Date Posted: 11/24/2026

NORTH MARIN WATER DISTRICT
AGENDA - REGULAR MEETING
December 1, 2026 – 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	
	CALL TO ORDER	
1.	***SPECIAL RECOGNITION OF DIRECTOR RICK FRAITES***	
	Approve: Resolution of Appreciation for Director Rick Fraites	**Resolution**
2.	***RECESS***: 15 minutes for ceremonial event	
3.	***RECONVENE:*** Reconvene as the Board of Directors	
4.	***GENERAL MANAGER'S REPORT***	
5.	***OPEN TIME: (Please observe a three-minute time limit)***	

This section of the agenda is provided so that the public may express comments on any issues not listed on the agenda that are of interest to the public and within the jurisdiction of the North Marin Water District. When comments are made about matters not on the agenda, Board members can ask questions for clarification, respond to statements or questions from members of the public, refer a matter to staff, or direct staff to place a matter of business on a future agenda. The public may also express comments on agenda items at the time of Board consideration.

6. ***STAFF/DIRECTORS REPORTS***

CONSENT CALENDAR

The General Manager has reviewed the following items. To his knowledge, there is no opposition to the action. The items can be acted on in one consolidated motion as recommended or may be removed from the Consent Calendar and separately considered at the request of any person.

7. ***Consent - Approve***: Minutes from Regular Meeting, November 17, 2026

ACTION CALENDAR

8. ***Approve:*** Accept FY 2025/2026 (FY 25/26) Annual Comprehensive Financial Report (ACFR) and Management Report

INFORMATION ITEMS

9. General Manager Annual Evaluation Process

10. ***NEWS AND MISCELLANEOUS REPORTS***
Disbursements – Dated November 5, 2026
Disbursements – Dated November 19, 2026
Disbursements – Dated November 24, 2026
Monthly Progress Report – October
Auditor-Controller's Monthly Report of Investments for October 2026
WAC/TAC Draft 2027 Meeting Schedule
NOAA Three-Month Outlook Precipitation Probability
Sonoma Water – Water Transmission System Status Update
ACWA Outreach Letter

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

Date Posted: 11/24/2026

Item **Subject**

S&P Global NMWD 2026 Ratings Letter
S&P Global NMWD 2026 Rating Report
Elsinore Valley Municipal Water District – Petition for Review

News Articles:
Marin IJ – SoCal floods show threat El Nino poses for California
Marin IJ – King tides: An informal term that has West Coast on alert
Marin IJ – All elected boards should have term limits
Marin IJ – California is lacking critical data on water supplies

Social Media Posts:
NMWD Web and Social Media Report – October 2026

11. ***ADJOURNMENT***

1

NORTH MARIN WATER DISTRICT

MEMORANDUM

To: Board of Directors Date: December 1, 2026

From: Tony Williams, General Manager

Subject: Resolution of Appreciation for Director Rick Fraites
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RECOMMENDED ACTION: Board Approve the Resolution of Appreciation for Rick Fraites

FINANCIAL IMPACT: None

Director Rick Fraites did not seek another term as a North Marin Water District Director for the November 2026 general election. Tonight represents is last Board of Directors Meeting after 23 years of service to the North Marin Water District. It is therefore appropriate to convey appreciation for Director Fraites' years of service to the District and adopt the attached resolution of appreciation. It is customary for the Board President to read aloud the resolution.

RECOMMENDATION:

Board adopt the resolution of appreciation for Director Rick Fraites for his years of service to the North Marin Water District.

ATTACHMENT

1. Resolution of Appreciation for Rick Fraites.

RESOLUTION 26-11

NORTH MARIN WATER DISTRICT

RESOLUTION OF APPRECIATION TO RICK A. FRAITES

WHEREAS:

- Rick Fraites was elected to the Board of Directors of North Marin Water District on November 4, 2003 and has served continuously for the past 23 years as a member of the Board of Directors.
- Rick Fraites served as President of the Board during the following periods: 2008, 2013, 2018, and 2023.
- Director Fraites has served diligently and conscientiously on the Board of Directors as the District met the needs of the Novato and West Marin communities which benefited significantly from his accumulated community service experience, awareness of environmental issues as well as his honesty, commitment, and collaboration.
- Director Fraites served as the District's representative on the North Bay Watershed Association since 2004 and continued through the end of his tenure in 2026.
- Director Fraites saw the continued growth of the District's highly regarded water conservation program and supported various programs to cost effectively and efficiently conserve water while maintaining a reasonable cost of service.
- Director Fraites ably represented the District on the Marin-Sonoma Water Coordination Committee from 2023 to 2026 during difficult discussions regarding regional water supplies and the effects on Marin County.
- During his tenure, Director Fraites has contributed to the District's core mission and financial strength with a focus on customer satisfaction and community benefits. As a result of his efforts, the District provides high quality water, environmental stewardship and value to its customers.

THEREFORE, BE IT RESOLVED:

That the Board of Directors of North Marin Water District hereby expresses its sincere appreciation and commends Rick Fraites for his years of devoted public service and his invaluable and numerous contributions to North Marin Water District and its customers; and

BE IT FURTHER RESOLVED:

That the Board of Directors, on behalf of the staff, officers and Directors of the North Marin Water District, extend their good wishes to Rick Fraites's for many happy and productive years filled with all the good things of life.

Dated at Novato, California

_____

_____
Kenneth Eichstaedt, President
North Marin Water District

* * * * *

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 _____ day of _____, 2026 by the following vote:

AYES:
NOES:
ABSTAINED:
ABSENT:

_____
Eileen Mulliner, District Secretary
North Marin Water District

(SEAL)

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NORTH MARIN WATER DISTRICT
NORTH MARIN WATER DISTRICT FINANCING AUTHROITY
MINUTES OF REGULAR JOINT MEETING
OF THE BOARD OF DIRECTORS
NOVEMBER 17, 2026

CALL TO ORDER

President Eichstaedt 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, AGM/Director of Engineering Eric Miller, Director of Administrative Services Julie Blue, and Executive Assistant/District Secretary Eileen Mulliner.

Staff members Tim Kennedy, Director of Operations, Chris Kehoe, Director of Utilities, Nancy Williamson, Vincent Verissimo, and Lia Solar were also in the audience.

Craig Hill NHA Advisors and David Fama of Jones Hall (Bond Counsel) were also in attendance. Customer Laurie Williams was also in attendance.

APPROVE: MINUTES FROM REGULAR MEETING, NOVEMBER 3, 2026

On the motion of Director Joly, seconded by Director Fraites, the Board approved the Minutes from the Regular Meeting, November 3, 2026 by the following vote:

AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle
NOES: None
ABSENT: None
ABSTAIN: None

OPEN TIME

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

ACTION CALENDAR

APPROVE: APPROVAL OF THE RESOLUTION OF NORTH MARIN WATER DISTRICT AUTHORIZING AN INSTALLMENT SALE FINANCING, AND RELATED DOCUMENTS AND ACTIONS FOR CAPITAL IMPROVEMENT PROJECTS

Tony Williams introduced Craig Hill of NHA Advisors, the District financial consultant and Daivd Fama of Jones Hall, serving the District as Bond Counsel. Mr. Willimas gave a brief overview and history of the item. He said the North Marin Water District Financing Authority recently received an AA rating from Standard & Poor's (S&P Global) for District revenue bonds. He then turned the floor over to Mr. Hill. Mr. Hill gave an overview of what the resolution was for in relation to the desired water revenue bond sale as well as the related action that will be taken by the Financing

Authority later in the agenda. He noted that the Board was only approving the resolution at this point which authorizes staff to complete the necessary documents for the sale of revenue bonds for the District. The Board had some questions which Mr. Hill, Mr. Fama, and Mr. Williams answered.

On the motion of Director Joly, seconded by Director Baker, the Board approved the Resolution of North Marin Water District Authorizing an Installment Sale Financing, and Related Documents and Action for Capital Improvement Projects by the following vote:

AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle
NOES: None
ABSENT: None
ABSTAIN: None

ADJOURNMENT

President Eichstaedt adjourned the regular Board meeting at 4:29 p.m.

CALL TO ORDER – NORTH MARIN WATER DISTRICT FINANCING AUTHORITY

President Eichstaedt called the North Marin Water District Financing Authority to order at 4:30.

OPEN TIME

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

ACTION CALENDAR

APPROVE: APPROVAL OF THE RESOLUTION OF NORTH MARIN WATER DISTRICT FINANCING AUTHORITY AUTHORIZING AN INSTALLMENT SALE FINANCING, ISSUANCE OF WATER REVENUE BONDS AND RELATED DOCUMENTS AND ACTIONS FOR CAPITAL IMPROVEMENT PROJECTS

On the motion of Director Petterle, seconded by Director Joly, the Board approved the Resolution of North Marin Water District Financing Authority Authorizing an Installment Sale Financing, Issuance of Water Revenue Bonds and Related Documents and Actions for Capital Improvement Projects by the following vote:

AYES: Director(s) Baker, Eichstaedt, Fraites, Joly, and Petterle
NOES: None
ABSENT: None
ABSTAIN: None

ADJOURNMENT

President Eichstaedt adjourned the regular Board meeting of the Financing Authority at 4:32 p.m.

DRAFT

CLOSED SESSION

President Eichstaedt convened the North Marin Water District Board into closed session at 4:45 p.m. to first discuss Closed Session Item #1. This item was anticipated litigation under California Government Code § 54956.9(d)(4), regarding Potter Valley Hydroelectric Project, the PG&E Application for Surrender of License and Application for Non-Project Use of Project Lands and the associated New Eel-Russian Facility (NERF). Note that the Agenda incorrectly referred to this application as a draft when in fact a final application was filed by PG&E in July 2025. In addition to Directors Eichstaedt, Joly, Petterle, Baker, and Fraites, Tony Williams, GM, and Eric Miller, AGM/Director of Engineering, were present, as well as District Legal Counsel attorney Craig Judson of Bold, Polisner, Maddow, Nelson and Judson, and Dustin Cooper of Minasian Law, District Special Counsel who both participated remotely.

Special Counsel Dustin Cooper left the meeting at 5:15 pm. Closed Session Item #2 was then discussed regarding property in Novato owned by a telecommunication company; APNs 160-274-07 and 160-020-15. The discussion was in accordance with California Government Code Section § 54956.8.

OPEN SESSION

Upon returning to regular session at 5:27 p.m., President Eichstaedt reported that, with respect to Closed Session item 1, the Board, upon a motion by Director Joly, seconded by Director Petterle, and unanimously carried, authorized the General Manager to execute an agreement with special counsel for legal services. Upon a motion by Director Joly, seconded by Director Fraites, and unanimously carried, the Board authorized the General Manager to execute a related cost sharing agreement with other public agencies to fund legal services in connection with the matter, and directed Staff, District Counsel, and Special Counsel to take appropriate action. Further details are not being disclosed because public disclosure would prejudice the position of the District in anticipated litigation. President Eichstaedt then stated that there was no reportable actions taken during Closed Session for Item #2.

ADJOURNMENT

President Eichstaedt adjourned the meeting at 5:28 p.m.

Submitted by

Eileen Mulliner
District Secretary

DRAFT

8

NORTH MARIN WATER DISTRICT

MEMORANDUM

To: Board of Directors Date: December 1, 2026

From: Julie Blue, Director of Administrative Services

Subject: Accept Fiscal Year 2025/2026 (FY 25/26) Annual Comprehensive Financial Report (ACFR) and Management Report

T:\AC\Board Reports\Board Memos\2026\ACFR Board Presentation & Approval FY 25.26\Accept FY 25.26 ACFR Board Memo.docx

RECOMMENDED ACTION: Accept FY 25/26 ACFR and Management Report

FINANCIAL IMPACT: Annual audit cost is $29,600

Audit Summary

The Fiscal Year 2025/2026 (FY 25/26) 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 by District staff in collaboration with the auditor. Chris Brown, a partner at C.J. Brown & Company, CPAs, will present the FY 25/26 ACFR (Attachment 1) and the Management Report (Attachment 2).

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, 2026 and 2025, 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 17 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 five pages of the Management Report. The number of adjusting entries decreased from the prior fiscal year from 19 down to 15. The significant adjusting entries were posted for pension adjustments related to the Governmental

Accounting Standards Board Statement 68 (GASB 68), and other post-employment benefit adjustments (OPEB, GASB 75).

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

1) A GASB 68 adjustment to net pension expense of $1,095,629 and a decrease in the Pension Liability of $1,815,228 to $16,387,980.
2) A GASB 75 other post-employment benefits (OPEB) net expenses of $89,126 and an increase in the OPEB Liability of $1,118,771 to $5,446,436.

RECOMMENDATION

Accept Fiscal Year 2025/2026 (FY 25/26) Annual Comprehensive Financial Report (ACFR) and Management Report.

ATTACHMENTS:

1. Draft Annual Comprehensive Financial Report FY 25/26 (ACFR)
2. Draft Management Report FY 25/26
3. CJ Brown & Company CPAs Presentation FY 25/26 (to be provided at the Board meeting)

ATTACHMENT 1



Working Draft Subject to Review

Annual Comprehensive Financial Report

Novato, California
For the fiscal years ended
June 30, 2026 and 2025

NORTH MARIN WATER DISTRICT

NORTH MARIN WATER DISTRICT

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

Working Draft Subject to Review

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

North Marin Water District

Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2026 and 2025

Working Draft Subject to Review

NORTH MARIN WATER DISTRICT
999 Rush Creek Place
Novato, California 94945

Prepared by:
Finance Department
Julie Blue, Director of Administrative Services
Nancy Williamson, Accounting Supervisor
Ling Reilly, Senior Accountant

North Marin Water District
Annual Comprehensive Financial Report
For the Fiscal Years Ended June 30, 2026 and 2025

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Draft Subject to Review

Introductory Section

Working Draft Subject to Review

Working Draft Subject to Review

NORTH MARIN WATER DISTRICT

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

PHONE 415-897-4133
EMAIL info@nmwd.com
WEB www.nmwd.com

December 1, 2026

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, 2026 and 2025 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, 2026, the District employed 58 regular employees, with additional temporary and seasonal employees hired as needed. The District had 59 budgeted full-time positions, including 27 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.

Working Draft Subject to Review

DIRECTORS: JACK BAKER · KEN EICHSTAEDT · RICK FRAITES · MICHAEL JOLY · STEPHEN PETTERLE
OFFICERS: ANTHONY WILLIAMS, General Manager · EILEEN MULLINER, Executive Assistant / District Secretary · JULIE BLUE, Director of Administrative Services · ERIC MILLER, Assistant General Manager / Director of Engineering

District Services, continued

The District provides water service to over 61,000 residents in the greater Novato area through 20,900 potable water service connections and 105 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 804 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 1.8 billion gallons of water in fiscal year 2026 and 2.1 billion gallons of water in fiscal year 2025 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 2026 totaled 25.5" which was about 96% of the historical average annual rainfall.

North Marin's Stafford Lake water treatment plant produced 417 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 183 million gallons of highly treated recycled wastewater to large landscape irrigation customers and commercial car washes in Novato.

A 6.0% rate increase for customers in the Novato service area was authorized by the Board of Directors effective July 1, 2025. The typical Novato detached single-family home uses 73,000 gallons of water a year and costs the customer about $1,040 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. Strengthen Infrastructure Resilience for emergencies and long-term challenges;
2. Foster Organizational Excellence including retaining a high-quality, motivated, and efficient workforce with excellent programs and investments in equipment, technology, and training;
3. Ensure a Resilient Water Supply to address long-term challenges such as drought and climate change;
4. Enhance Customer Understanding & Engagement by increasing communication with customers and ensuring quality service;
5. Optimize Operational Performance Readiness including proactive and cost-effective asset management and operations; and
6. Maintain Effective & Transparent Governance

Working Draft Subject to Review

Accomplishments

The District completed the following projects and accomplishments in fiscal year 2025-26 based on the initiatives listed above:

- Completed the San Mateo Tank Transmission Line along San Mateo Way which replaces the temporary 12-inch connection installed in the 1960s. The upgrade removes a hydraulic bottleneck, improves emergency fire-flow capacity in the San Marin area as well as improved operating energy efficiency.
- Completed key studies for the Novato Water System resulting in the adoption of two critical Plans: the 2025 Urban Water Management Plan, including an updated Water Shortage Contingency Plan; and the 2025 Water System Master Plan which establishes the near and long term capital needs and prioritizes future infrastructure improvements.
- Completed the upgrades to critical Programmable Logic Controllers (PLCs) at the Stafford Treatment Plant to ensure robust communication interfaces between treatment plant operations and equipment.
- Continued work on Lagunitas Bridge Pipeline Replacement. Starting in September 2025, the District installed new valving on each side of the bridge to accommodate the pipeline replacement work. The District and Caltrans are working closely to coordinate each step of the project.
- Continued work on the Stafford Dam Piezometer Automation. The earthen embankment of Stafford Dam contains sixteen monitoring wells known as piezometers that allow District staff to determine subsurface water levels which is important to understanding dam performance. Installing automated sensors in the monitoring wells will provide real-time data as opposed to periodic data collected by hand. Installation was completed in July 2026.
- Implemented the District's 2025-2030 Strategic Plan which is organized around six clear Goals, each supported by practical and measurable actions. The Strategic Plan actions include improvements to day-to-day administration and operations, as well as multi-year initiatives to prepare the District for future challenges.

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 2026 and 2025, 1,280 AF (417 MG) and 948 AF (309 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 42,531 acre-feet in fiscal year 2026.

Working Draft Subject to Review

District Water Supply, continued

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.

During the fiscal years 2026 and 2025, the District received 5,513 AF (1,796 MG) and 6,323 AF (2,060 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.

Working Draft - Subject to Change

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 seventeenth 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 2025 and 2024 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 2026.

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,

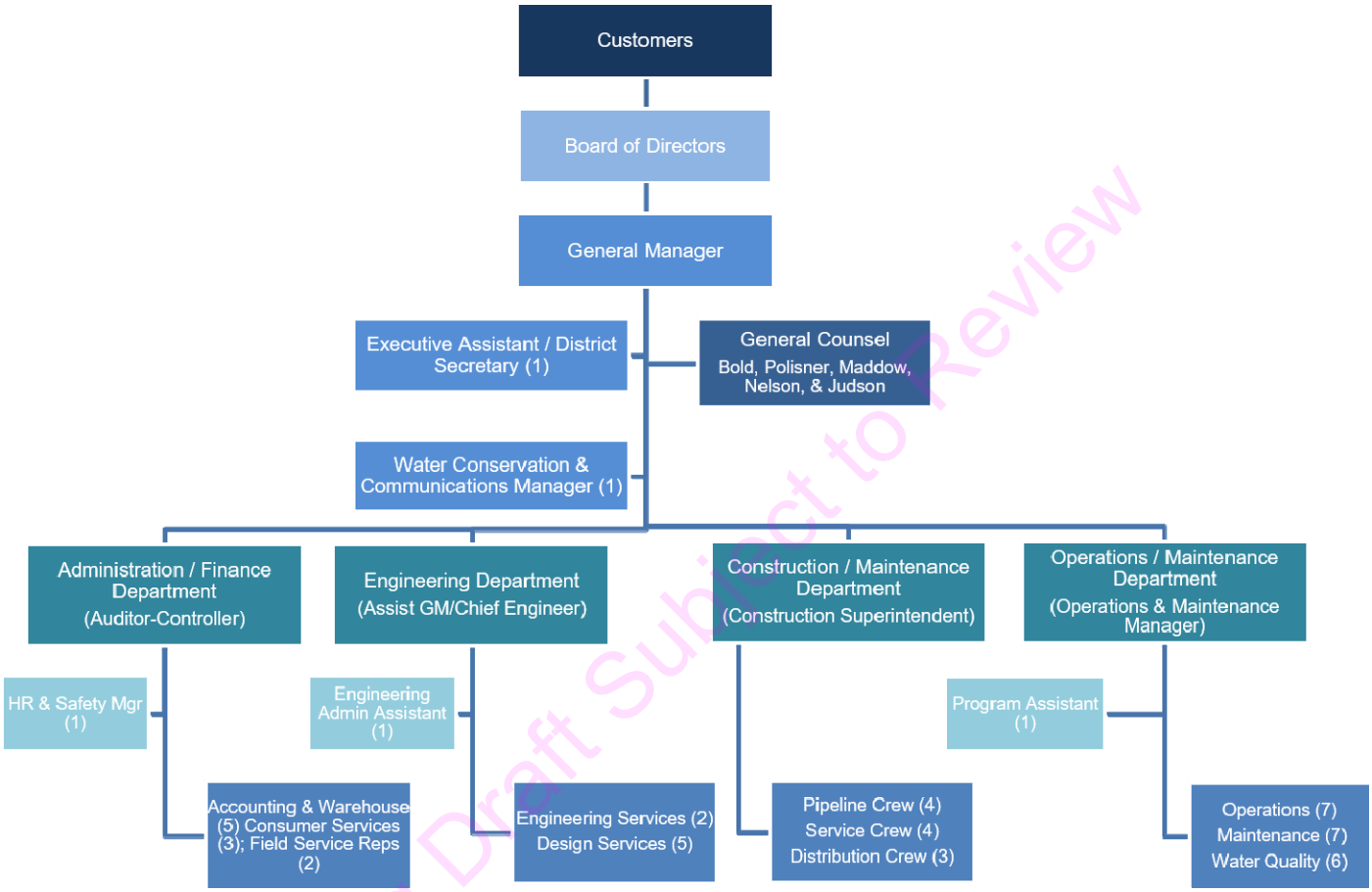
Anthony Williams, General Manager

Julie Blue, Director of Administrative Services

Working Draft Subject to Review

North Marin Water District
Organizational Chart
As of June 30, 2026

Budgeted Full Time Employees (FTE): 58



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*Effective July 1, 2026, the following position titles were changed: Auditor/Controller to Director of Administrative Services; Assistant General Manager/Chief Engineer to Assistant General Manager/Director of Engineering; Construction/Maintenance Superintendent to Director of Utilities; and Operations/Maintenance Manager to Director of Operations.

North Marin Water District
Service Area Map



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, 2025

and issued to the public 177 days after the fiscal year end

Christopher P. Morrill

Executive Director/CEO

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Financial Section

Working Draft Subject to Review

Working Draft Subject to Review

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, 2026 and 2025, 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, 2026 and 2025, 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.

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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 discussed in Note 1 to the financial statements, the District implemented *GASB Statement No. 103, Financial Reporting Model Improvements, and GASB Statement No. 104, Disclosure of Certain Capital Assets, for the fiscal year ended June 30, 2026.* Implementation affected the organization and content of Management's Discussion and Analysis, certain definitions used in the District's proprietary fund financial statements, classification and presentation of operating and nonoperating revenues and expenses, presentation of unusual or infrequent items, certain statistical section presentations, and expanded capital-asset note disclosures. Comparative amounts for 2025 and 2024 have been presented on a consistent basis where required.

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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 22 and the required supplementary information on pages 69 through 71 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 72 through 75, and the statistical section on pages 76 through 90 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 1, 2026, 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 91 and 92.

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C.J. Brown & Company, CPAs
Cypress, California
December 1, 2026

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, 2026 and 2025. 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.

Overview of the Financial Statements

The District's financial report contains basic financial statements. Those financial statements present the District's finances at both an overall and a detailed level. The District accounts for its activities as a single enterprise (proprietary) fund using the economic resources measurement focus and the full accrual basis of accounting. This annual report consists of a series of financial statements.

The Basic Financial Statements

The Statement of Net Position includes all of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. The statement 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.

The Statement of Revenues, Expenses, and Changes in Net Position reports the changes in net position for the year. 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 credit worthiness. In the current year the District implemented GASB 103 – *Financial Reporting Model Improvements*, which modifies this report structure to distinguish between operating revenues and expenses from nonoperating items, and presents two new separate categories: noncapital subsidies and unusual and infrequent items, and requires a subtotal for operating income (loss) and noncapital subsidies before other nonoperating items. Operating revenues arise from exchange transactions that constitute the District's principal ongoing operations, primarily water sales, standby and facility charges, connection fees, and other customer charges. Depreciation of capital assets used in operations is an operating expense. Noncapital subsidies are amounts which subsidize the cost of the service, primarily property taxes and appropriations. Nonoperating items are limited to financing related amounts, disposal of capital assets and inventory, and investment income and expenses. Unusual and infrequent items are those which are either unusual in nature or infrequent in occurrence and require display of both inflows and outflows related to each unusual or infrequent item separately.

The Statement of Cash Flows reports cash from operating, noncapital financing, capital and related financing, and investing activities, as well as providing 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. The remaining basic financial statements present the District's finances in greater detail.

Notes to the Basic Financial Statements

The next section of this financial report contains notes to financial statements, which delve deeper into the District's finances as reported in the financial statements. The information in the notes is as important to understanding the District's finances as the information in the financial statements. The District uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies).

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 28 through 68.

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Overview of the Financial Statements, continued

Financial Summary

- In fiscal year 2026, the District's net position increased 1.4% or $1,870,640 to $134,218,347 due to an operating loss (decrease) of $146,078 from ongoing operations, offset by increases from non-capital subsidies of $154,381, other non-operating revenues, net of expense of $1,454,426, and unusual and infrequent items of $407,911. In fiscal year 2025, the District's net position increased 1.9% or $2,481,838 to $132,347,707 due to an operating loss (decrease) of $570,358 from ongoing operations, offset by increases from non-capital subsidies of $149,358 and other non-operating revenue, net of expense of $2,902,838.
- In fiscal year 2026, the District's total revenues decreased 1.32% or $459,282 to $34,356,574. In fiscal year 2025, the District's total revenues increased 10.8% or $3,396,198 to $34,815,856.
- In fiscal year 2026, the District's operating revenues increased 3.3% or $998,832 to $31,661,804. In fiscal year 2025, the District's operating revenues increased 13.7% or $3,699,845 to $30,662,972.
- In fiscal year 2026, the District's non-capital subsidies increased by 3.4% or $5,023 to $154,381. In fiscal year 2025, the District's non-capital subsidies increased by 2.3% or $3,429 to $149,358.
- In fiscal year 2026, the District's other non-operating revenues decreased by 36.5% or $1,463,137 to $2,540,389. In fiscal year 2025, the District's other non-operating revenues decreased by 7.1% or $307,076 to $4,003,526.
- In fiscal year 2026, the District's total expenses increased 1.7% or $559,827 to $32,893,845. In fiscal year 2025, the District's total expenses increased 16.9% or $4,674,491 to $32,334,018.
- In fiscal year 2026, the District's operating expenses including depreciation and amortization increased 1.8% or $574,552 to $31,807,882. In fiscal year 2025, the District's operating expenses including depreciation and amortization increased 17.9% or $4,753,084 to $31,233,330.
- In fiscal year 2026, the District's other non-operating expenses decreased by 1.3% or $14,725 to $1,085,963. In fiscal year 2025, the District's other non-operating expenses decreased by 6.7% or $78,593 to $1,100,688.
- In fiscal year 2026, the District's unusual or infrequent items increased by 100.0% to $407,911. In fiscal year 2025, the District's reported no unusual or infrequent items.

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.

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Detailed Analysis

Statements of Net Position

Below is a summary of the statements of net position, and presents a comparison between June 30, 2026, 2025, and 2024.

Condensed Statements of Net Position

	2026	2025	Change	As Restated 2024	Change
Assets:					
Current assets	$ 23,590,619	26,615,332	(3,024,713)	35,736,171	(9,120,839)
Non-current assets	6,458,124	6,582,169	(124,045)	4,728,756	1,853,413
Capital assets, net	163,084,257	161,220,388	1,863,869	155,093,702	6,126,686
Total assets	193,133,000	194,417,889	(1,284,889)	195,558,629	(1,140,740)
Deferred outflows of resources	5,430,590	5,547,450	(116,860)	7,014,861	(1,467,411)
Liabilities:					
Current liabilities	7,836,863	8,517,846	(680,983)	9,404,723	(886,877)
Non-current liabilities	53,570,466	57,891,789	(4,321,323)	62,186,447	(4,294,658)
Total liabilities	61,407,329	66,409,635	(5,002,306)	71,591,170	(5,181,535)
Deferred inflows of resources	2,937,914	1,207,997	1,729,917	1,116,451	91,546
Net position:					
Net investment in capital assets	128,462,075	122,953,880	5,508,195	116,599,712	6,354,168
Restricted	7,718,470	7,862,799	(144,329)	8,146,966	(284,167)
Unrestricted (deficit)	(1,962,198)	1,531,028	(3,493,226)	5,119,191	(3,588,163)
Total net position	$ 134,218,347	132,347,707	1,870,640	129,865,869	2,481,838

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 $134,218,347 and $132,347,707 as of June 30, 2026 and 2025, respectively.

By far the largest portion of the District's net position (96% and 93% as of June 30, 2026 and 2025, 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 2026 and 2025, the District showed a deficit and positive balance in its unrestricted net position of $1,962,198 and $1,531,028, respectively. See note 13 for further information.

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Detailed Analysis, continued

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, 2026 and 2025.

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

	2026	2025	Change	As Restated 2024	Change
Operations:					
Operating revenues	$ 31,661,804	30,662,972	998,832	26,963,127	3,699,845
Operating expenses	27,056,457	27,153,707	(97,250)	22,340,964	4,812,743
Operating income before depreciation	4,605,347	3,509,265	1,096,082	4,622,163	(1,112,898)
Depreciation and amortization	(4,751,425)	(4,079,623)	(671,802)	(4,139,282)	59,659
Operating loss	(146,078)	(570,358)	424,280	482,881	(1,053,239)
Non-capital subsidies	154,381	149,358	5,023	145,929	3,429
Operating income (loss) and non-capital subsidies	8,303	(421,000)	429,303	628,810	(1,049,810)
Other non-operating revenues	2,540,389	4,003,526	(1,463,137)	4,310,602	(307,076)
Other non-operating expenses	(1,085,963)	(1,100,688)	14,725	(1,179,281)	78,593
Total other non-operating revenues and expenses, net	1,454,426	2,902,838	(1,448,412)	3,131,321	(228,483)
Net income before unusual and infrequent items	1,462,729	2,481,838	(1,019,109)	3,760,131	(1,278,293)
Unusual and infrequent items	407,911	-	407,911	-	-
Change in net position	1,870,640	2,481,838	(611,198)	3,760,131	(1,278,293)
Net position, beginning of year as restated	132,347,707	129,865,869	2,481,838	126,105,738	3,760,131
Net position, end of year as restated	$ 134,218,347	132,347,707	1,870,640	129,865,869	2,481,838

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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 1.4% or $1,870,640 to $134,218,347 due to an operating loss (decrease) of $146,078 from ongoing operations, offset by increases from non-capital subsidies of $154,381, other non-operating revenues, net of expense of $1,454,426, and unusual and infrequent items of $407,911. In fiscal year 2025, the District's net position increased 1.9% or $2,481,838 to $132,347,707 due to an operating loss (decrease) of $570,358 from ongoing operations, offset by increases from non-capital subsidies of $149,358 and other non-operating revenue, net of expense of $2,902,838.

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

In 2026, the District's operating revenues increased 3.3%, or $998,832, to $31,661,804. This increase was primarily attributable to increases of $589,585 in bi-monthly meter service charges and $380,932 in water consumption sales. The increases were primarily driven by rate increases ranging from 6% to 19% across the District's customer base, partially offset by a 3% decline in water consumption compared to the prior year.

