57,218)	2,594,580
2028	304,559	5,037	(337,906)	36,879	(50,101)	(41,532)
2029	-	-	(383,591)	-	-	(383,591)
Total	\$ 1,512,423	467,860	1,047,934	73,045	(362,944)	2,738,318



**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(12) Defined Benefit Pension Plan, continued**

***Deferred Pension Outflows (Inflows) of Resources, continued***

At June 30, 2024, other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized as pension expense as follows:

<b>Fiscal Year June 30,</b>	<b>Net Difference between Expected and Actual Experience</b>	<b>Net Change in Assumptions</b>	<b>Net Difference between Projected and Actual Earnings on Pension Plan Investments</b>	<b>Net Difference between Actual Contribution and Proportionate Share of Contribution</b>	<b>Net Change due to Differences in Proportions</b>	<b>Net, Deferred Outflows/(Inflows) of Resources</b>
2025	\$ 343,713	655,090	381,895	(169,009)	(315,616)	896,073
2026	202,018	451,782	191,071	(69,885)	(192,998)	581,988
2027	244,448	(1,549)	2,345,540	13,859	5,409	2,607,707
2028	-	-	45,688	-	-	45,688
Total	\$ 790,179	1,105,323	2,964,194	(225,035)	(503,205)	4,131,456

***Actuarial Assumptions***

The total pension liabilities in the June 30, 2023 and 2022, actuarial valuations were determined using the following actuarial assumptions and methods:

Valuation dates	June 30, 2023 and 2022
Measurement dates	June 30, 2024 and 2023
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	2024 - 6.90% 2023 - 6.90%
Inflation	2024 - 2.30% 2023 - 2.30%
Salary increases	Varies by Entry Age and Service
Investment Rate of Return	6.90% Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS Membership Data for all Funds
Period upon which actuarial Experience Survey assumptions were based	2024 and 2023 – 1997-2015
Post Retirement Benefit	2024 and 2023 – Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

\* The mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvement using the Society of Actuaries 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017, experience study report (based on CalPERS demographic data from 1997 to 2015) available online on the CalPERS website.

***Discount Rate***

The discount rate used to measure the total pension liability as of June 30, 2024 and 2023, for the PERF C was 6.90%, respectively. This discount rate is not adjusted for administrative expenses.

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(12) Defined Benefit Pension Plan, continued**

***Discount Rate, continued***

The PERF C fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for those pension plans' investments were applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building-block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1-10*</b>
Global equity - cap-weighted	30.00 %	4.45 %
Global equity non-cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	-5.00	-0.59
	<u>100.00 %</u>	

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

As June 30, 2025, the District's proportionate share of the net position liability for the Plan calculated using the discount rate, as well as what the District's proportional share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

	<b>Discount Rate - 1% (5.90%)</b>	<b>Current Discount Rate (6.90%)</b>	<b>Discount Rate + 1% (7.90%)</b>
District's net pension liability	\$ <u>26,823,990</u>	<u>18,203,208</u>	<u>11,107,036</u>

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(12) Defined Benefit Pension Plan, continued**

As of June 30, 2024, the District's proportionate share of the net position liability for the Plan calculated using the discount rate, as well as what the District's proportional share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

	<b>Discount Rate - 1% (5.90%)</b>	<b>Current Discount Rate (6.90%)</b>	<b>Discount Rate + 1% (7.90%)</b>
District's net pension liability	\$ 26,580,129	18,307,785	11,498,935

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 65 and 66 for Required Supplementary Schedules.

**(13) Net Position**

Calculation of net position per fund as of June 30, 2025, was as follows:

	<b>Novato Water</b>	<b>Novato Recycled</b>	<b>West Marin Water</b>	<b>Oceana Marin Sewer</b>	<b>Total</b>
Net investment in capital assets:					
Capital assets, not being depreciated	\$ 9,771,347	233,861	1,539,200	2,190,467	13,734,875
Depreciable capital assets, net	110,851,569	28,331,963	7,374,429	927,552	147,485,513
Webster loan fund – administrative building	-	-	-	-	-
Current:					
Leases payable	(125,611)	-	-	-	(125,611)
Loans payable	(1,975,225)	(990,620)	(57,908)	-	(3,023,753)
Non-current:					
Leases payable	(216,662)	-	-	-	(216,662)
Loans payable	(25,003,555)	(9,552,413)	(344,514)	-	(34,900,482)
Total net investment in capital assets	92,983,416	18,022,791	8,511,207	3,118,019	122,635,433
Restricted net position:					
SRF loan fund – Stafford Treatment Plant	1,070,027	-	-	-	1,070,027
SRF reserve fund – Recycled Water System					
North, South, and Central	-	890,072	-	-	890,072
SRF reserve fund – Recycled Water System					
Deer Island	-	215,000	-	-	215,000
Interagency capital replacement and expansion fund	-	5,687,700	-	-	5,687,700
Total restricted net position	1,070,027	6,792,772	-	-	7,862,799
Unrestricted net position:					
Non-spendable net position:					
Current:					
Materials and supplies inventory	943,437	-	-	-	943,437
Prepaid expenses and deposits	455,259	-	-	-	455,259
Non-current:					
Notes receivable	-	944,411	-	-	944,411
Notes receivable – employee housing loans	850,000	-	-	-	850,000
Total non-spendable net position	2,248,696	944,411	-	-	3,193,107
Spendable net position are designated as follows:					
Other post-employment benefits reserve	4,327,665	-	-	-	4,327,665
Operating reserve (deficit)	(5,800,158)	678,414	(551,186)	1,633	(5,671,297)
Total spendable net position (deficit)	(1,472,493)	678,414	(551,186)	1,633	(1,343,632)
Total unrestricted net position	776,203	1,622,825	(551,186)	1,633	1,849,475
Total net position	\$ 94,829,646	26,438,388	7,960,021	3,119,652	132,347,707

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(13) Net Position, continued**

Calculation of net position per fund as of June 30, 2024, was as follows:

	<u>Novato Water</u>	<u>Novato Recycled</u>	<u>West Marin Water</u>	<u>Oceana Marin Sewer</u>	<u>Total</u>
Net investment in capital assets:					
Capital assets, not being depreciated	\$ 25,466,389	303,024	2,482,837	576,781	28,829,031
Depreciable capital assets, net	90,411,037	28,775,191	6,163,179	915,264	126,264,671
Webster loan fund – administrative building	3,404,828	-	-	-	3,404,828
Current:					
Leases payable	(134,871)	-	-	-	(134,871)
Loans payable	(1,921,688)	(970,458)	(55,965)	-	(2,948,111)
Non-current:					
Leases payable	(265,225)	-	-	-	(265,225)
Loans payable	(27,448,064)	(10,543,033)	(402,422)	-	(38,393,519)
Total net investment in capital assets	<u>89,355,314</u>	<u>17,564,724</u>	<u>8,187,629</u>	<u>1,492,045</u>	<u>116,599,712</u>
Restricted net position:					
SRF loan fund – Stafford Treatment Plant	1,067,432	-	-	-	1,067,432
SRF reserve fund – Recycled Water System					
North, South, and Central	-	890,072	-	-	890,072
SRF reserve fund – Recycled Water System					
Deer Island	-	215,000	-	-	215,000
Interagency capital replacement and expansion fund	-	5,974,462	-	-	5,974,462
Total restricted net position	<u>1,067,432</u>	<u>7,079,534</u>	<u>-</u>	<u>-</u>	<u>8,146,966</u>
Unrestricted net position:					
Non-spendable net position:					
Current:					
Materials and supplies inventory	1,007,639	-	-	-	1,007,639
Prepaid expenses and deposits	507,197	-	-	-	507,197
Non-current:					
Notes receivable	-	983,592	-	-	983,592
Notes receivable – employee housing loans	250,000	-	-	-	250,000
Total non-spendable net position	<u>1,764,836</u>	<u>983,592</u>	<u>-</u>	<u>-</u>	<u>2,748,428</u>
Spendable net position are designated as follows:					
Other post-employment benefits reserve	4,287,222	-	-	-	4,287,222
Operating reserve (deficit)	(2,466,200)	406,540	(339,131)	482,332	(1,916,459)
Total spendable net position (deficit)	<u>1,821,022</u>	<u>406,540</u>	<u>(339,131)</u>	<u>482,332</u>	<u>2,370,763</u>
Total unrestricted net position	<u>3,585,858</u>	<u>1,390,132</u>	<u>(339,131)</u>	<u>482,332</u>	<u>5,119,191</u>
Total net position	<u>\$ 94,008,604</u>	<u>26,034,390</u>	<u>7,848,498</u>	<u>1,974,377</u>	<u>129,865,869</u>

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(14) Adjustments to Net Position**

In fiscal year 2025, the District implemented GASB Statement No. 101 – *Compensated Absences* to recognize the provisions of the Statement towards its compensated absences liability. As a result of the implementation, the District recognized adjustments to its compensated absence liability and recorded prior period adjustments, decreases to net position, of \$115,240 at June 30, 2023 and \$177,484 at June 30, 2024.

The adjustments to net position are as follows:

Net position at July 1, 2022, as previously stated	\$ 120,256,577
Effect of adjustment to implement GASB 101 compensated absences	(115,240)
Change in net position at June 30, 2023, as previously stated	<u>5,964,401</u>
Subtotal adjustments	<u>5,849,161</u>
Net position at June 30, 2023, as restated	\$ <u>126,105,738</u>
Effect of adjustment to reverse prior year GASB 101 adjustment	115,240
Effect of adjustment to implement GASB 101 compensated absences	(177,484)
Change in net position at June 30, 2024, as previously stated	<u>3,822,375</u>
Subtotal adjustments	<u>3,760,131</u>
Net position at June 30, 2024, as restated	\$ <u><u>129,865,869</u></u>

**(15) Deferred Compensation Savings Plan**

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to claims of the District's general creditors. The District has implemented *GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statements of net position. As of June 30, 2025 and 2024, the assets of the deferred compensation savings plan totaled \$10,224,042 and \$9,760,911, respectively.

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(16) Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance policies with a variety of coverage.

At June 30, 2025, the District coverage with various insurance carriers are as follows:

- General liability coverage includes general aggregate and products and completed operations aggregate of \$10 million; personal and advertising injury and damage to premises rented by the District of \$1 million; and medical expenses of \$10,000. Each claim is subject to a deductible of \$100,000.
- Excess liability coverage limits of \$9 million each occurrence and aggregate.
- Property insurance coverage is as follows: 1) Real property and business personal property blanket coverage up to \$100,000,000 subject to a \$50,000 deductible; and \$100,000 for rented, or leased equipment subject to a \$50,000 deductible.
- Automobile insurance coverage as follows: 1) \$1,000,000 Combined single limit for bodily injury & property damage; \$1,000,000 each for hired auto, non-owned auto, and uninsured/underinsured motorist; \$100,000 for hired physical damage; and \$5,000 for medical payments. Liability coverages are subject to a \$100,000 deductible and physical damage coverages are subject to a \$5,000.
- Crime coverage includes employee theft of \$1 million, forgery or alteration of \$500,000, theft of money and securities of \$250,000, robbery and safe burglary of \$100,000, crime outside the premises of \$250,000, computer fraud and funds transfer fraud of \$500,000 and money orders and counterfeit money limit of \$250,000. Each claim is subject to a deductible of \$100,000.
- Public officials and management liability against wrongful acts, employment practices, and employee benefit plans of \$10 million. Each claim is subject to a deductible of \$100,000.
- Workers' compensation insurance: Statutory limits; Employers Liability coverage up to \$1 million per accident; each employee; policy aggregate.
- Environmental coverage up to \$4 million aggregate, \$2 million Each Pollution Condition. Each claim is subject to a deductible of \$25,000.
- Railroad Protective Liability \$10 million aggregate, \$5 million per occurrence
- Cyber coverage up to \$1 million aggregate; each incident; each Claim, each loss \$10,000 deductible

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ended June 30, 2025 and 2024.

**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(17) Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the report date, that have effective dates that may impact future financial presentations.

***Governmental Accounting Standards Board Statement No. 103***

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 104***

In September 2024, the GASB issued Statement No. 104 – *Disclosure of Certain Capital Assets*. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**(18) Commitments and Contingencies**

***Solar Power Services, Facilities, and Site Agreement***

In February 2012, the District entered into a Solar Power Services Agreement to purchase all the solar power generated from the Solar Power Generating Facility constructed near the District's Stafford Treatment Plant facility at a Take-or-Pay price of \$0.1700 per kilowatt hour escalating 3.0% annually to \$0.2981 per kilowatt hour over a 20-year contract period. In addition, in February 2013, the District executed a 20-year lease with the Solar Services company to construct the Solar Power Generating Facility on District land for a land lease of \$100 for the period (or \$5 per year).

***Construction Contracts***

The District has a variety of agreements with developers and private parties relating to the installation, improvement, or modification of buildings, transmission facilities, and distribution systems within its service area in addition to the acquisition of other assets. The financing of such improvements is provided primarily from advances for construction. The District also improves and modifies its existing infrastructure and finances such improvements from its reserves. The District has commitments of approximately \$1,820,584 and \$6,338,993 in capital expenditures as of June 30, 2025 and 2024, respectively.



**North Marin Water District**  
**Notes to the Basic Financial Statements, continued**  
**For the Years Ended June 30, 2025 and 2024**

**(18) Commitments and Contingencies, continued**

***Grant Awards***

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

***Litigation***

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

**(19) Subsequent Events**

Events occurring after June 30, 2025, have been evaluated for possible adjustment to the financial statements or disclosure as of December 16, 2025, which is the date the financial statements were available to be issued. The District is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

Presentation Draft Subject to Board Approval



## **Required Supplementary Information**



**North Marin Water District**  
**Schedule of Changes in the District Total OPEB Liability and Related Ratios**  
**As of June 30, 2025**  
**Last Ten Years\***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability								
Service cost	\$ 197,591	196,490	133,569	189,098	166,020	140,410	137,480	145,989
Interest	194,240	188,823	160,146	101,213	115,047	135,765	150,690	132,454
Differences between expected and actual experience	-	228,085	-	138,698	-	(272,373)	163,205	-
Changes in assumptions or other inputs	(581,350)	277,919	(73,234)	(758,672)	256,981	363,781	195,564	(197,296)
Benefit payments	<u>(352,434)</u>	<u>(308,921)</u>	<u>(276,859)</u>	<u>(264,768)</u>	<u>(258,042)</u>	<u>(229,722)</u>	<u>(250,340)</u>	<u>(375,787)</u>
Net change in total OPEB liability	(541,953)	582,396	(56,378)	(594,431)	280,006	137,861	396,599	(294,640)
Total OPEB liability - beginning	<u>4,869,618</u>	<u>4,287,222</u>	<u>4,343,600</u>	<u>4,938,031</u>	<u>4,658,025</u>	<u>4,520,164</u>	<u>4,123,565</u>	<u>4,418,205</u>
Total OPEB liability - ending	\$ <u>4,327,665</u>	<u>4,869,618</u>	<u>4,287,222</u>	<u>4,343,600</u>	<u>4,938,031</u>	<u>4,658,025</u>	<u>4,520,164</u>	<u>4,123,565</u>
Covered-employee payroll	\$ 8,191,290	7,366,467	6,668,362	6,126,310	5,685,912	5,699,559	5,434,109	5,635,521
Total OPEB liability as a percentage of covered-employee payroll	<u>52.83%</u>	<u>66.11%</u>	<u>64.29%</u>	<u>70.90%</u>	<u>86.85%</u>	<u>81.73%</u>	<u>83.18%</u>	<u>73.17%</u>
Valuation date	<u>July 1, 2023</u>	<u>July 1, 2023</u>	<u>July 1, 2022</u>	<u>July 1, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Methods and assumptions used to determine contribution rates:								
Single and agent employers	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Inflation	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%	3.00%	4.00%
Salary increases	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Mortality, retirement, turnover	(2)	(2)	(2)	(2)	(3)	(3)	(3)	(3)

(1) Level percentage of payroll, closed

(2) Preretirement Mortality Rates from CalPERS Experience Study (2000-2019).  
Post-retirement Mortality Rates for Healthy Recipients from CalPERS Experience Study (2000-2019).

(3) Preretirement Mortality Rates from RP-2014 Employee Mortality, without projection  
Postretirement Mortality Rates from RP-2014 Healthy Annuitant Mortality, without projection.

There are no asset accumulated in a trust that meets the criteria of GASB codification P52.101 to pay related benefits for the OPEB plan.

\* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

**North Marin Water District**  
**Schedules of the District's Proportionate Share of the Net Pension Liability**  
**As of June 30, 2025**  
**Last Ten Years**

Description	Measurement Dates									
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.15010%	0.14675%	0.14872%	0.17135%	0.13536%	0.13324%	0.13034%	0.12881%	0.12759%	0.12558%
District's proportionate share of the net pension liability	\$ 18,203,208	18,307,785	17,178,160	9,267,034	14,727,660	13,653,187	12,560,160	12,774,724	11,040,789	8,619,837
District's covered payroll	\$ 6,012,964	5,387,870	5,228,970	5,013,891	4,877,510	4,878,849	4,953,247	4,600,500	4,542,666	4,305,518
District's proportionate share of the net pension liability as a percentage of its covered payroll	302.73%	339.80%	328.52%	184.83%	301.95%	279.84%	253.57%	277.68%	243.05%	200.20%
Plan's fiduciary net position as a percentage of the total pension liability	71.51%	70.07%	70.56%	83.29%	72.26%	73.56%	74.43%	72.80%	73.98%	78.63%

**Notes to schedule:**

There were no changes in benefits.

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30, 2019:

The inflation rate was reduced from 2.75% to 2.50%

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

The discount rate was reduced from 7.15% to 6.90%

The inflation rate was reduced from 2.50% to 2.30%

From fiscal year June 30, 2022 to June 30, 2023:

There were no changes in assumptions.

From fiscal year June 30, 2023 to June 30, 2024:

There were no changes in assumptions.

From fiscal year June 30, 2024 to June 30, 2025:

There were no changes in assumptions.

**North Marin Water District**  
**Schedules of Pension Plan Contributions**  
**As of June 30, 2025**  
**Last Ten Years**

Description	Fiscal Years									
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Actuarially determined contribution	\$ 2,115,582	1,918,876	1,867,734	1,674,677	1,490,360	1,370,702	1,155,358	1,017,325	926,448	828,792
Contributions in relation to the actuarially determined contribution	(2,115,582)	(1,918,876)	(1,867,734)	(1,674,677)	(1,490,360)	(1,370,702)	(1,155,358)	(1,017,325)	(926,448)	(828,792)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	\$ 5,682,759	6,012,964	5,387,870	5,228,970	5,013,891	4,877,510	4,878,849	4,953,247	4,600,500	4,542,666
Contribution's as a percentage of covered payroll	37.23%	31.91%	34.67%	32.03%	29.72%	28.10%	23.68%	20.54%	20.14%	18.24%
Notes to schedule:										
Valuation date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
Inflation	2.30%	2.30%	2.30%	2.50%	2.63%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	6.90% (3)	6.90% (3)	6.90% (3)	7.15% (3)	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

(1) Level of percentage payroll, closed

(2) Depending on age, service, and type of employment

(3) Net pf pension plan investment expense, including inflation

(4) 50 for all plans with exception of 52 for Miscellaneous 2% @ 62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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## **Supplemental Information**

Presentation Draft Subject to Board Approval





## **Combining Schedules**

Presentation Draft Subject to Board Approval

**North Marin Water District**  
**Combining Schedule of Net Position**  
**For the Year Ended June 30, 2025**

	Novato Water	Novato Recycled	West Marin Water	Oceana Marin Sewer	Total
<b>Current assets:</b>					
Cash and cash equivalents	\$ 7,261,198	4,116,394	396,463	220,451	11,994,506
Restricted – cash and cash equivalents	1,702,582	3,052,827	-	-	4,755,409
Restricted – investments	1,725,194	-	-	-	1,725,194
Accrued interest receivable	209,716	820	-	-	210,536
Accounts receivable – water and sewer sales	5,243,311	376,294	263,060	2,778	5,885,443
Accounts receivable – governmental agencies	-	-	-	147,860	147,860
Accounts receivable – other	258,354	-	-	-	258,354
Leases receivable	28,276	-	6,143	-	34,419
Note receivable	-	39,181	-	-	39,181
Loan receivable	165,734	-	-	-	165,734
Interfund loans	93,168	-	-	-	93,168
Materials and supplies inventory	943,437	-	-	-	943,437
Prepaid expenses and deposits	455,259	-	-	-	455,259
<b>Total current assets</b>	<b>18,086,229</b>	<b>7,585,516</b>	<b>665,666</b>	<b>371,089</b>	<b>26,708,500</b>
<b>Non-current assets:</b>					
Restricted – investments	3,206,164	-	-	-	3,206,164
Leases receivable	288,479	-	-	-	288,479
Notes receivable	-	944,411	-	-	944,411
Loan receivable	1,293,115	-	-	-	1,293,115
Interfund loans	1,077,902	-	-	-	1,077,902
Note receivable – employee housing loans, net	850,000	-	-	-	850,000
Capital assets, not being depreciated	9,771,347	233,861	1,539,200	2,190,467	13,734,875
Depreciable capital assets, net	110,851,569	28,331,963	7,374,429	927,552	147,485,513
<b>Total non-current assets</b>	<b>127,338,576</b>	<b>29,510,235</b>	<b>8,913,629</b>	<b>3,118,019</b>	<b>168,880,459</b>
<b>Total assets</b>	<b>145,424,805</b>	<b>37,095,751</b>	<b>9,579,295</b>	<b>3,489,108</b>	<b>195,588,959</b>
<b>Deferred outflows of resources:</b>					
Deferred other post-employment benefits outflows	219,707	-	-	-	219,707
Deferred pension outflows	5,327,743	-	-	-	5,327,743
<b>Total deferred outflows of resources</b>	<b>5,547,450</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,547,450</b>
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	2,576,819	-	-	-	2,576,819
Accrued wages and related payables	273,212	28,938	43,739	14,580	360,469
Customer advances and deposits	1,153,820	-	324,205	4,876	1,482,901
Accrued interest payable – long-term debt	206,429	85,392	22,553	-	314,374
Long-term liabilities – due within one year:					
Compensated absences	374,927	-	-	-	374,927
Interfund loan – West Marin (note 6)	-	-	93,168	-	93,168
Leases payable	125,611	-	-	-	125,611
Loans payable	1,975,225	990,620	57,908	-	3,023,753
Other post-employment benefits liability	258,992	-	-	-	258,992
<b>Total current liabilities</b>	<b>6,945,035</b>	<b>1,104,950</b>	<b>541,573</b>	<b>19,456</b>	<b>8,611,014</b>
<b>Non-current liabilities:</b>					
Long-term liabilities – due in more than one year:					
Compensated absences	502,764	-	-	-	502,764
Interfund loan – West Marin (note 6)	-	-	727,902	350,000	1,077,902
Leases payable	216,662	-	-	-	216,662
Loans payable	25,003,555	9,552,413	344,514	-	34,900,482
Other post-employment benefits liability	4,068,673	-	-	-	4,068,673
Net pension liability	18,203,208	-	-	-	18,203,208
<b>Total non-current liabilities</b>	<b>47,994,862</b>	<b>9,552,413</b>	<b>1,072,416</b>	<b>350,000</b>	<b>58,969,691</b>
<b>Total liabilities</b>	<b>54,939,897</b>	<b>10,657,363</b>	<b>1,613,989</b>	<b>369,456</b>	<b>67,580,705</b>
<b>Deferred inflows of resources:</b>					
Deferred lease inflows	280,815	-	5,285	-	286,100
Deferred other post-employment benefits inflows	558,953	-	-	-	558,953
Deferred pension inflows	362,944	-	-	-	362,944
<b>Total deferred inflows of resources</b>	<b>1,202,712</b>	<b>-</b>	<b>5,285</b>	<b>-</b>	<b>1,207,997</b>
<b>Net position:</b>					
Net investment in capital assets	92,983,416	18,022,791	8,511,207	3,118,019	122,635,433
Restricted:					
SRF loan fund – Stafford Treatment Plant	1,070,027	-	-	-	1,070,027
SRF reserve fund – Recycled Water System	-	1,105,072	-	-	1,105,072
Interagency capital replacement and expansion fund	-	5,687,700	-	-	5,687,700
Unrestricted (deficit)	776,203	1,622,825	(551,186)	1,633	1,849,475
<b>Total net position</b>	<b>\$ 94,829,646</b>	<b>26,438,388</b>	<b>7,960,021</b>	<b>3,119,652</b>	<b>132,347,707</b>