In 2025, the District's operating revenues increased 13.7%, or $3,699,845, to $30,662,972. This increase was primarily attributable to increases of $2,495,979 in water consumption sales and $1,218,631 in bi-monthly meter service charges, reflecting average rate increases of approximately 15% across the District's customer base, as well as an increase in water sales volume compared to the prior year.

Detailed Analysis, continued

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

In 2026, the District's non-capital subsidies increased 3.4%, or $5,023, to $154,381, due to an increase in property tax revenues resulting from an increase in assessed property values and County collection efforts.

In 2025, the District's non-capital subsidies increased 2.3%, or $3,429, to $149,358, due to an increase in property tax revenues resulting from an increase assessed property values and County collection efforts.

In 2026, the District's other non-operating revenues decreased by 36.5% or $1,463,137 to $2,540,389. The decrease was primarily attributable to decreases of $1,219,863 in federal, state, and local capital grants, as the related grant funding ended in the prior year; $439,640 in investment earnings, net of fair value adjustments, due to less favorable returns on the District's investment portfolio; $118,250 in connection fees associated with ongoing development projects; $38,475 in Regulation 15 forfeitures, reflecting one year of collections in the current year compared to three years of collections in the prior year; and $30,936 in rental revenue due to the termination of a lease due to sale of the rental property.

These decreases were partially offset by increases of $416,962 in revenues from developers and others, primarily due to the completion of a large housing, children's center, and hotel development projects.

In 2025, the District's other non-operating revenues decreased 7.1%, or $307,076, to $4,003,526. The decrease was primarily attributable to decreases of $898,660 in connection fees, reflecting a reduction in Facilities Reserve charges resulting from changes in the number of new development projects; $573,720 in net investment earnings due to less favorable returns on the District's investment portfolio; and $122,500 in Regulation 15 forfeitures, which represent new development deposits forfeited to the District for use in water conservation programs.

These decreases were partially offset by increases of $763,037 in capital grants related to a FEMA grant for the Oceana Marin treatment pond and $530,357 in developer contributions associated with developer projects that were closed out during the current year.

In 2026, the District's operating expenses, including depreciation expense, increased 1.8%, or $574,552, to $31,807,882. This increase was primarily attributable to higher expenses in the following categories:

- Water treatment expenses increased by $1,029,825, primarily due to a $533,528 increase in actuarially determined pension adjustments, a $302,766 increase in purification chemical purchases for the treatment plant, and a $151,698 increase in labor costs. The increase in labor costs was attributable to additional laboratory staffing and maintenance costs to support higher water production, which increased by 108 million gallons (MG), from 309 MG in 2025 to 417 MG in 2026.
- Transmission and distribution increased $929,857, primarily due to increases of $892,319 in actuarially determined pension adjustments and $38,618 in actuarially determined other post-employment benefit (OPEB) adjustments.
- Depreciation and amortization increased $671,802 due to additional depreciation expense associated with approximately $25.4 million in capital assets placed in service during the prior year.
- Water facilities operations increased $186,208, primarily due to increases of $259,965 in actuarially determined pension adjustments and $111,816 in potable water purchases resulting from disruptions in the recycled water system. These increases were partially offset by a $165,047 decrease in supervision and engineering labor hours compared to the prior year.
- Customer service increased $137,538, primarily due to increases of $98,005 in actuarially determined pension adjustments and $28,447 in billing and online payment processing fees.
- Water conservation increased $98,816, primarily due to increases of $69,709 in actuarially determined pension adjustments and $25,887 in water conservation program hours compared to the prior year.

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Detailed Analysis, continued

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

- Pumping increased $65,294, primarily due to increases of $32,276 in actuarially determined pension adjustments and $26,089 in electricity rates and consumption compared to the prior year.
- Sewage collection and treatment increased $58,940, due to $58,669 in maintenance costs for inspection services of the Oceana Marin Sewer System and repairs to the Dillon Beach sewer system.

These increases in operating expenses were partially offset by decreases in the following categories:

- General and administrative decreased $1,977,796, primarily due to a $1,577,330 decrease in actuarially determined pension adjustments and a $508,894 decrease in office equipment expenses, reflecting prior-year expenditures for non-capitalizable office equipment costs.
- Source of supply decreased $625,932, primarily due to an $809,771 decrease in purchased water costs resulting from lower demand, attributable in part to more favorable climatic conditions. This decrease was partially offset by a $187,565 increase in fines, penalties, and fees resulting from the reclassification of permits and memberships previously reported in the maintenance category.

In 2025, the District's operating expenses, including depreciation expense, increased 17.9% or $4,753,084 to $31,233,330. The increase was primarily attributable to increases in the following categories:

- Source of supply increased $2,355,934, primarily due to an 11.74% increase in water rates charged by the Sonoma County Water Agency and a 7% increase in water consumption.
- General and administrative increased $1,091,166, primarily due to increases of $625,130 in non-capitalizable office equipment costs, $325,075 in actuarially determined pension adjustments, and $208,149 in consulting costs.
- Water facilities operations increased $441,593, primarily due to increases of $335,761 in labor costs, $90,223 in maintenance costs, and $35,486 in actuarially determined pension adjustments.
- Transmission and distribution increased $333,664, primarily due to increases of $239,836 in labor costs, $87,168 in maintenance costs, and $89,435 in actuarially determined pension adjustments.
- Water treatment increased $273,646, primarily due to increases of $218,567 in laboratory labor and services, $94,725 in water quality programs, $77,980 in actuarially determined pension adjustments, and $44,536 in purification expenses. These increases were partially offset by decreases of $91,110 in maintenance expenses and $52,515 in electricity costs.
- Pumping increased $219,378, primarily due to increases of $149,854 in electricity costs resulting from higher utility rates and $65,303 in maintenance expenses.

These increases in operating expenses were partially offset by a decrease of $59,659 in depreciation and amortization related to the maturation of existing capital assets and right-to-use equipment leases.

In 2026, the District's other non-operating expenses decreased by 1.3% or $14,725 to $1,085,963, due primarily to a decrease in interest expense on long-term debt of $84,536 offset by an increase of $65,337 in loss on disposition of assets related to the District's inventory and clean-up of its capital asset ledger.

In 2025, the District's other 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.

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Detailed Analysis, continued

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

In fiscal year 2026, the District's unusual or infrequent items increased by 100.0% to $407,911, primarily due to the $532,827 gain on sale of capital assets related to the sale of the District's rental property offset by a decrease of $124,916 in capital contribution to an outside agency Novato Sanitary District for the purpose of contributing capital toward the recycled water facility expansion project. Please see notes 8 and 18 for further information.

In fiscal year 2025, the District reported no unusual or infrequent items.

Total District Revenues

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

		2026	2025	Change	As Restated 2024	Change
Operating revenues:						
Water consumption sales	$	21,392,935	21,012,003	380,932	18,516,024	2,495,979
Monthly meter service charge		9,521,759	8,932,174	589,585	7,713,543	1,218,631
Sewer service charge		378,066	347,256	30,810	324,264	22,992
Other charges and services		369,044	371,539	(2,495)	409,296	(37,757)
Total operating revenues		31,661,804	30,662,972	998,832	26,963,127	3,699,845
Non-capital subsidies:						
Property tax revenue		154,381	149,358	5,023	145,929	3,429
Total non-capital subsidies		154,381	149,358	5,023	145,929	3,429
Other non-operating revenues:						
Investment earnings, net		771,522	1,211,162	(439,640)	1,784,882	(573,720)
Interest earnings from note receivable – BPGL		9,640	10,030	(390)	10,416	(386)
Interest earnings from loan receivable – MMWD		59,579	66,518	(6,939)	73,271	(6,753)
Interest earnings from leases		9,963	10,878	(915)	11,930	(1,052)
Rental revenue		47,072	78,008	(30,936)	78,577	(569)
Developers and others		1,498,532	1,081,570	416,962	551,213	530,357
Connection fees		97,260	215,510	(118,250)	1,114,170	(898,660)
Capital grants – state and local		17,465	1,237,328	(1,219,863)	474,291	763,037
Gain on sale of capital assets		-	7,352	(7,352)	2,940	4,412
Regulation 15 forfeiture		19,915	58,390	(38,475)	180,890	(122,500)
Other non-operating revenues		9,441	26,780	(17,339)	28,022	(1,242)
Total other non-operating revenues		2,540,389	4,003,526	(1,463,137)	4,310,602	(307,076)
Total revenues	$	34,356,574	34,815,856	(459,282)	31,419,658	3,396,198

In 2026, total revenues decreased $459,282. In 2025, total revenues increased $3,396,198.

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Detailed Analysis, continued

Total District Expenses

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

		2026	2025	Change	As Restated 2024	Change
Operating expenses including depreciation expense:						
Source of supply	$	8,457,292	9,083,224	(625,932)	6,727,290	2,355,934
Pumping		958,423	893,129	65,294	673,751	219,378
Water facilities operations		1,967,087	1,780,879	186,208	1,339,286	441,593
Water treatment		3,984,097	2,954,272	1,029,825	2,680,626	273,646
Transmission and distribution		5,573,066	4,643,209	929,857	4,309,545	333,664
Sewage collection and treatment		334,826	275,886	58,940	277,564	(1,678)
Customer service		731,385	593,847	137,538	533,526	60,321
General and administrative		4,439,443	6,417,239	(1,977,796)	5,326,073	1,091,166
Water conservation		610,838	512,022	98,816	473,303	38,719
Depreciation and amortization		4,751,425	4,079,623	671,802	4,139,282	(59,659)
Total operating expenses including depreciation expense		31,807,882	31,233,330	574,552	26,480,246	4,753,084
Other non-operating expenses:						
Interest expense – long-term debt		1,003,304	1,087,840	(84,536)	1,176,988	(89,148)
Loss on disposition of capital assets		65,337	-	65,337	-	-
Other non-operating expenses		17,322	12,848	4,474	2,293	10,555
Total other non-operating expenses		1,085,963	1,100,688	(14,725)	1,179,281	(78,593)
Total expenses	$	32,893,845	32,334,018	559,827	27,659,527	4,674,491

In 2026, total expenses increased $559,827. In 2025, total expenses increased $4,674,491.

Unusual and Infrequent Items

Below is a detailed schedule of the District's unusual and infrequent items.

		2026	2025	Change	As Restated 2024	Change
Unusual or infrequent items:						
Gain on sale of capital assets	$	(532,827)	-	(532,827)	-	-
Capital contribution to outside agency		124,916	-	124,916	-	-
Total unusual or infrequent items	$	(407,911)	-	(407,911)	-	-

In 2026, the District's unusual or infrequent items increased $407,911. In 2025, the District reported no unusual or infrequent items.

Liquidity and cash flows

Cash and cash equivalents decreased by $4,760,668 to $11,989,247. The District's positive cash position was supported primarily through the District's core water operations. In fiscal year 2026 and 2025, operating activities provided $5,082,059 and $3,011,958, respectively. In fiscal year 2026 and 2025, non-capital financing activities sourcing from property taxes provided $154,381 and $149,358, respectively. In fiscal year 2026, capital and related financing used $9,698,049, reflecting $6,615,294 of capital improvement spending offset by $1,392,977 in subsidies received from capital contributions and connection fees. In fiscal year 2025, capital and related financing used $11,778,397 reflecting $10,206,309 of capital improvement spending offset by $3,004,248 in subsidies received from capital contributions and connection fees. In fiscal year 2026, investing activities provided significantly less cash at $73,768 in the current year as compared to $11,976,921 in the prior year.

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Significant Capital Asset and Long-Term Financing Activity

Changes in capital asset amounts for 2026 were as follows:

		Balance 2025	Additions	Transfers/ Deletions	Balance 2026
Capital assets:					
Non-depreciable assets	$	13,734,875	6,306,470	(13,414,601)	6,626,744
Depreciable and amortizable assets		230,013,777	14,203,642	(2,087,182)	242,130,237
Accumulated depreciation and amortization		(82,528,264)	(4,751,425)	1,606,965	(85,672,724)
Total capital assets, net	$	161,220,388	15,758,687	(13,894,818)	163,084,257

Changes in capital asset amounts for 2025 were as follows:

		Balance 2024	Additions	Transfers/ Deletions	Balance 2025
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		(79,906,708)	(4,079,623)	1,458,067	(82,528,264)
Total capital assets, net	$	155,093,702	31,315,413	(25,188,727)	161,220,388

At the end of fiscal years 2026 and 2025, the District's investment in capital assets (net of accumulated depreciation) totaled $163,084,257 and $161,220,388, 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.

At the end of fiscal year 2026 and 2025, there were no capital assets held for sale, respectively, under the GASB 104 criteria (management decision to pursue a sale that is probable of closing within one year). The District is a lessee under GASB 87 (structures and equipment) and reports a right-to-use lease and equipment and a related lease payable. The District has recognized material lessor lease receivables and related deferred inflows which are reported in note 3. The District did not report any GASB 94 PPP/APA operator assets, or GASB 96 SBITA assets on June 30, 2026 or 2025. No other intangible capital assets (water rights, internally generated software, easements carried as intangibles) required separate display.

See note 8 on pages 44 through 47 for further information.

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Significant Capital Asset and Long-Term Financing Activity, continued

Changes in long-term debt amounts for 2026 were as follows:

		Balance 2025	Additions	Reductions	Balance 2026
Long-term debt:					
Leases payable	$	342,273	-	(140,008)	202,265
Loans payable		37,924,235	-	(3,504,318)	34,419,917
Total long-term debt	$	38,266,508	-	(3,644,326)	34,622,182

The long-term debt position of the District is more fully analyzed in note 10 to the basic financial statements.

In fiscal year 2026, long-term debt decreased by $3,644,326 due to current year scheduled principal payments of $140,008 in financed leases payable, $3,504,318 in regular debt service payments towards loans payable.

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

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

The long-term debt position of the District is more fully analyzed in note 10 to the basic financial statements.

In fiscal year 2025, long-term debt decreased by $3,475,218 due to current year lease additions of $86,250 offset by scheduled principal payments of $144,073 in financed leases payable, $3,417,395 in regular debt service payments towards loans payable.

Currently Known Facts, Decisions, or Conditions

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 periods.

Rates and financial planning

In April 2024, the District completed a comprehensive water rate study for Novato Water and Recycled Water and adopted a new five-year rate schedule. The updated rates were developed to meet projected operating, maintenance, capital improvement funding needs, debt service including coverage targets, capital cost requirements while maintaining adequate reserves. On June 18, 2024, the District adopted Resolution 24-04, an amendment of the District's rate and fee schedule.

In April 2025, the District completed a comprehensive water rate study for West Marin Water and adopted a new five-year rate schedule. The updated rates were developed to meet projected operating, maintenance, capital improvement funding needs, debt service including coverage targets, capital cost requirements while maintaining adequate reserves. On June 17, 2025, the District adopted Resolution 25-03, an amendment of the District's rate and fee schedule.

In June 2025, the District adopted its budget for the fiscal year ending June 30, 2026. The District adopted a balanced budget which provides funding for its water, recycled water, and wastewater operations, infrastructure improvements, equipment purchases, and debt obligations. Management expected to maintain adequate cash reserves while financing substantial infrastructure improvements.

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Currently Known Facts, Decisions, or Conditions, continued

Capital program

In June 2026, the District adopted its latest Five-Year Capital Improvement Program. The District's program prioritizes infrastructure projects systematically, coordinates construction to reduce costs, and preserves existing water infrastructure. Five major categories of key financial and management targets include: addressing aging infrastructure, West Marin's water supply reliability, capital project execution related to monitoring project schedules, costs, permitting, and coordination with Caltrans and Marin County, funding adequacy (rate revenues, reserves, grants, and financing), without placing pressure on customers, Long-term financial planning to balance infrastructure replacement with debt service, operating expenses, and minimum reserve requirements.

Outreach and education

The District continues its outreach to inform customers about water conservation, water quality, water supply reliability, environmental protection, and responsible water use. The District has an established public outreach and education program focused primarily on water conservation, customer communications, school education, and regional partnerships. In more recent efforts, the District has used its demonstration garden, at District headquarters, AMI leak notifications, conservation incentives, and customer newsletters, provide additional ways to engage the community.

Workforce and benefits

The District has fifty-eight active employees across administration, engineering services, construction, water quality and operations. Pension (CalPERS) actuarial determined results improved in fiscal year 2026, reducing the net pension liability by $1.8 million to $16.4 million. Pension costs remain sensitive to discount rates, healthcare trends, and CalPERS investment returns.

No going-concern or severe-stress indicators

Management does not foresee conditions that would have a significant adverse effect on current financial position, net position, or operating results. Cash and cash equivalents of $12.0 million and an adopted annual budget provides the capacity to absorb imported-water cost volatility and the District's capital program.

The aforementioned facts, decisions, and conditions were known to management as of the date the financial statements were available to be issued on December 1, 2026 and may affect future financial position or results.

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 Director of Administrative Services at 999 Rush Creek Place, Novato, California 94945, Telephone: (415) 897-4133.

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Basic Financial Statements

Working Draft Subject to Review

North Marin Water District
Statements of Net Position
June 30, 2026 and 2025

		2026	2025
Current assets:			
Cash and cash equivalents (note 2)	$	7,637,307	11,994,506
Restricted – cash and cash equivalents (note 2)		4,351,940	4,755,409
Restricted – investments (note 2)		3,202,744	1,725,194
Accrued interest receivable		158,880	210,536
Accounts receivable – water and sewer sales and services		6,010,135	5,885,443
Accounts receivable – governmental agencies		368,140	147,860
Accounts receivable – other		71,381	258,354
Leases receivable (note 3)		30,320	34,419
Note receivable (note 4)		39,574	39,181
Loans receivable (note 4)		224,426	165,734
Materials and supplies inventory		1,037,981	943,437
Prepaid expenses and deposits		457,791	455,259
Total current assets		23,590,619	26,615,332
Non-current assets:			
Restricted – investments (note 2)		2,459,478	3,206,164
Leases receivable (note 3)		261,416	288,479
Note receivable (note 4)		904,837	944,411
Loans receivable (note 4)		1,682,393	1,293,115
Notes receivable – employee housing assistance loans, net (note 5)		1,150,000	850,000
Capital assets, not being depreciated (note 8)		6,626,744	13,734,875
Depreciable capital assets, net (note 8)		156,457,513	147,485,513
Total non-current assets		169,542,381	167,802,557
Total assets		193,133,000	194,417,889
Deferred outflows of resources:			
Deferred other post-employment benefits outflows (note 11)		690,399	219,707
Deferred pension outflows (note 12)		4,740,191	5,327,743
Total deferred outflows of resources	$	5,430,590	5,547,450

Continued on next page

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See accompanying notes to the basic financial statements.

North Marin Water District
Statements of Net Position, continued
June 30, 2026 and 2025

	2026	2025
Current liabilities:		
Accounts payable and accrued expenses	$ 2,322,187	2,576,819
Accrued wages and related payables	363,564	360,469
Customer advances and deposits	1,074,966	1,482,901
Accrued interest payable – long-term debt	303,698	314,374
Long-term liabilities – due within one year:		
Compensated absences (note 9, 10)	347,564	374,927
Leases payable (note 10)	94,314	125,611
Loans payable (note 10)	3,106,393	3,023,753
Other post-employment benefits liability (note 10, 11)	224,177	258,992
Total current liabilities	7,836,863	8,517,846
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 9, 10)	538,752	502,764
Leases payable (note 10)	107,951	216,662
Loans payable (note 10)	31,313,524	34,900,482
Other post-employment benefits liability (note 10, 11)	5,222,259	4,068,673
Net pension liability (note 10, 12)	16,387,980	18,203,208
Total non-current liabilities	53,570,466	57,891,789
Total liabilities	61,407,329	66,409,635
Deferred inflows of resources:		
Deferred lease inflows (note 3)	251,665	286,100
Deferred other post-employment benefits inflows (note 11)	-	558,953
Deferred pension inflows (note 12)	2,686,249	362,944
Total deferred inflows of resources	2,937,914	1,207,997
Net position: (note 13)		
Net investment in capital assets	128,462,075	122,953,880
Restricted:		
SRF loan fund – Stafford Treatment Plant	1,055,449	1,070,027
SRF reserve fund – Recycled Water System	1,105,072	1,105,072
Interagency capital replacement and expansion fund	5,557,949	5,687,700
Unrestricted (deficit)	(1,962,198)	1,531,028
Total net position	$ 134,218,347	132,347,707

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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, 2026 and 2025

	2026	2025
Operating revenues:		
Water consumption sales	$ 21,392,935	21,012,003
Bi-monthly meter service charge	9,521,759	8,932,174
Sewer service charges	378,066	347,256
Other charges and services	369,044	371,539
Total operating revenues	31,661,804	30,662,972
Operating expenses:		
Source of supply	8,457,292	9,083,224
Pumping	958,423	893,129
Water facilities operations	1,967,087	1,780,879
Water treatment	3,984,097	2,954,272
Transmission and distribution	5,573,066	4,643,209
Sewage collection and treatment	334,826	275,886
Customer service	731,385	593,847
General and administrative	4,439,443	6,417,239
Water conservation	610,838	512,022
Total operating expenses	27,056,457	27,153,707
Operating income before depreciation	4,605,347	3,509,265
Depreciation and amortization expense – capital recovery	(4,751,425)	(4,079,623)
Operating loss	(146,078)	(570,358)
Non-capital subsidies:		
Property tax revenue	154,381	149,358
Total non-capital subsidies	154,381	149,358
Operating income (loss) and non-capital subsidies	8,303	(421,000)
Other non-operating revenues(expenses):		
Investment (market value unrealized loss) earnings, net	771,522	1,211,162
Interest earnings from note receivable – BPGL	9,640	10,030
Interest earnings from loan receivable – MMWD	59,579	66,518
Interest earnings from leases receivable	9,963	10,878
Rental revenue	47,072	78,008
Interest expense – long-term debt	(1,003,304)	(1,087,840)
Capital contribution – developers and others	1,498,532	1,081,570
Capital contribution – connection fees	97,260	215,510
Capital grants – federal, state, and local	17,465	1,237,328
Loss (gain) on sale of capital assets	(65,337)	7,352
Regulation 15 forfeiture	19,915	58,390
Other non-operating revenues	9,441	26,780
Other non-operating expenses	(17,322)	(12,848)
Total other non-operating revenue, net	1,454,426	2,902,838
Net income before unusual and infrequent items	1,462,729	2,481,838
Unusual or infrequent items:		
Gain on sale of real property (note 8)	532,827	-
Capital contribution to outside agency (note 18)	(124,916)	-
Total unusual or infrequent items	407,911	-
Change in net position	1,870,640	2,481,838
Net position, beginning of year	132,347,707	129,865,869
Net position, end of year	$ 134,218,347	132,347,707

Working Draft Subject to Review

See accompanying notes to the basic financial statements.

North Marin Water District
Statements of Cash Flows
For the Years Ended June 30, 2026 and 2025

	2026	2025
Cash flows from operating activities:		
Cash receipts from customers and others	$ 31,345,506	29,739,205
Cash paid to employees for salaries and wages	(8,557,046)	(7,232,689)
Cash paid to vendors and suppliers for materials and services	(17,706,401)	(19,494,558)
Net cash provided by operating activities	5,082,059	3,011,958
Cash flows from non-capital financing activities:		
Property tax revenue	154,381	149,358
Net cash provided by non-capital financing activities	154,381	149,358
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(6,615,294)	(10,206,309)
Proceeds from the sale of capital assets	307,490	7,352
Proceeds from capital contributions and connection fees	1,392,977	3,004,248
Cost of capital assets contributed to outside Agency	(124,916)	-
Proceeds from right-to-use leases	-	86,250
Principal paid on long-term debt	(3,644,326)	(3,561,468)
Interest paid on long-term debt	(1,013,980)	(1,108,470)
Net cash used in capital and related financing activities	(9,698,049)	(11,778,397)
Cash flows from investing activities:		
Proceeds from sale of investments	1,747,136	25,142,296
Purchases of investments	(2,478,000)	(14,194,000)
Proceeds from the sale of real property	160,000	-
Principal received on notes receivable	39,181	38,791
Principal received on loans receivable	223,192	197,106
Principal issued on loan receivable	(640,000)	-
Principal issued on employee housing assistance loans	(300,000)	(600,000)
Investment earnings, net of fair value	949,432	1,392,728
Net cash (used in) provided by investing activities	(299,059)	11,976,921
Net (decrease) increase in cash and cash equivalents	(4,760,668)	3,359,840
Cash and cash equivalents, beginning of year	16,749,915	13,390,075
Cash and cash equivalents, end of year	$ 11,989,247	16,749,915
Reconciliation of cash and cash equivalents to statement of financial position:		
Cash and cash equivalents	$ 7,637,307	11,994,506
Restricted assets – cash and cash equivalents	4,351,940	4,755,409
Total cash and cash equivalents	$ 11,989,247	16,749,915

Continued on next page

See accompanying notes to the basic financial statements.

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North Marin Water District
Statements of Cash Flows, continued
For the Years Ended June 30, 2026 and 2025

	2026	2025
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$ (146,078)	(570,358)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense – capital recovery	4,751,425	4,079,623
Regulation 15 forfeiture	19,915	58,390
Other non-operating revenue	9,441	26,780
Other non-operating expenses	(17,322)	(12,848)
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
(Increase)Decrease in assets:		
Accounts receivable – water and sewer sales and services	(124,692)	(312,332)
Accounts receivable – other	186,973	(246,707)
Materials and supplies inventory	(94,544)	64,202
Prepaid expenses and other deposits	(2,532)	51,938
(Increase)Decrease in deferred outflows of resources:		
Other post-employment benefits related	(470,692)	16,582
Pension related	587,552	1,450,829
Increase(Decrease) in liabilities:		
Accounts payable and accrued expenses	(254,632)	(485,892)
Accrued wages and related payables	3,095	24,992
Accrued claims payable	-	(29,437)
Customer advances and deposits	(407,935)	(449,898)
Compensated absences	8,625	(98,922)
Other post-employment benefit liability	1,118,771	(541,953)
Net pension liability	(1,815,228)	(104,577)
Increase(Decrease) in deferred inflows of resources:		
Lease related	(34,435)	(39,029)
Other post-employment benefits related	(558,953)	495,871
Pension related	2,323,305	(365,296)
Total adjustments	5,228,137	3,582,316
Net cash provided by operating activities	$ 5,082,059	3,011,958
Non-cash investing, capital, and financing transactions:		
Change in fair value of investments	$ 41,207	(47,387)

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See accompanying notes to the basic financial statements.

(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.

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(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. 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.

Working Draft Subject to Review

(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 Director of Administrative Services 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.

Working Draft Subject to Review

(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 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.
- 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.

Working Draft Subject to Review

(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 the projected and actual earnings on investments of the pension plan's fiduciary net position. This amount is amortized over a five-year period.
- 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, 2024 and 2023
- Measurement Date: June 30, 2025 and 2024
- Measurement Period: July 1, 2024 to June 30, 2025 and July 1, 2023 to June 30, 2024

Working draft subject to review

(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 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.
- 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 30th 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.

Working Draft Subject to Review

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

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

19. Net Position, continued

As of June 30, 2026, the District reported a deficit unrestricted net position of $1,962,198. The following funds reported deficit unrestricted net position balances: Novato Water ($2,726,057), West Marin Water ($850,600), and Oceana Marin Sewer ($132,050). These deficits were partially offset by a positive unrestricted net position balance of $1,746,509 in the Novato Recycled Fund.

Deficit unrestricted net position balances may occur when operating expenses exceed operating revenues. The District intends to reduce these deficits in future periods through increased collection of operating revenues, non-capital subsidies, and other non-operating revenues across its funds.

(2) Cash and Investments

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

		2026	2025
Cash and cash equivalents	$	7,637,307	11,994,506
Restricted – cash and cash equivalents		4,351,940	4,755,409
Total cash and cash equivalents		11,989,247	16,749,915
Restricted – investments		3,202,744	1,725,194
Restricted – investments non-current		2,459,478	3,206,164
Total restricted investments		5,662,222	4,931,358
Total cash and investments	$	17,651,469	21,681,273

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

		2026	2025
Cash on hand	$	800	500
Deposits with financial institutions		1,160,825	1,364,579
Deposits with County of Marin Treasury		1,058,088	1,071,027
California Local Agency Investment Fund		9,769,534	14,313,809
Investments		5,662,222	4,931,358
Total cash and investments	$	17,651,469	21,681,273

Working Draft Subject to Review

(2) Cash and Investments, continued

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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio *	Maximum Investment in One Issuer
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

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, 2026 and 2025, 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.

Working Draft Subject to Review

(2) Cash and Investments, continued

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.

As of June 30, 2026, the District's investments are scheduled to mature as follows:

			Remaining Maturity (in Months)		
Investment Type		Amount	12 months or less	13 to 24 months	25-60 months
Certificates-of-deposit	$	5,662,222	3,202,744	2,459,478	-
Total	$	5,662,222	3,202,744	2,459,478	-

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

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

Credit ratings as of June 30, 2026, were as follows:

			Minimum Legal	Exempt From	Ratings
Investment Type		Amount	Rating	Disclosure	AA+ to AA-
Certificates-of-deposit	$	5,662,222	N/A	5,662,222	-
Total	$	5,662,222		5,662,222	-

Working Draft Subject to review

(2) Cash and Investments, continued

Interest Rate Risk, continued

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	-

Fair Value Measurements

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at June 30, 2026, are as follows:

			Fair Value Measurements Using		
Investment Type		Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates-of-deposit	$	5,662,222	-	5,662,222	-
Total investments measured at fair value	$	5,662,222	-	5,662,222	-

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

			Fair Value Measurements Using		
Investment Type		Total	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	-

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

- 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).

Working Draft Subject to Review

(3) Leases Receivable

Changes in leases receivable for 2026 were as follows:

	Balance 2025	Additions	Principal Payments	Balance 2026	Current Portion	Long-term Portion	Deferred Inflows
Leases receivable:							
Novato Water							
Indian Valley Golf Course	$ 69,423	-	(9,342)	60,081	13,454	46,627	(58,065)
Tower development	247,332	-	(15,677)	231,655	16,866	214,789	(193,600)
Subtotal leases Novato	316,755	-	(25,019)	291,736	30,320	261,416	(251,665)
West Marin Water							
Horizon Cable TV Inc.	6,143	-	(6,143)	-	-	-	-
Total leases receivable	$ 322,898	-	(31,162)	291,736	30,320	261,416	(251,665)

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:							
Novato Water							
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)
West Marin Water							
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)

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, 2026 and 2025, deferred inflows were reported at $58,065 and $67,854, respectively.

Future payments to be received and deferred inflows as of June 30, 2026, are as follows:

Fiscal Year	Principal	Interest	Total	Deferred Inflows
2027	$ 13,454	1,580	15,034	(14,516)
2028	13,861	1,159	15,020	(14,516)
2029	14,526	719	15,245	(14,516)
2030	18,240	258	18,498	(14,517)
Total	60,081	3,716	63,797	(58,065)
Current	(13,454)			
Non-current	$ 46,627			

Working Draft Subject to Review

(3) Leases Receivable, continued

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, 2026 and 2025, deferred inflows were reported at $193,600 and $212,961, respectively.

Future payments to be received and deferred inflows as of June 30, 2026, are as follows:

Fiscal Year	Principal	Interest	Total	Deferred Inflows
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	22,226	4,866	27,092	(19,360)
2032-2036	134,240	12,993	147,233	(96,800)
Total	231,655	43,373	275,028	(193,600)
Current	(16,866)			
Non-current	$ 214,789			

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, 2026 and 2025, deferred inflows were reported at $0 and $5,285, respectively. As of June 30, 2026, the lease terminated at the conclusion of the agreement and has not been renewed. In August of 2025, Horizon Cable TV Inc. was acquired by Horizon Fiber, LLC. As of June 30, 2026, the District was in the process of contacting Horizon Fiber, LLC to negotiate a new lease.

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(4) Note and Loan Receivable

Changes in note and loan receivable for 2026 were as follows:

	Balance 2025	Additions	Reductions	Balance 2026	Current Portion	Long-term Portion
Note receivable:						
Marin Country Club	$ 983,592	-	(39,181)	944,411	39,574	904,837
Total notes receivable	983,592	-	(39,181)	944,411	39,574	904,837
Loans receivable:						
Marin Municipal Water District	1,458,849	-	(165,734)	1,293,115	170,231	1,122,884
Community Land Trust of West Marin	-	640,000	(26,296)	613,704	54,195	559,509
Total loans receivable	1,458,849	640,000	(192,030)	1,906,819	224,426	1,682,393
Total notes and loans receivable	$ 2,442,441	640,000	(231,211)	2,851,230	264,000	2,587,230

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

	Balance 2024	Additions	Reductions	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
Loans 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

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 10 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, 2026, are as follows:

Fiscal Year	Principal	Interest	Total
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	41,188	7,666	48,854
2032-2036	212,227	32,042	244,269
2037-2041	223,099	21,170	244,269
2042-2046	234,527	9,741	244,268
2047-2048	72,673	606	73,279
Total	944,411	105,943	1,050,354
Current	(39,574)		
Non-current	$ 904,837		

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(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, 2026, are as follows:

Fiscal Year		Principal	Interest	Total
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		189,474	15,846	205,320
2032-2033		394,497	16,143	410,640
Total		1,293,115	144,125	1,437,240
Current		(170,231)		
Non-current	$	1,122,884		

Community Land Trust of West Marin

In December 2025, the District entered into an agreement with the Community Land Trust of West Marin (CLAM) for CLAM to obtain financing to purchase real property owned by the District at 25 Giacomini. CLAM is a nonprofit organization that owns land and puts it to use for the community's long-term benefit. CLAM serves the community by providing options for tenant-controlled affordable housing, affordable mixed-use and commercial spaces, and green spaces such as community gardens and farms. CLAM retains ownership of the land while residents own or rent the homes and buildings built on that land. The District sold the property for $800,000 and received an initial down payment of $160,000. CLAM financed the remaining $640,000. The loan bears an interest rate of 4.0% to be paid at $6,480 monthly for 3 years followed by a final payment of $474,050 in January 2028.

Fiscal Year		Principal	Interest	Total
2027	$	54,195	23,562	77,757
2028		56,402	21,354	77,756
2029		503,107	8,225	511,332
Total		613,704	53,141	666,845
Current		(54,195)		
Non-current	$	559,509		

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(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, 2026 and 2025:

Origination	2026	2025
December 2025	$ 300,000	-
June 2025	300,000	300,000
November 2024	300,000	300,000
March 2015	250,000	250,000
Total	$ 1,150,000	850,000

(6) Internal Balances and Interfund Loans

Internal Balances – Due To/From Other Funds

Internal balances consist of the following as of June 30, 2026, as follows:

Purpose	Receivable Fund	Payable Fund	Amount
Operations Advance	Novato Water	West Marin Water	$ 107,908

In 2026, the Novato Water fund advanced West Marin Water $107,908, for the purpose of funding operations. The interfund due to/from balance will be eliminated within the next 12 months. See the Combining Schedule of Net Position on page 72 for further information.

In 2025, there were no reportable interfund due to/from balances.

Interfund Loans

Changes in interfund loans for 2026 were as follows:

	Balance 2025	Additions	Principal Payments	Balance 2026	Current Portion	Long-term Portion
Interfund loans:						
West Marin Loan	$ 821,070	-	(93,168)	727,902	95,727	632,175
Oceana Marin Loan	350,000	-	-	350,000	30,539	319,461
Total interfund loans	1,171,070	-	(93,168)	1,077,902	126,266	951,636

Changes in interfund loans for 2025 were as follows:

	Balance 2024	Additions	Principal Payments	Balance 2025	Current Portion	Long-term Portion
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	911,747	350,000	(90,677)	1,171,070	93,168	1,077,902

Working Draft Subject to Review

(6) Internal Balances and Interfund Loans, continued

Interfund Loans, continued

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 pages 72 and 73.

Annual debt service requirements for the loan are as follows:

Fiscal Year		Principal	Interest	Total
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		106,686	9,035	115,721
2032-2033		222,242	9,198	231,440
Total		727,902	82,140	810,042
Current		(95,727)		
Non-current	$	632,175		

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 pages 72 and 73.

Annual debt service requirements for the loan are as follows:

Fiscal Year		Principal	Interest	Total
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		34,364	6,654	41,018
2032-2036		187,884	17,206	205,090
Total		350,000	60,180	410,180
Current		(30,539)		
Non-current	$	319,461		

Working Draft Subject to Review

(7) Transfer

In 2026 and 2025, there were no reported transfers between funds.

(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:

		2026	2025
Developer construction – Novato Water	$	241,647	1,706,100
Other construction – Novato Water		3,151,213	6,968,359
Other construction – Novato Recycled		-	233,861
Other construction – West Marin Water		1,683,466	1,143,929
Other construction – Oceana Marin Sewer		65,756	2,189,535
Total construction-in-progress	$	5,142,082	12,241,784

Lease assets, public-private and public-public partnership assets, and subscription assets

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 104, *Disclosure of Certain Capital Assets*, the following categories are disclosed separately.

As of June 30, 2026 and 2025, the District's right-to-use lease assets and related amortization recognized under GASB Statement No. 87 are disclosed on pages 45 and 46.

As of June 30, 2026 and 2025, the District had no intangible right-to-use assets recognized as an operator under GASB Statement No. 94, and no subscription-based information technology arrangement assets recognized under GASB Statement No. 96. Accordingly, no amortization related to those asset types has been recorded.

Other intangible assets

As of June 30, 2026 and 2025, the District does not have other intangible assets (including internally generated software, purchased software above the capitalization threshold, easements, or water rights).

Capital assets held for resale

A capital asset is held for sale when (a) the government has decided to pursue the sale and (b) it is probable the sale will close within one year of the financial-statement date. As of June 30, 2026 and 2025, the District had no capital assets which met both criteria. Historical cost and accumulated depreciation of assets held for sale, by major class, would be disclosed here if any existed. No held-for-sale assets have been pledged as collateral.

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(8) Capital Assets, continued

The change in capital assets for 2026 are as follows:

	Balance 2025	Additions/ Transfers	Deletions/ Transfers	Balance 2026
Non-depreciable assets:				
Land and land rights	$ 1,493,091	-	(8,429)	1,484,662
Construction-in-progress	12,241,784	6,306,470	(13,406,172)	5,142,082
Total non-depreciable assets	13,734,875	6,306,470	(13,414,601)	6,626,744
Depreciable and amortizable assets:				
Distribution system	114,996,911	6,029,875	(421,466)	120,605,320
Treatment plant	23,486,730	3,431,458	(50,605)	26,867,583
Storage facilities	28,292,507	2,171,006	(35,657)	30,427,856
Transmission system	29,628,910	-	(8,410)	29,620,500
Source facilities	7,141,667	-	(27,579)	7,114,088
Sewer facilities	1,278,617	56,568	(60,704)	1,274,481
Structures and improvements	20,224,668	1,285,628	(657,550)	20,852,746
Other plant and equipment	4,066,534	993,306	(636,554)	4,423,286
Right-to-use equipment	897,233	235,801	(188,657)	944,377
Total depreciable and amortizable assets	230,013,777	14,203,642	(2,087,182)	242,130,237
Accumulated depreciation and amortization:				
Distribution system	(43,985,586)	(2,119,788)	303,243	(45,802,131)
Treatment plant	(14,054,225)	(767,716)	47,268	(14,774,673)
Storage facilities	(10,481,978)	(517,451)	30,615	(10,968,814)
Transmission system	(5,703,497)	(227,324)	7,356	(5,923,465)
Source facilities	(2,947,907)	(152,798)	27,357	(3,073,348)
Sewer facilities	(781,833)	(45,643)	35,314	(792,162)
Structures and improvements	(989,928)	(510,926)	390,376	(1,110,478)
Other plant and equipment	(3,188,229)	(237,503)	636,555	(2,789,177)
Right-to-use equipment	(395,081)	(172,276)	128,881	(438,476)
Total accumulated depreciation and amortization	(82,528,264)	(4,751,425)	1,606,965	(85,672,724)
Total depreciable assets, net	147,485,513	9,452,217	(480,217)	156,457,513
Total capital assets, net	$ 161,220,388	15,758,687	(13,894,818)	163,084,257

Major changes to capital assets in 2026 primarily consisted of $6,306,470 in additions to construction-in-progress and deletions or transfers of $13,406,172. The deletions in construction in progress consisted of $13,193,752 in transfers from construction-in-progress to depreciable capital assets and $212,420 in expensed or abandoned project costs during the year.

Additions to depreciable capital assets primarily consisted of $6,029,875 in distribution system improvements, $3,431,458 in treatment plant improvements, $2,171,006 in additions to storage facilities, $56,568 in sewer facility improvements, $1,285,628 in structures and improvements, $993,306 in other plant and equipment, and $235,801 in right-to-use equipment.

Major deletions from depreciable capital assets consisted of $421,466 in distribution system disposals, $50,605 in treatment plant disposals, $60,704 in sewer system disposals, $657,550 in structures and improvements disposals, $636,554 in other plant and equipment disposals, and $188,657 in right-to-use equipment disposals.

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(8) Capital Assets, continued

Unusual and Infrequent Item

As part of the $657,550 in disposals of structures and improvements, the District removed the cost of the residential rental property located at 25 Giacomini in Point Reyes Station, along with its related accumulated depreciation. In December 2025, the District sold the property to the Community Land Trust of West Marin (CLAM). As part of the transaction, CLAM financed $640,000 of the purchase price, which the District reported as a loan receivable. See note 4 for additional information.

In accordance with GASB Statement No. 103, the District reported the net proceeds from the property sale of $532,827 as an unusual or infrequent item in the Statement of Revenues, Expenses, and Changes in Net Position on page 25.

The change in capital assets for 2025 are as follows:

	Balance 2024	Additions/ Transfers	Deletions/ Transfers	Balance 2025
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 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 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

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(8) Capital Assets, continued

Major changes to capital assets in 2025 primarily consisted of $9,994,197 in additions to construction-in-progress and deletions or transfers of $25,088,353. The deletions in construction in progress consisted of $24,917,533 in transfers from construction-in-progress to depreciable capital assets and $170,820 in expensed or abandoned project costs during the year.

Additions to depreciable capital assets primarily consisted of $2,975,970 in distribution system improvements, $1,862,275 in additions to storage facilities, $125,783 in transmission system improvements, $1,465,822 in source facility improvements, $69,456 in sewer facility improvements, $18,405,910 in structures and improvements, $248,874 in other plant and equipment, and $246,749 in right-to-use equipment.

Major deletions from depreciable capital assets consisted of $684,239 in structures and improvements disposals, $698,098 in other plant and equipment disposals, and $166,615 in right-to-use equipment disposals.

(9) Compensated Absences

The District recognizes a liability for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. Compensated absences include unpaid vacation leave, sick leave, and other types of leave, such as floating holidays and compensatory time, for which employees have accumulated entitlements in accordance with the District's leave policies. The liability is determined annually based on applicable leave balances and is recognized in accordance with GASB Statement No. 101. Compensated absences are liquidated through the Novato Water Fund.

As of June 30 2026 and 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, 2026 and 2025, increased and decreased by $8,625 and $98,922, respectively. Please see note 10 for further information.

Compensated absences as of June 30 are classified in the accompanying financial statements as follows:

	2026	2025
Current	347,564	374,927
Non-current	538,752	502,764
Total	886,316	877,691

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(10) Long-term Debt

The changes in long-term debt for 2026 was as follows:

	Balance 2025	Additions	Reductions	Balance 2026	Current Portion	Long-term Portion
Long-term debt:						
Leases payable:						
Enterprise vehicle leases	$ 342,273	-	(140,008)	202,265	94,314	107,951
Total leases payable	342,273	-	(140,008)	202,265	94,314	107,951
Loans payable:						
Novato Water						
2005 DWR loan	3,961,895	-	(955,461)	3,006,434	486,310	2,520,124
2011 B of M loan (1)	2,741,489	-	(394,496)	2,346,993	408,189	1,938,804
2018 JP Morgan Chase Loan	2,685,000	-	(305,000)	2,380,000	315,000	2,065,000
2022 Webster Bank loan	17,590,396	-	(800,835)	16,789,561	825,741	15,963,820
Novato Recycled						
2005 SWRCB loan	527,661	-	(260,701)	266,960	266,960	-
2011-2012 SWRCB loans	4,374,211	-	(510,555)	3,863,656	522,720	3,340,936
2016 SWRCB Loan	5,641,161	-	(219,361)	5,421,800	221,555	5,200,245
West Marin Water						
2011 B of M loan (1)	402,422	-	(57,909)	344,513	59,918	284,595
Total loans payable	37,924,235	-	(3,504,318)	34,419,917	3,106,393	31,313,524
Other liabilities:						
Compensated absences	877,691	8,625 *	-	886,316	347,564	538,752
Total OPEB liabilty	4,327,665	1,118,771	-	5,446,436	224,177	5,222,259
Net pension liability	18,203,208	411,249	(2,226,477)	16,387,980	-	16,387,980
Total other liabilities	23,408,564	1,538,645	(2,226,477)	22,720,732	571,741	22,148,991
Total long-term debt	$ 61,675,072	1,538,645	(5,870,803)	57,342,914	3,772,448	53,570,466

*The changes in the compensated absence liability is presented as a net change.

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

	Balance 2024	Additions	Reductions	Balance 2025	Current Portion	Long-term Portion
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:						
Novato Water						
2005 DWR loan	4,894,922	-	(933,027)	3,961,895	474,893	3,487,002
2011 B of M loan (1)	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
Novato Recycled						
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
West Marin Water						
2011 B of M loan (1)	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
Other liabilities:						
Compensated absences	976,613	-	(98,922) *	877,691	374,927	502,764
Total OPEB liabilty	4,869,618	-	(541,953)	4,327,665	258,992	4,068,673
Net pension liability	18,307,785	1,814,299	(1,918,876)	18,203,208	-	18,203,208
Total other liabilities	24,154,016	1,814,299	(2,559,751)	23,408,564	633,919	22,774,645
Total long-term debt	$ 65,895,742	1,900,549	(6,121,219)	61,675,072	3,783,283	57,891,789

*The changes in the compensated absence liability is presented as a net change.

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(10) Long-term Debt, continued

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, 2026, the District maintains leases for 19 vehicles with delivery dates from June 2021 through December 2024. Each vehicle has a term of 60 months with principal and interest due monthly through 2030.

In fiscal year 2026, the District did not enter into any new vehicle leases and retired five vehicle leases. As a result, the District has adjusted its right-to-use assets, accumulated amortization, and lease payable balances accordingly.

In fiscal year 2025, the District entered into two vehicle leases and retired six vehicle leases. As a result, the District has adjusted its right-to-use assets, accumulated amortization, and lease payable balances accordingly.

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:

Fiscal Year		Principal	Interest	Total
2027	$	94,314	6,153	100,467
2028		65,781	4,871	70,652
2029		34,859	1,985	36,844
2030		7,311	311	7,622
Total		202,265	13,320	215,585
Current		(94,314)		
Non-current	$	107,951		

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 1st and July 1st and matures in 2030.

Annual debt service requirements for the loan are as follows:

Fiscal Year		Principal	Interest	Total
2027	$	486,310	35,928	522,238
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		3,006,434	126,990	3,133,424
Current		(486,310)		
Non-current	$	2,520,124		

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(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 June19th 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:

Fiscal Year		Principal	Interest	Total
2027	$	266,960	6,407	273,367
Total		266,960	6,407	273,367
Current		(266,960)		
Non-current	$	-		

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:

Fiscal Year		Principal	Interest	Total
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		574,368	39,931	614,299
2032-2034		1,122,466	40,602	1,163,068
Total		3,863,656	370,907	4,234,563
Current		(522,720)		
Non-current	$	3,340,936		

Working draft subject to review

(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 27th day of each month and matures in September 2031.

Annual debt service requirements for the loan are as follows:

Fiscal Year		Principal	Interest	Total
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		536,551	16,249	552,800
2032		182,961	1,306	184,267
Total		2,691,506	256,761	2,948,267
Current		(468,107)		
Non-current	$	2,223,399		

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 31st 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:

Fiscal Year		Principal	Interest	Total
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		230,551	45,222	275,773
2032-2036		1,187,802	191,063	1,378,865
2037-2041		1,248,392	130,473	1,378,865
2042-2046		1,312,072	66,792	1,378,864
2047-2048		543,382	8,164	551,546
Total		5,421,800	645,204	6,067,004
Current		(221,555)		
Non-current	$	5,200,245		

Working draft subject to review

(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 1st and March 1st and matures in 2033.

Annual debt service requirements for the loan are as follows:

Fiscal Year	Principal	Interest	Total
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	350,000	28,918	378,918
2032-2033	725,000	29,321	754,321
Total	2,380,000	262,815	2,642,815
Current	(315,000)		
Non-current	$ 2,065,000		

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 1st and March 1st and matures in 2043.

Annual debt service requirements for the loan are as follows:

Fiscal Year	Principal	Interest	Total
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	933,356	414,541	1,347,897
2032-2036	5,120,670	1,618,813	6,739,483
2037-2041	5,968,026	771,457	6,739,483
2042-2043	1,307,241	40,655	1,347,896
Total	16,789,561	4,776,785	21,566,346
Current	(825,741)		
Non-current	$ 15,963,820		

Working Draft - subject to review

(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:

	2026	2025
Inactive employees or beneficiaries currently receiving benefit payments	39	39
Inactive employees entitled to but not receiving benefit payments	-	-
Active employees	57	55
Total	96	94

Working Draft Subject to Review

(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 $5,446,436 and $4,327,665 was measured as of June 30, 2026 and 2025, respectively, and were determined by an actuarial valuation as of July 1, 2025 and July 1, 2023, for measurement periods July 1, 2025 to June 30, 2026 and July 1, 2024 to June 30, 2025, respectively.

Total OPEB liability as of June 30 are classified in the Statements of Net Position as follows:

		2026	2025
Current	$	224,177	258,992
Non-current		5,222,259	4,068,673
Total	$	5,446,436	4,327,665

Actuarial assumptions and other inputs – The total OPEB liability measured based on the July 1, 2025 and 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	2026 - 2.50 percent 2025 - 2.50 percent
Salary increases	3.00 percent, average, including inflation
Discount rate	2026 - 4.67 percent 2025 - 5.20 percent
Healthcare cost trend rates	2026 - 6.75 percent for 2026-2029, 5.00 percent for 2030-2044, 4.50 percent for 2045-2074, and 4.00 percent for 2075 and later years; Medicare ages: 5.00 percent for 2026-2029, 4.50 percent for 2030-2074, and 4.00 percent for 2075 and later years.
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.

As of and for the years ended June 30, 2026 and 2025, the discount rates were based on the Fidelity GO AA 20-Years Municipal Index of 4.67% and 5.20%, respectively.

As of and for the year ended June 30, 2026, pre-retirement mortality rates were based on the CalPERS Experience Study (2000-2019).

As of and for the year ended June 30, 2025, 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, 2025 and July 1, 2023 valuations were based on a review of plan experience during the periods July 1, 2025 to June 30, 2026 and July 1, 2024 to June 30, 2025.

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

Changes in the Total OPEB Liability

		Total OPEB Liability 2026	Total OPEB Liability 2025
Balance at beginning of year	$	4,327,665	4,869,618
Changes for the year:			
Service cost		190,601	197,591
Interest		263,741	194,240
Difference between expected and actual experience		517,652	-
Changes in assumptions or other inputs		517,015	(581,350)
Benefit payments		(370,238)	(352,434)
Net change		1,118,771	(541,953)
Balance at end of year	$	5,446,436	4,327,665

There were no changes in benefit terms.

Changes of assumptions and other inputs reflect a change in the discount rate from 5.20% in 2025 to 4.67% in 2026.

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, 2026, 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:

		Discount Rate - 1% (3.67%)	Current Discount Rate (4.67%)	Discount Rate + 1% (5.67%)
District's total OPEB liability	$	6,068,698	5,446,436	4,900,572

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:

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

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(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, 2026, 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:

	1% Decrease (2.67% increasing to 3.67%)	Healthcare Cost Trend Rates (3.67% increasing to 4.67%)	1% Increase (4.67% increasing to 5.67%)
District's total OPEB liability	$ 4,920,484	5,446,436	6,096,914

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:

	1% Decrease (3.20% increasing to 4.20%)	Healthcare Cost Trend Rates (4.20% increasing to 5.20%)	1% Increase (5.20% increasing to 6.20%)
District's total OPEB liability	$ 3,951,797	4,327,665	4,789,157

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

For the year ended June 30, 2026 and 2025, the District recognized OPEB expense and income of $89,126 and $29,500, respectively. The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30:

	2026		2025	
Description	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	$ 59,955	-	-	(558,953)
Differences between actual and expected experience	630,444	-	219,707	-
Total	$ 690,399	-	219,707	(558,953)

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(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, 2026, amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Actuarially Determined Deferred Outflows/(Inflows) - OPEB Plan

Fiscal Year June 30:	Net Changes in Assumptions	Net Differences between Expected and Actual Experience	Net Deferred Outflows/(Inflows) of Resources
2027	$ (108,073)	104,565	(3,508)
2028	12,893	83,407	96,300
2029	20,737	83,407	104,144
2030	20,737	83,407	104,144
2031	113,661	275,658	389,319
Total	$ 59,955	630,444	690,399

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:

Actuarially Determined Deferred Outflows/(Inflows) - OPEB Plan

Fiscal Year June 30:	Net Changes in Assumptions	Net Differences between Expected and Actual Experience	Net Deferred Outflows/(Inflows) of Resources
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)

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

See page 69 for the Required Supplementary Schedule.

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(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:

	Classic	**PEPRA**
Hire date	Prior to January 1, 2013	On or after January 1, 2013
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	2026: 8.00% 2025: 7.96%	2026: 7.75% 2025: 7.75%
Required employer contribution rates	2026: 14.20% 2025: 14.13%	2026: 7.90% 2025: 7.87%

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(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:

	Miscellaneous Plan	
	2026	2025
Contributions – employer	$ 2,464,872	2,226,481

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:

	2026	2025
Proportionate share of net pension liability	$ 16,387,980	18,203,208

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, 2026 and 2025, the net pension liability of the Plan is measured as of June 30, 2025 and 2024 (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, 2024 and 2023 (valuation dates), rolled forward to June 30, 2025 and 2024, 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, 2026 and 2025, were as follows:

	Proportionate Share
Proportion at Measurement Date – June 30, 2024	0.36613 %
Change in proportion	0.01023
Proportion at Measurement Date – June 30, 2025	0.37636
Change is proportion	0.03445
Proportion at Measurement Date – June 30, 2026	0.41081 %

Deferred Pension Outflows (Inflows) of Resources

For the years ended June 30, 2026 and 2025, the District recognized pension expense of $3,560,498 and $3,207,433, respectively.

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(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:

	2026		2025	
Description	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	$ 2,464,872	-	2,226,481	-
Net difference between actual and expected experience	1,963,672		1,512,423	
Net change in assumptions	-	-	467,860	-
Net difference between projected and actual earnings on plan investments	-	(2,217,473)	1,047,934	-
Net difference between actual contribution and proportionate share of contribution	311,647	-	73,045	-
Net change due to differences in proportion of net pension liability	-	(468,776)	-	(362,944)
Total	$ 4,740,191	(2,686,249)	5,327,743	(362,944)

As of June 30 2026 and 2025, the District reported $2,464,872 and $2,226,481, 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, 2026, will be recognized as a reduction of the net pension liability for the year ended June 30, 2027. Pension contributions subsequent to the measurement date for the year ended June 30, 2025, were recognized as a reduction of the net pension liability for the year ended June 30, 2026.

At June 30, 2026, 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 June 30,	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
2027	$ 994,420	1,252	1,097,468	136,674	(186,310)	2,043,504
2028	673,832	1,543	(1,202,388)	113,598	(179,193)	(592,608)
2029	295,420	(2,795)	(1,248,072)	61,375	(103,273)	(997,345)
2030	-	-	(864,481)	-	-	(864,481)
Total	$ 1,963,672	-	(2,217,473)	311,647	(468,776)	(410,930)

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(12) Defined Benefit Pension Plan, continued

Deferred Pension Outflows (Inflows) of Resources, continued

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 June 30,	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
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

Actuarial Assumptions

The total pension liabilities in the June 30, 2024 and 2023, actuarial valuations were determined using the following actuarial assumptions and methods:

Valuation dates	June 30, 2024 and 2023
Measurement dates	June 30, 2025 and 2024
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	2026 - 6.90% 2025 - 6.90%
Inflation	2026 - 2.30% 2025 - 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	2026 and 2025 – 1997-2015
Post Retirement Benefit	2026 and 2025 – 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, 2026 and 2025, for the PERF C was 6.90%, respectively. This discount rate is not adjusted for administrative expenses.

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(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.

Asset Class	New Strategic Allocation	Real Return Years 1–10*
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
	100.00 %	

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

As June 30, 2026, 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:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
District's net pension liability	$ 25,406,613	16,387,980	8,965,740

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(12) Defined Benefit Pension Plan, continued

As of 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:

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

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 70 and 71 for Required Supplementary Schedules.

(13) Net Position

Calculation of net position per fund as of June 30, 2026, was as follows:

	Novato Water	Novato Recycled	West Marin Water	Oceana Marin Sewer	Total
Net investment in capital assets:					
Capital assets, not being depreciated	$ 4,703,452	-	1,857,536	65,756	6,626,744
Depreciable capital assets, net	118,364,374	27,783,622	7,292,757	3,016,760	156,457,513
Current:					
Leases payable	(94,314)	-	-	-	(94,314)
Loans payable	(2,035,240)	(1,011,235)	(59,918)	-	(3,106,393)
Non-current:					
Leases payable	(107,951)	-	-	-	(107,951)
Loans payable	(22,487,748)	(8,541,181)	(284,595)	-	(31,313,524)
Total net investment in capital assets	98,342,573	18,231,206	8,805,780	3,082,516	128,462,075
Restricted net position:					
SRF loan fund – Stafford Treatment Plant	1,055,449	-	-	-	1,055,449
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	-	5,557,949	-	-	5,557,949
Total restricted net position	1,055,449	6,663,021	-	-	7,718,470
Unrestricted net position:					
Non-spendable net position:					
Current:					
Materials and supplies inventory	1,037,981	-	-	-	1,037,981
Prepaid expenses and deposits	457,791	-	-	-	457,791
Non-current:					
Notes receivable	-	904,837	-	-	904,837
Notes receivable – employee housing loans	1,150,000	-	-	-	1,150,000
Total non-spendable net position	2,645,772	904,837	-	-	3,550,609
Spendable net position are designated as follows:					
Other post-employment benefits reserve	4,327,665	-	-	-	4,327,665
Operating reserve (deficit)	(9,699,494)	841,672	(850,600)	(132,050)	(9,840,472)
Total spendable net position (deficit)	(5,371,829)	841,672	(850,600)	(132,050)	(5,512,807)
Total unrestricted net position	(2,726,057)	1,746,509	(850,600)	(132,050)	(1,962,198)
Total net position	$ 96,671,965	26,640,736	7,955,180	2,950,466	134,218,347

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(13) Net Position, continued

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

	Novato Water	Novato Recycled	West Marin Water	Oceana Marin Sewer	Total
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
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	93,301,863	18,022,791	8,511,207	3,118,019	122,953,880
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)	(6,118,605)	678,414	(551,186)	1,633	(5,989,744)
Total spendable net position (deficit)	(1,790,940)	678,414	(551,186)	1,633	(1,662,079)
Total unrestricted net position	457,756	1,622,825	(551,186)	1,633	1,531,028
Total net position	$ 94,829,646	26,438,388	7,960,021	3,119,652	132,347,707

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(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 it compensated absence liability and recorded restatements, 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		5,964,401
Subtotal adjustments		5,849,161
Net position at June 30, 2023, as restated	$	126,105,738
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		3,822,375
Subtotal adjustments		3,760,131
Net position at June 30, 2024, as restated	$	129,865,869

(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, 2026 and 2025, the assets of the deferred compensation savings plan totaled $11,637,585 and $10,224,042, respectively.

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(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, 2026, the District coverage with various insurance carriers are as follows:

- General Liability coverage includes a $10 million General Aggregate and Products and Completed Operations Aggregate limit; $1 million Each Occurrence limit; $1 million Personal and Advertising Injury limit; $1 million Damage to Premises Rented to the District limit; and $10,000 Medical Expense limit. Each claim is subject to a $100,000 deductible.
- Excess Liability coverage provides limits of $9 million Each Occurrence and $9 million Aggregate.
- Property insurance coverage includes blanket coverage for Real Property and Business Personal Property with limits up to $100 million Per Occurrence, subject to a $50,000 Deductible Per Occurrence and $100,000 for rented, or leased equipment subject to a $50,000 deductible.
- Automobile insurance coverage includes $1,000,000 Combined Single Limit for Bodily Injury & Property Damage Liability; $1,000,000 each for Hired Auto, Non-Owned Auto, and Uninsured/Underinsured Motorist; $100,000 for Hired Auto Physical Damage; and $5,000 for Medical Payments coverage. Liability claims are subject to a $100,000 Deductible and Physical Damage claims are subject to a $5,000 Deductible.
- Crime coverage includes Employee Theft coverage of $1 million, Forgery or Alteration coverage of $500,000, Theft of Money and Securities coverage of $250,000, Robbery and Safe Burglary coverage of $100,000, Crime Outside the Premises coverage of $250,000, Computer Fraud and Funds Transfer Fraud coverage of $500,000 and Money Orders and Counterfeit Money coverage of $250,000. Each claim is subject to a $100,000 Deductible.
- Public Officials and Management Liability provides a $10 million Aggregate Limit for Wrongful Acts, Employment Practices Liability, and Employee Benefits Liability. Each claim is subject to a $100,000 Deductible.
- Workers' Compensation insurance provides Statutory Workers' Compensation benefits as required by California law and Employers Liability limits of $1 million Each Accident; Each Employee for Disease and $1,000,000 Disease Policy limit.
- Environmental (Pollution) Liability coverage provides a $4 million General Aggregate limit and $2 million Each Pollution Condition limit. Each Pollution Condition is subject to a $25,000 deductible.
- Railroad Protective Liability coverage provides a $5 million Per Occurrence limit and a $10 million Annual Aggregate limit.
- Cyber Liability coverage provides up to $1 million Aggregate, subject to a $10,000 Deductible per claim, loss, or incident.

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, 2026, 2025 and 2024.

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(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. 105

In December 2025, the GASB issued Statement No. 105 – Subsequent Events. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and non-recognized events and establishes specific note disclosure requirements for non-recognized events.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged.

(18) Commitments and Contingencies

Capital Contribution to Outside Agency – Unusual and Infrequent Item

In November 2025, the District and Novato Sanitary District (NSD) executed a memorandum documenting their mutual agreement regarding the allocation of expenditures between their respective funds, pursuant to the Fourth Revised Interagency Agreement for Recycled Water Between NSD and NMWD (Agreement). The memorandum fulfills the requirements of Article D.6 of the Agreement.