**North Marin Water District**  
**Combining Schedule of Net Position**  
**For the Year Ended June 30, 2024**

	Novato Water	Novato Recycled	West Marin Water	Oceana Marin Sewer	Total
<b>Current assets:</b>					
Cash and cash equivalents	\$ 380,724	3,612,759	492,145	311,363	4,796,991
Restricted – cash and cash equivalents	5,045,811	3,547,273	-	-	8,593,084
Restricted – investments	14,169,770	-	-	-	14,169,770
Accrued interest receivable	226,668	-	-	-	226,668
Accounts receivable – water and sewer sales	4,873,986	417,966	276,556	4,603	5,573,111
Accounts receivable – governmental agencies	291,900	-	132,939	192,861	617,700
Accounts receivable – other	-	11,647	-	-	11,647
Leases receivable	26,439	-	5,779	-	32,218
Note receivable	-	38,791	-	-	38,791
Loan receivable	161,355	-	-	-	161,355
Interfund loan	90,677	-	-	-	90,677
Materials and supplies inventory	1,007,639	-	-	-	1,007,639
Prepaid expenses and deposits	507,197	-	-	-	507,197
<b>Total current assets</b>	<b>26,782,166</b>	<b>7,628,436</b>	<b>907,419</b>	<b>508,827</b>	<b>35,826,848</b>
<b>Non-current assets:</b>					
Restricted – investments	1,709,884	-	-	-	1,709,884
Leases receivable	320,288	-	6,143	-	326,431
Notes receivable	-	983,592	-	-	983,592
Loan receivable	1,458,849	-	-	-	1,458,849
Interfund loan	821,070	-	-	-	821,070
Notes receivable – employee housing loans, net	250,000	-	-	-	250,000
Capital assets, not being depreciated	25,466,389	303,024	2,482,837	576,781	28,829,031
Depreciable capital assets, net	90,411,037	28,775,191	6,163,179	915,264	126,264,671
<b>Total non-current assets</b>	<b>120,437,517</b>	<b>30,061,807</b>	<b>8,652,159</b>	<b>1,492,045</b>	<b>160,643,528</b>
<b>Total assets</b>	<b>147,219,683</b>	<b>37,690,243</b>	<b>9,559,578</b>	<b>2,000,872</b>	<b>196,470,376</b>
<b>Deferred outflows of resources:</b>					
Deferred other post-employment benefits outflows	236,289	-	-	-	236,289
Deferred pension outflows	6,778,572	-	-	-	6,778,572
<b>Total deferred outflows of resources</b>	<b>7,014,861</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,014,861</b>
<b>Current liabilities:</b>					
Accounts payable and accrued expenses	3,045,517	10,005	-	7,189	3,062,711
Accrued wages and related payables	235,348	38,643	47,931	13,555	335,477
Accrued claims payable	27,971	534	666	266	29,437
Customer advances and deposits	1,670,188	390	256,736	5,485	1,932,799
Accrued interest payable – long-term debt	217,171	92,790	25,043	-	335,004
Long-term liabilities – due within one year:					
Compensated absences	377,266	-	-	-	377,266
Interfund loan	-	-	90,677	-	90,677
Leases payable	134,871	-	-	-	134,871
Loans payable	1,921,688	970,458	55,965	-	2,948,111
Other post-employment benefits liability	249,047	-	-	-	249,047
<b>Total current liabilities</b>	<b>7,879,067</b>	<b>1,112,820</b>	<b>477,018</b>	<b>26,495</b>	<b>9,495,400</b>
<b>Non-current liabilities:</b>					
Long-term liabilities – due in more than one year:					
Compensated absences	599,347	-	-	-	599,347
Interfund loan	-	-	821,070	-	821,070
Leases payable	265,225	-	-	-	265,225
Loans payable	27,448,064	10,543,033	402,422	-	38,393,519
Other post-employment benefits liability	4,620,571	-	-	-	4,620,571
Net pension liability	18,307,785	-	-	-	18,307,785
<b>Total non-current liabilities</b>	<b>51,240,992</b>	<b>10,543,033</b>	<b>1,223,492</b>	<b>-</b>	<b>63,007,517</b>
<b>Total liabilities</b>	<b>59,120,059</b>	<b>11,655,853</b>	<b>1,700,510</b>	<b>26,495</b>	<b>72,502,917</b>
<b>Deferred inflows of resources:</b>					
Deferred lease inflows	314,559	-	10,570	-	325,129
Deferred other post-employment benefits inflows	63,082	-	-	-	63,082
Deferred pension inflows	728,240	-	-	-	728,240
<b>Total deferred inflows of resources</b>	<b>1,105,881</b>	<b>-</b>	<b>10,570</b>	<b>-</b>	<b>1,116,451</b>
<b>Net position:</b>					
Net investment in capital assets	89,355,314	17,564,724	8,187,629	1,492,045	116,599,712
Restricted:					
SRF loan fund – Stafford Treatment Plant	1,067,432	-	-	-	1,067,432
SRF reserve fund – Recycled Water System	-	1,105,072	-	-	1,105,072
Interagency capital replacement and expansion fund	-	5,974,462	-	-	5,974,462
Unrestricted	3,585,858	1,390,132	(339,131)	482,332	5,119,191
<b>Total net position</b>	<b>\$ 94,008,604</b>	<b>26,034,390</b>	<b>7,848,498</b>	<b>1,974,377</b>	<b>129,865,869</b>

**North Marin Water District**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2025**

	<b>Novato Water</b>	<b>Novato Recycled</b>	<b>West Marin Water</b>	<b>Oceana Marin Sewer</b>	<b>Total</b>
<b>Operating revenues:</b>					
Water consumption sales	\$ 18,631,987	1,518,946	861,070	-	21,012,003
Bi-monthly meter service charge	8,331,654	300,371	300,149	-	8,932,174
Sewer service charges	-	-	-	347,256	347,256
Other charges and services	361,890	75	9,274	300	371,539
<b>Total operating revenues</b>	<b>27,325,531</b>	<b>1,819,392</b>	<b>1,170,493</b>	<b>347,556</b>	<b>30,662,972</b>
<b>Operating expenses:</b>					
Source of supply	8,696,736	370,452	16,036	-	9,083,224
Pumping	783,756	7,697	101,676	-	893,129
Water facilities operations	1,536,276	168,922	75,681	-	1,780,879
Water treatment	2,610,215	10,284	333,773	-	2,954,272
Transmission and distribution	4,378,442	65,443	199,324	-	4,643,209
Sewage collection and treatment	-	-	-	275,886	275,886
Customer service	549,960	2,128	37,619	4,140	593,847
General and administrative	5,927,539	110,948	303,287	75,465	6,417,239
Water conservation projects	492,237	-	19,785	-	512,022
<b>Total operating expenses</b>	<b>24,975,161</b>	<b>735,874</b>	<b>1,087,181</b>	<b>355,491</b>	<b>27,153,707</b>
Operating income before depreciation	2,350,370	1,083,518	83,312	(7,935)	3,509,265
Depreciation	(2,977,901)	(791,366)	(254,571)	(55,785)	(4,079,623)
<b>Operating income(loss)</b>	<b>(627,531)</b>	<b>292,152</b>	<b>(171,259)</b>	<b>(63,720)</b>	<b>(570,358)</b>
<b>Non-operating revenues(expenses):</b>					
Property tax revenue	149,358	-	-	-	149,358
Investment earnings	901,136	287,398	22,628	-	1,211,162
Interest earnings from note receivable – BPGL	-	10,030	-	-	10,030
Interest earnings from loan receivable – MMWD	66,518	-	-	-	66,518
Interest earnings from leases	10,507	-	371	-	10,878
Rental revenue	72,473	-	5,285	250	78,008
Interest expense – long-term debt	(864,912)	(185,582)	(37,346)	-	(1,087,840)
Gain (loss) on disposition of capital assets	8,736	-	-	(1,384)	7,352
Regulation 15 forfeiture	55,390	-	3,000	-	58,390
Other non-operating revenues	26,780	-	-	-	26,780
Other non-operating expenses	(1,661)	-	(1,188)	(9,999)	(12,848)
<b>Total non-operating revenues(expense), net</b>	<b>424,325</b>	<b>111,846</b>	<b>(7,250)</b>	<b>(11,133)</b>	<b>517,788</b>
<b>Net income(loss) before capital contributions</b>	<b>(203,206)</b>	<b>403,998</b>	<b>(178,509)</b>	<b>(74,853)</b>	<b>(52,570)</b>
<b>Capital contributions:</b>					
Developers and others	823,783	-	257,787	-	1,081,570
Connection fees	153,690	-	31,820	30,000	215,510
Capital grants – state and local	46,775	-	425	1,190,128	1,237,328
<b>Total capital contributions</b>	<b>1,024,248</b>	<b>-</b>	<b>290,032</b>	<b>1,220,128</b>	<b>2,534,408</b>
<b>Change in net position</b>	<b>821,042</b>	<b>403,998</b>	<b>111,523</b>	<b>1,145,275</b>	<b>2,481,838</b>
<b>Net position, beginning of year</b>	<b>94,008,604</b>	<b>26,034,390</b>	<b>7,848,498</b>	<b>1,974,377</b>	<b>129,865,869</b>
<b>Net position, end of year</b>	<b>\$ 94,829,646</b>	<b>26,438,388</b>	<b>7,960,021</b>	<b>3,119,652</b>	<b>132,347,707</b>

**North Marin Water District**  
**Combining Schedule of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2024**

	Novato Water	Novato Recycled	West Marin Water	Oceana Marin Sewer	Total
<b>Operating revenues:</b>					
Water consumption sales	\$ 16,441,186	1,352,663	722,175	-	18,516,024
Bi-monthly meter service charge	7,301,145	140,808	271,590	-	7,713,543
Sewer service charges	-	-	-	324,264	324,264
Other charges and services	397,912	25	10,159	1,200	409,296
<b>Total operating revenues</b>	<b>24,140,243</b>	<b>1,493,496</b>	<b>1,003,924</b>	<b>325,464</b>	<b>26,963,127</b>
<b>Operating expenses:</b>					
Source of supply	6,436,226	270,502	20,562	-	6,727,290
Pumping	577,094	11,240	85,417	-	673,751
Water facilities operations	1,118,326	143,799	77,161	-	1,339,286
Water treatment	2,367,910	10,776	301,940	-	2,680,626
Transmission and distribution	4,092,506	39,722	177,317	-	4,309,545
Sewage collection and treatment	-	-	-	277,564	277,564
Customer service	497,270	1,823	31,057	3,376	533,526
General and administrative	4,936,401	118,552	215,236	55,884	5,326,073
Water conservation projects	458,289	-	15,014	-	473,303
<b>Total operating expenses</b>	<b>20,484,022</b>	<b>596,414</b>	<b>923,704</b>	<b>336,824</b>	<b>22,340,964</b>
Operating income before depreciation	3,656,221	897,082	80,220	(11,360)	4,622,163
Depreciation	(3,057,406)	(788,512)	(241,030)	(52,334)	(4,139,282)
<b>Operating income</b>	<b>598,815</b>	<b>108,570</b>	<b>(160,810)</b>	<b>(63,694)</b>	<b>482,881</b>
<b>Non-operating revenues(expenses):</b>					
Property tax revenue	145,929	-	-	-	145,929
Investment earnings, net	1,426,315	301,479	34,289	22,799	1,784,882
Interest earnings from note receivable – BPGL	-	10,416	-	-	10,416
Interest earnings from loan receivable – MMWD	73,271	-	-	-	73,271
Interest earnings from leases	11,390	-	540	-	11,930
Rental revenue	73,042	-	5,285	250	78,577
Interest expense – long-term debt	(929,775)	(205,457)	(41,756)	-	(1,176,988)
Gain on sale of capital assets	2,940	-	-	-	2,940
Regulation 15 forfeiture	151,815	-	29,075	-	180,890
Other non-operating revenues	25,022	-	-	3,000	28,022
Other non-operating expenses	(2,293)	-	-	-	(2,293)
<b>Total non-operating revenues(expense), net</b>	<b>977,656</b>	<b>106,438</b>	<b>27,433</b>	<b>26,049</b>	<b>1,137,576</b>
<b>Net income before capital contributions</b>	<b>1,576,471</b>	<b>215,008</b>	<b>(133,377)</b>	<b>(37,645)</b>	<b>1,620,457</b>
<b>Capital contributions:</b>					
Developers and others	536,625	-	14,073	515	551,213
Connection fees	970,610	-	68,560	75,000	1,114,170
Capital grants – state and local	95,905	-	137,069	241,317	474,291
<b>Total capital contributions</b>	<b>1,603,140</b>	<b>-</b>	<b>219,702</b>	<b>316,832</b>	<b>2,139,674</b>
<b>Transfers in(out)</b>	<b>(693,686)</b>	<b>693,686</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>2,485,925</b>	<b>908,694</b>	<b>86,325</b>	<b>279,187</b>	<b>3,760,131</b>
<b>Net position, beginning of year</b>	<b>91,522,679</b>	<b>25,125,696</b>	<b>7,762,173</b>	<b>1,695,190</b>	<b>126,105,738</b>
<b>Net position, end of year</b>	<b>\$ 94,008,604</b>	<b>26,034,390</b>	<b>7,848,498</b>	<b>1,974,377</b>	<b>129,865,869</b>

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## **Statistical Information Section**

Presentation Draft Subject to Board Approval





## North Marin Water District Statistical Section

This part of the District's Annual Comprehensive Financial Report presents detailed information as context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the District's overall financial health.

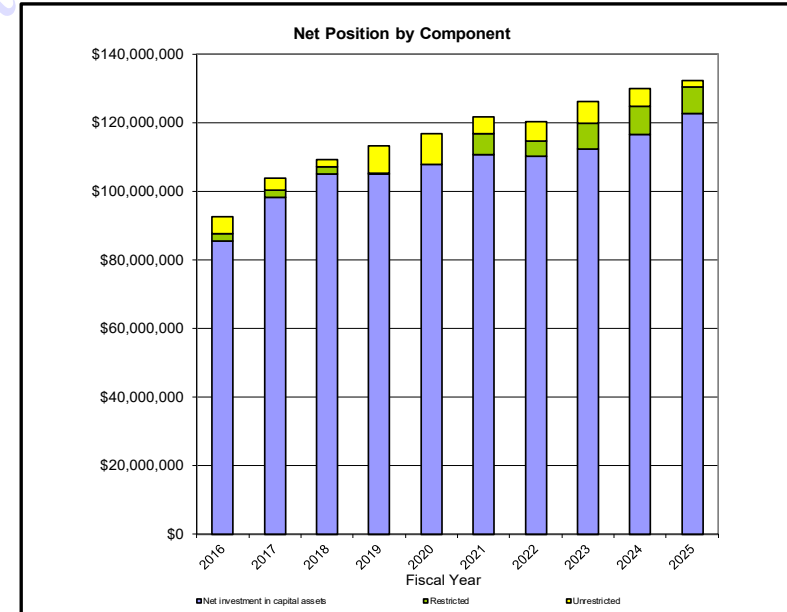
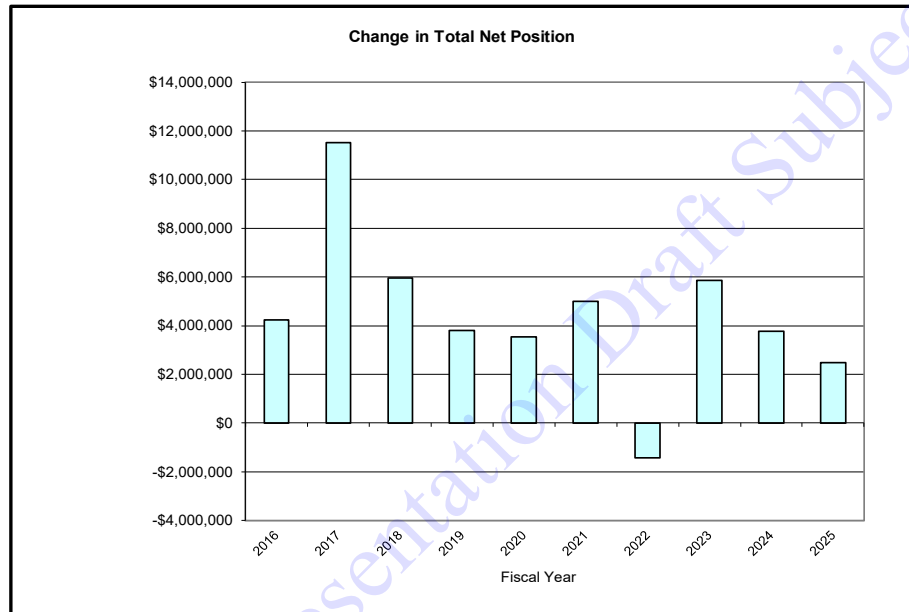
### Table of Contents

	<u>Page No.</u>
Financial Trends These schedules contain information to help the reader understand how the District's financial performance and well-being have changed over time.	72-75
Revenue Capacity These schedules contain information to help the reader assess the District's most significant own-source revenue, water sales.	76-79
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	80-81
Demographic Information This schedule offers demographic indicators to help the reader understand the environment within which the District's financial activities take place.	82-83
Operating Information This schedule contains service and infrastructure data to help the reader understand how the information in the District's financial report relates to the service the District provides.	84-85

# North Marin Water District Changes in Net Position and Net Position by Component Last Ten Fiscal Years

## Schedule 1

	Fiscal Year									
	2016	2017	Restated 2018	Restated 2019	2020	Restated 2021	2022	Restated 2023	Restated 2024	2025
Change in net position:										
Operating revenues (see schedule 2)	\$17,411,543	\$18,703,476	\$22,094,094	\$21,772,246	\$23,796,921	\$25,378,535	\$23,587,781	\$24,244,711	\$26,963,127	\$30,662,972
Operating expenses (see schedule 3)	(13,704,737)	(15,099,687)	(16,461,030)	(16,371,492)	(19,404,779)	(20,737,073)	(21,663,342)	(15,983,299)	(22,340,964)	(27,153,707)
Depreciation and amortization	(3,286,353)	(3,416,411)	(3,434,069)	(3,451,155)	(3,366,216)	(3,887,096)	(4,023,236)	(4,523,906)	(4,139,282)	(4,079,623)
<b>Operating income(loss)</b>	<b>\$420,453</b>	<b>\$187,378</b>	<b>\$2,198,995</b>	<b>\$1,949,599</b>	<b>\$1,025,926</b>	<b>\$754,366</b>	<b>(\$2,098,797)</b>	<b>\$3,737,506</b>	<b>\$482,881</b>	<b>(\$570,358)</b>
Net non-op revenue(expense) (see schedule 4)	(328,734)	(304,830)	(253,110)	(59,467)	(239,641)	(356,774)	(1,169,574)	350,360	1,137,576	517,788
<b>Net income(loss) before capital contributions</b>	<b>\$91,719</b>	<b>(\$117,452)</b>	<b>\$1,945,885</b>	<b>\$1,890,132</b>	<b>\$786,285</b>	<b>\$397,592</b>	<b>(\$3,268,371)</b>	<b>\$4,087,866</b>	<b>\$1,620,457</b>	<b>(\$52,570)</b>
Capital contributions	4,139,047	11,643,388	4,020,041	1,921,709	2,762,983	4,588,088	1,825,503	1,761,295	2,139,674	2,534,408
<b>Change in net position</b>	<b>\$4,230,766</b>	<b>\$11,525,936</b>	<b>\$5,965,926</b>	<b>\$3,811,841</b>	<b>\$3,549,268</b>	<b>\$4,985,680</b>	<b>(\$1,442,868)</b>	<b>\$5,849,161</b>	<b>\$3,760,131</b>	<b>\$2,481,838</b>
Net position by component:										
Net investment in capital assets	\$85,542,035	\$98,131,574	\$104,921,863	\$105,092,277	\$107,946,623	\$110,643,664	\$110,111,018	\$112,410,898	\$116,599,712	\$122,635,433
Restricted	2,122,980	2,140,681	2,186,164	71,715	-	6,166,090	4,560,392	7,432,578	8,146,966	7,862,799
Unrestricted	5,007,769	3,639,717	2,244,629	8,000,505	8,767,142	4,889,691	5,585,167	6,262,262	5,119,191	1,849,475
<b>Total net position</b>	<b>\$92,672,784</b>	<b>\$103,911,972</b>	<b>\$109,352,656</b>	<b>\$113,164,497</b>	<b>\$116,713,765</b>	<b>\$121,699,445</b>	<b>\$120,256,577</b>	<b>\$126,105,738</b>	<b>\$129,865,869</b>	<b>\$132,347,707</b>

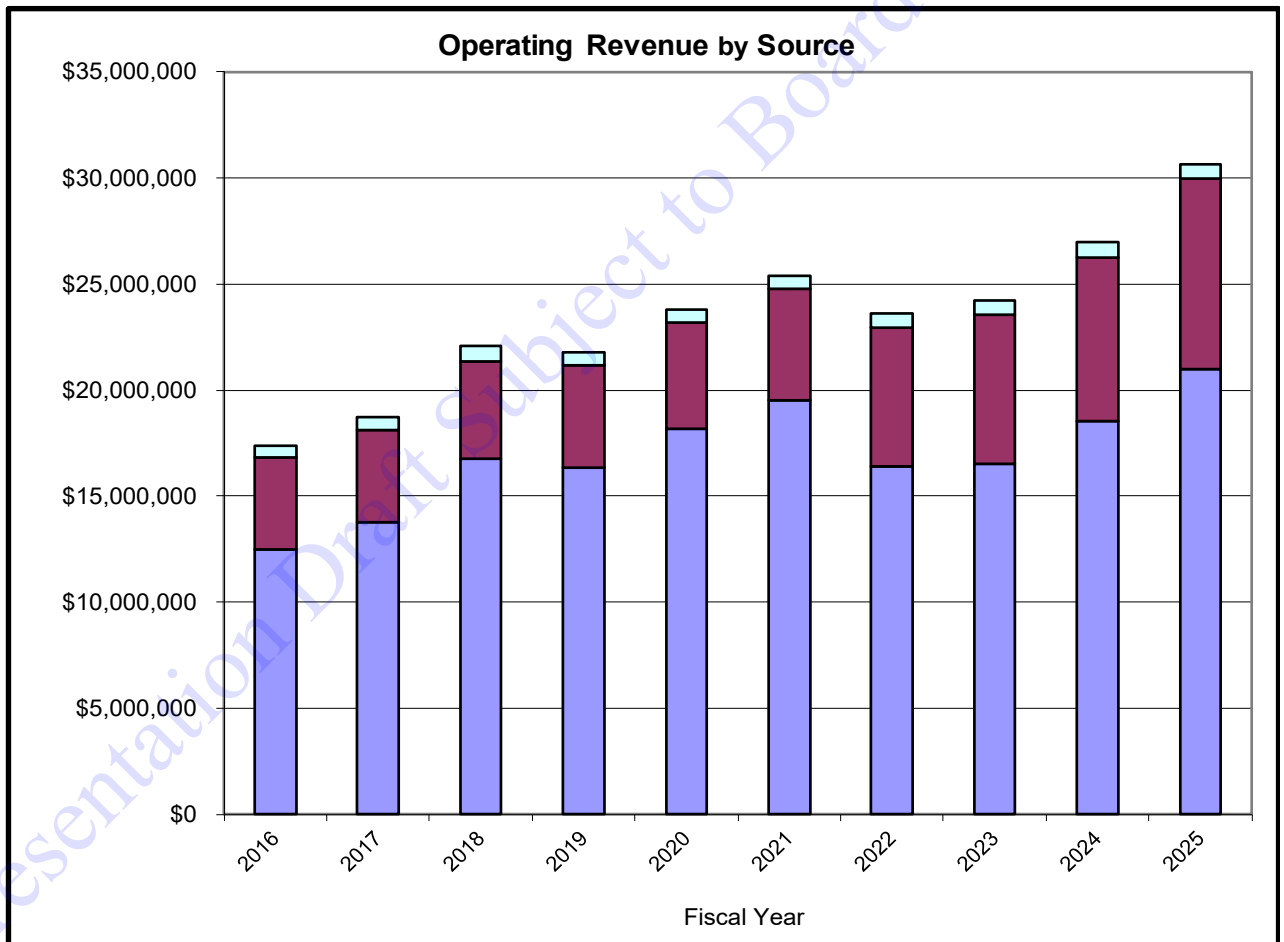


Source: North Marin Water District Audited Financial Statements

**North Marin Water District  
Operating Revenue by Source  
Last Ten Fiscal Years**

**Schedule 2**

<b>Fiscal Year</b>		<b>Water Sales</b>	<b>Bi-Monthly Service Charges</b>	<b>Other Charges and Services</b>		<b>Total Operating Revenue</b>
2016	\$	12,508,927	4,331,899	570,717	\$	17,411,543
2017		13,801,864	4,334,762	566,850		18,703,476
2018		16,764,567	4,564,228	765,299		22,094,094
2019		16,337,171	4,810,296	624,779		21,772,246
2020		18,194,168	4,968,620	634,133		23,796,921
2021		19,546,611	5,210,162	621,762		25,378,535
2022		16,405,015	6,517,572	665,194		23,587,781
2023		16,537,824	7,017,426	689,461		24,244,711
2024		18,516,024	7,713,543	733,560		26,963,127
2025		21,012,003	8,932,174	718,795		30,662,972