During fiscal year 2024-25, NSD completed the following capital project, for which a portion of the project costs was determined to be eligible for reimbursement by the District under the applicable funding provisions of the Agreement.

The Sodium Hypochlorite Tanks Replacement Project at the Davidson Street Recycled Water Treatment Facility (RWTF) involved replacing two 6,500-gallon-capacity tanks, associated piping, and ancillary equipment that partially serve the North and Central Recycled Water Systems. The final project cost was $249,832, of which 50%, or $124,916, was determined to be eligible for funding by the District through the NSRW Fund.

As of June 30, 2026, the District reported the $124,916 capital contribution to NSD as an unusual or infrequent item in the Statement of Revenues, Expenses, and Changes in Net Position on page 25, in accordance with GASB Statement No. 103.

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).

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(18) Commitments and Contingencies, continued

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 $3,355,904 and $1,820,584 in capital expenditures as of June 30, 2026 and 2025, respectively.

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, 2026, have been evaluated for possible adjustment to the financial statements or disclosure as of December 1, 2026, 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.

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Required Supplementary Information

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North Marin Water District
Schedule of Changes in the District Total OPEB Liability and Related Ratios
As of June 30, 2026
Last Ten Years*

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability									
Service cost	$ 190,601	197,591	196,490	133,569	189,098	166,020	140,410	137,480	145,989
Interest	263,741	194,240	188,823	160,146	101,213	115,047	135,765	150,690	132,454
Differences between expected and actual experience	517,652	-	228,085	-	138,698	-	(272,373)	163,205	-
Changes in assumptions or other inputs	517,015	(581,350)	277,919	(73,234)	(758,672)	256,981	363,781	195,564	(197,296)
Benefit payments	(370,238)	(352,434)	(308,921)	(276,859)	(264,768)	(258,042)	(229,722)	(250,340)	(375,787)
Net change in total OPEB liability	1,118,771	(541,953)	582,396	(56,378)	(594,431)	280,006	137,861	396,599	(294,640)
Total OPEB liability - beginning	4,327,665	4,869,618	4,287,222	4,343,600	4,938,031	4,658,025	4,520,164	4,123,565	4,418,205
Total OPEB liability - ending	$ 5,446,436	4,327,665	4,869,618	4,287,222	4,343,600	4,938,031	4,658,025	4,520,164	4,123,565
Covered-employee payroll	$ 8,567,961	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	63.57%	52.83%	66.11%	64.29%	70.90%	86.85%	81.73%	83.18%	73.17%
Valuation date	July 1, 2024	July 1, 2023	July 1, 2023	July 1, 2022	July 1, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Methods and assumptions used to determine contrbution rates:									
Single and agent employers Amortization method	Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1)	Entry age (1)
Inflation	2.50%	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%	3.00%
Discount rate	4.67%	5.20%	3.97%	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%
Mortality, retirement, turnover	(2)	(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 accumultaed 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.

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North Marin Water District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of June 30, 2026
Last Ten Years

Description	Measurement Dates									
	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
District's proportion of the net pension liability	0.41081%	0.37636%	0.36613%	0.14872%	0.17135%	0.13536%	0.13324%	0.13034%	0.12881%	0.12759%
District's proportionate share of the net pension liability	$ 16,387,980	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
District's covered payroll	$ 6,623,458	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
District's proportionate share of the net pension liability as a percentage of its covered payroll	247.42%	302.73%	339.80%	328.52%	184.83%	301.95%	279.84%	253.57%	277.68%	243.05%
Plan's fiduciary net position as a percentage of the total pension liability	75.48%	71.51%	70.07%	70.56%	83.29%	72.26%	73.56%	74.43%	72.80%	73.98%

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.
From fiscal year June 30, 2025 to June 30, 2026:
There were no changes in assumptions.

Working Draft Subject to review

North Marin Water District
Schedules of Pension Plan Contributions
As of June 30, 2026
Last Ten Years

Description	Fiscal Years									
	June 30, 2026	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
Actuarially determined contribution	$ 2,392,341	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
Contributions in relation to the actuarially determined contribution	(2,392,341)	(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)
Contribution deficiency (excess)	$ -	-	-	-	-	-	-	-	-	-
District's covered payroll	$ 7,354,750	6,623,458	6,012,964	5,387,870	5,228,970	5,013,891	4,877,510	4,878,849	4,953,247	4,600,500
Contribution's as a percentage of covered payroll	32.53%	31.94%	31.91%	34.67%	32.03%	29.72%	28.10%	23.68%	20.54%	20.14%
Notes to schdeule:										
Valuation date	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
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	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.30%	2.30%	2.30%	2.30%	2.50%	2.63%	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)	6.90% (3)	7.15% (3)	7.25% (3)	7.375% (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 employement
(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

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Combining Schedules

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North Marin Water District
Combining Schedule of Net Position
For the Year Ended June 30, 2026

	Novato Water	Novato Recycled	West Marin Water	Oceana Marin Sewer	Total
Current assets:					
Cash and cash equivalents	$ 3,259,564	4,133,590	-	244,153	7,637,307
Restricted – cash and cash equivalents	1,405,449	2,946,491	-	-	4,351,940
Restricted – investments	3,202,744	-	-	-	3,202,744
Accrued interest receivable	158,093	787	-	-	158,880
Accounts receivable – water and sewer sales	5,229,587	495,846	279,031	5,671	6,010,135
Accounts receivable – governmental agencies	368,140	-	-	-	368,140
Accounts receivable – other	71,189	-	192	-	71,381
Leases receivable	30,320	-	-	-	30,320
Notes receivable	-	39,574	-	-	39,574
Loan receivable	224,426	-	-	-	224,426
Interfund loans	126,266	-	-	-	126,266
Materials and supplies inventory	1,037,981	-	-	-	1,037,981
Prepaid expenses and deposits	457,791	-	-	-	457,791
Total current assets	15,571,550	7,616,288	279,223	249,824	23,716,885
Non-current assets:					
Restricted – investments	2,459,478	-	-	-	2,459,478
Internal balances (note 6)	107,908	-	(107,908)	-	-
Leases receivable	261,416	-	-	-	261,416
Notes receivable	-	904,837	-	-	904,837
Loan receivable	1,682,393	-	-	-	1,682,393
Interfund loans	951,636	-	-	-	951,636
Note receivable – employee housing loans, net	1,150,000	-	-	-	1,150,000
Capital assets, not being depreciated	4,703,452	-	1,857,536	65,756	6,626,744
Depreciable capital assets, net	118,364,374	27,783,622	7,292,757	3,016,760	156,457,513
Total non-current assets	129,680,657	28,688,459	9,042,385	3,082,516	170,494,017
Total assets	145,252,207	36,304,747	9,321,608	3,332,340	194,210,902
Deferred outflows of resources:					
Deferred other post-employment benefits outflows	690,399	-	-	-	690,399
Deferred pension outflows	4,740,191	-	-	-	4,740,191
Total deferred outflows of resources	5,430,590	-	-	-	5,430,590
Current liabilities:					
Accounts payable and accrued expenses	2,322,187	-	-	-	2,322,187
Accrued wages and related payables	257,237	33,584	51,348	21,395	363,564
Customer advances and deposits	852,117	177	222,672	-	1,074,966
Accrued interest payable – long-term debt	195,392	77,834	19,993	10,479	303,698
Long-term liabilities – due within one year:					
Compensated absences	347,564	-	-	-	347,564
Interfund loan – West Marin (note 6)	-	-	95,727	30,539	126,266
Leases payable	94,314	-	-	-	94,314
Loans payable	2,035,240	1,011,235	59,918	-	3,106,393
Other post-employment benefits liability	224,177	-	-	-	224,177
Total current liabilities	6,328,228	1,122,830	449,658	62,413	7,963,129
Non-current liabilities:					
Long-term liabilities – due in more than one year:					
Compensated absences	538,752	-	-	-	538,752
Interfund loan – West Marin (note 6)	-	-	632,175	319,461	951,636
Leases payable	107,951	-	-	-	107,951
Loans payable	22,487,748	8,541,181	284,595	-	31,313,524
Other post-employment benefits liability	5,222,259	-	-	-	5,222,259
Net pension liability	16,387,980	-	-	-	16,387,980
Total non-current liabilities	44,744,690	8,541,181	916,770	319,461	54,522,102
Total liabilities	51,072,918	9,664,011	1,366,428	381,874	62,485,231
Deferred inflows of resources:					
Deferred lease inflows	251,665		-		251,665
Deferred pension inflows	2,686,249	-	-	-	2,686,249
Total deferred inflows of resources	2,937,914	-	-	-	2,937,914
Net position:					
Net investment in capital assets	98,342,573	18,231,206	8,805,780	3,082,516	128,462,075
Restricted:					
SRF loan fund – Stafford Treatment Plant	1,055,449	-	-	-	1,055,449
SRF reserve fund – Recycled Water System	-	1,105,072	-	-	1,105,072
Interagency capital replacement and expansion fund	-	5,557,949	-	-	5,557,949
Unrestricted (deficit)	(2,726,057)	1,746,509	(850,600)	(132,050)	(1,962,198)
Total net position	$ 96,671,965	26,640,736	7,955,180	2,950,466	134,218,347

Working Draft Subject to eview

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
Current assets:					
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 loan	93,168	-	-	-	93,168
Materials and supplies inventory	943,437	-	-	-	943,437
Prepaid expenses and deposits	455,259	-	-	-	455,259
Total current assets	18,086,229	7,585,516	665,666	371,089	26,708,500
Non-current assets:					
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 loan	1,077,902	-	-	-	1,077,902
Notes 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
Total non-current assets	127,338,576	29,510,235	8,913,629	3,118,019	168,880,459
Total assets	145,424,805	37,095,751	9,579,295	3,489,108	195,588,959
Deferred outflows of resources:					
Deferred other post-employment benefits outflows	219,707	-	-	-	219,707
Deferred pension outflows	5,327,743	-	-	-	5,327,743
Total deferred outflows of resources	5,547,450	-	-	-	5,547,450
Current liabilities:					
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	-	-	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
Total current liabilities	6,945,035	1,104,950	541,573	19,456	8,611,014
Non-current liabilities:					
Long-term liabilities – due in more than one year:					
Compensated absences	502,764	-	-	-	502,764
Interfund loan	-	-	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
Total non-current liabilities	47,994,862	9,552,413	1,072,416	350,000	58,969,691
Total liabilities	54,939,897	10,657,363	1,613,989	369,456	67,580,705
Deferred inflows of resources:					
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
Total deferred inflows of resources	1,202,712	-	5,285	-	1,207,997
Net position:					
Net investment in capital assets	93,301,863	18,022,791	8,511,207	3,118,019	122,953,880
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	457,756	1,622,825	(551,186)	1,633	1,531,028
Total net position	$ 94,829,646	26,438,388	7,960,021	3,119,652	132,347,707

Working Draft subject to review

North Marin Water District
Combining Schedule of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2026

	Novato Water	Novato Recycled	West Marin Water	Oceana Marin Sewer	Total
Operating revenues:					
Water consumption sales	$ 18,975,203	1,499,972	917,760	-	21,392,935
Bi-monthly meter service charge	8,846,593	335,398	339,768	-	9,521,759
Sewer service charges	-	-	-	378,066	378,066
Other charges and services	356,592	75	9,877	2,500	369,044
Total operating revenues	28,178,388	1,835,445	1,267,405	380,566	31,661,804
Operating expenses:					
Source of supply	8,014,742	382,045	27,450	33,055	8,457,292
Pumping	846,644	6,050	105,729	-	958,423
Water facilities operations	1,624,984	267,782	74,321	-	1,967,087
Water treatment	3,664,716	531	318,850	-	3,984,097
Transmission and distribution	5,307,049	34,985	231,032	-	5,573,066
Sewage collection and treatment	-	-	-	334,826	334,826
Customer service	686,465	2,371	38,173	4,376	731,385
General and administrative	4,149,552	95,444	127,865	66,582	4,439,443
Water conservation projects	600,055	-	10,783	-	610,838
Total operating expenses	24,894,207	789,208	934,203	438,839	27,056,457
Operating income (loss) before depreciation	3,284,181	1,046,237	333,202	(58,273)	4,605,347
Depreciation	(3,586,800)	(795,474)	(291,622)	(77,529)	(4,751,425)
Operating income(loss)	(302,619)	250,763	41,580	(135,802)	(146,078)
Non-capital subsidies:					
Property tax revenue	154,381	-	-	-	154,381
Total non-capital subsidies	154,381	-	-	-	154,381
Operating (loss) income and non-capital subsidies	(148,238)	250,763	41,580	(135,802)	8,303
Other non-operating revenues(expenses):					
Investment earnings	530,330	232,122	3,414	5,656	771,522
Interest earnings from note receivable – BPGL	-	9,640	-	-	9,640
Interest earnings from loan receivable – MMWD	59,579	-	-	-	59,579
Interest earnings from leases	9,772	-	191	-	9,963
Rental revenue	41,537	-	5,285	250	47,072
Interest expense – long-term debt	(794,720)	(165,261)	(32,844)	(10,479)	(1,003,304)
State of California – Caltrans	-	-	-	-	-
Developers and others	1,496,976	-	1,556	-	1,498,532
Connection fees	91,680	-	5,580	-	97,260
Capital grants – state and local	17,397	-	68	-	17,465
Loss on disposition of capital assets	(7,979)	-	(28,671)	(28,687)	(65,337)
Regulation 15 forfeiture	19,915	-	-	-	19,915
Other non-operating revenues	9,441	-	-	-	9,441
Other non-operating expenses	(16,198)	-	(1,000)	(124)	(17,322)
Total other non-operating revenues(expense), net	1,457,730	76,501	(46,421)	(33,384)	1,454,426
Net income (loss) before unusual and infrequent items	1,309,492	327,264	(4,841)	(169,186)	1,462,729
Unusual or infrequent items:					
Gain on disposition of capital assets	532,827	-	-	-	532,827
Contribution to outside agency	-	(124,916)	-	-	(124,916)
Total unusual or infrequent items	532,827	(124,916)	-	-	407,911
Change in net position	1,842,319	202,348	(4,841)	(169,186)	1,870,640
Net position, beginning of year	94,829,646	26,438,388	7,960,021	3,119,652	132,347,707
Net position, end of year	$ 96,671,965	26,640,736	7,955,180	2,950,466	134,218,347

Working Draft Subject to Review

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

	Novato Water	Novato Recycled	West Marin Water	Oceana Marin Sewer	Total
Operating revenues:					
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
Total operating revenues	27,325,531	1,819,392	1,170,493	347,556	30,662,972
Operating expenses:					
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
Total operating expenses	24,975,161	735,874	1,087,181	355,491	27,153,707
Operating income (loss) 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)
Operating (loss) income	(627,531)	292,152	(171,259)	(63,720)	(570,358)
Non-capital subsidies:					
Property tax revenue	149,358	-	-	-	149,358
Total non-capital subsidies	149,358	-	-	-	149,358
Operating (loss) income and non-capital subsidies	(478,173)	292,152	(171,259)	(63,720)	(421,000)
Other non-operating revenues(expenses):					
Investment earnings, net	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)
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
Gain (loss) on sale 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)
Total other non-operating revenues, net	1,299,215	111,846	282,782	1,208,995	2,902,838
Change in net position	821,042	403,998	111,523	1,145,275	2,481,838
Net position, beginning of year	94,008,604	26,034,390	7,848,498	1,974,377	129,865,869
Net position, end of year	$ 94,829,646	26,438,388	7,960,021	3,119,652	132,347,707

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Statistical Information Section

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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.

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Financial Trends These schedules contain information to help the reader understand how the District's financial performance and well-being have changed over time.	77-80
Revenue Capacity These schedules contain information to help the reader assess the District's most significant own-source revenue, water sales.	81-84
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.	85-86
Demographic Information This schedule offers demographic indicators to help the reader understand the environment within which the District's financial activities take place.	87-88
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.	89-90

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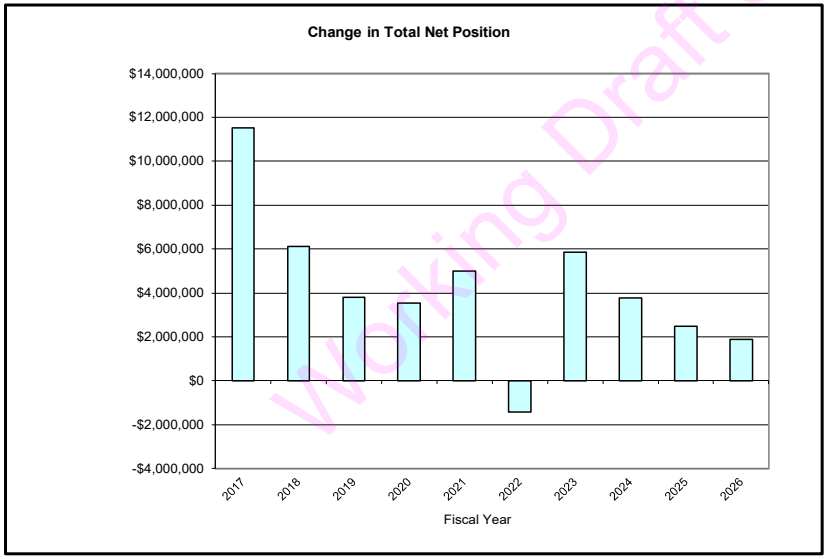
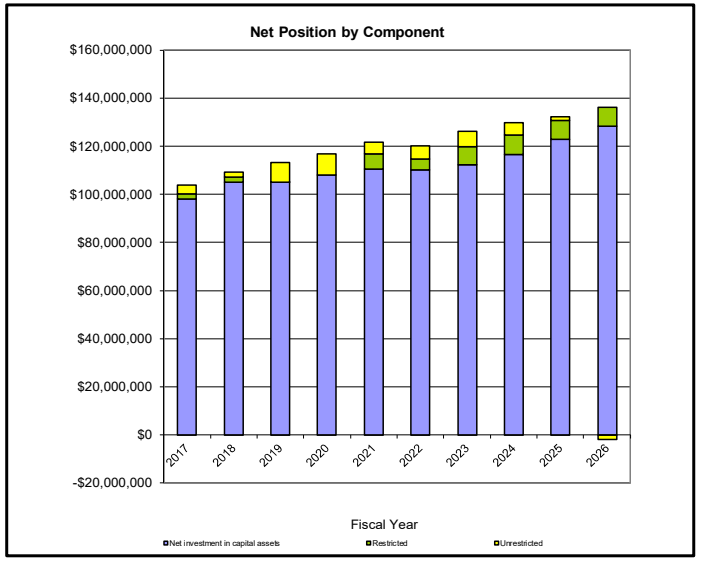
North Marin Water District
Changes in Net Position and Net Position by Component
Last Ten Fiscal Years

Schedule 1

	Fiscal Year									
	2017	Restated 2018	Restated 2019	2020	Restated 2021	2022	Restated 2023	Restated 2024	2025	2026
Change in net position:										
Operating revenues (see schedule 2)	$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	$31,661,804
Operating expenses (see schedule 3)	(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)	(27,056,457)
Depreciation and amortization	(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)	(4,751,425)
Operating income(loss)	$187,378	$2,198,995	$1,949,599	$1,025,926	$754,366	($2,098,797)	$3,737,506	$482,881	($570,358)	($146,078)
Non-capital subsidies										
Property tax revenue	107,210	109,927	115,706	120,821	125,416	132,649	143,332	145,929	149,358	154,381
Operating income(loss) and non-capital subsidies	$294,588	$2,308,922	$2,065,305	$1,146,747	$879,782	($1,966,148)	$3,880,838	$628,810	($421,000)	$8,303
Net other non-op revenue(expense) (see schedule 4)	11,231,348	3,816,637	1,746,536	2,708,232	4,105,898	523,280	1,968,323	3,131,321	2,902,838	1,454,426
Net income(loss) before unusual and infrequent items	$11,525,936	$6,125,559	$3,811,841	$3,854,979	$4,985,680	($1,442,868)	$5,849,161	$3,760,131	$2,481,838	$1,462,729
Unusual and Infrequent Items										
Gain on sale of real property	-	-	-	-	-	-	-	-	-	532,827
Capital contribution to outside agency	-	-	-	(305,711)	-	-	-	-	-	(124,916)
Total unusual and infrequent items	-	-	-	(305,711)	-	-	-	-	-	407,911
Change in net position	$11,525,936	$6,125,559	$3,811,841	$3,549,268	$4,985,680	($1,442,868)	$5,849,161	$3,760,131	$2,481,838	$1,870,640
Net position by component:										
Net investment in capital assets	$98,131,574	$104,921,863	$105,092,277	$107,946,623	$110,643,664	$110,111,018	$112,410,898	$116,599,712	$122,953,880	$128,462,075
Restricted	2,140,681	2,186,164	71,715	-	6,166,090	4,560,392	7,432,578	8,146,966	7,862,799	7,718,470
Unrestricted	3,639,717	2,244,629	8,000,505	8,767,142	4,889,691	5,585,167	6,262,262	5,119,191	1,531,028	(1,962,198)
Total net position	$103,911,972	$109,352,656	$113,164,497	$116,713,765	$121,699,445	$120,256,577	$126,105,738	$129,865,869	$132,347,707	$134,218,347





Source: North Marin Water District Audited Financial Statements

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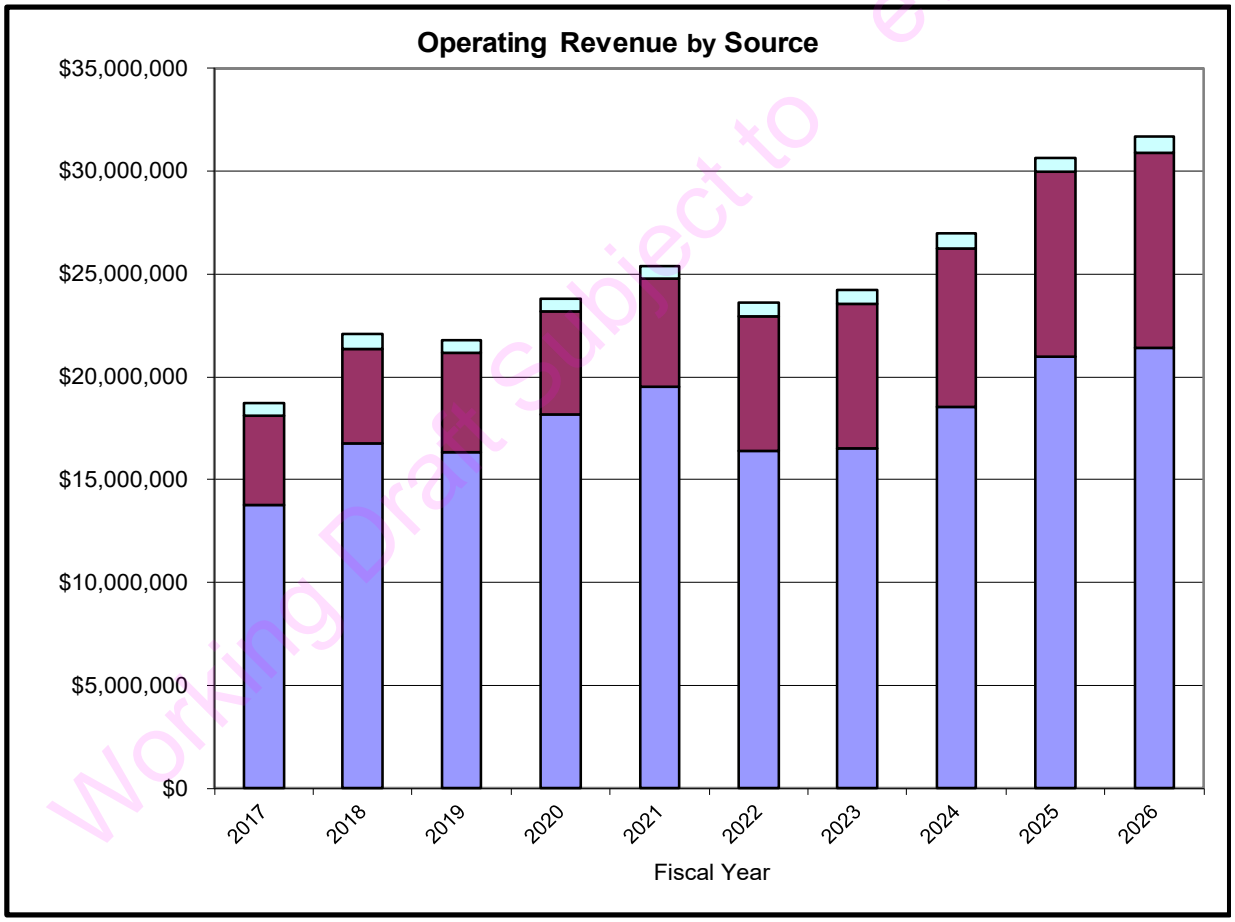
North Marin Water District
Operating Revenue by Source
Last Ten Fiscal Years

Schedule 2

Fiscal Year	Water Sales	Bi-Monthly Service Charges	Other Charges and Services	Total Operating Revenue
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
2026	21,392,935	9,521,759	747,110	31,661,804



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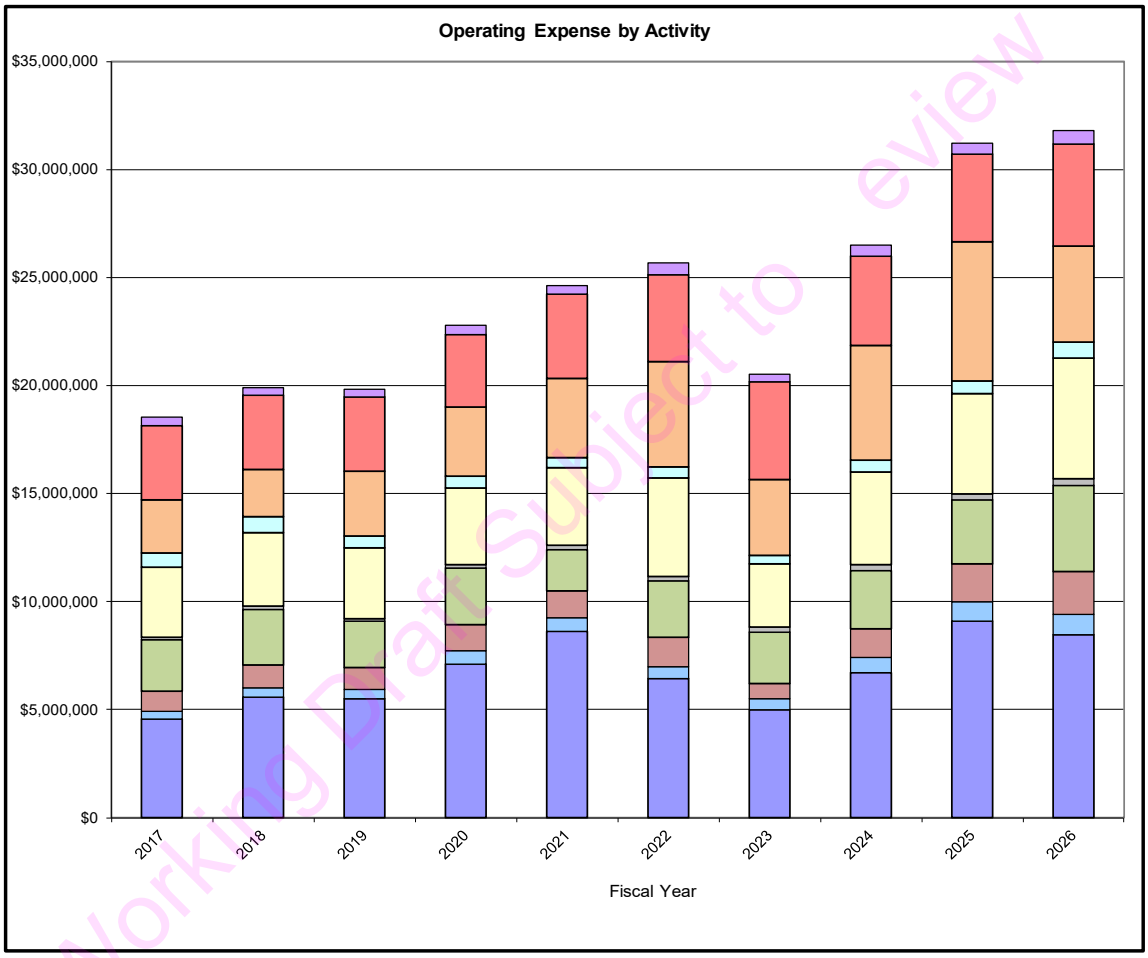
Source: North Marin Water District Audited Financial Statements

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
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
2026	8,457,292	958,423	1,967,087	3,984,097	334,826	5,573,066	731,385	4,439,443	610,838	4,751,425	31,807,882



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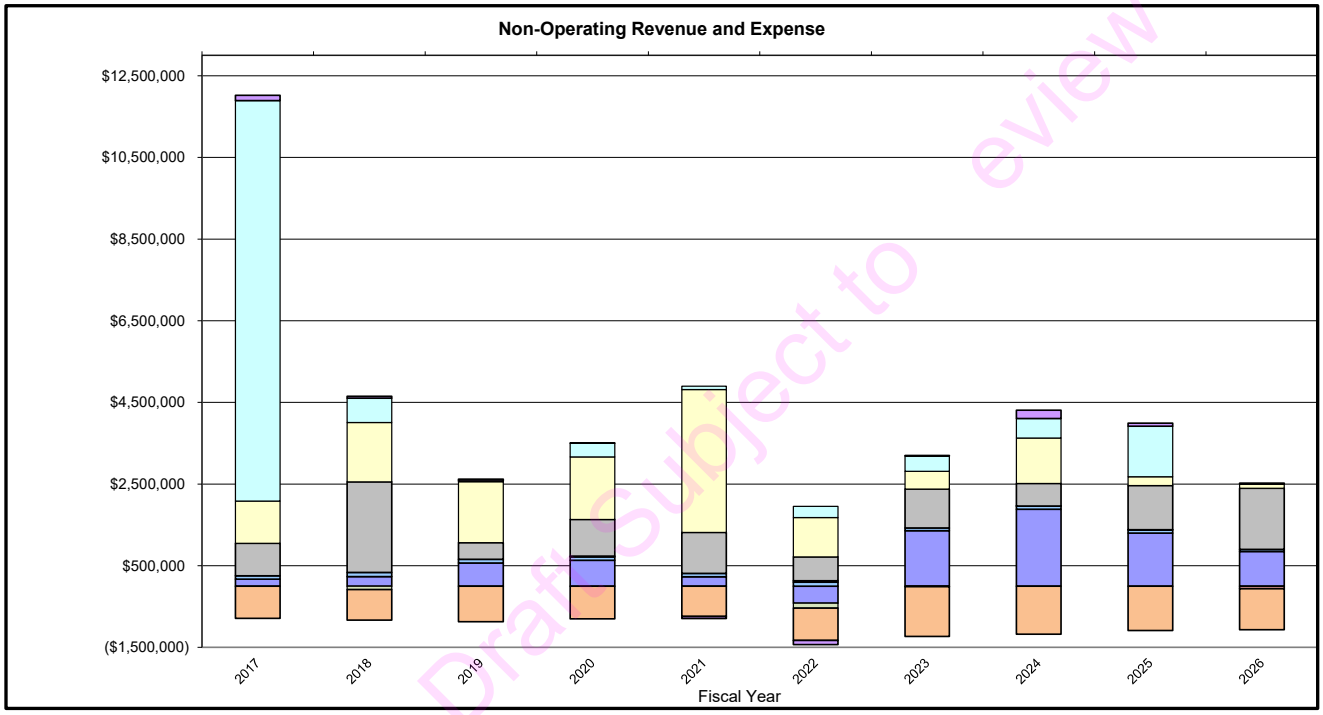
Source: North Marin Water District Audited Financial Statements