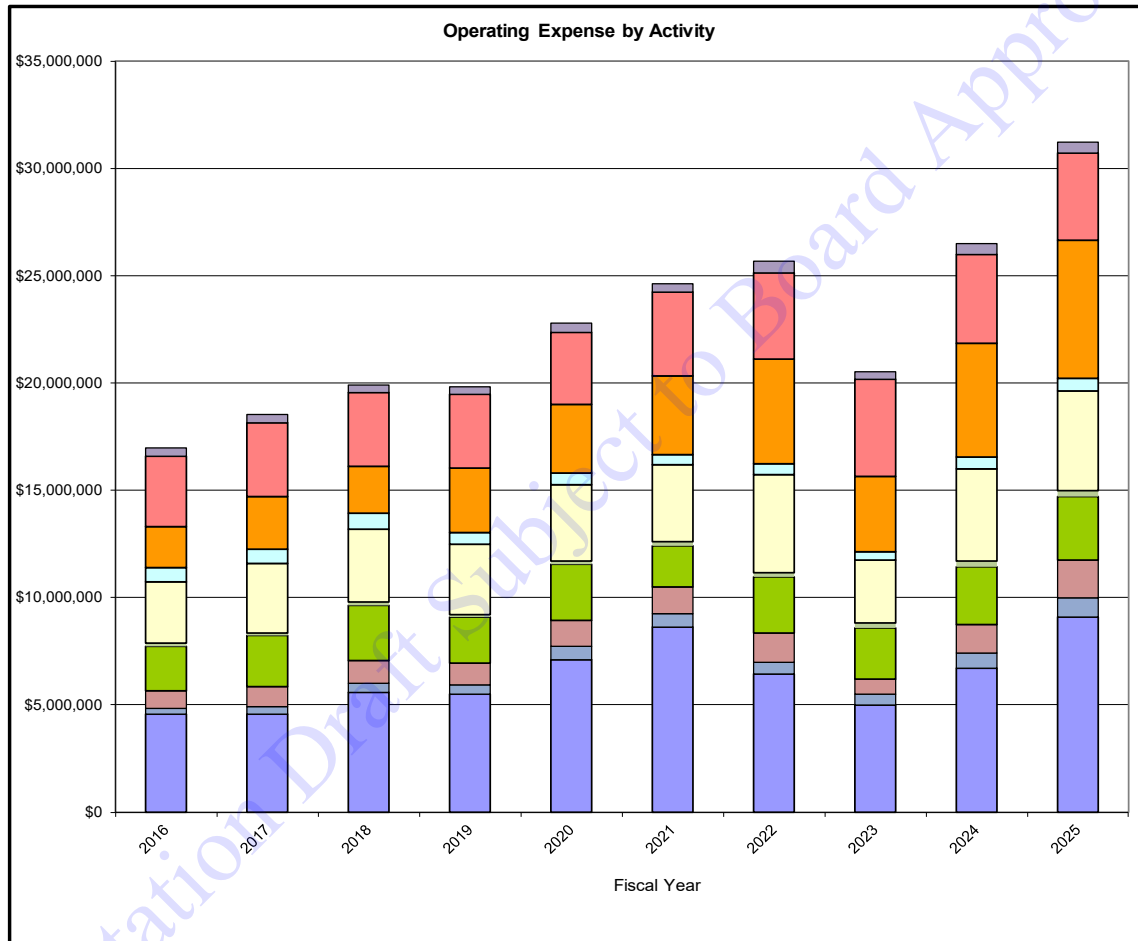


**Source:** North Marin Water District Audited Financial Statements

# North Marin Water District Operating Expenses by Activity Last Ten Fiscal Years

## Schedule 3

Fiscal Year	Source of Supply	Pumping	Water Facility Operations	Water Treatment	Sewage Coll. & Treat.	Transmission & Distrib.	Customer Service	General & Admin (2)	Water Conservation	Deprec and Amortization (1)	Total Op Expense
2016	\$ 4,565,833	281,255	797,806	2,099,887	134,193	2,871,290	628,981	1,934,011	391,481	3,286,353	\$ 16,991,090
2017	4,579,359	351,342	937,559	2,346,949	151,205	3,223,237	676,189	2,462,392	371,455	3,416,411	18,516,098
2018	5,569,766	426,356	1,079,917	2,567,146	163,957	3,387,559	742,164	2,169,660	354,505	3,434,069	19,895,099
2019	5,492,324	458,594	993,209	2,131,166	127,513	3,301,629	510,341	3,007,301	349,415	3,451,155	19,822,647
2020	7,096,645	646,366	1,176,833	2,647,688	145,032	3,560,513	534,552	3,199,140	398,010	3,366,216	22,770,995
2021	8,624,268	642,477	1,218,090	1,917,786	185,533	3,623,201	470,411	3,658,893	396,414	3,887,096	24,624,169
2022	6,450,873	522,717	1,385,267	2,588,135	217,921	4,557,127	501,005	4,877,009	563,288	4,023,236	25,686,578
2023	5,001,982	493,027	712,708	2,375,252	220,375	2,950,098	386,333	3,516,390	327,134	4,523,906	20,507,205
2024	6,727,290	673,751	1,339,286	2,680,626	277,564	4,309,545	533,526	5,326,073	473,303	4,139,282	26,480,246
2025	9,083,224	893,129	1,780,879	2,954,272	275,886	4,643,209	593,847	6,417,239	512,022	4,079,623	31,233,330

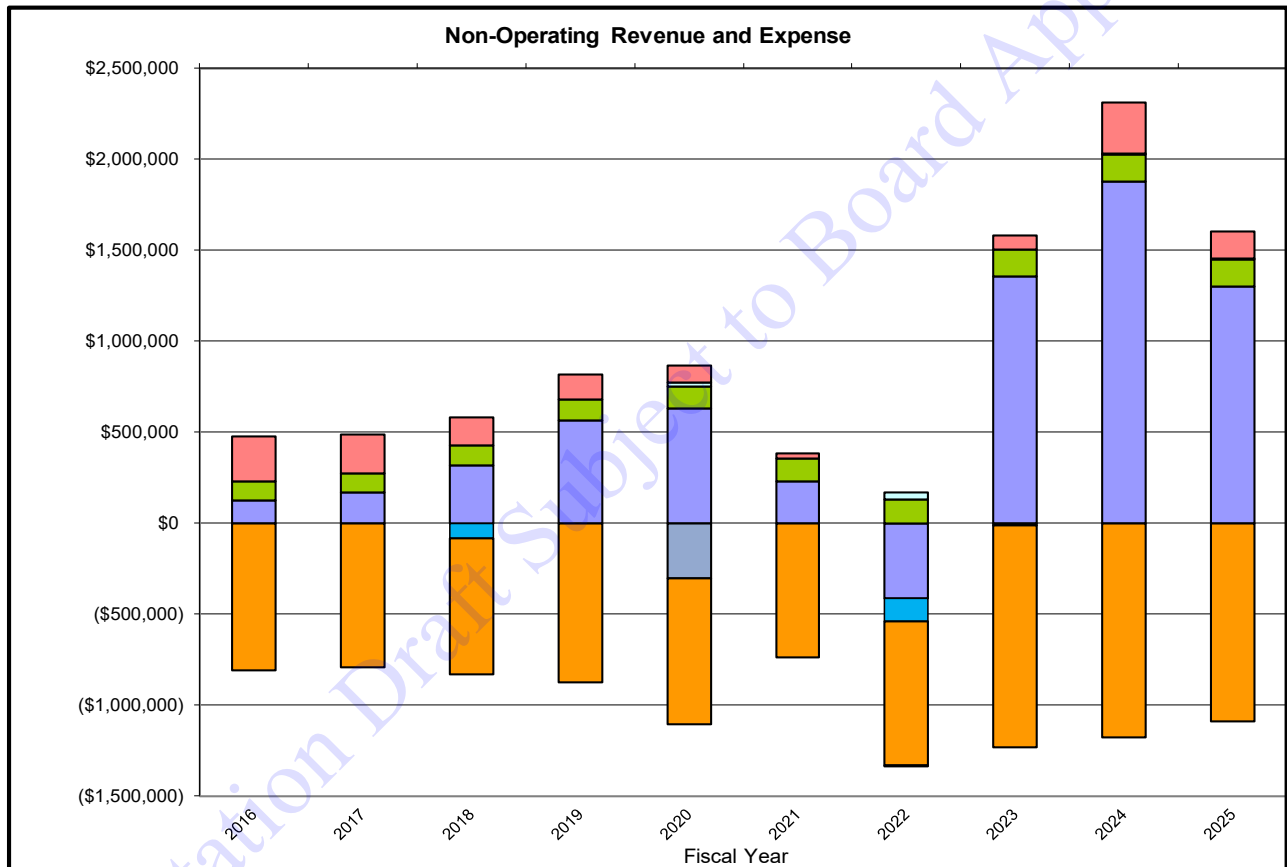


Source: North Marin Water District Audited Financial Statements

# North Marin Water District Non-operating Revenues and Expenses Last Ten Fiscal Years

## Schedule 4

Fiscal Year	Investment Income <sup>(1)</sup>	Property Taxes	Gain/(Loss) on Asset Sales	Debt Issuance Costs	Cap Contribution to Agency	Interest Expense	Other Inc & Exp, net	Net Non-Op Rev/(Exp)
2016	\$ 125,078	102,259	-	-	-	(807,035)	250,969 <sup>(2)</sup>	(328,729)
2017	168,766	107,210	-	-	-	(791,211)	210,405	(304,830)
2018	316,072	109,927	-	(86,180)	-	(747,118)	154,189	(253,110)
2019	565,721	115,706	-	-	-	(875,354)	134,460	(59,467)
2020	632,208	120,821	18,816	-	(305,711)	(798,522)	92,747	(239,641)
2021	229,851	125,416	-	-	-	(740,004)	27,963	(356,774)
2022	(415,864)	132,649	34,135	(124,000)	-	(789,056)	(7,438)	(1,169,574)
2023	1,358,483	143,332	(10,885)	-	-	(1,219,819)	79,249	350,360
2024	1,880,499	145,929	2,940	-	-	(1,176,990)	285,196	1,137,574
2025	1,298,588	149,358	7,352	-	-	(1,087,840)	150,330	517,788



**Notes:**

(1) Includes interest income and realized and unrealized gains and losses on investments.

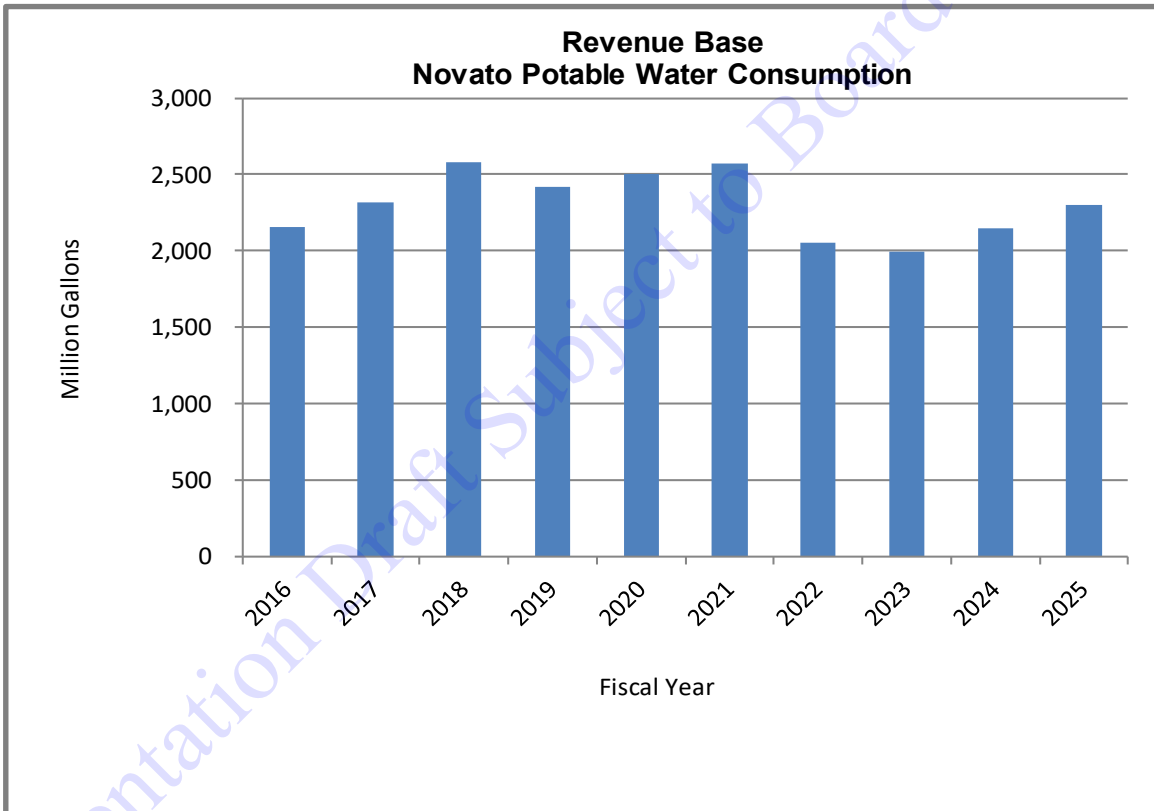
(2) Includes CalPERS Side Fund Payoff (\$2,073,701).

**Source:** North Marin Water District Audited Financial Statements

**North Marin Water District  
Revenue Base  
Last Ten Fiscal Years**

**Schedule 5**

<b>Fiscal Year</b>	<b>Novato Potable Water Consumption (Million Gallons)</b>
2016	2,152
2017	2,317
2018	2,584
2019	2,416
2020	2,502
2021	2,570
2022	2,052
2023	1,993
2024	2,150
2025	2,299



**Note:** See Schedule 2 "Revenue by Source" for information regarding water sales.

**Source:** Novato Water District Billing System

**North Marin Water District  
Customers by Type  
Last Ten Fiscal Years**

**Schedule 6**

Fiscal Year	Customer Type						Total	
	Novato Potable & Recycled					West Marin Water		Oceana Marin Sewer
	Single-Family Residential	Multi-Family Residential	Commerical/ Business	Government	Recycled			
2016	18,561	704	1,239	232	44	780	230	21,790
2017	18,631	700	1,254	229	47	780	231	21,872
2018	18,449	699	1,217	220	53	785	232	21,655
2019	18,387	701	1,210	233	91	783	234	21,639
2020	18,398	711	1,213	232	91	782	235	21,662
2021	18,469	699	1,222	217	96	785	235	21,723
2022	18,552	699	1,232	217	97	789	235	21,821
2023	18,686	699	1,228	218	100	792	235	21,958
2024	18,719	699	1,240	217	101	797	237	22,010
2025	18,731	699	1,234	218	104	802	241	22,029

Source: NMWD CORE billing system (T:\FINANCE\Audit\Audit25\ACFR\Stats Section FY 24.25\StructureTypeCount FY 25.xlsx\FY25

**North Marin Water District  
Novato Water Revenue Rates  
Last Ten Fiscal Years**

**Schedule 7**

Bimonthly Service Charge										
Meter Size	6/30/16	6/30/17	6/30/18	6/30/19	6/30/20	6/30/21	6/30/22	6/30/23	6/30/24	6/30/25
5/8" & 3/4"	\$ 30.00	\$ 31.50	\$ 33.00	\$ 34.15	\$ 34.15	\$ 41.46	\$ 43.95	\$ 46.58	\$ 51.01	\$ 58.39
1"	60.00	63.00	66.00	68.30	68.30	74.06	78.50	83.21	91.11	105.73
1 1/2"	73.00	77.00	80.50	83.30	83.30	128.38	136.08	144.25	157.95	184.63
2"	114.00	120.00	125.50	129.90	129.90	193.57	205.18	217.50	238.16	279.31
3"	227.00	238.00	248.50	257.20	257.20	367.41	389.45	412.82	452.04	531.79
4"	364.00	382.00	399.00	413.00	413.00	562.98	596.76	632.56	692.65	815.83
6"	761.00	799.00	835.00	864.00	864.00	1,106.23	1,172.60	1,242.96	1,361.04	1,604.83
8"	1,134.00	1,191.00	1,244.50	1,288.00	1,288.00	1,432.18	1,518.11	1,609.20	1,762.07	2,078.23

Water Use Rate (per 1,000 Gallons)										
User Type	6/30/16	6/30/17	6/30/18	6/30/19	6/30/21	6/30/22	6/30/23	6/30/23	6/30/24	6/30/25
<u>Residential Zone A</u>										
Base Rate <sup>(1)</sup>	\$ 4.77	\$ 5.01	\$ 5.24	\$ 5.42	\$ 5.42	\$ 5.50	\$ 5.83	\$ 6.18	\$ 6.77	\$ 7.54
Tier 1 <sup>(2)</sup>	7.61	7.99	8.35	8.64	8.64	6.23	6.60	7.00	7.67	9.16
Tier 2 <sup>(2)</sup>	13.25	13.91	14.54	15.05	15.05	7.57	8.13	8.62	9.44	13.55
<u>Non-Residential Zone A</u>										
Base Rate <sup>(1)</sup>	5.26	5.52	5.77	5.97	5.97	5.50	5.83	6.18	6.77	7.01
Seasonal Rate	5.65	5.93	6.20	6.42	6.42	7.67	8.13	8.62	9.44	13.55

**Notes:**

(1) Rates shown exclude additional elevation rate applicable to customers in upper elevation zones

(2) Tier 1 = 616-1845 gallons/day (gpd) FY13-FY20, 263-720 gpd FY21-FY23, Tier 2 = >1845 gpd FY13-FY20, >720 gpd FY21-FY23

N/A - Rate class was not established during the period

**Source:** North Marin Water approved rates



**North Marin Water District**  
**Ten Largest Water Customers by Revenue**  
**(Includes: Novato Water, Recycled Water, Raw Water, & West Marin Water)**  
**Current Fiscal Year and Ten Years Ago** **Schedule 8**

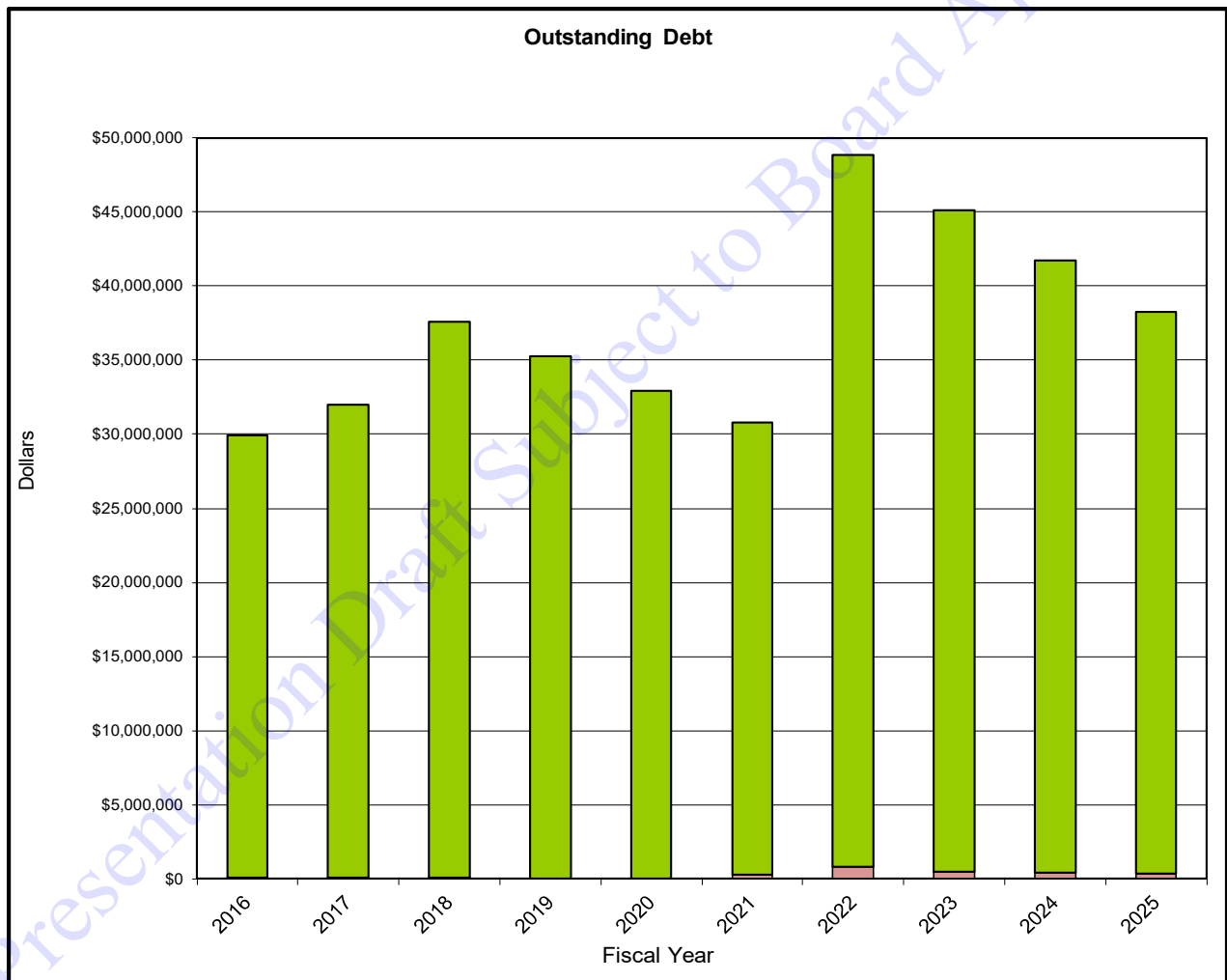
	<b>FY 2024/25</b>	<b>% of Total</b>	<b>FY 2015/16</b>	<b>% of Total</b>
1	Novato Unified School District	1.8%	City of Novato	2.1%
2	Bay Club Stonetree (Recycled Water)	1.8%	Bay Club Stonetree	1.8%
3	City Of Novato	1.8%	Novato Unified School District	1.6%
4	Biomarin Pharmaceutical	1.3%	BioMarin Pharmaceutical	1.1%
5	Marin Country Club (Recycled Water)	1.1%	Fireman's Fund	0.8%
6	Indian Valley Golf Course (Raw Water)	0.7%	Indian Valley Golf Course	0.6%
7	Ncp Multifamily Llc	0.7%	Meadow Park HOA	0.6%
8	Avanath Bay Vista Lp	0.6%	Bay Vista Apartments	0.6%
9	Marion Park Apts	0.5%	Marion Park Apts	0.5%
10	Commanding Officer	0.5%	Vintage Oaks Shopping Center	0.4%
		<u>10.8%</u>		<u>10.1%</u>
	Total Water Service Revenue	\$29,944,000	Total Water Service Revenue	\$16,841,000

Source: NMWD CORE billing system (t:\finance\audit\audit25\acfr fy25\stats section fy 24.25\top revenue 2016\_2025.xlsx\top 10

**North Marin Water District  
Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years**

**Schedule 9**

Fiscal Year	Bonds Payable	Leases Payable	Loans Payable	Total		
				Debt	Per Capita	As a Share of Personal Income <sup>(1)</sup>
2016	116,000	-	29,823,693	29,939,693	487.81	0.23%
2017	94,000	-	31,922,939	32,016,939	521.04	0.39%
2018	72,000	-	37,513,463	37,585,463	611.28	0.39%
2019	-	-	35,236,198	35,236,198	571.67	0.43%
2020	-	-	32,903,399	32,903,399	533.65	0.40%
2021	-	268,052	30,509,356	30,777,408	498.98	0.32%
2022	-	800,066	48,058,224	48,858,290	791.95	0.29%
2023	-	464,421	44,668,971	45,133,392	731.64	0.44%
2024	-	400,096	41,341,630	41,741,726	676.66	0.41%
2025	-	342,273	37,924,235	38,266,508	623.45	0.37%



**Source:** North Marin Water District Audited Financial Statements

<sup>(1)</sup> Per Capita/Personal Income per Capita (See Schedule 11)

**North Marin Water District  
Pledged-Revenue Coverage  
Last Ten Fiscal Years**

**Schedule 10**

Fiscal Year			Net Available		Debt Service			Coverage
	Revenue <sup>(1)</sup>	Expense <sup>(2)</sup>	Revenue	Principal	Interest	Total	Ratio	
2016	\$ 18,191,410	(13,727,613)	\$ 4,463,797	\$ 1,721,904	807,034	\$ 2,528,938	1.77	
2017	20,209,860	(15,118,535)	5,091,325	1,769,239	757,781	2,527,020	2.01	
2018	22,506,537	(16,470,065)	6,036,472	1,814,680	747,118	2,561,798	2.36	
2019	22,496,702	(16,395,767)	6,100,935	2,349,265	875,354	3,224,619	1.89	
2020	26,057,340	(19,411,083)	6,646,257	2,332,799	740,004	3,072,803	2.15	
2021	29,203,577	(20,742,030)	8,461,547	2,452,431	740,004	3,192,435	2.65	
2022	24,290,503	(17,510,034)	6,780,469	2,629,807	789,056	3,418,863	1.98	
2023	26,122,289	(17,524,868)	8,597,421	3,940,156	1,031,254	4,971,410	1.73	
2024	30,064,395	(21,615,606)	8,448,789	3,082,982	1,029,324	4,112,306	2.05	
2025	32,431,216	(26,215,099)	6,216,117	3,149,364	950,611	4,099,975	1.52	

**Notes:**

(1) Revenues includes Connection Fee Revenue, Interest Revenue,

Property Tax Revenue, Rent & Lease Revenue, and other non-operating revenue

(2) Expense excludes depreciation and amortization, interest, GASB 68 related pension, and GASB 75 related OPEB expense.