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

Schedule 4

Fiscal Year	Investment Income, net Fair Value[1]	Rental Revenue	Gain/(Loss) on Asset Sales	Debt Issuance Costs	Cap. Contrib. Developer and Others	Cap. Contrib. Connection Fees	Cap. Grants Federal, State, and Local	Interest Expense	Other Inc & (Exp), net	Net Non-Op Rev/(Exp)
2017	$ 168,766	83,151	-	-	796,853	1,034,585	9,811,950	(791,211)	127,254	11,231,348
2018	230,705	105,406	-	(86,180)	2,216,734	1,455,400	592,907	(747,118)	48,783	3,816,637
2019	565,721	91,532	-	-	409,138	1,492,380	20,191	(875,354)	42,928	1,746,536
2020	632,208	86,597	18,816	-	895,050	1,531,535	336,398	(798,522)	6,150	2,708,232
2021	229,851	80,942	-	-	1,005,939	3,496,089	86,060	(740,004)	(52,979)	4,105,898
2022	(415,864)	94,843	34,135	(124,000)	590,514	961,980	273,009	(789,056)	(102,281)	523,280
2023	1,358,483	69,876	(10,885)	-	946,042	437,680	377,573	(1,219,819)	9,373	1,968,323
2024	1,880,499	78,577	2,940	-	551,213	1,114,170	474,291	(1,176,988)	206,619	3,131,321
2025	1,298,588	78,008	7,352	-	1,081,570	215,510	1,237,328	(1,087,840)	72,322	2,902,838
2026	850,704	47,072	(65,337)	-	1,498,532	97,260	17,465	(1,003,304)	12,034	1,454,426



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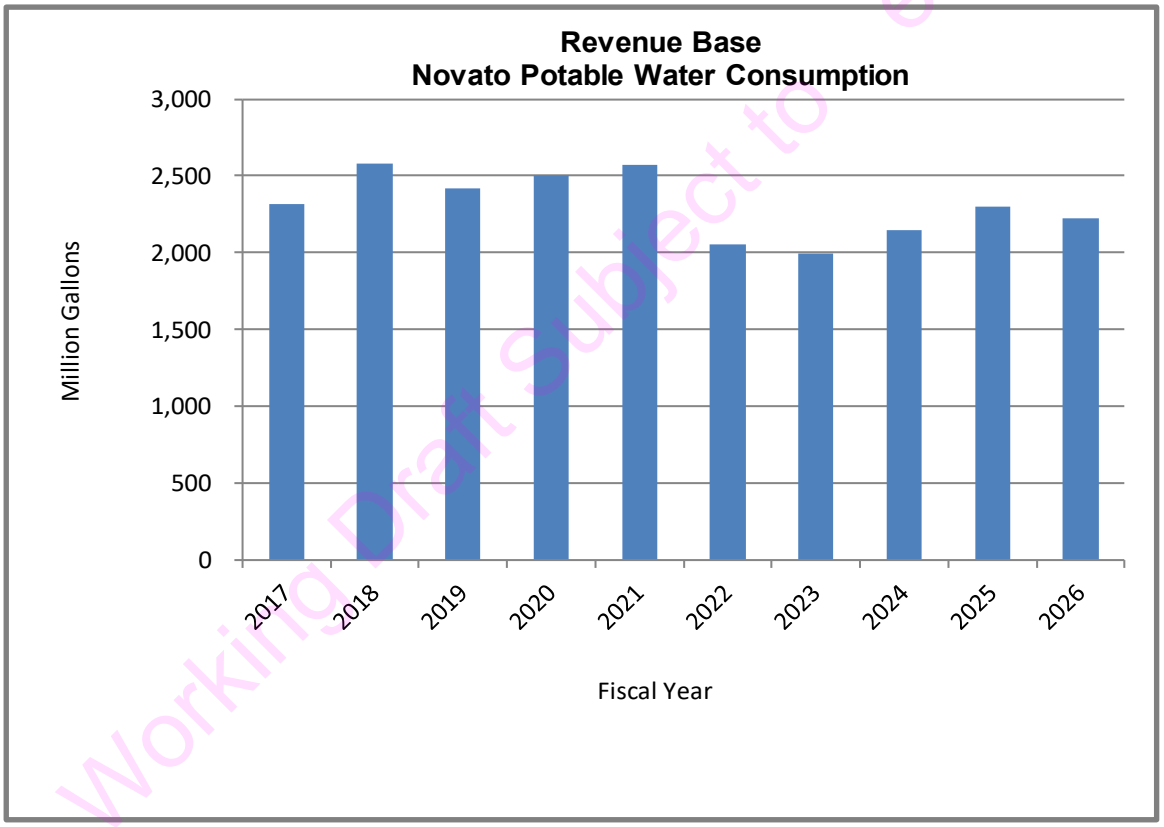
Notes:
(1) Includes interest income and realized and unrealized gains and losses on investments.

Source: North Marin Water District Audited Financial Statements

North Marin Water District
Revenue Base
Last Ten Fiscal Years

Schedule 5

Fiscal Year	Novato Potable Water Consumption (Million Gallons)
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
2026	2,224



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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: Novato Potable & Recycled — Single-Family Residential	Multi-Family Residential	Commercial/ Business	Government	Recycled	West Marin Water	Oceana Marin Sewer	Total
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
2026	18,747	697	1,237	219	105	804	241	22,050

Source: NMWD CORE billing system (T:\FINANCE\Audit\Audit26\ACFR\Stats Section FY 25.26\[StructureTypeCount FY 25.26.xlsx]FY26

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

Schedule 7

Bimonthly Service Charge

Meter Size	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	6/30/26
5/8" & 3/4"	$ 31.50	$ 33.00	$ 34.15	$ 34.15	$ 41.46	$ 43.95	$ 46.58	$ 51.01	$ 58.39	$ 61.89
1"	63.00	66.00	68.30	68.30	74.06	78.50	83.21	91.11	105.73	112.07
1 1/2"	77.00	80.50	83.30	83.30	128.38	136.08	144.25	157.95	184.63	195.71
2"	120.00	125.50	129.90	129.90	193.57	205.18	217.50	238.16	279.31	296.07
3"	238.00	248.50	257.20	257.20	367.41	389.45	412.82	452.04	531.79	563.70
4"	382.00	399.00	413.00	413.00	562.98	596.76	632.56	692.65	815.83	864.78
6"	799.00	835.00	864.00	864.00	1,106.23	1,172.60	1,242.96	1,361.04	1,604.83	1,701.12
8"	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	2,202.92

Water Use Rate (per 1,000 Gallons)

User Type	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	6/30/26
Residential Zone A										
Base Rate[1]	$ 5.01	$ 5.24	$ 5.42	$ 5.42	$ 5.50	$ 5.83	$ 6.18	$ 6.77	$ 7.54	$ 7.44
Tier 1[2]	7.99	8.35	8.64	8.64	6.23	6.60	7.00	7.67	9.16	9.71
Tier 2[2]	13.91	14.54	15.05	15.05	7.57	8.13	8.62	9.44	13.55	14.36
Non-Residential Zone A										
Base Rate[1]	5.52	5.77	5.97	5.97	5.50	5.83	6.18	6.77	7.01	8.00
Seasonal Rate	5.93	6.20	6.42	6.42	7.67	8.13	8.62	9.44	13.55	N/A

Notes:

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

(2) Tier 1 = 616-1845 gallons/day (gpd) FY17-FY20, 263-720 gpd FY21-FY26, Tier 2 = >1845 gpd FY17-FY20, >720 gpd FY21-FY26

(3) N/A - Seasonal Rates were eliminated on July 1, 2024

Source: North Marin Water approved rates

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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

	FY 2025/26	% of Total	FY 2016/17	% of Total
1	Bay Club Stonetree (Recycled Water)	1.7%	City of Novato	2.3%
2	Novato Unified School District	1.7%	Stone Tree Golf Course	1.7%
3	City of Novato	1.7%	Novato Unified School District	1.6%
4	Biomarin Pharmaceutical	1.3%	BioMarin Pharmaceutical	1.1%
5	Marin Country Club (Recycled Water)	1.1%	Indian Valley Golf Course	0.7%
6	Ncp Multifamily LLC	0.8%	Fireman's Fund	0.7%
7	Indian Valley Golf Course	0.7%	Meadow Park HOA	0.7%
8	Avanath Bay Vista LP	0.7%	Bay Vista Apartments	0.6%
9	Commanding Officer	0.6%	Marion Park Apts	0.5%
10	Marion Park Apts	0.6%	Vintage Oaks Shopping Center	0.4%
		10.9%		10.3%
	Total Water Service Revenue	$30,915,000	Total Water Service Revenue	$17,890,000

Source: NMWD CORE billing system (t:\finance\audit\audit26\acfr fy26\stats section fy 25.26\[top revenue 2017_2026.xlsx]top 10

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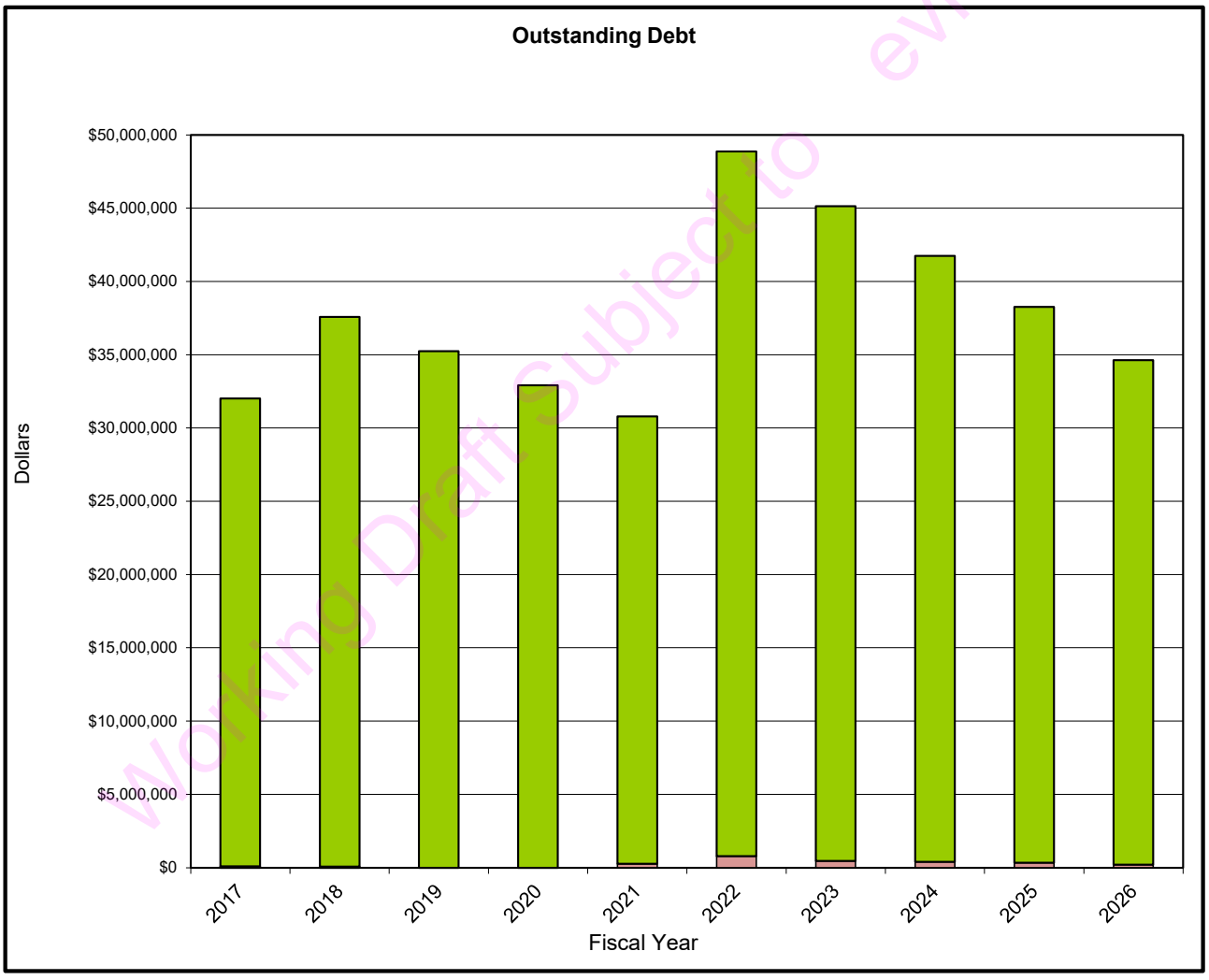
North Marin Water District
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Schedule 9

Fiscal Year	Bonds Payable	Leases Payable	Loans Payable	Total Debt	Per Capita	As a Share of Personal Income [1]
2017	94,000	-	31,922,939	32,016,939	521.04	0.21%
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	0.39%
2021	-	268,052	30,509,356	30,777,408	498.98	0.33%
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	0.38%
2025	-	342,273	37,924,235	38,266,508	623.45	0.35%
2026	-	202,265	34,419,917	34,622,182	566.60	0.33%



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Source: North Marin Water District Audited Financial Statements

[1] Per Capita/Personal Income per Capita (See Schedule 11)

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

Schedule 10

Fiscal Year	Revenue[1]	Expense[2]	Net Available Revenue	Debt Service			Coverage Ratio
				Principal	Interest	Total	
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	2.16
2021	29,203,577	(20,742,030)	8,461,547	2,452,431	740,004	3,192,435	2.64
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
2026	32,820,662	(25,889,024)	6,931,638	3,200,707	865,155	4,065,862	1.70

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

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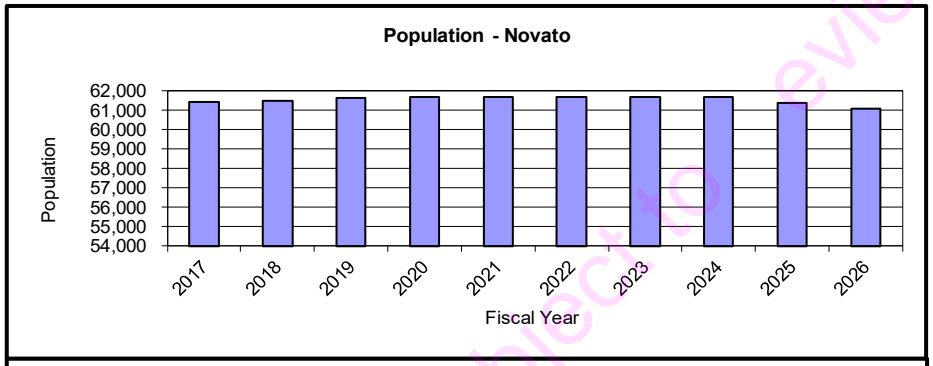
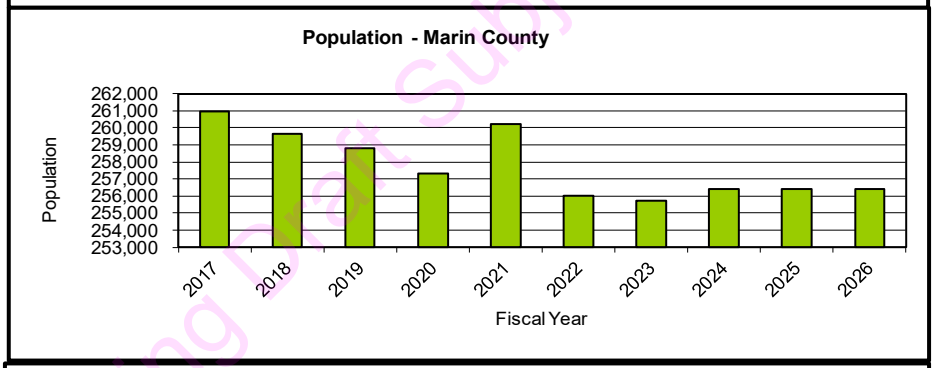
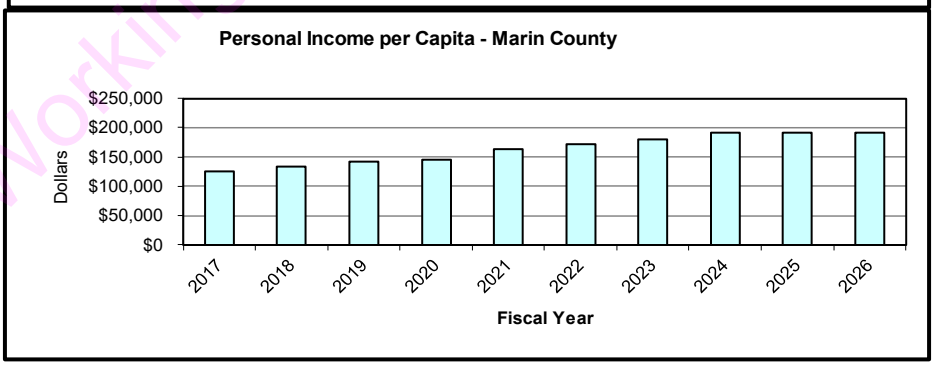
North Marin Water District
Demographics and Economics Statistics
Last Ten Fiscal Years

Schedule 11

Year	Novato Service Area[1] Estimated Population	Novato Service Area[1] Unemployment Rate	County of Marin Population	County of Marin Personal Income (thousands of dollars)	County of Marin Personal Income per Capita
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	37,461,106	145,575
2021	61,681	4.5%	260,206	42,704,488	164,118
2022	61,693	2.5%	256,018	43,824,393	171,177
2023	61,688	3.1%	255,706	46,196,102	180,661
2024	61,688	3.9%	256,400	48,944,452	190,891
2025	61,379	5.2%	256,400	48,944,452	190,891
2026	61,105	4.4%	256,400	48,944,452	190,891







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Sources:

Novato population estimates based on District's occupancy estimates per Active Dwelling Unit (Active DU x 2.56)
https://labormarketinfo.edd.ca.gov/data/unemployment-and-labor-force.html
Population for County of Marin for 2025 & 2026 was unavailable, 2024 amount was used
Personal Income per Capita for 2025 & 2026 was unavailable, 2024 amount was used
BEA Interactive Data Application
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 2025/2026*			FY 2016/2017		
	Employer	Number of Employees	Percent of Total Employment	Employer	Number of Employees	Percent of Total Employment
1	Kaiser Permanente	5,012	4.14%	County of Marin	2,305	1.67%
2	Bio Marin Pharmaceutical Inc.	3,040	2.51%	Kaiser Permanente	2,092	1.52%
3	County of Marin	2,300	1.90%	BioMarin	1,700	1.23%
4	Marin Health Medical Center	1,700	1.40%	Marin General Hospital	1,602	1.16%
5	Corrections Department	1,489	1.23%	San Quentin State Prison	1,600	1.16%
6	YMCA San Francisco	1,096	0.90%	Novato Unified School District	850	0.62%
7	RH (Restoration Hardware)	1,050	0.87%	Glassdoor	750	0.54%
8	Bay Equity	1,012	0.83%	San Rafael City Schools	700	0.51%
9	Glassdoor Inc.	860	0.71%	Marin County Office of Education	600	0.44%
10	College of Marin	630	0.52%	Dominican University	319	0.23%
		18,189	15.01%		12,518	9.09%

Source: County of Marin
https://www.marincounty.org/depts/df/annual-comprehensive-financial-reports-acfr

* 2025/2026 Largest Employers was not available. The most recent available year was FY 2024/2025 per County of Marin ACFR. ** County of Marin FY 2017/2018 ACFR for 2017 amounts.

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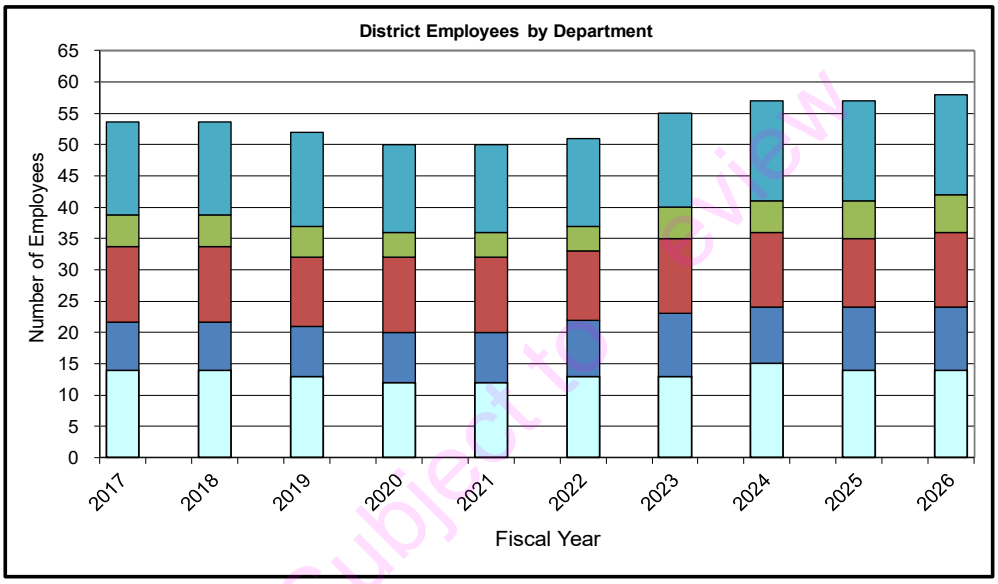
North Marin Water District
Operating and Capacity Indicators – Total Employees
Last Ten Fiscal Years

Schedule 13

Department	Fiscal Year End 2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Administrative Services	14	14	13	12	12	13	13	15	14	14
Engineering Services	8	8	8	8	8	9	10	9	10	10
Construction /Maintenance	12	12	11	12	12	11	12	12	11	12
Water Quality	5	5	5	4	4	4	5	5	6	6
Operations / Maintenance	15	15	15	14	14	14	15	16	16	16
	54	54	52	50	50	51	55	57	57	58



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

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

Schedule 14

Other Operating and Capacity Indicators				
Fiscal Year	**District Area (Square Miles)**	**Miles of Pipeline**	**Number of Fire Hydrants**	**System Storage Capacity (MG)**
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
2026	100	387	2,911	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

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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, 2026, 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 1, 2026.

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*.

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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 1, 2026

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North Marin Water District

Management Report

June 30, 2026

Working Draft Subject to Review

North Marin Water District

Management Report

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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, 2026, 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.

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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 adjustments, reclassification entries, and passed adjustments provided by the auditor and have entered those entries with exception to the passed adjustments 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 adjustments, reclassification entries, and passed adjustments provided by the auditor and have entered those entries with exception to the passed adjustments 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 1, 2026

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APPENDIX

North Marin Water District

Audit/Finance Committee Letter

June 30, 2026

Working Draft Subject to Review

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, 2026. and have issued our report thereon dated December 1, 2026. 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 17, 2026, 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 1, 2026.

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.

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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, 2026, the District implemented the provisions of GASB Statement No. 103 – *Financial Reporting Model Improvements* and GASB Statement No. 104 – *Disclosure of Certain Capital Assets*. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2026. 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.

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Financial Statement Disclosures, continued

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.

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 11 discloses all audit adjustments, reclassification entries, and passed adjustments 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 1, 2026.

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.

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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.

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Conclusion

We appreciate the cooperation extended to us by Anthony Williams, General Manager, Julie Blue, Director of Administrative Services, 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 1, 2026

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North Marin Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2026

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
CPE - To accrue June services from Novato Sanitary District at June 30, 2026.			
13509.01	Unrestricted Cash	48,567.08	
51305.05	Purchased Water - NSD	48,567.08	
13509.05	Unrestricted Cash		48,567.08
22201.01	Accounts Payable - Vouchers		48,567.08
Total		**97,134.16**	**97,134.16**
Adjusting Journal Entries JE # 2			
CPE - To accrue V.W. Housen & Associates invoice related to June at June 30, 2026.			
13509.01	Unrestricted Cash	4,279.50	
56095.08	G&A Consultants/Studies-OM	4,279.50	
13509.08	Unrestricted Cash		4,279.50
22201.01	Accounts Payable - Vouchers		4,279.50
Total		**8,559.00**	**8,559.00**
Adjusting Journal Entries JE # 3			
AJE - To reclassify Jan 2027 through June 2027 principal payments from CLAM for sale of 25 Giacomini house to current portion at June 30, 2026.			
13740.01	Accounts Receivable:Novato:Cons Acct	27,367.78	
13732.01	Loan Receivable - LT Property Transactio:Novato:Di		27,367.78
Total		**27,367.78**	**27,367.78**
Adjusting Journal Entries JE # 4			
AJE - To reclassify PG&E invoice for June 2026 which was posted to an incorrect account at June 30, 2026.			
52301.01	Electric Power	62,191.55	
53201.01	Purification Chemicals		62,191.55
Total		**62,191.55**	**62,191.55**
Adjusting Journal Entries JE # 5			
CPE - To estimate accrual for stuck meter (account 4281901) for over two billing periods. Meter was replaced on 8/4/26.			
13741.05	Accrued Water Revenue	43,411.94	
41100.05	Water Sales		43,411.94
Total		**43,411.94**	**43,411.94**
Adjusting Journal Entries JE # 6			
CPE - To align the RW Cap Rep & Exp Fund Restricted Reserves to the RW Cap Rep & Exp Fund Restricted Cash at June 30, 2026.			
25510.05	Capital Replacement & Expansion Fund	4,834.00	
59405.05	Transfer to Capital Replacement & Expansion Fund		4,834.00
Total		**4,834.00**	**4,834.00**
Adjusting Journal Entries JE # 7			
CPE - To correct the amount of Unresricted Cash that Novato borrowed from the Operating Reserve fund in June.			
12627.01	Designated Cash - Operating Reserve	52,846.58	
13509.01	Unrestricted Cash		52,846.58
Total		**52,846.58**	**52,846.58**
Adjusting Journal Entries JE # 8			
GASB 68 Entry #1 - To reclassify 2025 contributions to Net Pension Liability at June 30, 2026.			
21502.01	Pension Related Debt:Novato:Admin	2,226,477.00	
16100.01	Deferred Outflows - Pension		2,226,477.00
Total		**2,226,477.00**	**2,226,477.00**

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North Marin Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2026

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 9			
GASB 68 Entry #2 - To reclassify 2026 contributions to Deferred Outflows of Resources at June 30, 2026.			
13509.02	Unrestricted Cash:West Marin:GM	120,779.00	
13509.05	Unrestricted Cash	24,156.00	
13509.08	Unrestricted Cash	31,550.00	
16100.01	Deferred Outflows - Pension	2,464,869.00	
13509.01	Unrestricted Cash		176,485.00
57000.01	GASB68 Adjustment - G&A		2,288,384.00
57000.02	GASB68 Adjustment - G&A		120,779.00
57000.05	GASB68 Adjustment - G&A		24,156.00
57000.08	GASB68 Adjustment-G&A		31,550.00
Total		**2,641,354.00**	**2,641,354.00**
`			
Adjusting Journal Entries JE # 10			
GASB 68 Entry #3 - To record changes in pension liability and related deferred outflows and deferred inflows during FY24/25 at June 30, 2026.			
13509.01	Unrestricted Cash	206,540.00	
16100.01	Deferred Outflows - Pension	1,403,239.00	
16100.01	Deferred Outflows - Pension	291,532.00	
23100.01	Deferred Inflows - Pension	1,047,935.00	
51400.01	GASB68 Adjustment - Source	15,588.00	
51400.02	GASB68 Adjustment - Source	2,126.00	
52309.01	GASB68 Adjustment - Pumping	35,427.00	
52309.02	GASB68 Adjustment - Pumping	5,668.00	
52700.01	GASB68 Adjustment - Operations	362,066.00	
52700.02	GASB68 Adjustment - Operations	14,879.00	
52700.05	GASB68 Adjustment - Operations	4,606.00	
53800.01	GASB68 Adjustment - Water Treatment	647,254.00	
53800.02	GASB68 Adjustment - Water Treatment	61,643.00	
54598.01	GASB68 Adjustment - T&D	1,122,331.00	
54598.02	GASB68 Adjustment - T&D	51,724.00	
54598.05	GASB68 Adjustment - T&D	7,794.00	
54699.08	GASB68 Adjustment - Sewage Collection	17,359.00	
54799.08	GASB68 Adjustment - Sewage Treatment	9,211.00	
54899.08	GASB68 Adjustment - Disposal-OMSewer-Admin	23,382.00	
55999.01	GASB68 Adjustment - Consumer Accounting	95,653.00	
55999.02	GASB68 Adjustment - Consumer Accounting	5,668.00	
57000.01	GASB68 Adjustment - G&A	964,326.00	
58100.01	GASB68 Adjustment - Water Conservation	93,528.00	
58100.02	GASB68 Adjustment - Water Conservation	2,480.00	
13509.02	Unrestricted Cash:West Marin:GM		144,188.00
13509.05	Unrestricted Cash		12,400.00
13509.08	Unrestricted Cash		49,952.00
16100.01	Deferred Outflows - Pension		13,277.00
16100.01	Deferred Outflows - Pension		1,047,935.00
21502.01	Pension Related Debt:Novato:Admin		411,249.00
23100.01	Deferred Inflows - Pension		4,322,409.00
23100.01	Deferred Inflows - Pension		490,549.00
Total		**6,491,959.00**	**6,491,959.00**

Working Draft Subject to Review

North Marin Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2026

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 11			
GASB 68 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) during FY24/25 at June 30, 2026.			
13509.01	Unrestricted Cash	1,035.00	
23100.01	Deferred Inflows - Pension	384,717.00	
23100.01	Deferred Inflows - Pension	1,057,001.00	
51400.01	GASB68 Adjustment - Source	78.00	
51400.02	GASB68 Adjustment - Source	11.00	
52309.01	GASB68 Adjustment - Pumping	178.00	
52309.02	GASB68 Adjustment - Pumping	28.00	
52700.01	GASB68 Adjustment - Operations	1,818.00	
52700.02	GASB68 Adjustment - Operations	75.00	
52700.05	GASB68 Adjustment - Operations	23.00	
53800.01	GASB68 Adjustment - Water Treatment	3,249.00	
53800.02	GASB68 Adjustment - Water Treatment	309.00	
54598.01	GASB68 Adjustment - T&D	5,635.00	
54598.02	GASB68 Adjustment - T&D	260.00	
54598.05	GASB68 Adjustment - T&D	39.00	
54699.08	GASB68 Adjustment - Sewage Collection	87.00	
54799.08	GASB68 Adjustment - Sewage Treatment	46.00	
54899.08	GASB68 Adjustment - Disposal-OMSewer-Admin	117.00	
55999.01	GASB68 Adjustment - Consumer Accounting	480.00	
55999.02	GASB68 Adjustment - Consumer Accounting	28.00	
57000.01	GASB68 Adjustment - G&A	4,842.00	
58100.01	GASB68 Adjustment - Water Conservation	470.00	
58100.02	GASB68 Adjustment - Water Conservation	12.00	
13509.02	Unrestricted Cash:West Marin:GM		723.00
13509.05	Unrestricted Cash		62.00
13509.08	Unrestricted Cash		250.00
16100.01	Deferred Outflows - Pension		454,583.00
16100.01	Deferred Outflows - Pension		951,990.00
16100.01	Deferred Outflows - Pension		52,930.00
Total		**1,460,538.00**	**1,460,538.00**
Adjusting Journal Entries JE # 12			
CPE - To true up PG&E accrual at June 30, 2026.			
53601.01	Electric Power:Novato:Cons Acct	40,455.23	
22201.01	Accounts Payable - Vouchers		40,455.23
Total		**40,455.23**	**40,455.23**