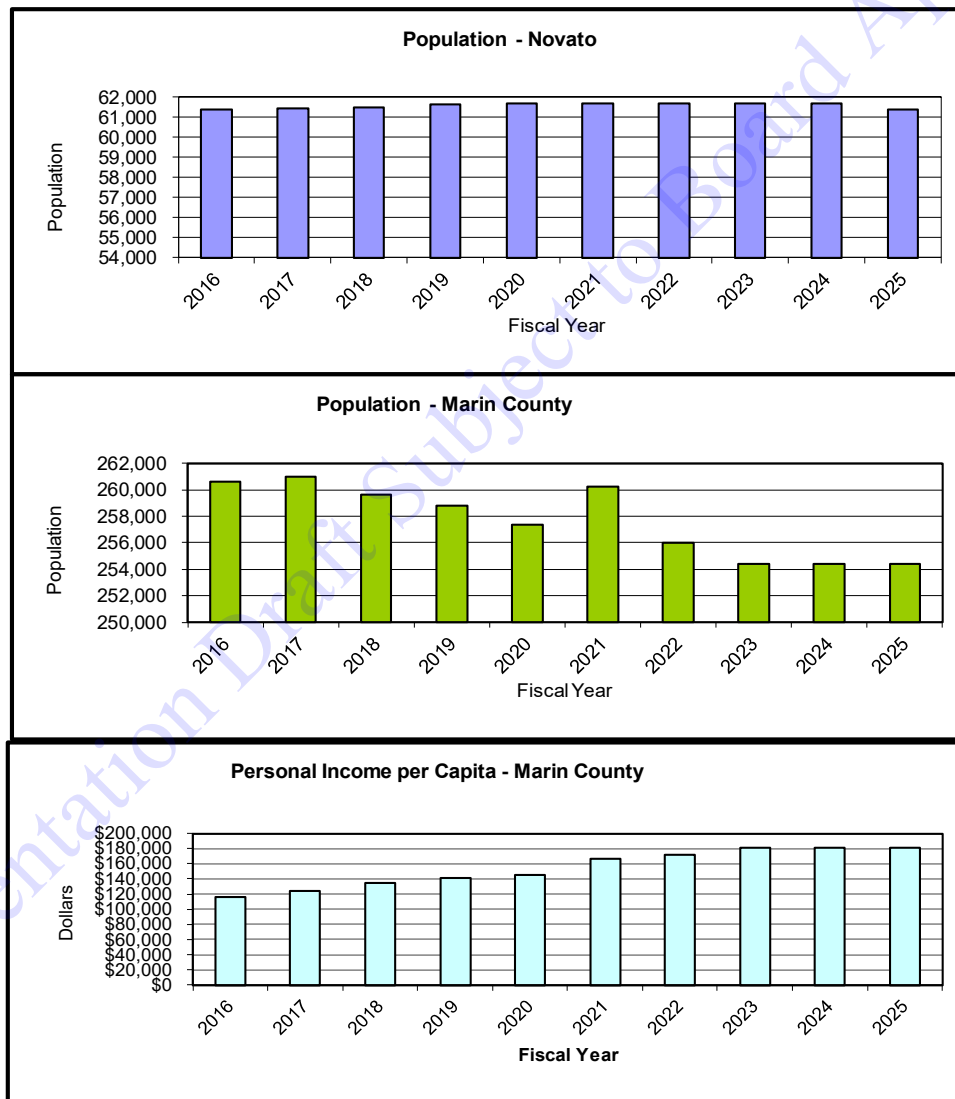
**Source:** North Marin Water District Audited Financial Statements

t:\ac\debt\src\debt coverage ratio ii ten year history.xls

# **North Marin Water District** **Demographics and Economics Statistics** **Last Ten Fiscal Years**

**Schedule 11**

Year	Novato Service Area <sup>(1)</sup>		County of Marin		
	Estimated Population	Unemployment Rate	Population	Personal Income (thousands of dollars)	Personal Income per Capita
2016	61,376	3.5%	260,651	30,223,005	115,952
2017	61,448	3.1%	260,955	32,502,467	124,552
2018	61,486	2.6%	259,666	34,866,652	134,275
2019	61,637	2.5%	258,826	36,684,703	141,735
2020	61,658	7.4%	257,332	37,225,132	144,658
2021	61,681	4.5%	260,206	43,109,109	165,673
2022	61,693	2.5%	256,018	43,824,393	171,177
2023	61,688	3.1%	254,407	45,939,544	180,575
2024	61,688	3.9%	254,407	45,939,544	180,575
2025	61,379	5.2%	254,407	45,939,544	180,575



**Sources:**

Novato population estimates based on District's occupancy estimates per Active Dwelling Unit (Active DU x 2.56)  
[https://www.labormarketinfo.edd.ca.gov/serp.html?q=Novato\\_marinsub.xls](https://www.labormarketinfo.edd.ca.gov/serp.html?q=Novato_marinsub.xls)  
 Population for County of Marin for 2024 & 2025 was unavailable, 2023 amount was used  
 Personal Income per Capita for 2024 & 2025 was unavailable, 2023 amount was used [www.bea.gov](https://www.bea.gov)  
<https://www.marincounty.org/depts/df/annual-comprehensive-financial-reports-acfr>

**North Marin Water District**  
**Demographics and Economics Statistics – Ten Largest Employers**  
**Current Year** **Schedule 12**

FY 2024/2025*			FY 2015/2016		
Employer	Number of Employees	Percent of Total Employment	Employer	Number of Employees	Percent of Total Employment
1 Kaiser Permanente	5,012	3.98%	County of Marin	2,282	1.67%
2 Bio Marin Pharmaceutical Inc.	3,401	2.70%	Kaiser Permanente	2,061	1.51%
3 County of Marin	2,506	1.99%	Marin General Hospital	1,757	1.29%
4 Marin Health Medical Center	1,900	1.51%	San Quentin State Prison	1,662	1.22%
5 Corrections Department	1,233	0.98%	Novato Unified School District	800	0.59%
6 YMCA San Francisco	1,096	0.87%	Autodesk, Inc.	719	0.53%
7 RH (Restoration Hardware)	1,048	0.83%	San Rafael City School	700	0.51%
8 Bay Equity	1,012	0.80%	Glassdoor	500	0.37%
9 Glassdoor Inc.	860	0.68%	Dominican University	456	0.33%
10 College of Marin	508	0.40%	Marin County Office of Education	351	0.26%
	<b>18,576</b>	<b>14.77%</b>		<b>11,288</b>	<b>8.27%</b>

Source: County of Marin

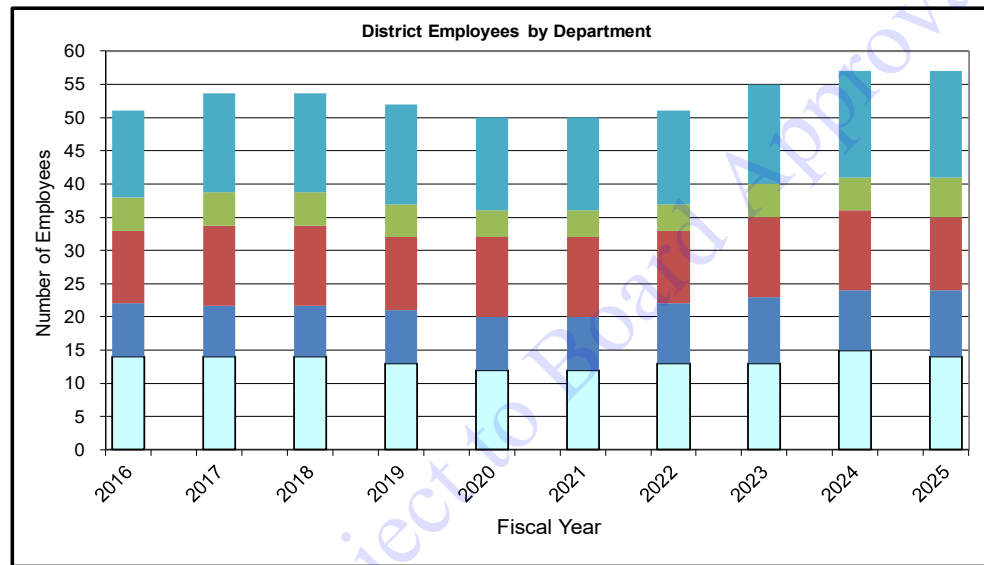
<https://www.marincounty.org/depts/df/annual-comprehensive-financial-reports-acfr>

\* 2024/2025 Largest Employers was not available. The last available year available was FY 2023/2024.

# **North Marin Water District** **Operating and Capacity Indicators – Total Employees** **Last Ten Fiscal Years**

**Schedule 13**

Department	Fiscal Year End									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administrative Services	14	14	14	13	12	12	13	13	15	14
Engineering Services	8	8	8	8	8	8	9	10	9	10
Construction /Maintenance	11	12	12	11	12	12	11	12	12	11
Water Quality	5	5	5	5	4	4	4	5	5	6
Operations / Maintenance	13	15	15	15	14	14	14	15	16	16
	51	54	54	52	50	50	51	55	57	57



Source: North Marin Water District Overheaded Payroll Worksheets for Pay Periods Ending June 30  
Note: Excludes temporary employees

**North Marin Water District  
Other Operating and Capacity Indicators  
Last Ten Fiscal Years**

**Schedule 14**

Other Operating and Capacity Indicators				
<b>Fiscal Year</b>	<b>District Area (Square Miles)</b>	<b>Miles of Pipeline</b>	<b>Number of Fire Hydrants</b>	<b>System Storage Capacity (MG)</b>
2016	100	358	2,814	39
2017	100	364	2,824	39
2018	100	364	2,842	40
2019	100	364	2,852	40
2020	100	365	2,862	40
2021	100	366	2,886	40
2022	100	367	2,894	40
2023	100	368	2,896	40
2024	100	384*	2,901	40
2025	100	386	2,910	40

**Source:** North Marin Water District - Engineering Department

\* Miles of Pipeline increased by approximately 16 miles due to the conversion to new GIS Software and pipeline length conversion that affected a small percentage of pipes.

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# **Report on Internal Controls and Compliance**

Presentation Draft Subject to Board Approval



**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

Board of Directors  
North Marin Water District  
Novato, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the North Marin Water District (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated December 16, 2025.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*, continued**

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**C.J. Brown & Company, CPAs**  
Cypress, California  
December 16, 2025

Presentation Draft Subject to Board Approval

**North Marin Water District**

**Management Report**

**June 30, 2025**

Presentation Draft

**North Marin Water District**

**Management Report**

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Presentation Draft

Board of Directors  
North Marin Water District  
Novato, California

**Dear Members of the Board:**

In planning and performing our audit of the financial statements of the North Marin Water District (District) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Current Year Comments and Recommendations**

***Disclosure of Audit Adjustments and Reclassifications***

As your external auditor, we assume that the books and records of the District are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

**Current Year Comments and Recommendations, continued**

***Disclosure of Audit Adjustments and Reclassifications, continued***

***Management's Response***

The District has reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system.

**Prior Year Comments and Recommendations**

***Disclosure of Audit Adjustments and Reclassifications***

As your external auditor, we assume that the books and records of the District are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

***Management's Response***

The District has reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the District's accounting system.

\*\*\*\*\*

This communication is intended solely for the information and use of management, the Board of Directors, and others within the District, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

**C.J. Brown & Company, CPAs**

Cypress, California

December 16, 2025



**APPENDIX**

**North Marin Water District**

**Audit/Finance Committee Letter**

**June 30, 2025**

Presentation Draft

Board of Directors  
North Marin Water District  
Novato, California

We have audited the financial statements of the business-type activities of the North Marin Water District (District) for the year ended June 30, 2025, and have issued our report thereon dated December 16, 2025. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated April 12, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated December 16, 2025.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

### **Required Risk Assessment Procedures per Auditing Standards:**

As auditors of the District, we are required per AU-C Section 240, "Consideration of Fraud in a Financial Statement Audit", to "ordinarily" presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As of and for the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101 – *Compensated Absences*. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management's estimate of the fair value of cash and investments which is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of capital assets depreciation which is based on historical estimates of each capitalized item's useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the other post-employment benefits which is based on an actuarial valuation conducted by a third-party actuary. We evaluated the basis, and actuarial methods and assumptions used by the actuary to calculate the other post-employment benefits in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the defined benefit pension plan which is based on an actuarial valuation conducted by a third-party actuary. We evaluated the basis, and actuarial methods and assumptions used by the actuary to calculate the defined benefit pension plan in determining that it is reasonable in relation to the financial statements taken as a whole.

#### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

The disclosure of cash and investments in Note 2 to the financial statements which represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 8 to the financial statements which is based on estimated useful lives of each capitalized item which could differ from actual useful lives of each capitalized item.

The disclosure of the District's other post-employment benefits plan in Note 11 to the financial statements which is based on an actuarial valuation which could differ from actual costs.

### *Financial Statement Disclosures, continued*

The disclosure of the District's defined benefit pension plan in Note 12 to the financial statements which is based on an actuarial valuation which could differ from actual costs.

### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management.

### **Identified or Suspected Fraud**

We have not identified or have not obtained information that indicates that fraud may have occurred.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 7 through 14 discloses all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated December 16, 2025.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

### **Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the District's annual reports, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

We applied certain limited procedures to the management discussion and analysis, schedules of changes in the District's total OPEB liability and related ratios, schedules of the District's proportionate share of net pension liability, and the schedule of pension plan contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on combining schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical information sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

## **Conclusion**

We appreciate the cooperation extended to us by Anthony Williams, General Manager, Julie Blue, Auditor-Controller, Nancy Williamson, Accounting Supervisor, Ling Reilly, Senior Accountant, and the rest of the District staff in the performance of our audit testwork. We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

This report is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be and should not be used by anyone other than the specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

## **C.J. Brown & Company, CPAs**

Cypress, California  
December 16, 2025

Presentation Draft

**North Marin Water District**  
**Schedule of Audit Adjusting Journal Entries**  
**June 30, 2025**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries</b>			
<b>Adjusting Journal Entries JE # 1</b>			
CPE - To record invoice application no. 11, vendor Maggiora & Ghilotti for May construction services for the Crest Pump Station Project at June 30, 2025.			
11202.01	Work In Progress - District Contra Acct GASB68	30,452.41	
22200.01	Accounts Payable - Accrued		30,452.41
<b>Total</b>		<b>30,452.41</b>	<b>30,452.41</b>
<b>Adjusting Journal Entries JE # 2</b>			
AJE - To reclassify 2 Crew Trucks that are not in our possession yet from depreciable assets to construction in progress at June 30, 2025.			
11202.01	Work In Progress - District Contra Acct GASB68	129,448.41	
11202.01	Work In Progress - District Contra Acct GASB68	129,448.41	
12104.01	Transportation Equipment		258,896.82
<b>Total</b>		<b>258,896.82</b>	<b>258,896.82</b>
<b>Adjusting Journal Entries JE # 3</b>			
AJE - To reclassify District HQ Generator that is not in District's possession yet from depreciable assets to construction in progress at June 30, 2025.			
11202.01	Work In Progress - District Contra Acct GASB68	47,435.00	
11202.01	Work In Progress - District Contra Acct GASB68	2,985.00	
12101.01	General Office Furniture & Equipment		50,420.00
<b>Total</b>		<b>50,420.00</b>	<b>50,420.00</b>
<b>Adjusting Journal Entries JE # 4</b>			
AJE - To reclassify vendor credit from ClaVal received after project was capitalized at June 30, 2024, backed out of job 2.6601.38, to reduce the risk of future impairment at June 30, 2025.			
11160.02	Treatment Facilities	7,000.00	
54511.02	Maintenance Of Mains		7,000.00
<b>Total</b>		<b>7,000.00</b>	<b>7,000.00</b>
<b>Adjusting Journal Entries JE # 5</b>			
CPE - To borrow cash from operating reserve funds after GASB 68 & GASB 75 Adjusting journal entries.			
12627.01	Designated Cash - Operating Reserve	109,796.21	
13509.02	Unrestricted Cash:West Marin:GM	26,422.50	
12627.02	Designated Cash - Operating Reserve		26,422.50
13509.01	Unrestricted Cash		109,796.21
<b>Total</b>		<b>136,218.71</b>	<b>136,218.71</b>
<b>Adjusting Journal Entries JE # 6</b>			
AJE - To remove NMWD assets related to old administration building at June 30, 2025.			
12200.01	Depreciation - Buildings & Warehouse	654,103.31	
12201.01	Depreciation - Gen'L Office Furniture & Equipment	137,154.71	
49605.01	Gain/Loss On Sale/Disposal Property And Equipment	15,891.80	
12100.01	Buildings & Warehouses		669,995.11
12101.01	General Office Furniture & Equipment		137,154.71
<b>Total</b>		<b>807,149.82</b>	<b>807,149.82</b>
<b>Adjusting Journal Entries JE # 7</b>			
CPE - To adjust restricted cash and designated reserve for retiree medical benefits to match the Total OPEB Liability at June 30, 2025.			
13509.01	Unrestricted Cash	541,953.00	
25702.01	Reserve For Retiree Health Benefits	541,953.00	
12653.01	Restricted Cash - Retiree Health Benefits		541,953.00
59433.01	Transfer To Current Retiree Medical Ins Reserve		541,953.00
<b>Total</b>		<b>1,083,906.00</b>	<b>1,083,906.00</b>

**North Marin Water District**  
**Schedule of Audit Adjusting Journal Entries**  
**June 30, 2025**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 8</b>			
CPE - Novato previously borrowed designated cash reserves due to negative unrestricted cash balance. A balance is now showing in unrestricted cash and therefore the cash will be reclassified back into the operating reserve fund.			
12627.01	Designated Cash - Operating Reserve	541,953.00	
13509.01	Unrestricted Cash		541,953.00
<b>Total</b>		<b>541,953.00</b>	<b>541,953.00</b>
<b>Adjusting Journal Entries JE # 9</b>			
GASB 68 Entry #1 - To reclassify 2024 contributions to NPL at June 30, 2025.			
21502.01	Pension Related Debt:Novato:Admin	1,918,876.00	
16100.01	Deferred Outflows - Pension		1,918,876.00
<b>Total</b>		<b>1,918,876.00</b>	<b>1,918,876.00</b>
<b>Adjusting Journal Entries JE # 10</b>			
GASB 68 Entry #2 - To reclassify 2025 contributions to Deferred Outflows of Resources at June 30, 2025.			
13509.02	Unrestricted Cash:West Marin:GM	104,199.00	
13509.05	Unrestricted Cash	31,393.00	
13509.08	Unrestricted Cash	121,343.00	
16100.01	Deferred Outflows - Pension	2,226,477.00	
13509.01	Unrestricted Cash		256,935.00
51400.01	GASB68 Adjustment - Source		7,570.00
51400.02	GASB68 Adjustment - Source		1,113.00
52309.01	GASB68 Adjustment - Pumping		19,370.00
52309.02	GASB68 Adjustment - Pumping		1,113.00
52309.05	GASB68 Adjustment - Pumping		6,679.00
52700.01	GASB68 Adjustment - Operations		265,619.00
52700.02	GASB68 Adjustment - Operations		14,027.00
52700.05	GASB68 Adjustment - Operations		668.00
53800.01	GASB68 Adjustment - Water Treatment		397,203.00
53800.02	GASB68 Adjustment - Water Treatment		48,537.00
53800.05	GASB68 Adjustment - Water Treatment		14,695.00
54598.01	GASB68 Adjustment - T&D		625,863.00
54598.02	GASB68 Adjustment - T&D		35,401.00
54598.05	GASB68 Adjustment - T&D		9,351.00
54699.08	GASB68 Adjustment - Sewage Collection		8,683.00
54799.08	GASB68 Adjustment - Sewage Treatment		10,242.00
54899.08	GASB68 Adjustment - Disposal-OMSewer-Admin		102,418.00
55999.01	GASB68 Adjustment - Consumer Accounting		4,676.00
55999.02	GASB68 Adjustment - Consumer Accounting		4,008.00
57000.01	GASB68 Adjustment - G&A		588,458.00
58100.01	GASB68 Adjustment - Water Conservation		60,783.00
<b>Total</b>		<b>2,483,412.00</b>	<b>2,483,412.00</b>