Working Draft Subject to Review

North Marin Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2026

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 13			
GASB 75 Entry #1 - To record changes in the total OPEB liability and related deferred outflows and deferred inflows at June 30, 2026.			
13509.01	Unrestricted Cash	4,903.00	
16200.01	Deferred Outflows - OPEB	517,015.00	
16200.01	Deferred Outflows - OPEB	517,652.00	
23200.01	Deferred Inflows:OPEB	558,953.00	
51401.01	GASB75 Adjustment - Source of Supply	371.00	
51401.02	GASB75 Adjustment - Source of Supply	50.00	
52310.01	GASB75 Adjustment - Pumping	841.00	
52310.02	GASB75 Adjustment - Pumping	135.00	
52701.01	GASB75 Adjustment - Operations	8,595.00	
52701.02	GASB75 Adjustment - Operations	353.00	
52701.05	GASB75 Adjustment - Operations	109.00	
53801.01	GASB75 Adjustment - Water Treatment	15,366.00	
53801.02	GASB75 Adjustment - Water Treatment	1,463.00	
54596.01	GASB75 Adjustment - T&D	26,644.00	
54596.02	GASB75 Adjustment - T&D	1,228.00	
54596.05	GASB75 Adjustment -T&D	185.00	
54698.08	GASB75 Adjustment - Sewage Collection	412.00	
54798.08	GASB75 Adjustment - Sewage Treatment	219.00	
54898.08	GASB75 Adjustment - Sewage Disposal	555.00	
55998.01	GASB75 Adjustment - Consumer Accounting	2,271.00	
55998.02	GASB75 Adjustment - Consumer Accounting	135.00	
57001.01	OPEB Expense-G&A	22,893.00	
58101.01	GASB75 Adjustment - Water Conservation	2,220.00	
58101.02	GASB75 Adjustment - Water Conservation	59.00	
13509.02	Unrestricted Cash:West Marin:GM		3,423.00
13509.05	Unrestricted Cash		294.00
13509.08	Unrestricted Cash		1,186.00
16200.01	Deferred Outflows - OPEB		558,953.00
21503.01	OPEB Liability		1,118,771.00
Total		**1,682,627.00**	**1,682,627.00**
Adjusting Journal Entries JE # 14			
GASB 75 Entry #2 - To record changes inOPEB deferred outflows and deferred inflows (amortization) at June 30, 2026.			
13509.01	Unrestricted Cash	293.00	
16200.01	Deferred Outflows - OPEB	101,893.00	
51401.01	GASB75 Adjustment - Source of Supply	23.00	
51401.02	GASB75 Adjustment - Source of Supply	3.00	
52310.01	GASB75 Adjustment - Pumping	50.00	
52310.02	GASB75 Adjustment - Pumping	8.00	
52701.01	GASB75 Adjustment - Operations	511.00	
52701.02	GASB75 Adjustment - Operations	21.00	
52701.05	GASB75 Adjustment - Operations	7.00	
53801.01	GASB75 Adjustment - Water Treatment	918.00	
53801.02	GASB75 Adjustment - Water Treatment	87.00	
54596.01	GASB75 Adjustment - T&D	1,591.00	
54596.02	GASB75 Adjustment - T&D	73.00	
54596.05	GASB75 Adjustment -T&D	11.00	
54698.08	GASB75 Adjustment - Sewage Collection	25.00	
54798.08	GASB75 Adjustment - Sewage Treatment	13.00	
54898.08	GASB75 Adjustment - Sewage Disposal	33.00	
55998.01	GASB75 Adjustment - Consumer Accounting	136.00	
55998.02	GASB75 Adjustment - Consumer Accounting	8.00	
57001.01	OPEB Expense-G&A	1,367.00	
58101.01	GASB75 Adjustment - Water Conservation	133.00	
58101.02	GASB75 Adjustment - Water Conservation	4.00	
13509.02	Unrestricted Cash:West Marin:GM		204.00
13509.05	Unrestricted Cash		18.00
13509.08	Unrestricted Cash		71.00
16200.01	Deferred Outflows - OPEB		106,915.00
Total		**107,208.00**	**107,208.00**

Working Draft Subject to Review

North Marin Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2026

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 15			
CPE - 1) To adjust WM negative cash with borrowing from Novato. Novato has positive cash need to go back to operating reserve. 2) To record interdistrict loan due to/from.			
12627.01	Designated Cash - Operating Reserve	8,527.00	
13509.02	Unrestricted Cash:West Marin:GM	27,759.00	
14120.01	Due From Other Funds - Current Operations	27,759.00	
13509.01	Unrestricted Cash		27,759.00
13509.01	Unrestricted Cash		8,527.00
22400.02	Due To Other Funds - Current Operations		27,759.00
Total		**64,045.00**	**64,045.00**
	Total Adjusting Journal Entries	**15,011,008.24**	**15,011,008.24**
Proposed Journal Entries			
Proposed Journal Entries JE # 100			
PAJE - To adjust County accounts per G/L to FMV per County Investment Summary FMV / Cost factor 1.00905752 at June 30, 2026.			
15418.01	Market Value Of Investments	23.90	
15418.01	Market Value Of Investments	9,559.75	
49227.01	Interest Earned-STP SRF Loan Fund-County of Marin		23.90
49227.01	Interest Earned-STP SRF Loan Fund-County of Marin		9,559.75
Total		**9,583.65**	**9,583.65**
	Total Proposed Journal Entries	**9,583.65**	**9,583.65**
	Total All Journal Entries	**15,020,591.89**	**15,020,591.89**

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
PAJE	Proposed Adjusting Journal Entry (not posted to the District's books / records)

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9

NORTH MARIN WATER DISTRICT

MEMORANDUM

To: Board of Directors Date: December 1, 2026

From: Tony Williams, General Manager

Subject: General Manager Annual Evaluation Process
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RECOMMENDED ACTION: Information Only

FINANCIAL IMPACT: None at this time

The North Marin Water District (District) Board of Directors adopted Resolution 26-01 on February 3, 2026, 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 generally includes 5 steps which are outlined below:

General Manager Performance Evaluation	
Step #	**Procedure**
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. A 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 19, 2027 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 2nd, 2027 regular meeting.

ATTACHMENTS

1. GM Evaluation Form 2026

NORTH MARIN WATER DISTRICT

General Manager Evaluation

GM: Tony Williams Evaluation Period: January 2026 to December 2026

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 _____

10

DISBURSEMENTS - DATED NOVEMBER 5, 2026

Date Prepared 11/2/26

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
91122*	SWRCB	D2 Exam Fee (Lawrence)	$81.00
1	Accurate Forklift	Service Parts ('15 Nissan & '23 Forklift)	251.94
2	Alpha Analytical Labs	Lab Testing	900.00
3	Argonaut Constructors Inc.	Prog Pymt#5:Cherry Hill Pump Station Retaining Wall Replacement (Balance Remaining on As Needed Contract $265,207)	6,896.80
4	AT&T	October Phone Line (PRTP)	30.27
5	Automation Direct	Terminal Block	190.10
6	Bearing & Hydraulics	Hoses (4) & Fittings (4)	130.36
7	Big Brand Tires & Service	Tires (2) & Alignment ('22 Chevy Bolt)	624.67
8	Bio-Acoustical Corporation	Annual Hearing Tests	1,000.00
9	Boucher Law, PC	August HR Legal Fees	2,108.00
10	Bray Process Control-West Coast	Solenoid Valve ($290), Status Monitor Switch ($210) & Rebuild Kits for Actuators ($1,038) (12) (STP)	1,538.20
11	BWS Distributors	Rain Gear	201.25
12	Caltest Analytical Laboratory	Lab Testing (O.M.)	129.10
13	CD & Power	50% Deposit on 125 kw Generator	43,200.90
14	The Charles Machine Works, Inc.	Vac Excavator (Approved Budget Amount $180,000)	159,935.04
14	Dell Marketing L.P.	Micro Desktop (Lab)	1,259.25
16	East Bay Blue Print	Toner for Engineering Plotter	1,041.03
17	Electrical Equipment Co	Submersible Pump Motor (Winged Foot Pump Station)	2,526.70

*Prepaid

Seq	Payable To	For	Amount
18	Environmental Science Assoc	Prog Pymt#21: Stafford Lake Park Service Line (Balance Remaining on As Needed Contract $18,491)	1,817.17
19	Eurofins Eaton Analytical, Inc	Lab Testing	1,004.25
20	Fisher Scientific	Petri Dishes (600) ($167) & Thermal Medium (Lab)	214.09
21	Forevergreen Landscape and Maintenance	Landscaping October 2026 (999 Rush Creek Place)	1,210.00
22	GHD Inc.	Prog Pymt#2: GIS Conversion to ESRI & Mapping Support (Balance Remaining on As Needed Contract $94,903)	3,175.50
23	Grainger	Chlorine Reagents (1,000) ($399), Pressure Washer Gun & Supplies ($307) ('27 Ditch Witch) & Miscellaneous Tools & Supplies	1,060.27
24	Idexx Distribution, Inc.	Colilert Media (200) ($1,656), Vessels (400) ($448) & Quanti-Tray (200) ($987) (Lab)	3,091.49
25	Kaiser Foundation Health Plan	DMV/DOT Physical (LeBrun)	115.00
26	LGVSD	Recycled Water Deliveries (7/1/26-9/30/26)	9,497.37
27	Mallory Safety and Supply LLC	Oxygen Sensor (STP)	342.05
28	McLellan Co, WK	Miscellaneous Paving	1,396.65
29	McMaster-Carr Supply Co	Hydraulic Hoses (2) ($267), Bars (2) & Nuts (3)	430.92
30	MG WEST	Office Furniture	1,642.05
31	ODP Business Solutions, LLC	Miscellaneous Office Supplies	146.43
32	O'Reilly Auto Parts	Vehicle Maintenance Supplies	680.47
33	Orkin Commercial Services	September Pest Control Services (999 Rush Creek Place)	144.00
34	Pace Supply	Meter Spuds (4), Box Lids (30) ($3,397), Nipples (40) ($1,284) & Parts for Sewer System Repair ($1,542) (Oceana Marin)	6,295.24
35	Donna Scuitto	Novato Toilet Rebate Program	100.00
36	Solenis, LLC	Praestol (4,580 lbs) (STP)	12,364.88

Seq	Payable To	For	Amount
37	Thatcher Company of CA	Chlorine (2,000 lbs) (STP)	5,598.00
38	Thomas Scientific	Bio Indicator Strips (25) ($186) & Coliform Broth (Lab)	321.12
39	Underground Repub. Water Wks	Elbows (8)	2,112.90
40	Univar	Sodium Hypochlorite (300 gal) (STP)	987.00
41	USA BlueBook	Hardness Standard & Chlorine Drop Titration Test Kit ($145) (Lab)	192.75
42	Usalco	Cationic Coagulant (2,900 lbs) (STP)	4,708.88
43	Vanguard Cleaning Systems	November Janitorial Service (999 Rush Creek Place-$4,950 & STP-$920)	5,870.00
44	VWR International LLC	Turbidity Standard ($214) & Transfer Pipettes (1,000) (Lab)	260.23
45	Williams, Anthony	Exp Reimb: Breakfast Meeting w/ LGVSD & Mileage for ACWA Meeting at SCWA	106.10
46	ZORO	Pliers	48.59
		TOTAL DISBURSEMENTS	**$286,978.01**

The foregoing payroll and accounts payable vouchers totaling $286,978.01 are hereby approved and authorized for payment.

Julie Blue 11/03/26

Director of Administrative Services Date

11/3/2026

General Manager Date

DISBURSEMENTS - DATED NOVEMBER 19, 2026

Date Prepared 11/16/26

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

Seq	Payable To	For	Amount
P/R*	Employees	Net Payroll PPE 10/31/26	$220,068.66
91124*	Internal Revenue Service	Federal & FICA Taxes PPE 10/31/26	96,061.53
91125*	State of California	State Taxes & SDI PPE 10/31/26	24,814.74
91126*	CalPERS	Pension Contribution PPE 10/31/26	59,297.91
91027*	Nationwide	Deferred Compensation-457 PPE 10/31/26	19,093.21
91128*	Nationwide	Deferred Compensation 10/31/26-401A Match	3,303.27
91123*	CalPERS	November 2026 Health Insurance Premium (Employer $71,303, Retirees $13,119 & Employees $8,915)	93,336.73
66894*	PG&E	Power: Bldgs/Yard ($9,136), Other ($298), Pumping ($65,365), Rect/Cont ($830), TP ($6,147)	81,775.59
E15242*	Verizon Wireless	October Cellular Charges	1,643.70
1	Alameda Electrical Distrib. Inc	Electrical Supplies	795.74
2	All Star Rents	Sewer Line Camera Rental (OM) (1 Day)	228.06
3	Alpha Analytical Labs	Lab Testing	1,748.00
4		Retiree Exp Reimb (Oct Health Ins)	1,667.84
5	Bank of Marin	Bank of Marin Loan (Pymt#181 of 240) Aqueduct Energy Efficiency Project	46,066.67
6	Bay Alarm Company	Quarterly Fire Alarm Monitoring Fee (12/1/26-2/28/27) (999 Rush Creek Place)	586.50
7	Cynthia Becks	Refund Credit on Closed Account	56.38
8	Natalia Boyadjieva	Novato Cash for Grass Rebate Program	1,500.00
9	Building Supply Center	Steel Wool (12), Lumber & Concrete (2)	45.03

*Prepaid

Seq	Payable To	For	Amount
10		Retiree Exp Reimb (Oct Health Ins)	650.36
11	California Water Service	November Water Service (O.M.)	48.51
12	David Cassetta	Novato Toilet Rebate Program	300.00
13		Retiree Exp Reimb (Oct Health Ins)	674.31
14	Cinquini & Passarino Inc.	Prog Pymt#9: Land Surveying Services (Balance Remaining on As Needed Contract $36,897)	2,493.75
15	Civic Calling Corporation	Holly Software Subscription (November 2026)	1,000.00
16	Clyde, Karen	Exp Reimb: Food for AFLAC Appointments	73.16
17	Michael Coleman	Refund Credit on Closed Account	70.92
18	Comcast	November Phone Services (Yard & STP)	1,624.35
19	Comcast	November Internet (999 Rush Creek Place)	1,578.65
20	Complete Welders Supply	Acetylene Cylinder Rental (Lab)	370.88
21	DataTree	October Subscription to Parcel Data Information	100.00
22	Diesel Direct West	Diesel (412 gal) & Gasoline (923 gal)	8,738.34
23	Direct Line Inc	October Telephone Answering Service	227.55
24	Ditch Witch West	Wipers (6) ('19 Ditch Witch)	297.46
25	Enterprise FM Trust	Monthly Leases for Nissan Rogue (2), Nissan Frontier, F-150's (6), F-250's (6), Ford Rangers (6) & Chevy Bolts (2)	10,985.43
26	Environmental Express	Glass Fibers (2) (Lab)	241.97
27	Fike, William	Exp Reimb: Safety Boots	360.53
28	Friedman's Home Improvement	Air Inflator Tool	182.61
29	Frontier Communications	November Internet (STP)	640.00
30	Aida Good	Claim for Damaged Landscaping (131 Wild Horse Valley Drive-Novato)	600.00
31	Grainger	Standard & Calibration Solution ($168), Grease (10) ($249), Pulling Grips (2) ($246), Safety Supplies ($961), Hydraulic Oil ($1,745) & Miscellaneous Tools & Supplies	4,775.91

*Prepaid

Seq	Payable To	For	Amount
32	InfoSend, Inc.	October Processing Fee for Water Bills ($1,438), Postage ($4,938) & Monthly Support Fee ($1,250)	7,625.50
33	Kemira Water Solutions	Ferric Chloride (19 dry tons) (STP)	25,483.00
34	Lincoln Life Employer Serv	Deferred Compensation PPE 10/31/26	6,735.30
35	Maggiora & Ghilotti	Refund Security Deposit on Hydrant Meter Less Final Bill	398.67
36	Marin Landscape Materials	Soil (1 yd) & Quik Mix (84 sacks) ($867)	916.38
37	Marin County Ford	Service Parts ('26 F250, '21 F150, '24 F250)	980.67
38	Marin County	Encroachment Permit (133 Wild Horse Valley Dr, Novato)	736.20
39	McLellan Co, WK	Concrete Sidewalk Curb & Gutter ($2,009) & Concrete Sidewalk ($280)	2,288.88
40	MXCOM LLC	Refund Security Deposit on Hydrant Meter Less Final Bill	767.83
41	North Marin Auto Parts	Wiper Blades (4), Primer (7), Service Parts ('21 Nissan Rogue-$133, '23 Forklift, '15 Forklift, '15 F250, Stock-$165) & Buckets (17) ($130)	870.16
42	North Bay Gas	Carbon Dioxide, Nitrogen ($139) & Argon	295.61
43	Novato Builders Supply	Lumber	66.04
44	Novato Sanitary District	Annual Yard/Office Sewer Charges	3,515.92
45	ODP Business Solutions, LLC	Toner ($163) & Paper	211.76
46	Orkin Commercial Services	October Pest Control Services	144.00
47	Pace Supply	Couplings (3) ($177), Elbows (20) ($707), Nipples (20) ($685), Nut & Gasket Kits (2)	1,600.08
48	Pacific Coast Petroleum, Inc	Hydraulic Oil (50 gal)	186.06
49	Parkinson Accounting Systems	October Accounting Software Support	243.75
50	Pini Hardware	Miscellaneous Tools & Supplies	235.79
51	Recology Sonoma Marin	October Waste Removal (999 Rush Creek Place-$732 & STP-$334)	1,066.06
52	Red Wing Business Advantage	Safety Boots (2 Employees)	546.73

Seq	Payable To	For	Amount
53		Retiree Exp Reimb (Oct Health Ins)	674.31
54	Sjoblom, Jeff	Exp Reimb: Safety Boots	400.00
55	SPG Solar Facility XII, LLC	September Energy Delivered Under Solar Services Agreement	13,290.74
56		Retiree Exp Reimb (Oct Health Ins)	1,667.84
57	Thomas Scientific	Miscellaneous Lab Supplies	283.22
58	Underground Republic Water	8' Steel Pipe Inserts (4)	622.05
59	United Parcel Service	Delivery Services: Sent Meter, STP Parts for Testing & Received Standards for Lab	87.95
60	Univar	Sodium Hydroxide (12 dry tons) (STP)	8,552.58
61	USA BlueBook	Unions (2)	222.03
62	Vanguard Cleaning Systems	Janitorial Supplies	392.81
63	Verizon Wireless	SCADA & AMA Collectors ($650)	1,406.97
64	VWR International LLC	Standards (3) ($180) & Miscellaeneous Lab Supplies	530.68
65	Waste Management	October Waste Removal	31.64
66	Scott Wilson	Novato Washer Rebate Program	75.00
67	ZORO	Electric Panels (3) ($280), Buoys (2) ($277), Saw Blades (10) ($191), Overhead Drives (4) ($282) & Miscellaneous Tools & Supplies	1,619.23
		TOTAL DISBURSEMENTS	**$772,895.69**

The foregoing payroll and accounts payable vouchers totaling $772,895.69 are hereby approved and authorized for payment.

Julie Blue 11/17/2026

Director of Administrative Services Date

11/17/2026

General Manager Date

DISBURSEMENTS - DATED NOVEMBER 24, 2026

Date Prepared 11/23/26

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 11/15/26	$218,224.37
91133*	Internal Revenue Service	Federal & FICA Taxes PPE 11/15/26	92,669.98
91134*	State of California	State Taxes & SDI PPE 11/15/26	24,905.52
91135*	CalPERS	Pension Contribution PPE 11/15/26	59,244.35
91031*	Nationwide	Deferred Compensation-457 PPE 11/15/26	19,262.08
91132*	Nationwide	Deferred Compensation 11/15/26-401A Match	3,368.75
91129*	Amazon	Kitchen & Office Supplies ($904), Computer Supplies ($356), Noise Proof Vents, Panels & Door Contacts (6) ($164)	$1,666.69
91130*	US Bank	CSMFO Conf Lodging Dep ($287), Internet PRTP & Gallagher Well #2 ($400), Microsoft Monthly Subscriptions ($175), Zoom Subscription, Starlink Internet ($385), STP VOIP Alarm System Fees, 6" Vacuum Hoses (12) ($998), Food for Staff Events ($431), AWWA Webinar & Grease for STP	2,964.48
EFT*	US Bank	October Bank Analysis Charge (Lockbox $1,562, Other $583 Less Interest $296)	1,849.30
1	ADTS, Inc.	Random Testing (1 Employee)	69.50
2	Alameda Electrical Distributors Inc	Meter Panel ($2,466) (Cherry Hill Pump Station), Connectors (10), Nuts (20), Conduit (100') ($154) & Nipples (3)	2,716.21
3	Alpha Analytical Labs	Lab Testing	1,059.00
4	American Family Life Ins	AFLAC November 2026 Employee Paid Benefit	4,374.35
5	Automation Direct	Straight Blade Receptacles (3), Variable Speed Drive ($138) & Switching Power Supplies (3) ($405)	648.96

Seq	Payable To	For	Amount
6	Bearing & Hydraulics	STP Tower Hose Replacement	3,435.46
7	Big Brand Tire and Service	Tires & Alignment ('16 Nissan Frontier)	969.71
8	Blue Earth Products	Water Filter Media Cleaning (STP) (1,126 lbs)	4,305.69
9	Bold & Polisner	October Legal Fees	7,959.24
10	BWS Distributors	Marking Paints for Facilities Location (312) ($2,128) & Electrolyte Drinks (240)	2,150.37
11	Ditch Witch West	Motor Oil (2) & Gear Lubricant (4) ($322) ('19 Ditch Witch)	380.81
12	Susan N. Dove	Exp Reimb: Aerial Imagery of Admin Bldg & Yard	107.42
13	Christian Dunaye	Novato Water Smart Landscaping Efficiency Program	200.00
14	Ken Eichstaedt	Exp Reimb: ACWA Tour & Program on 9/12/26	75.00
15	Environmental Express	Bottles (116) (Lab)	346.29
16	Environmental Science Assoc	Prog Pymt#22: Stafford Lake Park Service Line (Balance Remaining on As Needed Contract $17,706)	785.12
17	Fisher Scientific	Pipette Tips ($134) (400) (Lab) & Lamp Assembly ($216) (STP)	349.99
18	Freyer & Laureta, Inc.	Prog Pymt#6: Bahia Hydropneumatic System Replacement (Balance Remaining on Contract $2,175)	890.00
19	Arthur J. Gallagher Risk Management Services LLC	Insurance Renewal Adjustment ('27 Ditch Witch Vac Trailer)	881.00
20	GHD Inc.	Prog Pymt#3: GIS Conversion to ESRI & Mapping Support (Balance Remaining on Contract $92,648)	2,254.75
21	Goble Sampson Assoc Inc	Rebuild Kits for Chemical Pumps @ PRTP (2)	802.58
22	Grainger	Hydraulic Oil (10 gal) (STP Tower Hose Replacement) ($944), Sump Pump ($292), Nipples (4) ($205) & Miscellaneous Tools & Supplies	1,898.81

Seq	Payable To	For	Amount
23	Home Depot Credit Services	Tripod Lights (2)	154.31
24	Idexx Distribution, Inc.	Media & Supplies for Lab	260.20
25	Lyna Joyce	Refund Overpayment on Open Account	1,000.00
26	Kiosk Creative LLC	October Communication & Outreach Services (Balance Remaining on Contract $70,304) & Update Address List on Website Start Service Form) ($570)	9,973.99
27	Lincoln Life Employer Serv	Deferred Compensation PPE 11/15/26	6,735.30
28	Marin County	Annual Encroachment Permit (12/31/26-12/31/27)	490.00
29	Marin Pool Service	Refund Security on Hydrant Meter Less Final Bill	616.02
30	McLellan Co, WK	Miscellaneous Paving	25,995.31
31	McMaster-Carr Supply Co	Plumbing Supplies ($162) & 5" Struts (3) ($463) (O.M.)	625.24
32	Sara A. Mullen	Refund Credit on Closed Account	148.49
33	Mutual of Omaha	December 2026-Mutual of Omaha Group Life/ADD Insurance & Vision Premium	2,494.89
34	Northen, Brian	Exp Reimb: Safety Boots & Construction Leadership Zoom Class ($650)	1,047.67
35	Nute Engineering	Prog Pymt#2: Oceana Marin Master Plan Update (Balance Remaining on Contract $25,814)	2,564.00
36	Pace Supply	Fire Hydrant Clow (3) ($8,367), Couplings (6) ($450), Hydrant Buries (2) ($1,176), Nuts & Gasket Kits (8) ($126)	10,118.72
37	Redwood Health Services, Inc.	Sept 2026 RHS Dental Claims & November 2026 Fees Expense	9,079.44
38	Margaret Schram	Novato Cash for Grass Rebate Program	1,344.00
39	Sciens	Progress Billing (Security System for 999 Rush Creek Place-Gates and Construction Building) (Balance Remaining on Contract $22,968)	48,171.90

Seq	Payable To	For	Amount
40	Scott Technology Group	November Monthly Maintenance on Admin & Engineering Copiers & Contract Overage Fee	615.77
41	Shape Incorporated	Repair & Maint. Parts for Cavity Pumps (STP)	7,649.56
42	Soiland Co., Inc.	Asphalt Recycling (4 yds) & Rock (34 yds) ($579)	709.85
43	Sonoma County Water Agency	Remote Sensing & Ground Water Cover Spatial Analysis for Urban Water Use Objective Compliance (Balance Remaining on Contract $29,568)	4,020.88
44	SWAN Analytical USA Inc.	Turbidity Meters (4) (STP)	22,289.00
45	Tamagno Green Products	October Sludge Removal @ STP (120 yds)	6,600.00
46	Unicorn Group	Fall Novato Waterline	5,242.04
47	USA BlueBook	Turbidity Standard (STP)	396.96
48	VertexOne Software LLC	October Service Fee	92.32
49	VWR International LLC	Lab Supplies	138.96
		TOTAL DISBURSEMENTS	**$629,390.60**

The foregoing payroll and accounts payable vouchers totaling $629,390.60 are hereby approved and authorized for payment.

Julie Blue 11/23/2026

Director of Administrative Services Date

11/23/2026

General Manager Date

NORTH MARIN WATER DISTRICT
MONTHLY PROGRESS REPORT FOR OCTOBER 2026
December 1, 2026

1.

Novato Potable Water Prod - SW & STP Combined - in Million Gallons - FYTD

Month	*FY26/27*	*FY25/26*	*FY24/25*	*FY23/24*	*FY22/23*	*27 vs 26 %*
July	255.2	248.1	264.8	218.6	224.5	3%
August	258.2	250.8	252.9	230.9	235.9	3%
September	240.7	238.5	237.7	212.4	203.5	1%
October	228.5	185.8	237.2	197.0	191.6	23%
FYTD Total	982.6	923.1	992.7	859.0	855.4	6%

West Marin Potable Water Production - in Million Gallons - FY to Date

Month	*FY26/27*	*FY25/26*	*FY24/25*	*FY23/24*	*FY22/23*	*27 vs 26 %*
July	7.3	8.1	8.9	7.1	6.3	-10%
August	7.4	8.3	8.7	7.5	6.8	-11%
September	6.6	7.9	7.9	6.7	6.3	-17%
October	6.4	6.1	7.6	6.4	5.7	5%
FYTD Total	27.6	30.4	33.2	27.6	25.2	-9%

Stafford Treatment Plant Production - in Million Gallons - FY to Date

Month	*FY26/27*	*FY25/26*	*FY24/25*	*FY23/24*	*FY22/23*	*27 vs 26 %*
July	101.0	93.4	0.0	67.0	56.3	8%
August	117.9	85.8	0.0	98.3	67.9	37%
September	109.0	79.4	0.0	112.6	57.8	37%
October	102.1	75.3	0.0	109.4	54.0	35%
FYTD Total	430.0	334.0	0.0	387.3	236.1	29%

Recycled Water Production* - in Million Gallons - FY to Date

Month	*FY26/27*	*FY25/26*	*FY24/25*	*FY23/24*	*FY22/23*	*27 vs 26 %*
July	36.5	39.1	54.6	31.0	43.1	-6%
August	35.2	40.3	50.1	34.8	41.6	-13%
September	25.6	26.7	41.0	26.1	29.2	-4%
October	20.2	13.1	28.9	22.4	24.7	53%
FYTD Total*	117.5	119.2	174.6	114.3	138.6	-1%

*Excludes potable water input to the RW system: FY26&FY27 = Total Consumption, 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	2025
Lake Storage*	73,548 MG	72,472 MG
Supply Capacity	87 %	87 %

*Normal capacity =-245,000 AF (79,833.5 MG); deviation storage pool of 264,000 AF (86,025 MG)

Lake Mendocino

	Current	2025
Lake Storage *	15,664 MG	19,251 MG
Supply Capacity	60 %	74 %

*Normal capacity = 70,000-110,000 AF (22,800-35,840 MG); FIRO pool 26,000-36,170 MG

3. Stafford Lake Data

	October Average		October 2026		October 2025	
Rainfall this month	1.40	Inches	0	Inches	1.06	Inches
Rainfall this FY to date	1.44	Inches	0.04	Inches	1.10	Inches
Lake elevation*	181.3	Feet	183.29	Feet	183	Feet
Lake storage**	518	MG	606	MG	594	MG
Supply Capacity	36	%	42	%	42	%

* Spillway elevation is 196.0 feet (NGVD29)
** Lake storage less 390 MG = quantity available for normal delivery

Temperature (in degrees)

	Minimum	Maximum	Average
October 2026 (Novato)	41	99	78.5
October 2025 (Novato)	43	90	61.65

4. Number of Services

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October 31	Novato Water			Recycled Water			West Marin Water			Oceana Marin Sewer		
	FY27	FY26	Incr %	FY27	FY26	Incr %	FY27	FY26	Incr %	FY27	FY26	Incr %
Total meters installed	21,053	21,035	0.1%	107	107	0.0%	814	811	0.4%	-	-	-
Total meters active	20,900	20,887	0.1%	105	105	0.0%	805	802	0.4%	-	-	-
Active dwelling units	23,977	23,976	0.0%	-	-	-	838	838	0.0%	241	241	0.0%

5. Oceana Marin Monthly Status Report

Description	October 2026	October 2025
Effluent Flow Volume (MG)	.331	.301
Irrigation Field Discharge (MG)	.190	0
Treatment Pond Freeboard (ft)	7.9	Empty
Storage Pond Freeboard (ft)	Empty	8.0

6. Safety/Liability

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	Industrial Injury with Lost Time				Liability Claims Paid		
	Lost Days	OH Cost of Lost Days ($)	No. of Emp. Injured	No. of Incidents	Incurred (FYTD)	Paid (FYTD) ($)	
FY 26/27 through Oct	76	$33,304	3	3	0	$0	
FY 25/26 through Oct	30	$13,065	3	3	1	$3,618	(a)

Days since lost time accident through October 31, 2026 **87** **Days**

(a) FY26 Harris Workers Comp Claim Settlement

7. Energy Cost

FYE		October kWh	October ¢/kWh	October Cost/Day	Fiscal Year-to-Date thru October kWh	Fiscal Year-to-Date thru October ¢/kWh	Fiscal Year-to-Date thru October Cost/Day
FY 26/27	Stafford TP	45,721	25.7¢	$392	232,334	25.1¢	$479
	Pumping	142,322	38.7¢	$1,897	619,822	41.5¢	$2,146
	Other[1]	45,765	45.1¢	$712	196,316	47.9¢	$784
		233,808	37.4¢	$3,001	1,048,473	39.1¢	$3,408
FY 25/26	Stafford TP	41,861	25.0¢	$338	225,315	24.5¢	$449
	Pumping	138,339	40.6¢	$1,870	648,130	45.2¢	$2,421
	Other[1]	44,189	51.4¢	$757	155,060	47.4¢	$608
		224,389	39.8¢	$2,965	1,028,505	41.0¢	$3,477
FY 24/25	Stafford TP	49,702	24.3¢	$389	245,571	23.8¢	$475
	Pumping	150,539	39.8¢	$2,066	651,857	40.7¢	$2,210
	Other[1]	33,264	52.3¢	$600	147,113	48.5¢	$594
		233,505	38.3¢	$3,055	1,044,541	37.8¢	$3,279

[1]Other includes West Marin Facilities

\\nmwdfileserver\administration\AC\Board Reports\PGE\PG&E Usage\FY 26.27\[PGE Usage 10.2026.xlsx]mo rpt

8. Water Conservation Update

	Month of October 2026	Fiscal Year To Date	Program Total To Date
High Efficiency Toilet (HET) Rebates	3	15	4,727
Retrofit Certificates Filed	16	59	7,507
Cash for Grass Rebates	0	2	1,123
Washing Machine Rebates	0	3	6,094
Water Smart Home Survey	3	12	3,988

9. Utility Performance Metric

October 2026 Service Disruptions

SERVICE DISRUPTIONS (No. of Customers Impacted)	October 2026	October 2025	Fiscal Year to Date 2026	Fiscal Year to Date 2025
PLANNED				
Duration Between 0.5 and 4 hours	8	3	26	33
Duration Between 4 and 12 hours	0	112	0	112
Duration Greater than 12 hours	0	0	0	0
UNPLANNED				
Duration Between 0.5 and 4 hours	23	0	27	2
Duration Between 4 and 12 hours	0	21	0	21
Duration Greater than 12 hours	0	0	1	0
SERVICE LINES REPLACED				
Polybutylene	3	3	17	17
Copper Replaced or Repaired)	5	0	10	7

October 2026 Service Disruptions

For the month of October, we had 8 planned service disruptions:

Plastic: We replaced 2 plastic services on Western Dr in Novato and 1 on Manana Way in West Marin.