**North Marin Water District**  
**Schedule of Audit Adjusting Journal Entries**  
**June 30, 2025**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 11</b>			
GASB 68 Entry #3 - To record changes in pension liability during FY23/24 at June 30, 2025.			
13509.01	Unrestricted Cash	268,244.00	
16100.01	Deferred Outflows - Pension	23,922.00	
16100.01	Deferred Outflows - Pension	1,446,656.00	
16100.01	Deferred Outflows - Pension	175,167.00	
23100.01	Deferred Inflows - Pension	225,035.00	
51400.01	GASB68 Adjustment - Source	7,903.00	
51400.02	GASB68 Adjustment - Source	1,162.00	
52309.01	GASB68 Adjustment - Pumping	20,223.00	
52309.02	GASB68 Adjustment - Pumping	1,162.00	
52309.05	GASB68 Adjustment - Pumping	6,973.00	
52700.01	GASB68 Adjustment - Operations	277,312.00	
52700.02	GASB68 Adjustment - Operations	14,644.00	
52700.05	GASB68 Adjustment - Operations	697.00	
53800.01	GASB68 Adjustment - Water Treatment	414,689.00	
53800.02	GASB68 Adjustment - Water Treatment	50,674.00	
53800.05	GASB68 Adjustment - Water Treatment	15,342.00	
54598.01	GASB68 Adjustment - T&D	653,414.00	
54598.02	GASB68 Adjustment - T&D	36,959.00	
54598.05	GASB68 Adjustment - T&D	9,763.00	
54699.08	GASB68 Adjustment - Sewage Collection	9,065.00	
54799.08	GASB68 Adjustment - Sewage Treatment	10,693.00	
54899.08	GASB68 Adjustment - Disposal-OMSewer-Admin	106,926.00	
55999.01	GASB68 Adjustment - Consumer Accounting	4,881.00	
55999.02	GASB68 Adjustment - Consumer Accounting	4,184.00	
57000.01	GASB68 Adjustment - G&A	614,362.00	
58100.01	GASB68 Adjustment - Water Conservation	63,459.00	
13509.02	Unrestricted Cash:West Marin:GM		108,785.00
13509.05	Unrestricted Cash		32,775.00
13509.08	Unrestricted Cash		126,684.00
16100.01	Deferred Outflows - Pension		225,035.00
16100.01	Deferred Outflows - Pension		1,917,951.00
21502.01	Pension Related Debt:Novato:Admin		1,814,299.00
23100.01	Deferred Inflows - Pension		237,982.00
<b>Total</b>		<b>4,463,511.00</b>	<b>4,463,511.00</b>

**North Marin Water District**  
**Schedule of Audit Adjusting Journal Entries**  
**June 30, 2025**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 12</b>			
GASB 68 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) during FY23/24 at June 30, 2025.			
13509.01	Unrestricted Cash	101,891.00	
16100.01	Deferred Outflows - Pension	122,913.00	
16100.01	Deferred Outflows - Pension	1,695.00	
23100.01	Deferred Inflows - Pension	378,243.00	
51400.01	GASB68 Adjustment - Source	3,002.00	
51400.02	GASB68 Adjustment - Source	441.00	
52309.01	GASB68 Adjustment - Pumping	7,682.00	
52309.02	GASB68 Adjustment - Pumping	441.00	
52309.05	GASB68 Adjustment - Pumping	2,649.00	
52700.01	GASB68 Adjustment - Operations	105,335.00	
52700.02	GASB68 Adjustment - Operations	5,563.00	
52700.05	GASB68 Adjustment - Operations	265.00	
53800.01	GASB68 Adjustment - Water Treatment	157,518.00	
53800.02	GASB68 Adjustment - Water Treatment	19,248.00	
53800.05	GASB68 Adjustment - Water Treatment	5,827.00	
54598.01	GASB68 Adjustment - T&D	248,196.00	
54598.02	GASB68 Adjustment - T&D	14,039.00	
54598.05	GASB68 Adjustment - T&D	3,708.00	
54699.08	GASB68 Adjustment - Sewage Collection	3,443.00	
54799.08	GASB68 Adjustment - Sewage Treatment	4,062.00	
54899.08	GASB68 Adjustment - Disposal-OMSewer-Admin	40,616.00	
55999.01	GASB68 Adjustment - Consumer Accounting	1,854.00	
55999.02	GASB68 Adjustment - Consumer Accounting	1,589.00	
57000.01	GASB68 Adjustment - G&A	233,363.00	
58100.01	GASB68 Adjustment - Water Conservation	24,105.00	
13509.02	Unrestricted Cash:West Marin:GM		41,321.00
13509.05	Unrestricted Cash		12,449.00
13509.08	Unrestricted Cash		48,121.00
16100.01	Deferred Outflows - Pension		661,385.00
16100.01	Deferred Outflows - Pension		724,412.00
<b>Total</b>		<b>1,487,688.00</b>	<b>1,487,688.00</b>

**North Marin Water District**  
**Schedule of Audit Adjusting Journal Entries**  
**June 30, 2025**

<b>Account</b>	<b>Description</b>	<b>Debit</b>	<b>Credit</b>
<b>Adjusting Journal Entries JE # 13</b>			
GASB 75 Entry #1 - To record changes in OPEB liability during FY24/25.			
13509.01	Unrestricted Cash	4,546.00	
21503.01	OPEB Liability	541,953.00	
51401.01	GASB75 Adjustment - Source of Supply	134.00	
51401.02	GASB75 Adjustment - Source of Supply	20.00	
52310.01	GASB75 Adjustment - Pumping	343.00	
52310.02	GASB75 Adjustment - Pumping	20.00	
52310.05	GASB75 Adjustment - Pumping	118.00	
52701.01	GASB75 Adjustment - Operations	4,700.00	
52701.02	GASB75 Adjustment - Operations	248.00	
52701.05	GASB75 Adjustment - Operations	12.00	
53801.01	GASB75 Adjustment - Water Treatment	7,028.00	
53801.02	GASB75 Adjustment - Water Treatment	859.00	
53801.05	GASB75 Adjustment - Water Treatment	260.00	
54596.01	GASB75 Adjustment - T&D	11,074.00	
54596.02	GASB75 Adjustment - T&D	626.00	
54596.05	GASB75 Adjustment - T&D	165.00	
54698.08	GASB75 Adjustment - Sewage Collection	154.00	
54798.08	GASB75 Adjustment - Sewage Treatment	181.00	
54898.08	GASB75 Adjustment - Sewage Disposal	1,812.00	
55998.01	GASB75 Adjustment - Consumer Accounting	83.00	
55998.02	GASB75 Adjustment - Consumer Accounting	71.00	
57001.01	OPEB Expense-G&A	10,413.00	
58101.01	GASB75 Adjustment - Water Conservation	1,076.00	
13509.02	Unrestricted Cash:West Marin:GM		1,844.00
13509.05	Unrestricted Cash		555.00
13509.08	Unrestricted Cash		2,147.00
23200.01	Deferred Inflows:OPEB		581,350.00
<b>Total</b>		<b>585,896.00</b>	<b>585,896.00</b>

**North Marin Water District**  
**Schedule of Audit Adjusting Journal Entries**  
**June 30, 2025**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 14</b>			
GASB 75 Entry #2 - To record changes in the deferred outflows and deferred inflows (amortization) at June 30,			
13509.02	Unrestricted Cash:West Marin:GM	3,223.00	
13509.05	Unrestricted Cash	972.00	
13509.08	Unrestricted Cash	3,755.00	
23200.01	Deferred Inflows:OPEB	85,479.00	
13509.01	Unrestricted Cash		7,950.00
16200.01	Deferred Outflows - OPEB		16,582.00
51401.01	GASB75 Adjustment - Source of Supply		234.00
51401.02	GASB75 Adjustment - Source of Supply		34.00
52310.01	GASB75 Adjustment - Pumping		599.00
52310.02	GASB75 Adjustment - Pumping		34.00
52310.05	GASB75 Adjustment - Pumping		207.00
52701.01	GASB75 Adjustment - Operations		8,219.00
52701.02	GASB75 Adjustment - Operations		434.00
52701.05	GASB75 Adjustment - Operations		21.00
53801.01	GASB75 Adjustment - Water Treatment		12,292.00
53801.02	GASB75 Adjustment - Water Treatment		1,502.00
53801.05	GASB75 Adjustment - Water Treatment		455.00
54596.01	GASB75 Adjustment - T&D		19,367.00
54596.02	GASB75 Adjustment - T&D		1,095.00
54596.05	GASB75 Adjustment -T&D		289.00
54698.08	GASB75 Adjustment - Sewage Collection		269.00
54798.08	GASB75 Adjustment - Sewage Treatment		317.00
54898.08	GASB75 Adjustment - Sewage Disposal		3,169.00
55998.01	GASB75 Adjustment - Consumer Accounting		145.00
55998.02	GASB75 Adjustment - Consumer Accounting		124.00
57001.01	OPEB Expense-G&A		18,210.00
58101.01	GASB75 Adjustment - Water Conservation		1,881.00
<b>Total</b>		<b>93,429.00</b>	<b>93,429.00</b>

**North Marin Water District**  
**Schedule of Audit Adjusting Journal Entries**  
**June 30, 2025**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 15</b>			
GASB 101 PPA #1 - To prior period adjust books for GASB 101 implementation for the fiscal year 22/23 at June 30,			
31100.01	Earned Surplus	115,240.00	
25302.01	Sick Leave:Novato:GM		115,240.00
<b>Total</b>		<b>115,240.00</b>	<b>115,240.00</b>
<b>Adjusting Journal Entries JE # 16</b>			
GASB 101 PPA #2 - To prior period adjust books for GASB 101 implementation for the reversal of fiscal year 22/23 at fiscal year 23/24 at June 30, 2025.			
25302.01	Sick Leave:Novato:GM	115,240.00	
31100.01	Earned Surplus		115,240.00
<b>Total</b>		<b>115,240.00</b>	<b>115,240.00</b>
<b>Adjusting Journal Entries JE # 17</b>			
GASB 101 PPA #3 - To prior period adjust books for GASB 101 implementation for the fiscal year 23/24 at June 30,			
31100.01	Earned Surplus	177,484.00	
25302.01	Sick Leave:Novato:GM		177,484.00
<b>Total</b>		<b>177,484.00</b>	<b>177,484.00</b>
<b>Adjusting Journal Entries JE # 18</b>			
GASB 101 Entry #4 - To adjust books for GASB 101 implementation for the reversal of fiscal year 23/24 at June 30,			
25302.01	Sick Leave:Novato:GM	177,484.00	
52403.01	Operating Labor & Expense		20,783.00
52403.01	Operating Labor & Expense		32,743.00
53101.01	Supervision & Engineering		3,415.00
53701.01	Laboratory Labor		20,835.00
53707.01	Water Quality Supervision		3,792.00
54001.01	Supervision & Engineering		21,276.00
54001.01	Supervision & Engineering		2,343.00
54101.01	Operating Labor, Supplies, & Expense		25,862.00
54103.01	Customer Service Expense		3,712.00
56004.01	Human Resources		2,581.00
56102.01	General Office Salaries		4,982.00
56102.01	General Office Salaries		12,205.00
56102.01	General Office Salaries		8,894.00
56993.01	Warehouse Shop Yard:Novato:Dist		4,325.00
58001.01	WC-Residential:Novato:Dist		9,736.00
<b>Total</b>		<b>177,484.00</b>	<b>177,484.00</b>

**North Marin Water District**  
**Schedule of Audit Adjusting Journal Entries**  
**June 30, 2025**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 19</b>			
GASB 101 Entry #5 - To record current portion of sick leave as of June 30, 2025.			
52403.01	Operating Labor & Expense	11,166.00	
52403.01	Operating Labor & Expense	28,073.00	
53101.01	Supervision & Engineering	2,618.00	
53701.01	Laboratory Labor	18,633.00	
53707.01	Water Quality Supervision	3,064.00	
54001.01	Supervision & Engineering	19,202.00	
54001.01	Supervision & Engineering	4,778.00	
54101.01	Operating Labor, Supplies, & Expense	32,344.00	
54103.01	Customer Service Expense	5,110.00	
56004.01	Human Resources	7,259.00	
56102.01	General Office Salaries	6,591.00	
56102.01	General Office Salaries	5,543.00	
56102.01	General Office Salaries	4,074.00	
56993.01	Warehouse Shop Yard:Novato:Dist	4,035.00	
58001.01	WC-Residential:Novato:Dist	3,014.00	
25302.01	Sick Leave:Novato:GM		155,504.00
<b>Total</b>		<b>155,504.00</b>	<b>155,504.00</b>
<b>Total Adjusting Journal Entries</b>		<b>14,689,760.76</b>	<b>14,689,760.76</b>
<b>Total All Journal Entries</b>		<b>14,689,760.76</b>	<b>14,689,760.76</b>

**Legend:**

AJE	Audit Adjusting Journal Entry
CPE	District Prepared Adjusting Journal Entry
GASB 68 Entry	GASB 68 (Pension) Adjusting Journal Entry
GASB 75 Entry	GASB 75 (OPEB) Adjusting Journal Entry
GASB 101 Entry	GASB 101 (Compensated Absences) Adjusting Journal Entry
PPA	Prior Period Adjusting Journal Entry (Restatement)



# **NORTH MARIN WATER DISTRICT**

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Presentation of the June 30, 2025  
Annual Audited Financial Statements

**C.J. Brown & Company, CPAs**  
An Accountancy Corporation



# The Audit

The Audit was Performed in Accordance with Auditing Standards Generally Accepted in the United States of America.

Audit Procedures Include:

- Assessing the District's internal controls
- Agree balance to supporting documentation
- Perform analysis of key relationships





# The Reports

## Independent Auditor's Report

We are providing an Unmodified Opinion:

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **North Marin Water District** as of June 30, 2025....

# District Awards

## Certificate of Achievement for Excellence in Financial Reporting for 2024.

The certificate is a prestigious award provided by the Government Finance Officers Association (GFOA)  
Congratulations!



# Management Report

The Management Report is a communication to the Governing Board. It includes:

- Auditor's responsibility under US Generally Accepted Auditing Standards (GAAS).
- Scope of the Audit
- District's Accounting Practices
- Corrected and/or Uncorrected Adjustments
- Difficulties Encountered in Performing the Audit – None Noted
- Disagreements with Management – None Noted

# Financial Highlights

## Condensed Statements of Net Position

	<u>2025</u>	<u>As Restated 2024</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	\$ 26,615,332	35,736,171	(9,120,839)
Non-current assets	6,582,169	4,728,756	1,853,413
Capital assets, net	161,220,388	155,093,702	6,126,686
<b>Total assets</b>	<u>194,417,889</u>	<u>195,558,629</u>	<u>(1,140,740)</u>
<b>Deferred outflows of resources</b>	<u>5,547,450</u>	<u>7,014,861</u>	<u>(1,467,411)</u>
<b>Liabilities:</b>			
Current liabilities	8,517,846	9,404,723	(886,877)
Non-current liabilities	57,891,789	62,186,447	(4,294,658)
<b>Total liabilities</b>	<u>66,409,635</u>	<u>71,591,170</u>	<u>(5,181,535)</u>
<b>Deferred inflows of resources</b>	<u>1,207,997</u>	<u>1,116,451</u>	<u>91,546</u>
<b>Net position:</b>			
Net investment in capital assets	122,635,433	116,599,712	6,035,721
Restricted	7,862,799	8,146,966	(284,167)
Unrestricted	1,849,475	5,119,191	(3,269,716)
<b>Total net position</b>	<u>\$ 132,347,707</u>	<u>129,865,869</u>	<u>2,481,838</u>



# Financial Highlights

## Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2025	As Restated 2024	Change
<b>Revenue:</b>			
Operating revenue	\$ 30,662,972	26,963,127	3,699,845
Non-operating revenue	1,618,476	2,316,857	(698,381)
<b>Total revenue</b>	<u>32,281,448</u>	<u>29,279,984</u>	<u>3,001,464</u>
<b>Expense:</b>			
Operating expense	27,153,707	22,340,964	4,812,743
Depreciation and amortization	4,079,623	4,139,282	(59,659)
Non-operating expense	1,100,688	1,179,281	(78,593)
<b>Total expense</b>	<u>32,334,018</u>	<u>27,659,527</u>	<u>4,674,491</u>
<b>Net income (loss) before capital contributions</b>	(52,570)	1,620,457	(1,673,027)
<b>Capital contributions</b>	<u>2,534,408</u>	<u>2,139,674</u>	<u>394,734</u>
<b>Changes in net position</b>	<u>2,481,838</u>	<u>3,760,131</u>	<u>(1,278,293)</u>
<b>Net position, beginning of year as restated</b>	<u>129,865,869</u>	<u>126,105,738</u>	<u>3,760,131</u>
<b>Net position, end of year as restated</b>	<u>\$ 132,347,707</u>	<u>129,865,869</u>	<u>2,481,838</u>



# Financial Highlights

- Net Position: Increased by 1.9% or \$2.5M to \$132.3M.
- Total Revenues: Increased by \$3M to \$32.3M – 13.7% increase in operating revenues due to an increase in rates and water sales volume. 30.1% decrease in non-operating revenue primarily due to a decrease in investment earnings.
- Capital Contributions: Increase by 18.4% or \$395K due to increases in capital grants and developer contributions, offset by a decrease in connection fees.
- Total Expenses: Increased by \$4.7M to \$32.3M Operating expenses due to increase in source of supply including an 11.74% rate increase from Sonoma Water. An increase in General and Administration expenses due to non-capitalizable office furniture, pension expense and consultant expenses. An increase in Operations and Maintenance expenses due to an increase in labor, pension, and electricity costs.

# Financial Highlights

	2025	As Restated 2024	Change
<b>Operating revenues:</b>			
Water consumption sales	\$ 21,012,003	18,516,024	2,495,979
Monthly meter service charge	8,932,174	7,713,543	1,218,631
Sewer service charge	347,256	324,264	22,992
Other charges and services	371,539	409,296	(37,757)
<b>Total operating revenues</b>	<b>30,662,972</b>	<b>26,963,127</b>	<b>3,699,845</b>
<b>Non-operating revenues:</b>			
Property tax revenue	149,358	145,929	3,429
Investment earnings, net	1,211,162	1,784,882	(573,720)
Interest earnings from note receivable – BPGL	10,030	10,416	(386)
Interest earnings from loan receivable – MMWD	66,518	73,271	(6,753)
Interest earnings from leases	10,878	11,930	(1,052)
Rental revenue	78,008	78,577	(569)
Gain on sale of capital assets	7,352	2,940	4,412
Regulation 15 forfeiture	58,390	180,890	(122,500)
Other non-operating revenues	26,780	28,022	(1,242)
<b>Total non-operating revenues</b>	<b>1,618,476</b>	<b>2,316,857</b>	<b>(698,381)</b>
<b>Total revenues</b>	<b>\$ 32,281,448</b>	<b>29,279,984</b>	<b>3,001,464</b>

# Financial Highlights

	<b>2025</b>	<b>As Restated 2024</b>	<b>Change</b>
<b>Operating expenses including depreciation expense:</b>			
Source of supply	\$ 9,083,224	6,727,290	2,355,934
Pumping	893,129	673,751	219,378
Water facilities operations	1,780,879	1,339,286	441,593
Water treatment	2,954,272	2,680,626	273,646
Transmission and distribution	4,643,209	4,309,545	333,664
Sewage collection and treatment	275,886	277,564	(1,678)
Customer service	593,847	533,526	60,321
General and administrative	6,417,239	5,326,073	1,091,166
Water conservation	512,022	473,303	38,719
Depreciation and amortization	4,079,623	4,139,282	(59,659)
<b>Total operating expenses including depreciation expense</b>	<b>31,233,330</b>	<b>26,480,246</b>	<b>4,753,084</b>
<b>Non-operating expenses:</b>			
Interest expense – long-term debt	1,087,840	1,176,988	(89,148)
Loss on disposition of capital assets	-	-	-
Other non-operating expenses	12,848	2,293	10,555
<b>Total non-operating expenses</b>	<b>1,100,688</b>	<b>1,179,281</b>	<b>(78,593)</b>
<b>Total expenses</b>	<b>\$ 32,334,018</b>	<b>27,659,527</b>	<b>4,674,491</b>







Questions?

**7**



## MEMORANDUM

To: Board of Directors

December 16, 2025

From: Eric Miller, Asst. General Manager / Chief Engineer *EM*

Subject: Quitclaim Existing Easement – 998 Rush Creek Place  
APN 143-160-14

R:\Folders by Job No\EASEMENT\QUITCLAIMS\Misc\998 Rush Creek Place\998 RCP quitclaim BOD memo.docx

**RECOMMENDED ACTION:** That the Board:

1. Approve the quitclaim for APN 143-160-14
2. Approve the quitclaim's associated Resolution

**FINANCIAL IMPACT:** None

In 1961, the District obtained a 20-foot-wide Water Line Easement (WLE) and an adjacent 30-foot-wide Construction Easement on the privately-owned parcel currently known as 998 Rush Creek Place.

The Grant of Easement further grants to the District the right of ingress to and egress from the entire parcel. A 30-inch diameter steel pipeline was installed within the WLE and remains a critical segment of the Zone 1 distribution system to date. The Construction Easement was likely used for equipment and material staging during construction in the 1960s but does not contain any District facilities. This assumption was confirmed by discussions with former District staff.

The property owner of 998 Rush Creek Place has requested that the District consider quitclaiming the 30-foot-wide Construction Easement in an effort to reduce encumbrances on the property in preparation for sale of the parcel. District staff reviewed facility maps, as-built drawings, and County records and determined that the Construction Easement is no longer of use to the District.

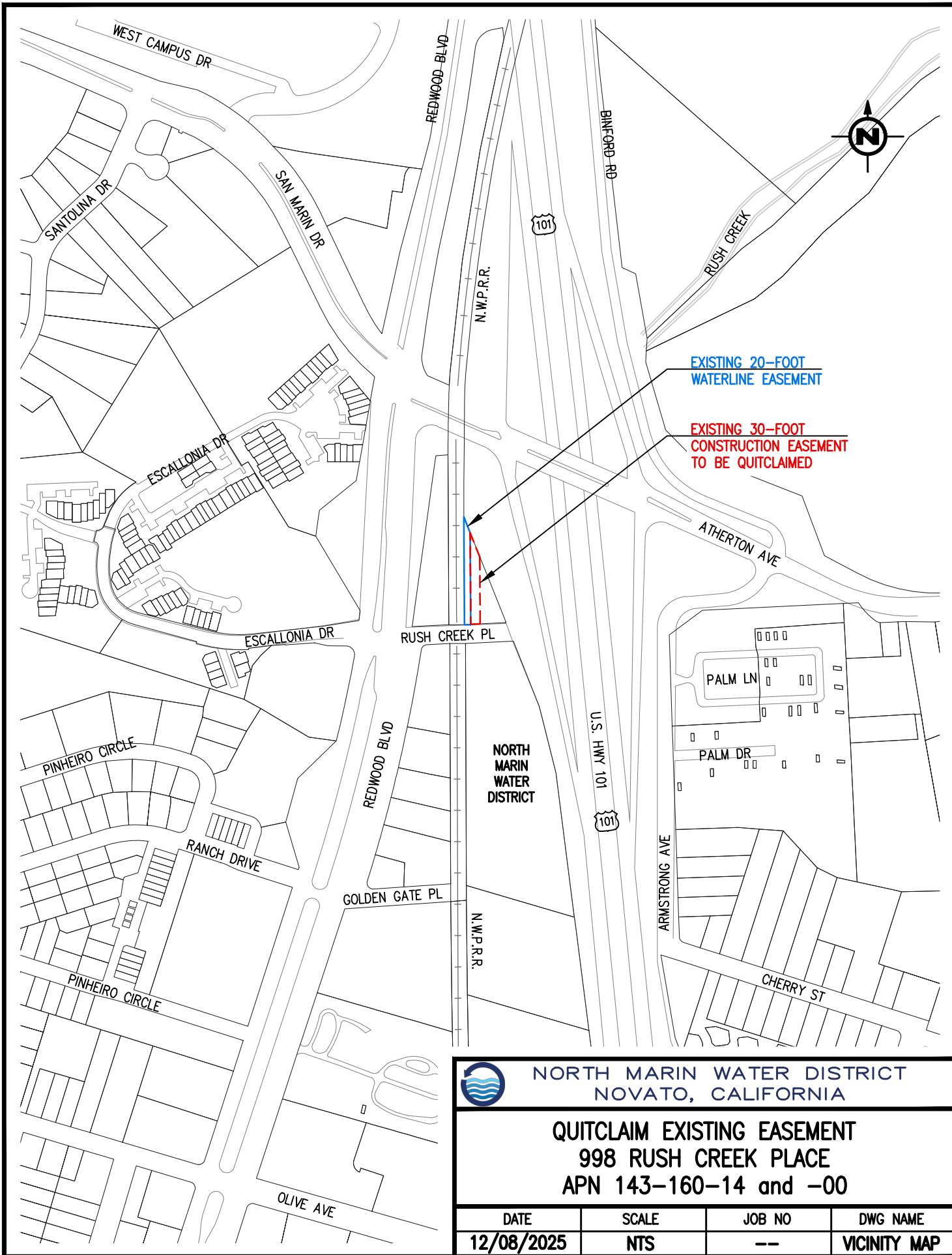
### RECOMMENDATION

That the Board:

1. Approve the quitclaim;
2. Approve the associated resolution for APN 143-160-16 authorizing the General Manager to execute the Quitclaim Deed.

### ATTACHMENTS:

1. 998 Rush Creek Place Pipeline Easement Exhibit, J-2120
2. Quitclaim Deed for APN 143-160-14
3. Resolution No. 25-XX



NORTH MARIN WATER DISTRICT  
NOVATO, CALIFORNIA

**QUITCLAIM EXISTING EASEMENT**  
**998 RUSH CREEK PLACE**  
**APN 143-160-14 and -00**

DATE	SCALE	JOB NO	DWG NAME
12/08/2025	NTS	--	VICINITY MAP

**Recording Requested By:**

Eric Miller, Chief Engineer  
 North Marin Water District  
 P.O. Box 146  
 Novato, CA 94948

**When Recorded Mail Document to:**

Eric Miller, Chief Engineer  
 North Marin Water District  
 P.O. Box 146  
 Novato, CA 94948

APN 143-160-14  
 Record Without Fee Per G. C. 27383

Space Above this Line for Recorder's Use

**Quitclaim Deed**

The undersigned Grantor(s) declare(s):

- ( ) Documentary transfer tax is \$0. Value less than \$100.  
 ( ) Survey monument fee  
 ( ) Computed on the consideration of full value of the property conveyed, or  
 ( ) Computed on the consideration of full value less the value of liens and/or encumbrances remaining at the time of sale  
 ( ) Unincorporated Area ( X ) City of Novato, and  
 EXEMPT FROM BUILDING HOMES AND JOBS ACTS FEE PER GOVERNMENT CODE 27388.1(a)(2)

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, North Marin Water District

Hereby QUITCLAIMS to Greg H. Talamini and Michele E. Talamini

A portion of a Construction Easement in the City of Novato, County of Marin, State of California described as follows:

The portion of that certain 30 foot wide construction easement conveyed as PARCEL TWO A to the North Marin County Water District by Grant of Easement Marin Aqueduct recorded August 28, 1961 in Book 1492 at page 174, Marin County Records which lies within the parcel of land conveyed to Greg H. Talamini et ux by Grant Deed recorded July 6, 2007 as Document No. 2007-0041606, Marin County Records.

All other terms and provisions of said Grant of Easement Marin Aqueduct (Book 1492 page 174) shall remain in effect.

**Certificate of Approval**

This is to certify that the interest in the 30 foot wide construction easement described in the foregoing instrument is hereby quitclaimed by the undersigned officer on behalf of the Board of Directors of the North Marin District, a local governmental agency. Said District consents to the recording of this Quitclaim Deed by its duly authorized officer.

Dated \_\_\_\_\_

NORTH MARIN WATER DISTRICT

By \_\_\_\_\_  
Tony Williams, General Manager*(Attach Notary Acknowledgment on back of this page)*

**RESOLUTION NO. 25-XX**

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
NORTH MARIN WATER DISTRICT  
AUTHORIZING EXECUTION OF QUITCLAIM DEED TO  
GREG H. TALAMINI AND MICHELE E. TALAMINI**

---

BE IT RESOLVED by the Board of Directors of NORTH MARIN WATER DISTRICT that the General Manager and Secretary of this District be and they hereby are authorized and directed for and on behalf of this District to execute a Quitclaim Deed quitclaiming the construction easement not required for District purposes.

\* \* \*

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 16<sup>th</sup> day of December, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Eileen Mulliner, District Secretary  
North Marin Water District

(SEAL)

8





## MEMORANDUM

To: Board of Directors

From: Tony Williams, General Manager *AW*

Subject: General Manager Annual Evaluation Process  
t:\gm\staff\gm specific\bod memos\12-16-25 bod memo gm eval.docx

Date: December 16, 2025

**RECOMMENDED ACTION:** Information Only

**FINANCIAL IMPACT:** None at this time

The North Marin Water District (District) Board of Directors adopted Resolution 25-01 on February 4, 2025, which describes the conditions of employment for the General Manager. The Resolution also requires that a closed session be scheduled for purposes of a performance evaluation. This memorandum provides an overview of the evaluation process that has been practiced by the Board for the General Manager's evaluation. The process includes 5 steps which are outlined below:

<b>General Manager Performance Evaluation</b>	
<b>Step #</b>	<b>Procedure</b>
1.	Directors are provided an evaluation form to complete.
2.	Each Director provides their completed form to the President who consolidates the response into a summary (with assistance from the EA/District Secretary).
3.	The EA/District Secretary includes a closed session item for a following regular meeting Agenda (confirmed by the President).
4.	A closed session is held to discuss the GM's performance.
5.	Resolution to approve the GM conditions of employment – typically at the following regular meeting.

The evaluation form is provided as Attachment 1 as well as a hardcopy to each Director. An MSWord or pdf version can be provided electronically to the Directors by the Executive Assistant/District Secretary, if requested. A closed session is tentatively planned for the January 20, 2026 regular meeting. The purpose of the closed session is to provide feedback to the General Manager as well as to discuss any proposed changes to the conditions of employment. Depending on the outcome of the evaluation, a resolution describing the new conditions of employment can be included in the February 3<sup>rd</sup>, 2026 regular meeting.

### ATTACHMENTS

1. GM Evaluation Form 2025



## **General Manager Evaluation**

**GM: Tony Williams Evaluation Period: December 2024 to December 2025**

### **A. Relationship with the Board of Directors**

1. *Keeps Board informed of District activities and progress with District objectives*
2. *Facilitates the Board's decision-making process*
3. *Is receptive to Board member ideas/suggestions and follows up on issues brought to his/her attention*
4. *Provides recommendations and options for Board consideration including information regarding budgetary impacts*

**Comments:**

### **B. Management Skills and Abilities**

1. *Responds as appropriate to emergency situations and reports any actions to the Board*
2. *Oversees a smooth-running administrative office, including preparation of agendas, District reports and record keeping*
3. *Proposes District goals and objectives to the Board each fiscal year including identifying short-term and long-term issues which need to be addressed and develops action plan(s) to address same*
4. *Provides an updated Annual Report each year which includes significant accomplishments during prior fiscal year*
5. *Recognizes his/her role with the District legal counsel*

**Comments:**

**C. Fiscal Management**

1. *Applies responsible reserve guidelines in a balanced budget*
2. *Reports the budget as it correlates to the CIP*
3. *Provides information to Board regarding purchases and expenditures*
4. *Works with District Auditor-Controller to assure that accounting practices are consistent with current accounting standards and applicable State requirements*

**Comments:**

**D. Services to District Customers and Community Relations**

1. *Represents the District in a positive and professional manner*
2. *Understands and stays current with the needs of District customers*
3. *Accepts criticism from customers and others affected by District operations and responds appropriately*
4. *Promotes public understanding of District operations and available services.*
5. *Notifies Board of customer comments/criticisms*

**Comments:**

**E. Effective Leadership of Staff**

1. *Delegates appropriate tasks to staff*
2. *Encourages staff development through educational and growth opportunities*
3. *Strives to maintain high employee morale*
4. *Knows and follows District personnel policies*
5. *Promotes safety, addresses potentially unsafe issues immediately and advises the Board of notable issues*

**Comments:**

***Please provide the name of the reviewer here:***

**Director** \_\_\_\_\_

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## NORTH BAY WATER REUSE PROGRAM

*Expanding Water Supplies with Regional Reuse*



### BOARD OF DIRECTORS MEETING

#### AGENDA

**Monday, December 15, 2025  
9:30 AM**

**This meeting will be In-Person at the North Marin Water District Administrative Offices, 999  
Rush Creek Place, Novato California**

1. **Call to Order (1 minute)**
2. **Roll Call (1 minute)**
3. **Public Comment (3 minutes)**  
(Any member of the public may address the Board at the commencement of the meeting on any matter within the jurisdiction of the Board. This should not relate to any item on the agenda. It is the policy of the Authority that each person addressing the Board limit their presentation to three minutes. Non-English speakers using a translator will have a time limit of six minutes. Any member of the public desiring to provide comments to the Board on an agenda item should do so at the time the item is considered. It is the policy of the Authority that oral comments be limited to three minutes per individual or ten minutes for an organization. Speaker's cards will be available in the Boardroom and are to be completed prior to speaking.)
4. **Introductions (2 minutes)**
5. **Board Meeting Minutes of September 29, 2025 (2 minutes)**  
(The Board will consider approving the minutes from the September 29, 2025 Board meeting.)
6. **Report from the Chair**
  - 6.a **Report from the Technical Advisory Committee (5 minutes)**  
(The Board will review the Report on the TAC meetings of July, Aug, Sept, 2025.)
  - 6.b **Consultant Progress Reports (5 minutes)**  
(The Board will review the consultant progress reports.)
7. **Financial Reports for the Fiscal Year Ending June 30, 2025 and June 30, 2026 (5 minutes)**  
(The Board will review the Financial Reports for Fiscal Year Ending June 30, 2025 and June 30, 2026)

Action  
PDF pg 3

PDF pg 6  
PDF pg 7

PDF pg 19

Information  
PDF pg 22

- |  |   |
|--|---|
| <b>Information</b><br><b>PDF pg 30</b> | <b>8. Status of Phase 2, Financial Capability Analysis Report, and NEPA Process</b><br>(The Board will review the status of Phase 2.)   |
| <b>Discussion</b><br><b>PDF pg 31</b>  | <b>9. Resilience Arena Projects Status Report (15 minutes)</b><br>(The Board will be updated on the status of the three Resilience Arena projects: Recycled Water, Drought Contingency Planning and Sea Level Rise.)  |
| <b>Information</b><br><b>PDF pg 32</b> | <b>10. Funding Opportunities Overview</b><br>(Consulting Team will present an overview of funding opportunities, including Proposition 4, relative to NBWRA)  |
| <b>Action</b><br><b>PDF pg 33</b>      | <b>11. FY26/27 Budget and Work Program</b><br>(The Program Manager will provide an overview of the proposed FY26/27 Budget and Work Program for Board consideration).   |
| <b>Action</b><br><b>PDF pg 53</b>      | <b>12. Contract With ESA to Support MOU Revision</b><br>(The TAC Chair will discuss separate contract with ESA to support the MOU Revision process for Board consideration).  |
| <b>Discussion</b><br><b>PDF pg 54</b>  | <b>13. Comments from the Chair, Board, and Member Agencies (5 minutes)</b><br>(The Board will discuss items for future discussion and the Chair, Board, or Member Agencies may make brief announcements or reports on their own activities, pose questions for clarification, and/or request that items be placed on a future agenda. Except as authorized by law, no other discussion or action may be taken.) |
|  | <b>14. Adjournment (1 minute)</b>   |

<b>Next Board Meeting</b> <b>Scheduled for April 27, 2025</b>
--

(In compliance with the Americans with Disabilities Act of 1990, if you need special assistance to participate in a Board meeting, or you need a copy of the agenda, or the agenda packet, in an appropriate alternative format, please contact the Program Manager at 707-795-0904. Notification of at least 48 hours prior to the meeting or time when services are needed will assist in assuring that reasonable arrangements can be made to provide accessibility to the meeting or service. A copy of all the documents constituting the agenda packet is available for public inspection prior to the meeting at 404 Aviation Boulevard, Santa Rosa, CA 95403. Any person may request that a copy of the agenda or the agenda packet be mailed to them for a fee of \$.10 per page plus actual mailing costs. If you wish to request such a mailing, please contact Jim O'Toole, Environmental Science Associates, 775 Baywood Drive, Suite 100, Petaluma, CA 94954, 707-795-0904, [JOToole@esassoc.com](mailto:JOToole@esassoc.com). The agenda for each meeting is also available on-line at [www.nbwra.org](http://www.nbwra.org).)

Z:\Shared\Projects\2006\D206088.10 NBWRA Program Management\Dec 2025 Board Packet

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# North Bay Watershed Association

## Board Meeting - Agenda

December 5, 2025 | 9:30 – 11:30 a.m.

### MEETING WILL BE HELD AT THE Marin Municipal Water District

220 Nellen Ave  
Corte Madera, CA 94925

For those wishing to attend virtually

Join Zoom Meeting:

<https://us02web.zoom.us/j/81630673971?pwd=dm94TXJCRWMyWFBLC3U5V2pTSmNRZz09>

Webinar ID: 816 3067 3971 Password: 216460

Agenda and materials will be available the day of the meeting at: [www.nbwatershed.org](http://www.nbwatershed.org)

## AGENDA

Time	Agenda Item	Proposed Action
9:30	<b>Welcome and Call to Order – Roll Call and Introductions</b> <i>Jean Mariani, Chair</i>	<i>N/A</i>
9:35	<b>General Public Comments</b> This time is reserved for the public to address the meeting about matters NOT on the agenda and within the jurisdiction of the association.	<i>N/A</i>
9:40	<b>Agenda and Past Meeting Minutes Review</b> <i>Jean Mariani, Chair</i> <b>Treasurer's Report</b> <i>Jean Mariani, Chair</i>	<i>Approve/ Accept</i>
9:50	<b>Guest Presentation — North San Francisco Bay and the Delta – Past, Present, and Future</b> <i>Jay Lund and John Durand, UC Davis Center for Watershed Sciences</i>  A broad discussion of the history of the North Bay - Delta complex, its current ecological and water conditions, and prospects for the future with rising temperatures and sea level. The presentations highlight connections and some differences between these two regions in terms of ecology and human water uses and management, how these have changed, and opportunities and problems for the future.	<i>Presentation slides</i>

10:15	<p><b>Executive Director Report</b></p> <p><i>Andy Rodgers, Executive Director</i></p> <p>Andy will provide updates and solicit board input on activities since the November 7 Board meeting, including administrative updates, regional programs participation, grants, funding, sea level rise, 2026 conference planning, and other activities, programs, and communications.</p>	<p><i>ED updates, Board questions, and input</i></p>
10:30	<p><b>Small Grants and Scholarship Program Administration – West Yost Budget Adjustment</b></p> <p><i>Andy Rodgers, Executive Director</i></p> <p>The Board will consider approval of a budget adjustment for NBWA grant program management services provided by West Yost. The budget adjustment request includes estimated time and costs associated with administration, reporting, communications, and management of the Small Grants and Scholarship Program. The adjustment equates to approximately 15% of the total 2025 program grant awards.</p>	<p><i>Presentation slides</i></p> <p><i>Board questions and input</i></p>
10:45	<p><b>Board Information Exchange and Updates</b></p> <p><i>Members</i></p> <p>Members will highlight issues and share items of interest.</p>	<p><i>N/A</i></p>
10:55	<p><b>Agenda Items for Future Meetings</b></p> <p><i>Andy Rodgers, Executive Director</i></p> <p>Andy will outline ideas for next and future Board meeting topics and solicit feedback.</p>	
11:00	<p><b>Announcements/Adjourn</b></p> <p><b>Next Board Meeting: February 6</b>  <b>Location TBD</b></p>	<p><i>N/A</i></p>

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**DISBURSEMENTS - DATED NOVEMBER 26, 2025**

Date Prepared 11/24/25


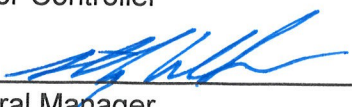
The following demands made against the District are listed for approval and authorization for payment in accordance with Section 31302 of the California Water Code, being a part of the California Water District Law:

Seq	Payable To	For	Amount
P/R	Employees	Net Payroll P/E 11/15/25	\$216,939.58
90955*	Internal Revenue Service	Federal & FICA Taxes PPE 11/15/25	92,252.45
90956*	State of California	State Taxes & SDI PPE 11/15/25	24,350.11
90957*	CalPERS	Pension Contribution PPE 11/15/25	58,383.69
EFT*	US Bank	October Bank Analysis Charge (Lockbox \$920 & Other Fees \$511 Less Interest \$327)	1,104.32
90958*	Nationwide	Deferred Compensation 11/15/25-401A Match	3,052.12
90959*	Nationwide	Deferred Compensation-457 PPE 11/15/25	17,522.83
90953*	Amazon	Kitchen Supplies (\$211), Office Supplies (\$437), Computer Supplies (\$155), Concrete Mixing Mats (4) (\$450), Asbestos Bags (225) (\$344), Hose & Air Pressure Switch	\$1,684.13
90954*	US Bank Card	Microsoft Monthly Subscriptions, CSMFO Conference Reg, Airfare & Chapter Meeting (\$897), Internet PRTP & Gallagher Well #2, Zoom Subscription, Starlink Internet, Safety Supplies, Office Supplies, Traffic Control Plans (\$350), Food for Staff Event (\$481) & Retirement Book for Employee (\$289)	4,135.43
1	Alpha Analytical Labs	Lab Testing	1,056.00
2	Associated Right of Way Services	Prog Pymt#17: Valuation Services for Lynwood Pump Station (Balance Remaining on Contract \$19,795)	172.50
3	Bay Alarm Company	Quarterly Fire Alarm Monitoring Fee (12/1/25-2/28/26) (Yard)	539.07
4	Bold & Polisner	Oct Legal Fees-General (\$5,705) & NMWD Portion Potter Valley Project (\$585)	6,290.00

Seq	Payable To	For	Amount
5	CA Dept of Tax and Fee Admin.	Water Rights Fees (7/1/25-6/30/26)	3,387.41
6	Costco Membership	Membership Renewal (1/26-12/26)	130.00
7	Crane Tech Inc	Inspection of Roof Crane (\$2,471), Trucking Weights (\$915) & Forklift Rental (\$1,038)	4,423.88
8	Fisher Scientific	Pipettes (108) (\$416) & Ammonium Dihydrogen (\$124) (Lab)	539.23
9	Grainger	Magnetic Drive Pump (\$431), Air Hose Reel (50') (\$337), Bottle Carriers (\$108) & Miscellaneous Tools & Supplies	1,376.10
10	Home Depot	Chisel Set, Drill Bit Kit, Rapid Set Concrete (50) (\$893) & Painting Supplies	1,038.06
11	JW Mobile	Machine Air Tool Mounts (8)	990.00
12	Leete Generators	Factory Start Up & Load Bank Test for 300 kw Generator (Rush Creek PI)	3,500.00
13	Lincoln Life Employer Serv	Deferred Compensation PPE 11/15/25	7,813.36
14	Marin County	Annual Encroachment Permit (12/31/25-12/31/26) & Permits for Construction (17 Cypress Ave, Pt. Reyes-\$384 & 1106 Bel Marin Keys, Novato-\$736)	1,609.74
15	McMaster-Carr Supply Co	4' Threaded Rod (\$101), Rotating Pins (4) & 4" Water Hose (\$469)	626.95
16	Mutual of Omaha	Dec. 2025-Mutual of Omaha Group Life/ADD Insurance Premiums (\$1,554) & Vision (\$865)	2,418.80
17	Pace Supply	Elbows (4) (\$999), Nuts (103), Box Lids (2) (\$441), Bushings (3), Cap (\$135), Head Bolts (48) (\$367), Nipples (11) (\$144), Flanges (2) (\$128) & Unions (6) (\$129)	2,402.51
18	Pacific Coast Petroleum, Inc	Hydraulic (\$264) & Gear Oil (\$170) (STP)	433.83
19	Pollard Water	Valve Lifter (Construction)	188.48
20	Reichman, Molly	Novato Toilet Rebate Program	100.00

Seq	Payable To	For	Amount
21	Scott Technology Group	November Monthly Maintenance Fee on Engineering & Admin Copiers & Contract Overage	626.39
22	Sonoma County Water Agency	October Contract Water (\$482,942) & North Bay Water Reuse Authority Associate Member Dues-FY25/26 (\$5,000)	487,942.05
23	SPG Solar Facility XII, LLC	October Energy Delivered Under Solar Services Agreement	10,465.25
24	T2 Utility Engineers	Prog Pymt#1: Sewer Force Main Improvement @ Oceana Marin (Balance Remaining on Contract \$8,515)	2,425.00
25	Thomas Scientific	Lauryl Tryptose Broth (Lab)	157.01
26	Underground Republic Water Works, Inc.	Freight Charge, Adaptors (8) (\$137) & Replacement Service Saddles (10) (\$1,852)	2,011.43
27	Vanguard Cleaning Systems	Janitorial Supplies	302.93
28	VertexOne Software LLC	October Monthly Fee	220.12
29	VWR International LLC	Lab Coats (2) & Culture Tubes (500)	151.27
30	Williamson, Matthew	Exp Reimb: Lodging (\$349) & Meals While Attending D4 Class 11/18/25-11/20/25	439.82
31	Williams, Anthony	Exp Reimb: Mileage to Lake Mendocino for Water Control Manual Update Signing Ceremony on 10/22/25	127.40
<b>TOTAL DISBURSEMENTS</b>			<b><u>\$963,329.25</u></b>

The foregoing payroll and accounts payable vouchers totaling \$963,329.25 are hereby approved and authorized for payment.

	<u>11/24/25</u>
Auditor-Controller	Date
	<u>11/24/2025</u>
General Manager	Date



## **DISBURSEMENTS - DATED DECEMBER 4, 2025**

Date Prepared 12/1/2025

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:


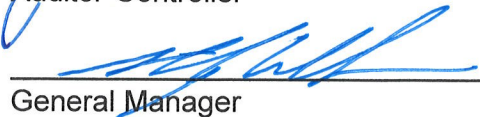
Seq	Payable To	For	Amount
90960*	CalPERS	December 2025 Health Insurance Premium (Employer \$67,272, Retirees \$12,797 & Employees \$8,290)	\$88,359.11
	* State Water Resources Control	State Revolving Fund Loan Payments Recycled Water - Central (Pymt#8 of 30) (\$275,773), South PH1A (Pymt#13 of 20) (\$65,599) & South PH1B (Pymt#13 of 20) (\$166,575)	507,946.76
1	Alameda Electrical Distributors	Supplies for EV Charging Stations	169.38
2	Alpha Analytical Labs	Lab Testing	45.00
3	Automation Direct	Programmable Logic Controller for Olema Tank	520.03
4	Backflow Distributors	8" Gate Valves for Novato Sanitary District Ignacio Facility	17,092.03
5	Bearings & Hydraulics	Matting for Drawers & Shelves on Crew Trucks	2,408.48
6	B.W.S. Distributors	Safety Gloves (10) (Const)	179.17
7	Clyde, Karen	Exp Reimb: Mileage (\$202) & Meals CALPELRA Human Resources Conference (11/18-11/21)	255.88
8	Core Utilities, Inc	Consulting Services: October IT Support (\$6,000), CORE Billing Maintenance (\$200), SCADA Server Upgrade (\$2,300) & SCADA Support (\$750)	9,250.00
9	Durkin Signs & Graphics	Logos (6) & Numbers (4) for District Vehicles	470.65
10	Environmental Science Assoc	Prog Pymt#9: Construction Compliance Support for San Mateo Tank Project (Balance Remaining on Contract \$55,825)	5,258.76
11	Farwest Corrosion Control Comp	Cables (200) (\$155) & Cadweld Sleeves (100)	283.63
12	GHD Inc.	Prog Pymt#29: GIS Conversion to ESRI & Mapping Support (Balance Remaining on Contract \$9,918)	861.64

Seq	Payable To	For	Amount
13	Grainger	Battery Packs (2) (\$395), Absorbent Pads (100) (\$185), Letter Stencil Sets (\$278), Digital Tire Inflator (\$197), Couplers (3) (\$323) & Miscellaneous Tools & Supplies	1,683.56
14	Henry, Kim	Refund Overpayment on Closed Account	423.00
15	HERC Rentals Inc.	Rentals for WM Lagunitas Pipeline Project-Water Truck (\$3,550), Skid Steer Attachment Planer (\$2,532) & Message Board Rentals (\$2,124) (4 Weeks)	8,205.68
16	International Dioxide Inc	Chlorine Dioxide Generator Service (STP)	6,190.63
17	Kaiser Foundation Health Plan	DMV/DOT Physicals (Watkins & Reed)	230.00
18	Marin County Tax Collector	Annual Hazardous Materials Permit (STP-\$3,947, Yard-\$2,111, PRTP-\$371 & OMTP-\$342)	6,771.00
19	Marin County Dept of Finance	STP State Revolving Fund Loan Semi-Annual Payment (#33 of 40)	498,017.99
20	Nave Motors	Smog Check ('17 F350)	51.75
21	Northen, Brian	Exp Reimb: Safety Boots	396.58
22	O'Reilly Auto Parts	Brake Cleaner (48) (\$183) & Service Supplies	340.14
23	Pace Supply	Corp Stops (2) (\$715), Nuts (417) (\$179), Accessory Sets (8) (\$514), Gaskets (8) (\$214), Check Valve Repair Kit (\$391), Lubricant Spray (24) (\$257) & CLOW Fire Hydrant (\$1,895)	4,164.62
24	Rader Excavating	Traffic Control Plans (WM Lagunitas Pipeline Project)	725.00
25	Soiland Co., Inc.	Asphalt Recycling (9 yds) (\$330) & Rock (51 yds) (\$1,571)	1,901.62
26	USA BlueBook	Filter Elements (2) (STP)	249.57
27	Veolia Water Technologies	Sand Pump Parts (STP)	21,476.89
28	VWR International LLC	Pipette Tips & Oxalic Acid (\$123) (Lab)	207.46
29	Waste Management	Waste Disposal	446.16
30	Zarren, Robert	Refund Over Payment on Closed Account	36.15



Seq	Payable To	For	Amount
31	ZORO	Drip Irrigation Couplers (12), Light Ring (\$163) & Notebooks (2)	266.28
		<b>TOTAL DISBURSEMENTS</b>	<b><u>\$1,184,884.60</u></b>

The foregoing payroll and accounts payable vouchers totaling \$1,184,884.60 are hereby approved and authorized for payment.