Copper: We replaced 4 copper services on Wild Horse Valley, Laconheath Ave, Tyler St, and on Knob Hill in West Marin.

Unplanned: There was an 8” AC main break on Wild Horse Valley that affected 23 customers.

10. Summary of Complaints and Service Orders – October 2026

Tag Breakdown:

Total: 199 **Consumer:** 75 Office: 124

Type	Oct-26	Oct-25	Added Notes
Billing			
High Bill	3	4	
Total	**3**	**4**	
Meter Replacement	34	90	
Total	**34**	**90**	
Need Read	1	0	
Total	**1**	**0**	
No-Water	0	4	
Total	**0**	**4**	
Leak			
Consumer	102	71	
District	15	18	
Total	**117**	**89**	
Water Quality			
Taste/ Odor	2	0	
Illness	1	0	
Total	**3**	**0**	
Check Pressure	2	1	
Total	**2**	**1**	
Turn Off / On	23	25	
Total	**23**	**25**	
Other	16	13	
Total	**16**	**13**	
TOTAL FOR MONTH:	**199**	**226**	**-12%**

Bill Adjustments Under Board Policy:

October 26 vs. October 25

Oct-26	21	$8,123
Oct-25	30	$14,075

Fiscal Year vs Prior FY

FY 26/27	89	$32,955
FY 25/26	96	$39,874

NORTH MARIN WATER DISTRICT

MEMORANDUM

To: Board of Directors Date: December 1, 2026

From: Julie Blue, Director of Administrative Services
Nancy Williamson, Accounting Supervisor

Subject: Auditor-Controller's Monthly Report of Investments for October 2026
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RECOMMENDED ACTION: Information

FINANCIAL IMPACT: None

At month end the District's Investment Portfolio had an amortized cost value (i.e., cash balance) of $19,803,160 and a market value of $19,740,985. During October the cash balance increased by $1,319,446. The market value of securities held increased $1,309,028 during the month. The total unrestricted cash balance at month end was $821,886, 68% of the Target Reserves are funded and 93% of the Minimum Reserves are funded.

At October 31, 2026, 57% of the District's Portfolio was invested in California's Local Agency Investment Fund (LAIF), 28% in Time Certificates of Deposit, 5% in the Marin County Treasury, 4% in the US Bank Money Market Fund and 6% retained locally for operating purposes. The weighted average maturity of the portfolio was 95 days, compared to 101 days at the end of September. The LAIF interest rate for the month was 3.99%, compared to 3.91% the previous month. The weighted average Portfolio rate was 3.57%, compared to 3.37% for the prior month.

Investment Transactions for the month of October are listed below:

10/2/2026	US Bank	LAIF	$1,000,000	Transfer to LAIF account
10/15/2026	CA State Treasurer	LAIF	$88,793	7-9/26 Quarterly LAIF interest credit
10/19/2026	Utah First FCU	US Bank Investment Account	$249,000	CD Maturity
10/21/2026	US Bank Investment Account	Capital One NA	$244,000	Purchase 4.90% TCD due 10/23/28 - Semi-Annual Pay
10/21/2026	US Bank	LAIF	$800,000	Transfer to LAIF account

ATTACHMENTS:

1. Monthly Report of Investments – October 2026

ATTACHMENT 1

NORTH MARIN WATER DISTRICT
AUDITOR-CONTROLLER'S MONTHLY REPORT OF INVESTMENTS
October 31, 2026

Type	Description	S&P Rating	Purchase Date	Maturity Date	Cost Basis[1]	10/31/2026 Market Value	Yield[2]	% of Portfolio
LAIF	State of CA Treasury	AA-	Various	Open	$11,272,523	$11,210,348	3.99% [3]	**57%**
Time Certificate of Deposit								
TCD	American Express Nat'l Bank	n/a	11/7/24	11/6/26	245,000	245,000	4.00%	1%
TCD	Bank of Hapoalim NY	n/a	11/26/24	11/23/26	245,000	245,000	4.10%	1%
TCD	Dr Bank Darien	n/a	12/20/24	12/21/26	249,000	249,000	4.10%	1%
TCD	Goldman Sachs Bk USA	n/a	1/28/25	1/28/27	244,000	244,000	4.15%	1%
TCD	Oregon Community CU	n/a	2/24/25	2/24/27	249,000	249,000	4.30%	1%
TCD	Security First Bk	n/a	3/21/25	3/22/27	245,000	245,000	4.00%	1%
TCD	Toyota Fncl Svgs BK NV	n/a	4/10/25	4/12/27	245,000	245,000	4.00%	1%
TCD	Transportation Alliance Bk	n/a	5/12/25	5/12/27	249,000	249,000	3.95%	1%
TCD	B1 Bank Baton Rouge La	n/a	6/30/25	6/30/27	249,000	249,000	4.00%	1%
TCD	Bny Melon	n/a	8/13/25	8/13/27	245,000	245,000	3.80%	1%
TCD	Institution Svgs Newbury	n/a	10/28/25	10/28/27	249,000	249,000	3.60%	1%
TCD	Morgan Stanley Bk NA	n/a	11/12/25	11/12/27	245,000	245,000	3.65%	1%
TCD	Austin Telco	n/a	12/19/25	12/20/27	249,000	249,000	3.80%	1%
TCD	Morgan Stanley Private Bk NA	n/a	1/21/26	1/21/28	245,000	245,000	3.70%	1%
TCD	UBS Bank USA	n/a	2/25/26	2/25/28	249,000	249,000	3.80%	1%
TCD	Anderson Bros Bk	n/a	2/27/26	2/28/28	249,000	249,000	3.65%	1%
TCD	Merrick Bank	n/a	3/20/26	3/20/28	249,000	249,000	3.85%	1%
TCD	Bank of America NA	n/a	4/10/26	4/10/28	245,000	245,000	3.95%	1%
TCD	First Fncl Bk USA	n/a	6/12/26	6/12/28	249,000	249,000	4.10%	1%
TCD	St Bank India New York	n/a	9/16/26	9/18/28	244,000	244,000	4.30%	1%
TCD	Sallie Mae Bank	n/a	9/30/26	10/2/28	244,000	244,000	4.60%	1%
TCD	Capital One NA	n/a	10/21/26	10/23/28	244,000	244,000	4.90%	1%
					$5,426,000	**$5,426,000**	**4.01%**	**28%**
MM	US Bank Mmda Global Fund		Various	Open	**$673,819**	**$673,819**	**3.36%**	**4%**
Other								
Agency	Marin Co Treasury	AAA	Various	Open	$1,064,927	$1,064,927	0.99%	5%
Other	Various	n/a	Various	Open	1,365,891	$1,365,891	0.29%	6%
			TOTAL IN PORTFOLIO		**$19,803,160**	**$19,740,985**	**3.57%**	**100%**

Weighted Average Maturity = **95 Days**

LAIF: State of California Local Agency Investment Fund.

TCD: Time Certificate of Deposit.

Treas: US Treasury Notes with maturity of 5 years or less.

Agency: STP State Revolving Fund Loan Reserve.

Other: Comprised of 5 accounts used for operating purposes. US Bank Operating Account, US Bank STP SRF Loan Account, US Bank FSA Payments Account, Bank of Marin AEEP Checking Account & NMWD Petty Cash Fund.

1 Original cost less repayment of principal and amortization of premium or discount.

2 Yield defined to be annualized interest earnings to maturity as a percentage of invested funds.

3 Earnings are calculated daily - this represents the average yield for the month ending October 31, 2026.

Interest Bearing Loans	Loan Date	Maturity Date	Original Loan Amount	Principal Outstanding	Interest Rate
Marin Country Club Loan	1/1/18	11/1/47	$1,265,295	$931,264	1.00%
Marin Municipal Water - AEEP	7/1/14	7/1/32	$3,600,000	$1,122,883	2.71%
Employee Housing Loan	Various	Various	$1,150,000	$1,150,000	Contingent
TOTAL INTEREST BEARING LOANS			**$6,015,295**	**$3,204,147**	

The District has the ability to meet the next six months of cash flow requirements.

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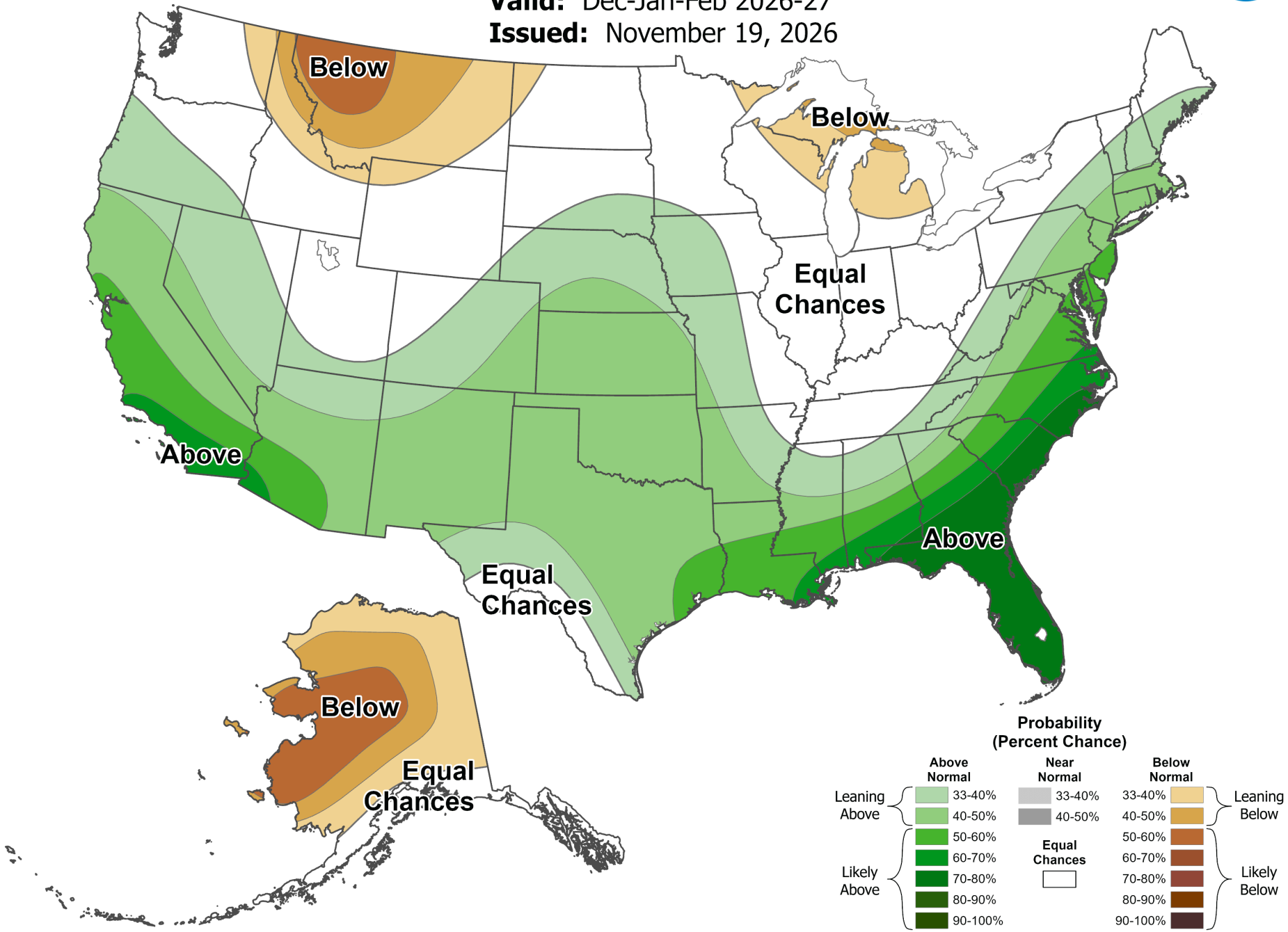
2027 TAC AND WAC/TAC MEETING SCHEDULE 35 Stony Point Road, Santa Rosa, California			
Month	**Day**	**Body**	**Time**
JANUARY	4	TAC	9:00 a.m.
FEBRUARY	1	WAC/TAC	9:00 a.m.
MARCH	1	TAC	9:00 a.m.
APRIL	5	SPECIAL WAC/TAC	9:00 a.m.
MAY	3	WAC/TAC	9:00 a.m.
JUNE	7	TAC	9:00 a.m.
JULY	12*	TAC	9:00 a.m.
AUGUST	2	WAC/TAC	9:00 a.m.
SEPTEMBER	13*	TAC	9:00 a.m.
OCTOBER	4	TAC	9:00 a.m.
NOVEMBER	1	WAC/TAC	9:00 a.m.
DECEMBER	6	TAC	9:00 a.m.

* Irregular meeting date due to holiday.

Approved: XX/XX/XXXX

Seasonal Precipitation Outlook

Valid: Dec-Jan-Feb 2026-27
Issued: November 19, 2026



Sonoma Water

Water Transmission System Status Update

FULL YEAR: FISCAL YEAR 2026 & QUARTER 1: FISCAL YEAR 2027

Jake Spaulding
Financial Services, Division Manager
Jake.Spaulding@scwa.ca.gov



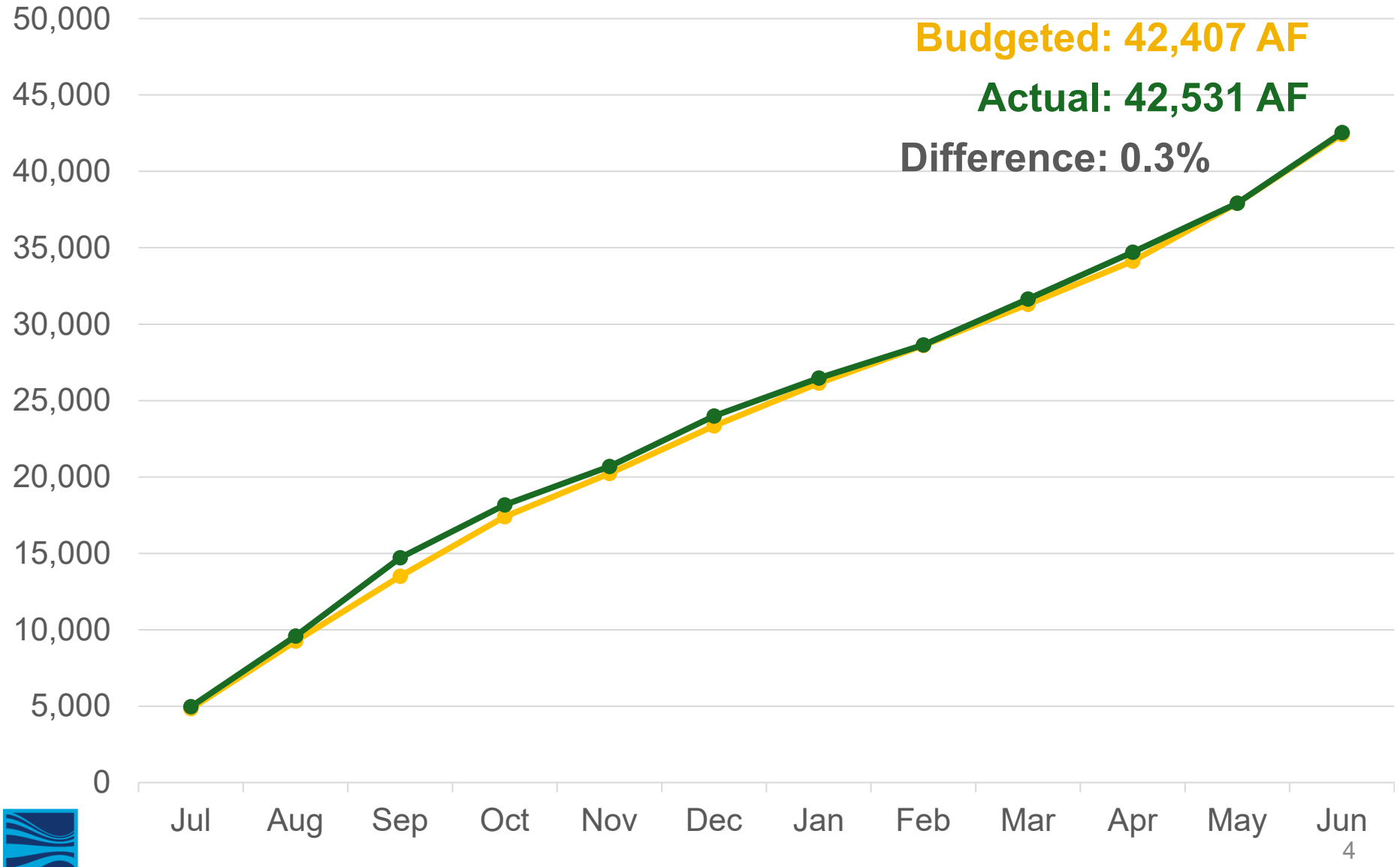
Agenda

- Prior Fiscal Year (FY 2026)
  - Water deliveries
  - Summary of budgeted vs actual for revenue and expenses
- Current Fiscal Year Q1 (FY 2027)
  - Water deliveries
  - Updates
- Next steps

Last Fiscal Year

FY 2026

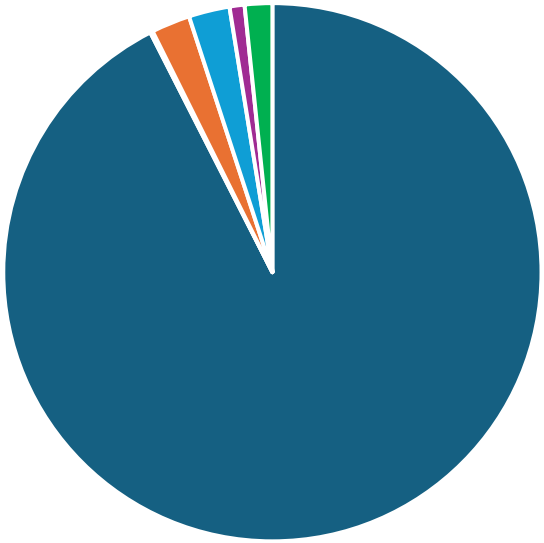
Cumulative Water Deliveries
Fiscal Year 25-26



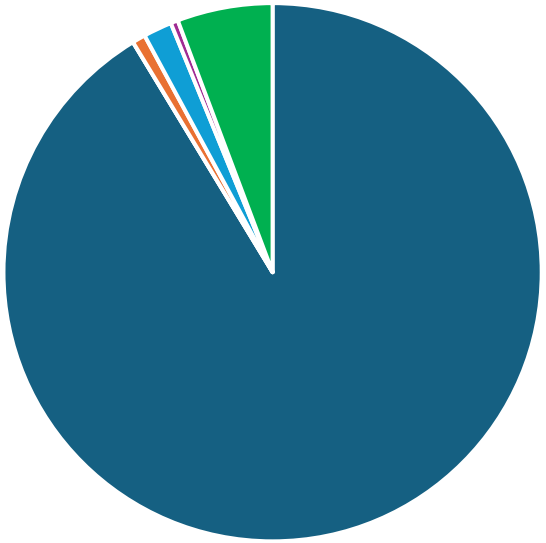
Revenue – FY 2026

Revenue (in Millions)	Adjusted Budget	Actual	Change
Water Sales & Charges for Services	$61.06	$60.08	($0.99)
Power Sales	$0.10	$0.00	($0.10)
Operating Grants	$1.54	$0.52	($1.02)
Capital Grants	$1.62	$1.13	($0.50)
Contributions	$0.59	$0.29	($0.30)
Interest & Investment Earnings	$1.09	$3.77	$2.68
Total	$66.01	$65.79	($0.22)

Adjusted Budget

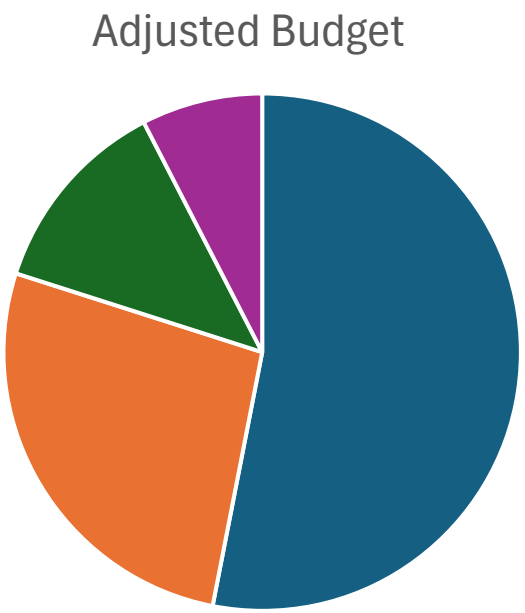


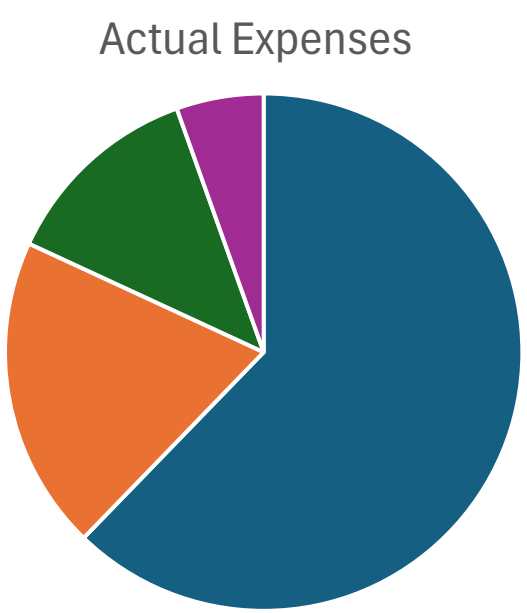
Actual Revenue



Expenditures – FY 2026

Expenditures (in Millions)	Adjusted Budget	Actual	Change
Operations and Maintenance	$63.57	$37.49	($26.09)
Capital Projects	$32.17	$12.25	($19.92)
BO Compliance, Water Supply Planning, Water Conservation	$14.97	$7.65	($7.32)
Debt Service	$9.07	$4.93	($4.14)
Total	$119.79	$62.32	($57.47)





FY25-26 Operations & Maintenance Expenses

	Adjusted Budget (in Millions)	Actual + Encumbrance (in Millions)
O&M Fund	$63.57	$37.49

Projects
Cathodic Protection - Santa Rosa AQ and RR-Cotati Upgrade Phase 1
Emergency Inventory Procurement
Tank Recoats & Tank Maintenance Program
Plans and Programs
Arc Flash Studies
Demuth Property Hydrogeologic Investigation
Regional Water Supply Resiliency Study
Water System 20-Year Comprehensive Plan
Projects Awarded FY25-26
Ralphine Tank No. 1 Recoating

FY25-26 Capital Project Expenditures

	Adjusted Budget (in Millions)	Actual + Encumbrance (in Millions)
Capital Projects	$32.17	$12.25

Advanced Capital Projects

Hazard Mitigation Projects

Ely Booster Pump Station Flood Mitigation
Bennet Valley Fault Crossing
Seismic Retrofit of Storage Tanks
Wilfred Booster Electrical Upgrade

Other Capital Projects

Mirabel Fiber Comms Resiliency
Sebastopol/Occidental Wells - Rehab & ASR
Warm Springs Dam Hydroturbine Retrofit
Mirabel/Wohler Storage Building
Water System Treatment Upgrades

Construction Projects Awarded FY25/26

Wilfred Booster Station Resiliency
Ralphine Tank Farm Security Fence
Demuth Property Test Well

FY25-26 Subfund Expenses

	Budget (in Millions)	Actual + Encumbrance (in Millions)
BO Compliance, Water Supply Planning, Water Conservation	$14.97	$7.65

Water Conservation
Water Education
Water Conservation
USBR Drought Resiliency Grant

Recycled Water and Local Supply
Groundwater Management

Water Management
Urban Water Management Plan

Watershed Planning and Restoration
Estuary Management
Dry Creek Habitat Enhancement
Change Petitions
Restoration/Education, and Monitoring
Landscape Resiliency-Fuels Mgmt.