	12/02/25
Auditor-Controller	Date
	12/2/2025
General Manager	Date

## DISBURSEMENTS - DATED DECEMBER 11, 2025

Date Prepared 12/8/25

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 11/30/25 & Sick Leave Buyback	\$225,299.78
90967*& 90972*	Internal Revenue Service	Federal & FICA Taxes PPE 11/30/25 & Sick Leave Buyback	92,851.85
90968*& 90973*	State of California	State Taxes & SDI PPE 11/30/25 & Sick Leave Buyback	24,925.35
90969*	CalPERS	Pension Contribution PPE 11/30/25	57,380.61
90970*	Nationwide	Deferred Compensation-457 PPE 11/30/25	15,908.35
90971*	Nationwide	Deferred Compensation 11/30/25-401A Match	3,032.87
90966*	NMWD/FSA Payment	Fund Flexible Spending Bank Account for 2026	51,000.00
*	State Water Resources Control	Annual Permit Fees 7/1/25-6/30/26 - Gallagher Ranch Streambank Stabilization (\$563), San Mateo Tank (\$563), Oceana Marin (Sanitary Sewer Overflow \$3,945 & Operations \$28,205), Stafford Lake Pesticide Algae Control (\$3,630), Novato Potable Discharge (\$3,806) & Novato RW System (\$1,500)	42,212.00
1	Able Tire & Brake	Tires (5) ('20 Trailer)	822.36
2	All Security Equipment	Swing Gate Operators (Repair 3 Gates @ 999 Rush Creek PI)	18,213.76
3	Alpha Analytical Labs	Lab Testing	5,432.00
4	American Family Life Ins	AFLAC November 2025 Employee Paid Benefit	4,551.16
5	ARB Inc	Refund Security Deposit on Hydrant Meter Less Final Bill	54.98
6	AT&T	November Phone Lines for Point Reyes Treatment Plant	32.55
7	Backflow Distributors	Reduced Pressure Assemblies & Repair Kit	437.59

Seq	Payable To	For	Amount
8	Buck's Saw Service	Yard Tool Fuel	107.05
9	Caltest Analytical Laboratory	Replacement Payment-Original Check Lost in Mail-Lab Testing	290.70
10	Comcast	December Phone Charges (999 Rush Creek Pl)	1,654.00
11	Comcast	December Internet (999 Rush Creek Pl)	1,628.72
12	Cummings Trucking	Rock Delivery (68 yds)	1,060.00
13	DataTree	November Subscription to Parcel Data Information	100.00
14	Diesel Direct West	Gasoline (1,055 gal)	4,000.09
15	Direct Line Inc	November Telephone Answering Service	197.00
16	Eurofins Eaton Analytical, Inc	Lab Testing	435.50
17	Forevergreen Landscape and Maintenance	Landscaping November 2025 (999 Rush Creek Pl.-\$885) (Qtrly Maint. San Mateo-\$719, Lynwood-\$446, San Andreas-\$421 Pump Stations & STP-\$1,838)	4,308.73
18	Friedman's Home Improvement	Misc Plumbing Supplies	474.88
19	Frontier Communications	December Internet (STP)	640.00
20	Gazdik, John	Novato "Cash for Grass" Rebate Program	600.00
21	Grainger	Safety Gloves (2,500) (\$485), Wheel Chocks (10) (\$298), Cut Off Wheels (50) (\$164) & Miscellaneous Tools & Supplies	1,102.18
22	Lincoln Life Employer Serv	Deferred Compensation PPE 11/30/25	7,813.36
23	Marin Landscape Materials	Rock (1 yd)	85.22
24	Marin County Ford	Motor Assembly ('19 F550), Molding ('24 F250-\$154) & Service Parts ('24 F250-\$143)	328.38
25	Marin Pool Service Co	Refund Security Deposit on Hydrant Meter Less Final Bill	570.45
26	Mumford, Chris	Refund Overpayment on Closed Account	40.62
27	Nommsen, Jessica	Exp Reimb: CWEA Lab Analyst II Renewal Fee	370.00

Seq	Payable To	For	Amount
28	North Marin Auto Parts	Fix-a-Thread Kit, Wiper Blades, Trailer Wire & Terry Rags (50 lbs) (\$120)	313.90
29	North Bay Gas	Nitrogen & Acetylene	64.00
30	Northen, Brian	Exp Reimb: D3 Exam Fee	100.00
31	Novato Builders Supply	Lumber	125.13
32	OC Jones & Sons	Refund Security Deposit on Hydrant Meter Less Final Bill	213.94
33	ODP Business Solutions, LLC	Annual Calendar Order (\$765) & Miscellaneous Office Supplies (\$102)	867.20
34	Orkin Commercial Services	Monthly Pest Control Services	144.00
35	O'Rourke Electric	Installation of 300 kw Generator-Prog Pymt 1 of 2 (999 Rush Creek Pl)	21,285.00
36	Pace Supply	Corp Stops (5) (\$1,788), Hex Nuts (100), Nipples (9), Reducers (2), Elbows (3) (\$375) & Tapped Flange	2,364.01
37	Parkinson Accounting Systems	November Accounting Software Support	97.50
38	NMWD Petty Cash	Hand Soap, Wash Bins & Office Supplies	112.52
39	Pini Hardware	Miscellaneous Tools & Supplies	400.80
40	RA Automotive Software Solutions Inc.	Clean Truck Check Inspection Software	616.27
41	Recology Sonoma Marin	Waste Removal (Yard-\$696 & STP-\$317)	1,013.56
42	Rockwell Engineering & Equip.	Recirculation Pump w/Drive Base & Assembly (STP)	35,107.00
43	Sabah International	Training for Access Control System	580.00
44	Shippy, Richard	Refund Overpayment on Closed Account	84.41
45	Team Ghilotti Inc.	Prog Pymt#3: San Mateo Tank Transmission Project (Balance Remaining on Contract	521,064.98
46	USA BlueBook	Valve Repair Kits (6) (STP)	832.90
47	US Postal Service	Meter Postage	1,500.00

Seq	Payable To	For	Amount
48	Vanguard Cleaning Systems of the North Bay	December Janitorial Service (Rush Creek Pl-\$4,500 & STP-\$920)	5,420.00
49	Verizon Wireless	November Cell Phone Charges	1,597.62
50	Verizon Wireless	November SCADA & AMI Collectors (\$650)	1,340.82
<b>TOTAL DISBURSEMENTS</b>			<b><u>\$1,163,207.65</u></b>

The foregoing payroll and accounts payable vouchers totaling \$1,163,207.65 are hereby approved and authorized for payment.

	<u>12/9/25</u>
Auditor-Controller	Date
	<u>12/9/25</u>
General Manager	Date



**NORTH MARIN WATER DISTRICT**  
**MONTHLY PROGRESS REPORT FOR NOVEMBER 2025**  
December 16, 2025

1.

**Novato Potable Water Prod - SW & STP Combined - in Million Gallons - FYTD**

Month	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	26 vs 25 %
July	248.1	264.8	218.6	224.5	282.9	-6%
August	250.8	252.9	230.9	235.9	212.4	-1%
September	238.5	237.7	212.4	203.5	214.5	0%
October	185.8	237.2	197.0	191.6	198.5	-22%
November	134.6	166.5	145.7	137.4	94.1	-19%
FYTD Total	1,057.7	1,159.2	1,004.7	992.8	1,002.4	-9%

**West Marin Potable Water Production - in Million Gallons - FY to Date**

Month	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	26 vs 25 %
July	8.1	8.9	7.1	6.3	6.0	-8%
August	8.3	8.7	7.5	6.8	5.7	-5%
September	7.9	7.9	6.7	6.3	5.9	0%
October	6.1	7.6	6.4	5.7	5.1	-20%
November	4.8	5.7	5.0	4.6	3.5	-15%
FYTD Total	35.2	38.8	32.6	29.8	26.2	-9%

**Stafford Treatment Plant Production - in Million Gallons - FY to Date**

Month	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	26 vs 25 %
July	93.4	0.0	67.0	56.3	67.0	-
August	85.8	0.0	98.3	67.9	31.3	-
September	79.4	0.0	112.6	57.8	41.7	-
October	75.3	0.0	109.4	54.0	28.2	-
November	24.4	0.0	21.8	30.0	0.0	-
FYTD Total	358.4	0.0	409.1	266.0	168.1	

**Recycled Water Production\* - in Million Gallons - FY to Date**

Month	FY25/26	FY24/25	FY23/24	FY22/23	FY21/22	26 vs 25 %
July	47.1	54.6	31.0	43.1	42.9	-14%
August	49.3	50.1	34.8	41.6	41.4	-2%
September	32.3	41.0	26.1	29.2	39.6	-21%
October	16.2	28.9	22.4	24.7	18.3	-44%
November	5.9	11.4	3.6	5.1	0.8	-48%
FYTD Total*	150.8	186.0	117.9	143.7	143.1	-19%

\*Excludes potable water input to the RW system: FY26=2.4MG, FY25=19MG, FY24=13.8MG, FY23=10.8 MG FY22=10 MG;

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**2. Regional and Local Water Supply**

**Lake Sonoma**

	Current	2024
Lake Storage*	72,303 MG	82,823 MG
Supply Capacity	87 %	99 %

\*Normal capacity =-245,000 AF (79,833.5 MG); deviation storage pool of 264,000 AF (86,025 MG)

**Lake Mendocino**

	Current	2024
Lake Storage *	17,407 MG	20,380 MG
Supply Capacity	67 %	78 %

\*Normal capacity = 70,000-110,000 AF (22,800-35,840 MG); FIRO pool 26,000-36,170 MG

### 3. Stafford Lake Data

	November Average	November 2025	November 2024
Rainfall this month	3.19 Inches	4.50 Inches	7.29 Inches
Rainfall this FY to date	4.60 Inches	5.60 Inches	7.45 Inches
Lake elevation*	181.49 Feet	182.92 Feet	191.84 Feet
Lake storage**	526 MG	590 MG	1,100 MG
Supply Capacity	37.6 %	42.2 %	78.7 %

\* Spillway elevation is 196.0 feet (NGVD29)

\*\* Lake storage less 390 MG = quantity available for normal delivery

### Temperature (in degrees)

	Minimum	Maximum	Average
November 2025 (Novato)	39	80	55.88
November 2024 (Novato)	30	77	53.27

### 4. Number of Services

November 30	Novato Water			Recycled Water			West Marin Water			Oceana Marin Sewer		
	FY26	FY25	Incr %	FY26	FY25	Incr %	FY26	FY25	Incr %	FY26	FY25	Incr %
Total meters installed	21,037	21,037	0.0%	107	104	2.9%	811	808	0.4%	-	-	-
Total meters active	20,889	20,888	0.0%	105	102	2.9%	802	799	0.4%	-	-	-
Active dwelling units	23,976	24,098	-0.5%	-	-	-	838	837	0.1%	241	240	0.4%

### 5. Oceana Marin Monthly Status Report

Description	November 2025	November 2024
Effluent Flow Volume (MG)	.397	.618
Irrigation Field Discharge (MG)	0	.402
Treatment Pond Freeboard (ft)	1.4	Empty
Storage Pond Freeboard (ft)	3.8	5.4

### 6. Safety/Liability

Industrial Injury with Lost Time				Liability Claims Paid	
Lost Days	OH Cost of Lost Days (\$)	No. of Emp. Injured	No. of Incidents	Incurred (FYTD)	Paid (FYTD) (\$)
30	\$13,065	3	3	0	\$3,618 (a)
0	\$0	0	0	0	\$0

FY 25/26 through Nov

FY 24/25 through Nov

Days since lost time accident through November 30, 2025

109 Days

(a) FY26 Harris Workers Comp Claim Settlement

## 7. Energy Cost

		November			Fiscal Year-to-Date thru November		
FYE		kWh	¢/kWh	Cost/Day	kWh	¢/kWh	Cost/Day
FY 25/26	Stafford TP	25,813	25.0¢	\$215	251,128	24.5¢	\$403
	Pumping	107,471	41.8¢	\$1,499	755,602	44.7¢	\$2,238
	Other <sup>1</sup>	41,129	45.3¢	\$621	196,189	47.0¢	\$611
		174,413	40.2¢	\$2,335	1,202,918	40.9¢	\$3,251
FY 24/25	Stafford TP	33,073	24.3¢	\$268	278,644	23.8¢	\$434
	Pumping	124,447	39.5¢	\$1,697	776,304	40.5¢	\$2,110
	Other <sup>1</sup>	27,522	49.7¢	\$472	174,636	48.7¢	\$570
		185,043	38.3¢	\$2,436	1,229,584	37.9¢	\$3,114
FY 23/24	Stafford TP	38,040	23.6¢	\$299	331,987	23.3¢	\$506
	Pumping	104,330	32.6¢	\$1,172	705,233	34.0¢	\$1,577
	Other <sup>1</sup>	27,562	39.8¢	\$378	168,320	39.7¢	\$440
		169,932	31.7¢	\$1,849	1,205,539	31.8¢	\$2,523

<sup>1</sup>Other includes West Marin Facilities

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## 8. Water Conservation Update

	Month of November 2025	Fiscal Year To Date	Program Total to Date
High Efficiency Toilet (HET) Rebates	2	10	4,693
Retrofit Certificates Filed	15	62	7,352
Cash for Grass Rebates	2	5	1,112
Washing Machine Rebates	3	8	6,065
Water Smart Home Survey	2	10	3,965

## 9. Utility Performance Metric

### November 2025 Service Disruptions

SERVICE DISRUPTIONS (No. of Customers Impacted)	November 2025	November 2024	Fiscal Year to Date 2025	Fiscal Year to Date 2024
PLANNED				
Duration Between 0.5 and 4 hours	2	3	35	25
Duration Between 4 and 12 hours	0	0	112	0
Duration Greater than 12 hours	0	0	0	0
UNPLANNED				
Duration Between 0.5 and 4 hours	0	0	2	32
Duration Between 4 and 12 hours	0	0	21	27
Duration Greater than 12 hours	0	0	0	0
SERVICE LINES REPLACED				
Polybutylene	1	2	18	11
Copper Replaced or Repaired)	1	1	8	14

### November 2025 Service Disruptions

For the month of November, we had no planned service disruptions:

Plastic: There was one plastic service leak that was upgraded to copper during November.

Copper: There was one copper service that was upgraded for the month of November.

Mains/Valves: There was no planned main and valve work for the month of November.

Unplanned: There was a 6" main break on Bel Marin Keys Blvd, no service interruptions.



## 10. Summary of Complaints and Service Orders – November 2025

### Tag Breakdown:

Total: **115** Consumer: 41 Office: 74

<u>Type</u>	<u>Nov-25</u>	<u>Nov-24</u>	<u>Added Notes</u>
<b><u>Billing</u></b>			
High Bill	<u>6</u>	<u>3</u>	
<b>Total</b>	<b>6</b>	<b>3</b>	
<b><u>Meter Replacement</u></b>	<u>35</u>	<u>62</u>	
<b>Total</b>	<b>35</b>	<b>62</b>	
<b><u>No-Water</u></b>	<u>0</u>	<u>3</u>	
<b>Total</b>	<b>0</b>	<b>3</b>	
<b><u>Leak</u></b>			
Consumer	46	86	
District	<u>4</u>	<u>4</u>	
<b>Total</b>	<b>50</b>	<b>90</b>	
<b><u>Check Pressure</u></b>	<u>2</u>	<u>1</u>	
<b>Total</b>	<b>2</b>	<b>1</b>	
<b><u>Turn Off / On</u></b>	<u>13</u>	<u>18</u>	
<b>Total</b>	<b>13</b>	<b>18</b>	
<b><u>Other</u></b>	<u>9</u>	<u>24</u>	
<b>Total</b>	<b>9</b>	<b>24</b>	
<b><u>TOTAL FOR MONTH:</u></b>	<b><u>115</u></b>	<b><u>201</u></b>	<b><u>-43%</u></b>

### Bill Adjustments Under Board Policy:

#### November 25 vs. November 24

Nov-25	12	\$5,163
Nov-24	37	\$11,682

#### Fiscal Year vs Prior FY

FY 25/26	108	\$45,037
FY 24/25	162	\$54,422

**Eel-Russian Project Authority  
Round Valley Indian Tribes  
County of Sonoma  
Mendocino County Inland Water and Power Commission  
Sonoma County Water Agency**

Response to UNWON Blog (12/5/25), “NO DAMS, NO WATER: Round Valley Indian Tribes attorney says Two-Basin Solution water diversions to Sonoma and Mendocino ‘will stop’”

**Summary:** Pacific Gas and Electric Company (PG&E) made a business decision to retire the Potter Valley Project, which it owns and has operated for power. It concluded that the project is no longer a cost-effective power supply for its customers. Although PG&E and the Federal Energy Regulatory Commission (FERC) solicited entities to take over the project, none stepped forward to assume the costs and risks of ownership. As a result, PG&E must decommission the project, as the only remaining lawful choice under the Federal Power Act. Regional partners are pursuing the New Eel-Russian Facility to protect Eel River and Russian River fisheries and continue the water supply diversion into the Russian Basin, concurrent with PG&E’s decommissioning.

UNWON published statements without the full context of a presentation given to the Round Valley Indian Tribes and relied on selected excerpts that resulted in misinformation. This response corrects the blog post’s inaccuracies and offers clarifying information.

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**Claim: “Diversions must stop if salmon decline for any reason ... Round Valley can end diversions every five years.”**

This is not what the Water Diversion Agreement says. There is no automatic termination of Eel River diversions through the New Eel-Russian Facility tied to decline of salmon in the Eel River, nor does the agreement give Round Valley Indian Tribes unilateral authority to terminate diversions. Rather, the five-year review cycle is a standard science-based assessment of habitat conditions, water quality, and fish passage to determine whether water diversion operations are performing as expected. If concerns arise, the remedy is adaptive management and potential adjustment to diversion timing through a shared, multi-party process that includes state and federal agencies. Dispute resolution is structured and collaborative, and performance reviews do not nullify the investment or halt operations. The purpose of the framework is to protect fisheries while maintaining a reliable, long-term diversion.

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**Claim: “No dams, no water. Diversions will stop.”**

The Two-Basin Solution does not stop diversions; it provides a contractually binding way for them to continue, preventing the complete loss of the diversion.

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**Claim: “The Two-Basin Solution is checkmate. The end of Potter Valley.”**

The Two-Basin Solution, as implemented through the Water Diversion Agreement, specifically

provides for continued diversions into the Russian River and the work that Mendocino County Inland Water and Power Commission is doing will bring additional storage online to benefit Potter Valley and the greater Russian River watershed.

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**Claims: “Communities will not receive summer water at all ... Diversions only in winter, and only in good rain years.”**

The shift to seasonal diversion is intended to prevent harm to fisheries, but it does not eliminate summer water. Diversions are not limited to winter under the Water Diversion Agreement; instead, the agreement’s diversion criteria ensure diversions occur when flows are sufficient for fish passage. Extensive modeling shows average annual diversion volumes sent to storage of about 30,000 acre-feet with water available for diversion in most year types. With the construction of additional storage infrastructure, greater volumes of Eel River water could be successfully stored, allowing storage beyond 30,000 acre-feet per year on average.

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**Claim: “Round Valley lacks connection to the Upper Eel basin.”**

The proximity of the Round Valley Indian Tribes’ Reservation lands to Scott Dam is not a relevant factor. Round Valley Indian Tribes have a time immemorial presence in the Eel River basin and have relied on the Eel River and its fishery for subsistence, cultural, recreational and economic purposes since time began.

---

**Claim: “Counties must raise \$25 million or diversions stop in 30 years.”**

The \$25 million fundraising target is part of a broader Eel River restoration commitment made by all the parties to the Water Diversion Agreement collectively, not just the counties. The first \$9 million of the \$25 million goal has already been committed. If the target is not fully met, the Water Diversion Agreement allows the parties to adjust terms or negotiate extensions, it does not end diversions after 30 years.

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**Claim: “The Two-Basin Solution ends Potter Valley agriculture.”**

The Two-Basin Solution is the only way irrigated agriculture will survive in Potter Valley. Technical analysis shows that with the New Eel-Russian Facility and the water available because of the Water Diversion Agreement, plus additional local storage, conjunctive groundwater use, efficiency projects and system improvements, Potter Valley agriculture will remain viable.

For more information visit [eelrussianauthority.org](http://eelrussianauthority.org).

# Water storage plan sought before loss of PG&E dam

Flow boosts supplies for Russian River and Marin



Scott Dam at Lake Pillsbury in Lake County. Owner Pacific Gas & Electric Co. is seeking federal approval to decommission the dam and the connected hydropower project that for more than a century has funneled Eel River flows. Kent Porter — The Press Democrat





Water from the Eel River collects at the Van Arsdale Reservoir and flows over the Cape Horn Dam. A percentage of the water is redirected through a diversion tunnel, at the building in the background, to the Potter Valley Powerhouse and east fork of the Russian River. Christopher Chung — The Press Democrat

**BY AMIE WINDSOR**

**THE PRESS DEMOCRAT**

The daunting question faced for years now by a small farming valley in Mendocino County is where it will turn to for irrigation water once the Lake County dam that impounds its main source, Lake Pillsbury, comes down.

Owner Pacific Gas & Electric Co. is seeking federal approval to decommission the dam and the connected hydropower project that for more than a century has funneled Eel River flows through a mountain tunnel into canals that feed Potter Valley, and eventually emptying into the Russian River, boosting its supplies for downstream users, including in Marin County.

As expected, once Scott Dam is gone along with its downstream waterworks — a removal project PG&E estimates to cost \$500 million — Potter Valley growers, ranchers and residents worry they could be left high and dry.

Officials in Mendocino and Sonoma counties have been working on backup storage options to avoid that scenario and sustain the valley's \$35 million agricultural output, the lifeblood of its rural community.

At a meeting in Ukiah on Monday, they unveiled some of the early concepts, little more at this stage than just "cartoon drawings," as Tom Johnson, engineering consultant with the Mendocino County Inland Water and Power Commission, or IWPC, acknowledged at the meeting.

The federal decommissioning process is not a fast one, and any dam removal project, should it be approved, is likely years away.

But building new water storage in California is not easy or cheap.

"We need to figure out storage before Scott Dam goes away and before we have little water," said Scott Shapiro, legal counsel with the commission, the joint powers entity that oversees water use and quality in the Eel and Russian River watersheds.

The infrastructure at issue actually consists of two dams — Scott and the smaller Cape Horn Dam at the foot of a holding reservoir downstream — plus the idled 117-year-old powerhouse fed by the diversion tunnel between the two watersheds. The shorthand name for it all is the Potter Valley Project, and PG&E began taking steps in 2019 to abandon it.

Under a historic agreement reached early this year involving tribes, local governments, environmental interests and water entities, both dams are set to come down. It would be the nation's next big dam removal project, freeing up the headwaters of California's third longest river to help revive its troubled salmon and steelhead trout runs.

Officials said this week that any demolition date is likely at least six years out.

Some area residents and dam removal opponents, including many Lake Pillsbury property owners, are determined to halt that work and reverse those plans. They continue to press the Trump administration to intervene and are holding a 9 a.m. campaign event Saturday at the high school in Cloverdale.

Todd Lands, the city's mayor and a candidate for Sonoma County supervisor next year, has emerged as a leading figure in that pressure campaign.

"Let your voice be heard! We will be there to answer questions about how this affects everyone in our region!" Lands said in a Facebook post.

Others say they see the writing on the wall and that such efforts are a waste of time and energy.

"We need to support, not prevent the decommissioning ... to ensure diversions continue," Shapiro, the water commission attorney, said during the workshop Monday at the Ukiah

Valley Conference Center.

## **LINK WATERSHEDS**

About 100 people attended the meeting, and dozens more followed the discussion online.

Johnson, the water commission engineer, explained some of the work already going into how to capture and sustain the supplemental flows that come from the Eel River into the Russian River system, which provides water to 700,000 residents, plus vineyards, farms and ranches, stretching from Ukiah to northern Marin.

Over the past two years, officials from the IWPC, Sonoma Water, the region's dominant water wholesaler, as well as the Eel Russian Project Authority — the joint powers entity that will be responsible for managing future water diversions — have forged ahead with planning for a future without the dams.

Doing so requires two major efforts: ensuring diversions continue as called for under the historic pact once the Cape Horn Dam is gone; and adding enough storage options for that diverted water to make up for the loss of storage once Scott Dam is torn down and Lake Pillsbury is drained.

The first effort, the new diversion plumbing and framework for when flows can be pulled from the Eel into the Russian River, is further along. Sonoma Water expects to use the current diversion tunnel and construct a new water pump facility as Cape Horn Dam comes down.

“We are trying to coordinate with PG&E,” said Sonoma Water Environmental Resources Manager David Manning. “We don’t want to have a gap in time where we can’t divert. We are very aware that any gap in time is akin to a ‘no diversion’ scenario. We want to minimize that.”

The diversions would occur only during high-flow periods, and max out at roughly 30,000 acre-feet annually. (An acre-foot is equivalent to the amount of water needed to flood most of a football field 1 foot deep, and can supply the needs of three water-efficient households for a year.)

“The pumping rules lay out a schedule of how the flow can be diverted seasonally to protect the fish,” Manning said.

That new framework has alarmed farmers and residents along the upper Russian River, who are used to relying on year-round diversions from the Eel, and at historically higher annual average volumes.

Manning, a longtime Sonoma Water official and fisheries biologist who now leads the newly formed Eel-Russian Project Authority, said while he understands concerns about the loss of

dry-season diversions, the new waterworks and rules governing how they are used are the best option for a future without PG&E's equipment in place.

Without the new waterworks, diversions would be "about half of what they currently are," he said. "Diversions haven't been that low except in the very depths of the worst droughts."

## **STORAGE OPTIONS**

Going forward, because year-round Eel River diversions are set to be phased out, expanded water storage is seen as critical by most interests who rely on those flows in Potter Valley and the upper Russian River watershed.

Engineering teams, including outside experts hired by the IWPC, are in the early stages of exploring a range of options for Potter Valley, where irrigation supports about 2,300 acres of cropland.

The engineers have pinpointed six options so far to replace between 30,000 and 60,000 acre-feet of water typically held in Lake Pillsbury.

While none of the proposed options are a "silver bullet," said Johnson, some could store more water than Potter Valley Irrigation District customers could use, providing benefits for customers downstream.

One concept — an enlarged network of storage ponds — is already in place in Potter Valley. Farmers have built 55 water storage ponds, capable of holding 775 acre-feet of water over 125 acres of land.

Johnson estimates the valley needs at least 5,000 acre-feet of additional storage capacity. To get there, storage ponds would need to cover another 500 acres, eventually accounting for 10% of valley floor space.

The estimated cost for additional storage ponds ranges from \$15 million to \$28 million, which does not account for the cost of the distribution systems eventually needed to fill and drain the ponds.

Another potential project for the valley would rely on storing more water underground in a method known as groundwater recharge. The number of wells in the valley would grow about five-fold to tap into the 3,500 acre feet of groundwater made available each year.

That project could cost between \$19 million and \$22 million, plus the expense of more pipes to expand what's already in place, Johnson said.

While grants and federal funding are available for both projects, much of the cost would likely go back to Potter Valley Irrigation District ratepayers. Potter Valley irrigators pay \$35 (general delivery) per acre foot per year for water or \$125 to \$175 for so-called garden rate users, according to district documents.



## OFFSET LOST DAMS

Another option floated Monday is adding new storage — in the form of dams — along tributaries.

Two streams within Potter Valley, Busch and Boyes creeks, could be candidates, according to Johnson, who said they would add storage equivalent to up to 25,000 acre feet.

Another idea would involve carving a small reservoir, impounded by a new dam, in the lower portion of Potter Valley, Johnson said. The reservoir could span about 60 to 640 acres, he said.

Still, both options involving dams would be costly — running between \$115 and \$250 million — and highly difficult to permit, he added.

Another option, Johnson said, would be to build a pump station and 10-mile pipeline extending north from Lake Mendocino to Potter Valley. The pipe project could be designed to divert 10,000 acre feet of water from Lake Mendocino to Potter Valley each year.

Such projects are fairly straightforward from an engineering standpoint — Shapiro pointed to recycled water pipelines built in cities like Eureka and Healdsburg — but water rights could prove a sticking point.

“All the current storage is fully subscribed,” Johnson said of the supplies captured by Lake Mendocino. “That’s a big problem.”

That hurdle could be addressed by another concept already under federal study: raising the height of Coyote Dam, which impounds Lake Mendocino. That would allow the reservoir to store more supplies, possibly equivalent to the amount needed and controlled by Potter Valley irrigators.

Monday’s workshop prompted several overriding questions: How do such concepts move from the drawing board to execution? Who pays for them? And who stands to lose land, should that come to pass?

Those unknowns spurred some in the audience to speak out, pressing key officials with their concerns.

Johnson acknowledged the uncertainties still dominating the discussion. But, he added, now is the time to “prioritize what is needed.”

# Novato appoints new member for vacant City Council seat



Sandeep Karkal, general manager of the Novato Sanitary District, stands by a settling tank in Novato. Karkal was appointed to fill a vacant seat until an election is held. Alan Dep — Marin Independent Journal, FILE

**BY CALLIE RHOADES**

[CRHOADES@MARINIJ.COM](mailto:CRHOADES@MARINIJ.COM)

The Novato City Council has appointed a new member to fill a vacant seat until an election is held.

Sandeep Karkal, general manager of the Novato Sanitary District, was selected to fill the seat previously held by Mark Milberg, who died in October.

“I am just truly humbled by the confidence people seem to express in my ability to be on the council,” Karkal said.

The seat represents District 5, which includes the Hamilton neighborhood and parts of southern Novato.

The council interviewed four candidates during a special meeting Wednesday before selecting Karkal. He will serve an 11-month term until the November 2026 election.

Three out of the four council members expressed initial support for Karkal.

“The community has a strong relationship with him already,” Mayor Tim O’Connor said at the meeting. “In my opinion he’s ready to step in and serve our community and District 5 and his strengths would make us stronger as a council.”

“I think Sandeep will come in and be able to contribute and represent his constituents in a really positive manner right off the bat,” said Mayor Pro Tem Rachel Farac.

Councilmember Kevin Jacobs agreed.

Susan Wernick, a former council member, also shared her support for Karkal during the public comment period, saying his experience made him well-suited to jump swiftly into the short-term role.

Councilmember Pat Eklund initially supported candidates Bradley Wright and Sean Gentry, but later endorsed Karkal.

“I will support the motion because I think it’s really important for us to be united,” said Eklund. “I have worked with Sandeep. I know we will all work together well.”

Karkal was sworn in after the meeting. He has been a Novato resident and employee of the Novato Sanitary District since 2004. Homelessness, housing affordability and flooding in District 5 are some of the key issues he said he hopes to focus on while on the council.

Marie Hoch, president of the Hamilton Field of Marin Association, wrote to the council to express her support for Karkal, citing the flooding issue in particular.

“We have already had one preventable flood in Hamilton,” she said. “Sandeep is willing to help make sure we are prepared for the future. He understands pumps, drainage, levees, etc. The Sanitary District has all those things at a much larger scale than Hamilton.”

Karkal said he intends to run for the seat in the upcoming general election and leaves it “up to the universe and the voters” to determine whether he should continue in the role.

“I know that there are a lot of community issues out there right now,” he said. “What I’m hoping is that by working with the City Council members that we can get on a path that at least points to a good solution down the road. If we solve the problems, great, but I’d at least like to get us on a path where we have a solution that works for most, if not all, people.”



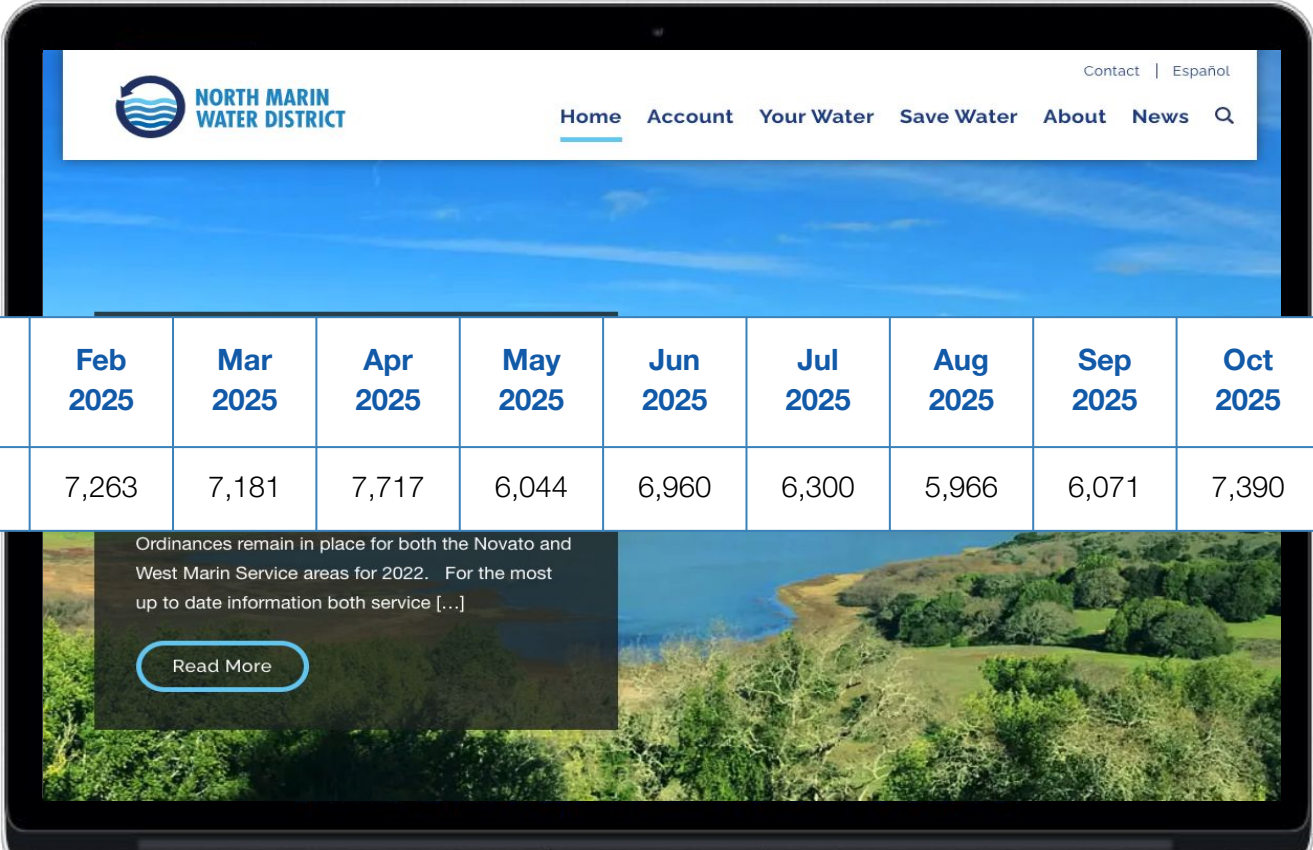
**NORTH MARIN  
WATER DISTRICT**

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# **Web & Social Media Report**

November 2025

# Website Statistics



## Social Media Followers

	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025
 Facebook Followers	2,764	2,785	2,795	2,808	2,817	2,826	2,842	2,867	2,883	2,905	2,926
 X (Twitter) Followers	124	121	121	120	121	122	122	122	121	123	125
 Instagram Followers	965	977	977	980	986	985	990	1,003	1,007	1,015	1,018



## NMWD Most Visited Pages

Pages	Views
<a href="#">Home</a>	3,624
<a href="#">Online Billing</a>	2,393
<a href="#">Weather &amp; Production Statistics</a>	722
<a href="#">My Water Usage (WaterSmart Portal)</a>	612
<a href="#">What Is An Acre Foot?</a>	252
<a href="#">Contact</a>	184
<a href="#">Employment Opportunities</a>	183
<a href="#">Meetings 2025</a>	157
<a href="#">Human Resources</a>	137








## November Social Media Highlights | Facebook

**North Marin Water District**  
Published by Hootsuite · 1 November ·

Customers are welcome and encouraged to attend North Marin Water District's board meeting next Tuesday. See the agenda here: [nmwd.com/meetings](https://nmwd.com/meetings)

**Board of Directors Meeting**

Wednesday,  
November 5th  
4:00pm

  
NORTH MARIN  
WATER DISTRICT

69 people reached | 1 engagements

**North Marin Water District**  
Published by Hootsuite · 3 November at 17:25 ·

Daylight Saving Time ended this weekend! 🕒 Now that your clocks have rolled back, take a moment to adjust your irrigation or smart controller for shorter, cooler days, ... [See more](#)




  
NORTH MARIN  
WATER DISTRICT

152 people reached | 2 engagements

**North Marin Water District**  
Published by Hootsuite · 5 November at 16:01 ·

Extra, extra! 📰 The latest Digital Waterline newsletter is available on our website! Stay updated on local water projects, rebates, and conservation tips: [nmwd.com/wate...](https://nmwd.com/wate...) [See more](#)



**Fall Waterline**

Now available online.

75 people reached | 1 engagements

*Engagements include likes, reactions, clicks and comments*







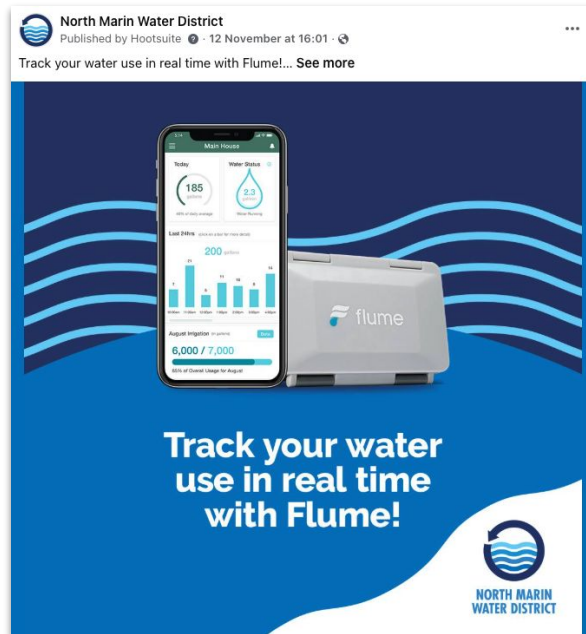
## November Social Media Highlights | Facebook



101 people reached | 3 engagements



82 people reached | 1 engagement



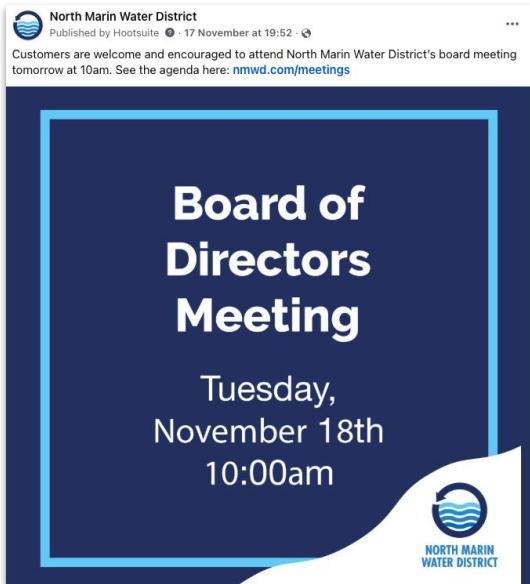
450 people reached | 33 engagements

*Engagements include likes, reactions, clicks and comments*





## November Social Media Highlights | Facebook



78 people reached | 5 engagements



88 people reached | 3 engagements



159 people reached | 8 engagements

*Engagements include likes, reactions, clicks and comments*





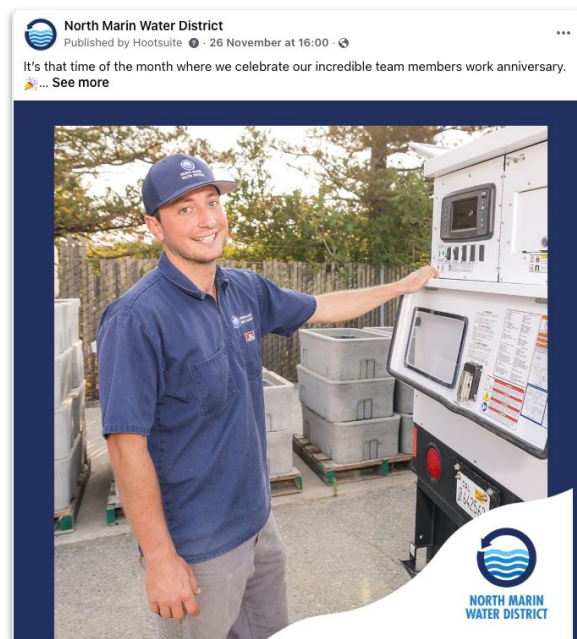
## November Social Media Highlights | Facebook



191 people reached | 3 engagements



136 people reached | 7 engagements



352 people reached | 12 engagements

*Engagements include likes, reactions, clicks and comments*



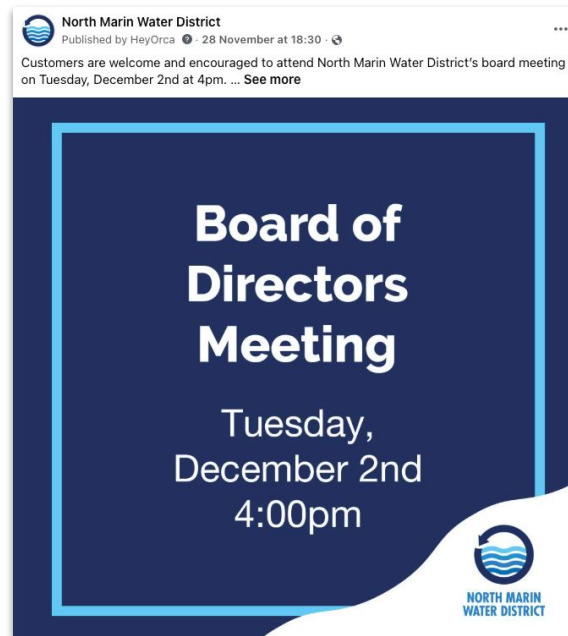




## November Social Media Highlights | Facebook



88 people reached | 7 engagements



112 people reached | 2 engagements

*Engagements include likes, reactions, clicks and comments*





## November Social Media Highlights | Instagram

 North Marin Water District 



**North Marin Water District**

Nov 19, 2025 5:00 PM

Did you know? The Crest Pump Station helps move millions of



0	12	0
Comments	Likes	Saves

0	75	208
Shares	Reach	Views

12
Engagement



**North Marin Water District**

Nov 26, 2025 7:00 AM

It's that time of the month where we celebrate our incredible team



0	11	0
Comments	Likes	Saves

0	95	175
Shares	Reach	Views

11
Engagement



**North Marin Water District**

Nov 21, 2025 12:00 PM

Did you know, we offer rebates of \$0.75 per gallon of storage (up to



0	4	0
Comments	Likes	Saves

0	58	125
Shares	Reach	Views

4
Engagement

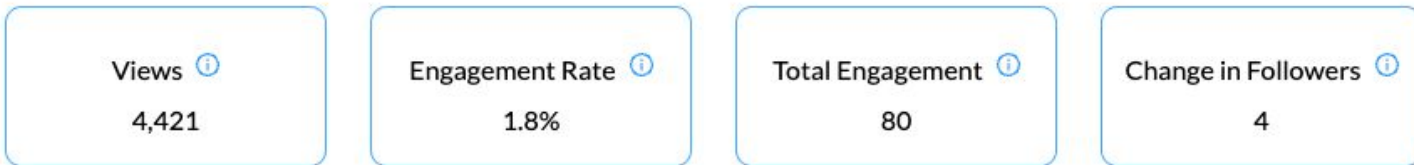




# November Social Media Highlights | Instagram

## Profile Overview

### Key Performance Metrics



## Post Performance Overview

### Key Performance Metrics





## November Social Media Highlights | X (Twitter)

 North Marin Water District 



**North Marin Water District**

Nov 18, 2025 9:00 AM

Thinking about transforming your lawn? Our Cash for Grass rebate



0

Likes

13

Impressions

0

Reposts



**North Marin Water District**

Nov 17, 2025 10:52 AM

Customers are welcome and encouraged to attend North Marin

**Board of Directors Meeting**

Tuesday, November 18th  
10:00am

0

Likes

10

Impressions

0

Reposts



**North Marin Water District**

Nov 12, 2025 7:01 AM

Track your water use in real time with Flume! We have a limited



**Track your water use in real time with Flume!**

0

Likes

24

Impressions

0

Reposts





## November Social Media Highlights | X (Twitter)

### Overview

#### Key Performance Metrics

Total Engagements ⓘ

0

Likes ⓘ

0

Reposts ⓘ

0

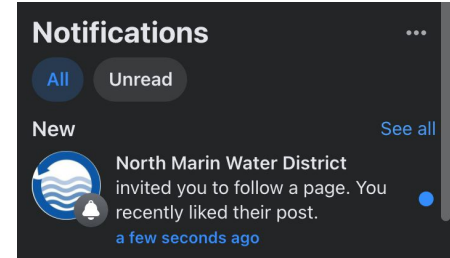
Change in Followers ⓘ

2





# Facebook Likes Campaign - November Report




We are running an evergreen ad which encourages customers in the NMWD service areas to 'like' (follow) the NMWD Facebook page. We selected images that have historically performed the best to drive more likes.

<b>Spend in November 2025</b>	<b>Reach</b> (Number of people who saw the ad)	<b>Impressions</b>	<b>Results</b> (New Page Likes)	<b>Cost Per New Page Like</b>
\$44.73	1,464	2,567	22	\$2.03

*This month, we were able to reach almost **1,500** people with the Likes Campaign*



## What's Next?

- Kiosk is working on a new social campaign highlighting the facilities around Novato.
  - Kiosk to continue with the social campaign on drought tolerant plants featured in the new demonstration garden at the NMWD office.
  - Social media posts will also feature national holidays, winter water savings tips & resources, employees on their work anniversaries, as well as highlight outdoor rebates.
  - Kiosk to incorporate new photos and videos from NMWD in the upcoming months.
- 



**Thank You**