FY25-26 Debt Service

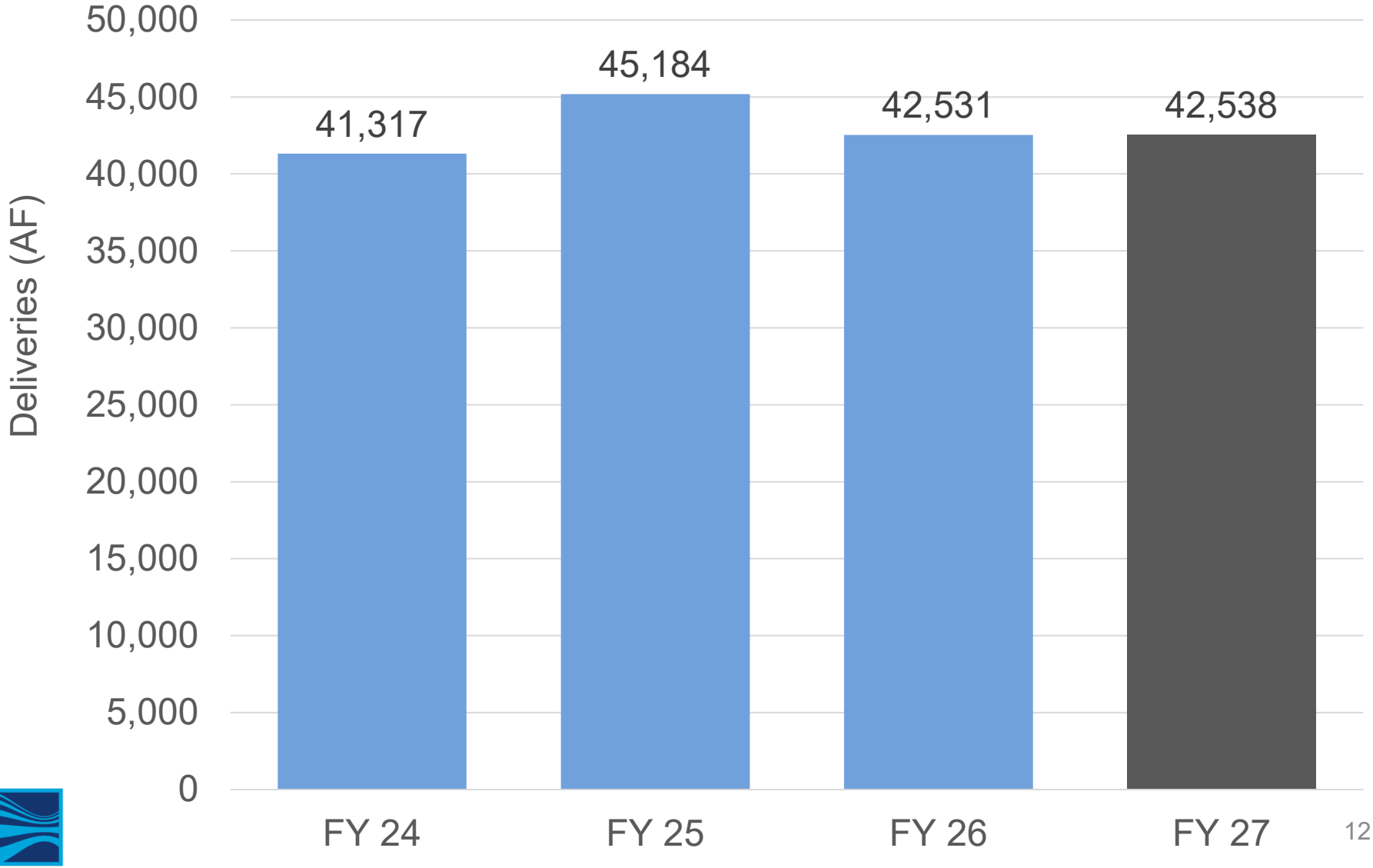
	Adjusted Budget (in Millions)	Actual + Encumbrance (in Millions)
Debt Service	$9.07	$4.93

State Revolving Loan Fund
2015 Water Revenue Bonds
2022 Water Revenue Bonds
2022 Water Revenue Bonds
2026 Water Revenue Bonds

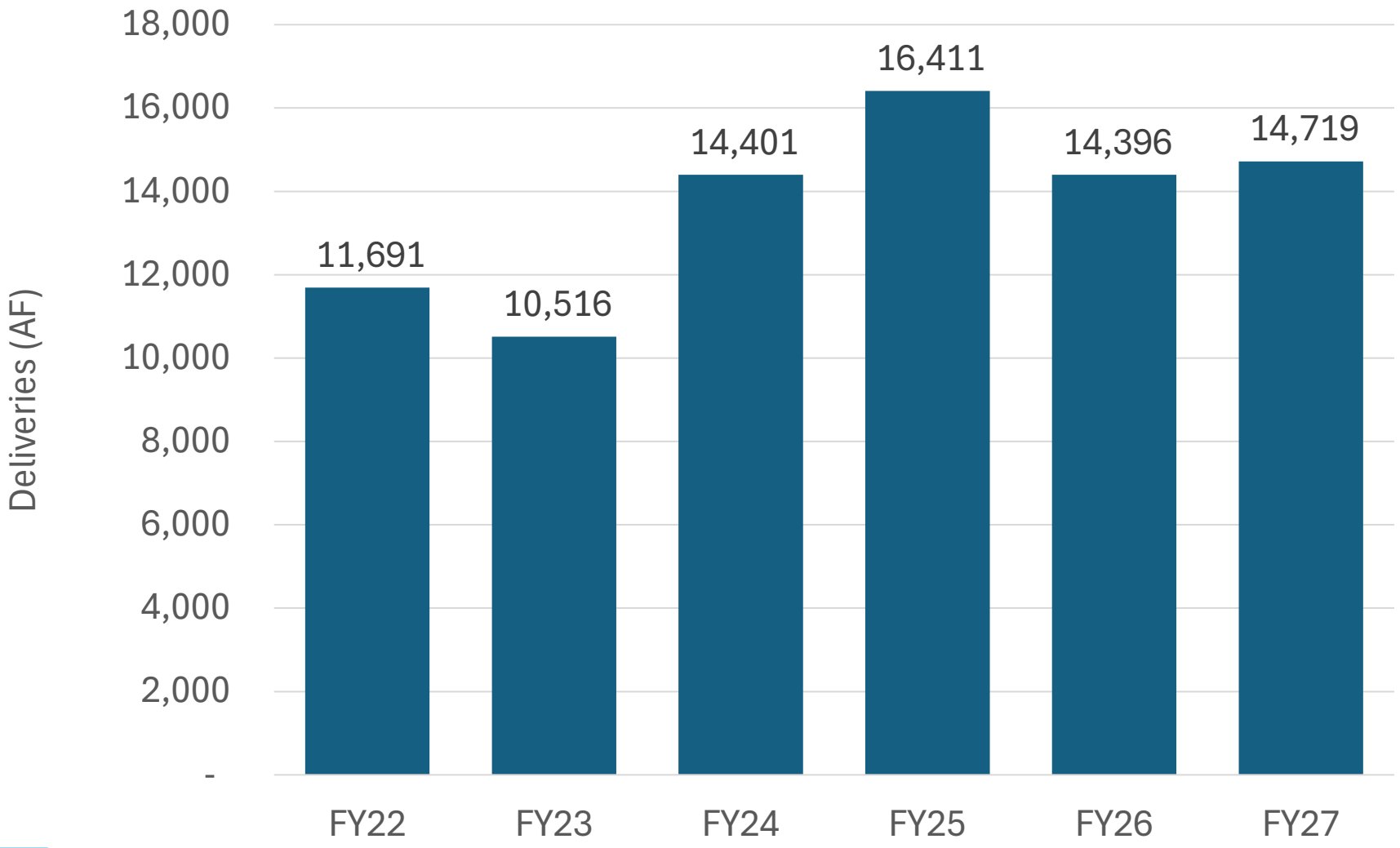
Quarter 1

FY 2027

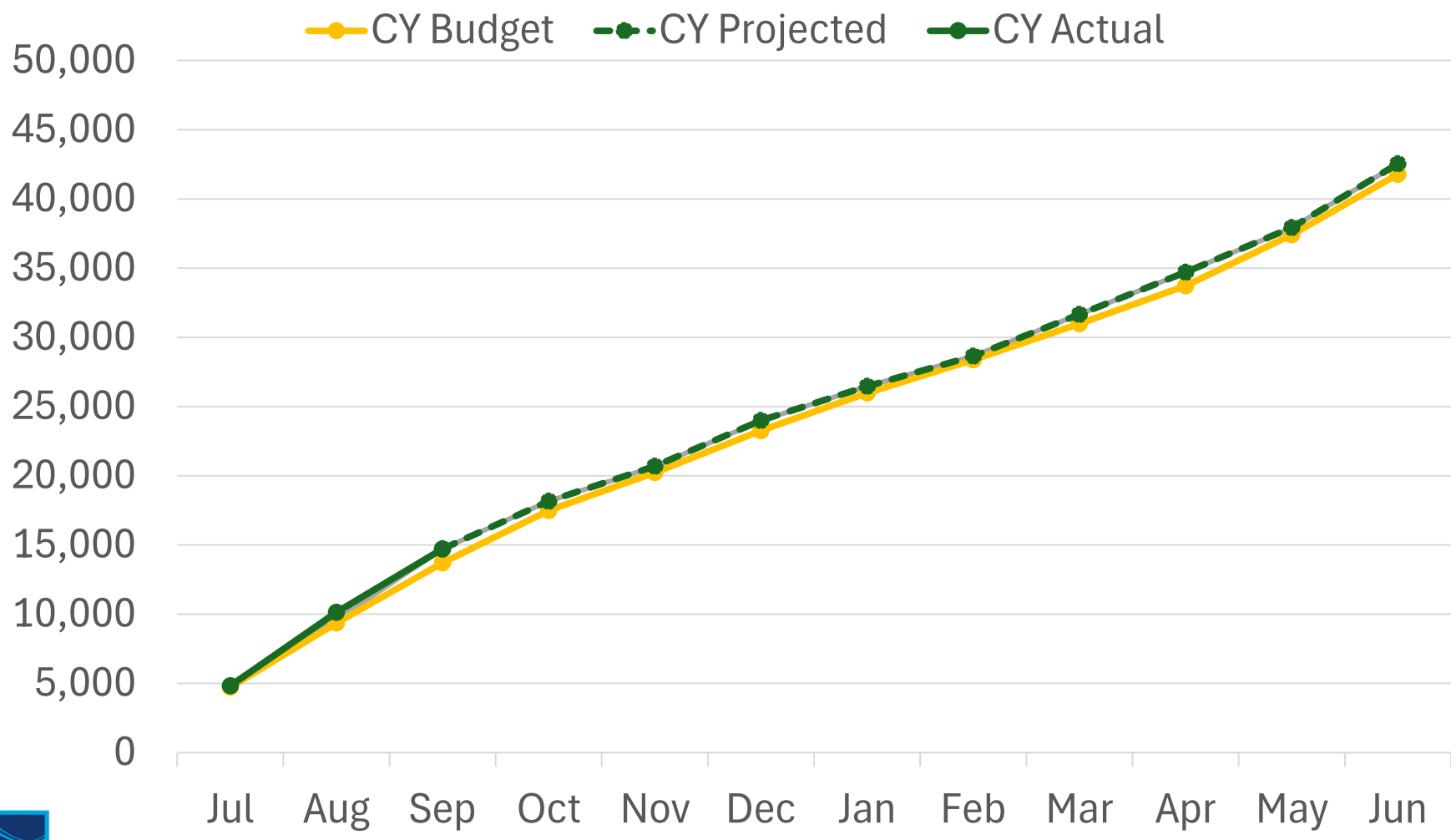
Projected deliveries as of 9/30 for FY27 compared to prior year actual deliveries



Quarter 1 Deliveries



Cumulative Water Deliveries
Fiscal Year 26-27



Comparison of this year's budget last year's budget

Expenditures (in Millions)	FY 26 Budget	FY 27 Budget
Operations and Maintenance	$45.87	$48.75
Capital Projects	$18.28	$10.90
BO Compliance, Water Supply Planning, Water Conservation	$8.80	$10.09
Debt Service	$9.07	$8.67
Total	$82.02	$78.41

What's changed since budget adoption?

- Quarter 1 consolidated budget adjustment
- No significant adjustments requested through the Board.
- Project updates
  - Awarded
    - RDS Pump and MCC Replacement Project
  - Anticipated Award
    - Warm Springs Dam Hydroturbine Retrofit
    - Ralphine #2 & Sonoma #1 Recoat/Seismic Projects
    - SR/Cotai Cathodic Protection Project
    - Mirabel/Wohler Storage Building
    - Water Treatment System Modernization

Next Steps
FY 2027-2028 Water Transmission Budget

- Draft Budget to TAC Ad Hoc Budget Subcommittee by ~January 18. Develop budget with Subcommittee in January and February
- TAC Vote on Monday, March 1
- Present Budget to City Councils/District Boards as requested during March
- Vote by WAC on Monday, April 5
- Adoption by Sonoma Water's Board – by April 30

Jake Spaulding
Financial Services, Division Manager
Jake.Spaulding@scwa.ca.gov

ACWA
Association of California Water Agencies

Bringing Water Together

November 9, 2026

Tony Williams
General Manager
North Marin Water District

Dear Tony:

Congratulations! Your district is one of the top ACWA 2026 Outreach winners in your region. Your outstanding efforts in the Outreach Program helped ACWA accomplish its legislative and regulatory goals this year.

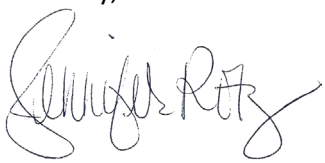
Here is a list of the winning districts in each region for the 2026 Outreach Recognition Awards.

Region 1: North Marin Water District
Region 2: Bella Vista Water District
Region 3: Union Public Utility District
Region 4: San Juan Water District
Region 5: Coastside County Water District
Region 6: Tri-County Water Authority
Region 7: Tehachapi-Cummings County Water District
Region 8: Three Valleys Water District
Region 9: West Valley Water District
Region 10: Valley Center Municipal Water District

ACWA will recognize your district and the other regional winners during the Keynote and Awards Program at ACWA's 2026 Fall Conference in Anaheim on Thursday, Dec. 3. The overall winner will be announced then. Regional winners will also be asked to remain after the program to collect their awards and take photos.

Thank you for all your hard work this year in helping advance ACWA's legislative and regulatory goals!

Sincerely,



Jennifer Rotz
Senior Regional Affairs Representative

S&P Global
Ratings

One California Street, 31st Floor
San Francisco, CA 94111-5432
tel 415 371-5000
reference no.: 1940273

November 13, 2026

North Marin Water District
999 Rush Creek Place
Novato, CA 94945
Attention: Julie Blue, Director of Administrative Services

Re: ***US$14,000,000 North Marin Water District Financing Authority, California, Water Revenue Bonds, (North Marin Water District), Series 2026, dated: December 16, 2026, due: December 1, 2041***

Dear Julie Blue,

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA". S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E. C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:
S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the

rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings
a division of Standard & Poor's Financial Services LLC

em
enclosures

cc: ***Mohamed Maxamed, Analyst***
NHA Advisors

S&P Global
Ratings

S&P Global Ratings
Terms and Conditions Applicable To Public Finance Credit Ratings

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Research Update:

North Marin Water District, CA Series 2026 Water Revenue Bonds Assigned 'AA' Rating

November 13, 2026

Overview

- S&P Global Ratings assigned its 'AA' long-term rating to the North Marin Water District Financing Authority, California's estimated $14 million 2026 water revenue bonds, issued for North Marin Water District.
- The outlook is stable.

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Rationale

Security

Net pledged revenue of the district's water system secures the bonds. The 2026 bond proceeds will be used to finance certain capital improvements to the district's enterprise system. We view the bond provisions as credit neutral. Bond provisions include a rate covenant and additional bonds test set at 1.2x annual debt service. As of June 30, 2026, the district enterprise system does not have any revenue bonds outstanding but has approximately $32.2 million in loans outstanding related to the system.

Credit highlights

The rating reflects our view of the district's very strong all-in debt service coverage (DSC) and very strong liquidity and reserves, supported by proactive operational and financial management, with formalized policies and practices. Partly offsetting these strengths, in our view, are the district's somewhat smaller utility system with rising wholesale costs for imported water and, although very strong, its available reserve levels.

North Marin Water District is in Marin County, approximately 30 miles north of San Francisco. We consider the economic profile extremely strong given the district's very strong income levels, diverse customer base, below-average unemployment rates, and participation in the San Francisco-Oakland-Fremont metropolitan statistical area with access to a robust employment hub. Despite annual rate increases, the water system rates remain affordable, in our opinion.

The district serves roughly 64,000 residents in greater Novato and about 1,800 residents in west Marin County. The district's water enterprise system consists of Novato Water, Novato Recycled Water, West Marin Water, and Oceana Marin Sewer. Operationally, the district maintains 386

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miles of pipeline, 2,910 hydrants, and 40 million gallons of stored water, and serves approximately 100 square miles. The water system imports 80% of its water supply from Sonoma Water that flows through the North Marin Aqueduct. Its local supply includes Stafford Lake, two recycled water plants, and the West Marin Wells. The wholesale water cost charges through the district's agreement with Sonoma Water are passed through to tier 1 commercial and residential customers. Marin Municipal Water District (MMWD) is also a wholesale customer to Sonoma Water, and MMWD pays North Marin Water District approximately $205,320 annually through 2032 for its share of the aqueduct replacement. North Marin Water District also maintains long-term agreements with Novato Sanitary District and Las Gallinas Valley Sanitary District to provide recycled water at cost to the district. North Marin Water District's 10-year billed consumption average was about 7,089 acre-feet (af). The 2025 Urban Water Management Plan identifies approximately 16,239 af of water supply through 2050, which is more than twice the historical average consumption. The projected water supplies meet demand under normal, single-dry, and five-year drought conditions through 2050.

The district's fiscal 2027-2031 capital improvement plan (CIP) focuses primarily on system renewal and reliability instead of capacity expansion. The CIP totals approximately $47.8 million over the next five years, with $14 million to be funded with the 2026 bond proceeds and the remainder with a portion of annual net system revenue, cash on hand, grants, and future borrowing. The district's water system available cash reserves have decreased annually since fiscal 2022 to about $9.9 million, or 140 days' cash, for unaudited fiscal 2026 due to planned spend down on capital needs. The 2026 bond issuance will use $3 million to reimburse the district's available reserves, bringing its total to $12.9 million, or about 183 days' cash. Going forward, the district is projecting to improve its days' cash and available reserves while addressing its five-year CIP.

The water system's financial performance has trended strongly during the past five fiscal years with positive operating results. Based on the district's audited financial results, total all-in DSC (comprising senior and subordinate debt) remained well above the district's 1.2x rate covenant but declined from 2x all-in DSC in 2022 because of a planned spend down of cash reserves for capital improvements. Unaudited fiscal 2026 results show all-in DSC increasing to at least 1.6x. The district could conduct another multiyear rate study in 2028 for Novato Water and recycled water, if needed. Somewhat supporting the positive operating results was the district board's adoption of a three-year annual rate increase of 6% for fiscal years 2025 through 2027, following a 2024 rate study. In addition, the district anticipates a June 2027 hearing to adopt a one-year 4% rate increase plus a pass-through, whereby its customers will pay applicable fees associated with the district's water supplier. If adopted, operating revenues could increase 15% in fiscal 2028 and potentially yield all-in DSC above 2x. We note that our all-in DSC calculation includes a fixed take or pay charge annually, which is approximately 14% of Sonoma County Water Agency's total annual debt service.

The rating further reflects our view of the water system's:

- Affordable service rates in the context of the service area's very strong income metrics with median household effective buying income at 139% of the U.S. and a 4.6% county unemployment rate;
- Manageable debt and liabilities, with debt to capitalization increasing to approximately 28.3% with this issuance from 22.4% (audited fiscal 2025) and total on-balance-sheet debt to about $52.3 million from $38.3 million (audited fiscal 2025);

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- Annually updated comprehensive five-year CIP that will address the current debt issuance and net system revenue that was incorporated in recent rate increases and pass-through of water supply fees to its customers;
- Operating and financial procedures that we view as good among peers, include more than sufficient water supply for its customers, and cybersecurity measures that are in line with those of peers;
- Very strong financial metrics maintained in the past five years, with all-in DSC above 1x in recent years and that could strengthen above 2x in fiscal 2028 given projected increasing net revenues while maintaining days' cash and available reserves; and
- Elevated environmental risk related to increasing wildfire and drought risk in California, though management attests that the service area has not been affected in recent years. There are portions of the service area in tier 2 and 3 wildfire risk zones. We understand that the district mitigates these risks with its local hazard mitigation plan that identifies vulnerabilities and such are addressed through its CIP.

Outlook

The stable outlook reflects our view of the district's proactive management that has implemented rate studies in recent years with approved rate increases to support its CIP, maintain balanced-to-positive operations, and improve cash on hand. We expect that the district will maintain its very strong liquidity and reserve position and its all-in DSC over the next two years given the recent rate studies and its track record of positive operating results.

Downside scenario

We could lower the rating if the district is unable to manage capital needs and draws down liquidity, given higher-than-expected spending on its CIP, or if the district requires more debt to fund capital needs, thus pressuring all-in DSC.

Upside scenario

We could raise the rating if the district's all-in DSC, days' cash, and available reserves materially strengthen to levels that are comparable with those of higher-rated peers that we believe are sustainable while managing its capital needs.

North Marin Water District, California--economic and financial data

		Fiscal year-end			
	Most recent	2025	2024	2023	Median (AA)
Economic data					
MHHEBI of the service area as % of the U.S.	139.0				113.0
Unemployment rate (%)	4.6				3.7
Poverty rate (%)	9.9				10.1
Water rate (6,000 gallons or actual) ($)	106.1				
Sewer rate (6,000 gallons or actual) ($)	0.0				
Annual utility bill as % of MHHEBI	1.3				1.1
Operational management assessment	Good				Good

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North Marin Water District, California--economic and financial data

		Fiscal year-end			
	Most recent	2025	2024	2023	Median (AA)
Financial data					
Total operating revenues ($000s)		32,432	30,210	26,267	26,885
Total operating expenses less depreciation ($000s)		26,261	21,609	19,343	17,184
Net revenues available for debt service ($000s)		6,171	8,601	6,924	7,755
Debt service ($000s)		4,489	4,487	4,484	2,963
S&P Global Ratings-adjusted all-in DSC (x)		1.3	1.8	1.5	2.5
Unrestricted cash ($000s)		13,174	17,168	19,523	27,366
Days' cash of operating expenses		183	290	368	649
Total on-balance-sheet debt ($000s)		38,267	41,742	45,133	33,014
Debt-to-capitalization ratio (%)		22.4	24.3	26.3	25.6
Financial management assessment	Good	--	--	--	Good

Note: Most recent economic data available from our vendors. MHHEBI--Median household effective buying income. DSC--Debt service coverage.

Ratings List	
New Issue Ratings	
US$14,000,000 North Marin Water District Financing Authority, California, Water Revenue Bonds, (North Marin Water District), Series 2026, dated: December 16, 2026, due: December 1, 2041	
Long Term Rating	AA/Stable
New Rating	
Water & Sewer	
North Marin Wtr Dist, CA Water System Revenues	AA/Stable

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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IN THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

ELSINORE VALLEY MUNICIPAL WATER DISTRICT, *Petitioner* v. FEDERAL ENERGY REGULATORY COMMISSION, *Respondent*	26-_____

PETITION FOR REVIEW

Pursuant to Section 313(b) of the Federal Power Act, codified at 16 U.S.C. § 825*l*(b), Federal Rule of Appellate Procedure 15(a), and Rule 15(a) of the Circuit Rules of the United States Court of Appeals for the District of Columbia Circuit, Elsinore Valley Municipal Water District ("Elsinore") petitions the Court for review of two notices issued by the Federal Energy Regulatory Commission ("FERC") disallowing Elsinore's intervention in relation to Project No. 77-332. Specifically, Elsinore seeks review of the following FERC notices:

1. *Pacific Gas and Electric Company*, Notice Denying Late Intervention, Project No. 77-332 (issued July 27, 2026) ("Intervention Denial")

2. *Pacific Gas and Electric Company*, Notice of Denial of Rehearing by Operation of Law and Providing for Further Consideration, 196 FERC ¶ 62,162 (issued Sept. 28, 2026) ("Rehearing Denial")

These Notices are attached here as Exhibits 1 and 2, respectively.

This petition is timely filed "within sixty days after the order of the Commission upon the application for rehearing[.]" 16 U.S.C. § 825*l*(b).

BACKGROUND

On July 25, 2025, Pacific Gas and Electric Company ("PG&E") filed its Final Surrender Application and decommissioning plan[1] for its Potter Valley Hydroelectric Project located on the Eel River and East Fork of the Russian River in Lake and Mendocino counties, California.

FERC set initial deadlines for filing comments, motions to intervene, and protests as December 1, 2025.[2] On December 1, 2025, FERC extended the deadline for filing comments, based in part on "the complexity of issues related to surrender of the project."[3] FERC did not extend the deadline for filing motions to intervene.

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[1] *Pacific Gas and Electric Company*, Final Application for Surrender of License and Application for Non-Project Use of Project Lands re the Potter Valley Project under P-77, Accession No. 20250725-5157 (July 25, 2025).

[2] *Pacific Gas and Electric Company*, Notice of Application for Surrender of License and Non-Project Use of Project Lands, Accepted for Filing, Soliciting Comments, Motions to Intervene, and Protests, Accession No. 20251031-3014 (Oct. 31, 2025).

[3] *Pacific Gas and Electric Company*, Notice Extending Comment Period, Accession No. 20251201-3070 (Dec. 1, 2025).

On May 22, 2026, FERC announced it would "prepare a document in accordance with the National Environmental Policy Act (NEPA) that will discuss the environmental impacts of the proposed surrender and decommissioning of the project, as well as PG&E's proposed non-project use of project lands."[4] The NEPA document would be used in FERC's "decision-making process to identify potential adverse and beneficial impacts of the proposed project surrender and reasonable alternatives."[5] FERC sought public comments, due by July 24, 2026, and scheduled in-person "scoping sessions" for June 23-24, 2026 "to collect comments on the scope of the environmental issues that should be analyzed in the NEPA document."[6] FERC extended the period for filing comments regarding the NEPA document until September 18, 2026, and scheduled additional in-person scoping sessions for September 15-16, 2026.[7]

Elsinore attended the first scoping sessions in June 2026. *See* Exhibit 3 at 4; Exhibit 4 at 2–3. Conversations and comments made during the sessions raised concerns among Elsinore's representatives

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[4] *Pacific Gas and Electric Company*, Notice of Scoping Meetings and Request for Comments at 1, Accession No. 20260522-3069 (May 22, 2026).

[5] *Id.*

[6] *Id.* at 3.

[7] *Pacific Gas and Electric Company*, Notice Extending Scoping Comment Period, Accession No. 20260724-3049 (July 24, 2026).

regarding the proposed manner of decommissioning PG&E's Poter Valley dams. *Id.* So, Elsinore, which has never participated in any proceeding before FERC, filed its Motion to Intervene Late ("Motion") on July 9, 2026. *See* Exhibit 3. On July 27, 2026, despite having extended commenting periods on multiple occasions and ordering additional scoping sessions, FERC denied Elsinore's Motion. *See* Exhibit 1.

On August 26, 2026, Elsinore filed its Petition for Rehearing of the Denial of its Motion to Intervene Late ("Petition for Rehearing").[8] *See* Exhibit 4. Thirty days passed without FERC taking action on the Petition for Rehearing, which pursuant to 18 CFR § 385.716(f), "may be deemed to have been denied." Accordingly, FERC issued its Rehearing Denial on September 28, 2026, acknowledging Elsinore's timely request for rehearing, noting that after 30 days "the request for rehearing may be deemed to have been denied," and finding the Petition for Rehearing "will be addressed in a future order to be issued consistent with the requirements of" 16 U.S.C. § 825*l*(a). *See* Exhibit 2. FERC has not provided a substantive justification for denying rehearing.

[8] At the same time, Elsinore separately filed its "Renewed Motion to Intervene Late", which has not been ruled on by the Commission. *See Renewed Motion for Late Intervention of Elsinore Valley Municipal Water District*, Accession No. 20260826-5198 (Aug. 26, 2026).

BASIS FOR REVIEW

FERC's one-page Intervention Denial included only a single sentence undergirding its holding:

> Here, [Elsinore] failed to demonstrate that good cause exists to grant its untimely motion to intervene because ***it did not provide any explanation for the untimeliness of its motion***. Therefore, [Elsinore's] late motion to intervene is denied.

Exhibit 1 (emphasis added). But Elsinore *did* explain the good cause for its untimely-sought intervention. FERC simply ignored it. Elsinore alleged that "[f]ollowing the recent FERC National Environmental Policy Act (NEPA) scoping sessions on June 23 and 24, 2026, in Ukiah, California, in which representatives of EVMWD participated, its concerns were heightened upon meeting with other stakeholders in the instant proceeding." Exhibit 3 at 4.

FERC did not deny Elsinore's Motion for failing to state *sufficient* good cause. Instead, FERC contends Elsinore "did not provide any explanation for the untimeliness of its motion." Exhibit 1. That finding is clearly erroneous.

Further, FERC's denial is inconsistent with the Court's ruling in *American Whitewater v. FERC*, No. 25-1092, 2026 WL 2132395 (D.C. Cir.

July 25, 2026)—entered only three days before FERC's Intervention Denial—and FERC's precedent.

FERC's Intervention Denial and Rehearing Denial violate the Administrative Procedure Act, 5 U.S.C. §§ 701 et seq., because they were "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law." 5 U.S.C. § 706(2)(A). The denials are clearly erroneous and should be set vacated, and Elsinore should be granted party status as an intervenor.

Dated: November 24, 2026.

Respectfully submitted,

ELSINORE VALLEY MUNICIPAL WATER DISTRICT

/s/ George C. O'Connor
One of its Attorneys

OF COUNSEL:

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IN THE UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT

ELSINORE VALLEY MUNICIPAL WATER DISTRICT, ***Petitioner*** **v.** **FEDERAL ENERGY REGULATORY COMMISSION,** ***Respondent***	**26-_____**

CERTIFICATE OF SERVICE

Pursuant to Federal Rule of Appellate Procedure 15(c), I certify that I have served a copy of the foregoing documents upon each person designated on the official service list maintained by FERC for Project Number 77-332. A copy of the list of recipients is attached as Exhibit 5.

Pursuant to Federal Rule of Appellate Procedure 15(c), the circuit clerk will serve a copy of this petition on each respondent as proscribed by Rule 3(d). I certify that I have on this day served a courtesy copy of the foregoing documents, by U.S. Mail, postage prepaid, upon the Solicitor of the Federal Energy Regulatory Commission ("FERC") and the FERC Secretary at the addresses below:

Robert Solomon, Solicitor
Office of the General Counsel
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Debbie-Anne A. Reese, Secretary,
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Dated: November 24, 2026.

Respectfully submitted,

/s/ George C. O'Connor

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WINTER OUTLOOK

SoCal floods show threat El Niño poses for California

Fear of storms mixed with rising sea levels



A woman stands next to a flooded lifeguard stand at Bayshore Beach Oct. 27 in Long Beach. Kelvin Kuo — Los Angeles Times

BY RONG-GONG LIN II AND SEAN GREENE

LOS ANGELES TIMES

LOS ANGELES — The significant coastal flooding that hit Southern California in recent days points to what a worst-case scenario would look like in an El Niño-fueled winter with sea levels expected to rise even farther.

Last week's flooding was so bad because of two events that are expected to worsen over the next few months: a record-hot ocean raising sea levels combined with higher-than-normal tides. A third factor would be powerful storms that bring big waves.

How these three factors play out — and whether they occur simultaneously — will determine how punishing this winter will be for the coast.

The tides themselves were moderately high last week, but they, in combination with record ocean temperatures, were enough to push up sea levels significantly.

The average sea level was 1.4 feet higher than expected in San Diego, 1.3 feet higher in Los Angeles, and 1.1 feet higher in San Francisco, for the week ending Friday, according to an analysis of data provided by William Sweet, an oceanographer with the National Oceanic and Atmospheric Administration.

Indeed, sea levels reached record heights — not seen in more than a century of observations. All-time records for maximum sea levels were shattered in Los Angeles, San Diego Bay, Santa Barbara and La Jolla last week.

At the San Pedro gauge in L.A., the sea level reached 8.02 feet on Oct. 26 and 8.19 feet a day later, breaking the old record of 7.93 feet above the baseline (defined as the average daily lowest-water level observed between 1983 and 2001) — which happened on Jan. 10, 2005, during an El Niño winter.

Sea levels could get even higher with the arrival of king tides around Thanksgiving, Christmas and the Martin Luther King Jr. Day holidays.

Warmer water increases sea levels because the heat increases its volume. Unusually hot ocean water worsened the sea level rise that peaked during last week's high tides. Those temperatures are expected to be higher than normal throughout the winter.

"The king tides are going to provide a larger trigger for flooding," said Dillon Amaya, an assistant professor at North Carolina State University's Department of Marine, Earth and Atmospheric Sciences. Plus, "the ocean is expected to remain warmer than average for at least through the spring."

And the ocean remains quite hot. On Saturday, the sea surface temperature at Scripps Pier in La Jolla was 75.4 degrees — an astonishing 11.1 degrees above the historical average for Halloween. Saturday's temperature is even higher than the highest average temperature for the entire year — around 70 degrees — and broke a record for the hottest Halloween in the record books, which go back to 1916.

Last week, 114 homes and other structures along the coast were damaged by seawater in Huntington Beach alone, mostly in the neighborhoods of Sunset Beach and Huntington Harbour, and flooded parts of Pacific Coast Highway. Flooding also hit beachside bars from

Redondo Beach to Long Beach. In Northern California, Marin County experienced flooding of up to 2 feet in bayside communities, according to state officials.

The flooding and strong swells are already evidence of El Niño's powerful impacts, but the threats are likely just beginning.

"Our waters have been so far above normal — a foot to a foot and a half above what we would normally expect, because of the warm waters and because of Kelvin waves," said Robbie Munroe, meteorologist with the National Weather Service office in Oxnard.

Kelvin waves are a key feature to the developing El Niño: They move warm water slowly for thousands of miles from the western Pacific Ocean toward the eastern Pacific, just off the coast of Peru. The warm water then hits the coast, eventually shuttling warmer ocean water to offshore California.

Of all the risks El Niño poses to California, the risk of coastal flooding poses the highest level of certainty for later in the year, according to the weather service. Oceanic temperatures are continuing to rise in the part of the Pacific Ocean responsible for El Niño, and federal scientists say there's an 83% chance this El Niño will be the strongest in the modern record, which dates to 1950.

The Kelvin waves are described as "coastally trapped" as they must follow the coastline once they hit the coast of the Americas, with the shoreline to the right in the Northern Hemisphere. They don't crash on the shore, but they do raise ocean temperatures and raise the sea level, with their effects lasting for months before they eventually subside.

Kelvin waves are thought to be a big contributor to the flooding.

"Oceanic Kelvin waves are contributing to new/broken water level records along the California coast, including some of the highest readings in over a century," the National Oceanic and Atmospheric Administration's National Ocean Service said in a statement.

The most recent first Kelvin wave arrived around the same time that swells from former Hurricane Rachel hit in early October, and sent seawater crashing into homes on the Long Beach Peninsula and covered Newport Beach's Balboa Peninsula with water.

It's now apparent that another Kelvin wave swept along the Southern California coast last week, and is contributing to sea levels, in some spots depending on the time of the day, having risen nearly 2 feet above what would ordinarily be expected from just astronomically influenced tides, according to North Carolina State University's Amaya.

The sea level rise being experienced now may be coming as quite a shock to some Californians, but in some ways, the sea level rise we're seeing has been a long time coming.

“The sea level rise signal has been a lot lower here than, let’s say, on the East Coast or Gulf Coast,” oceanographer Sweet said. “That said, when El Niños occur, like one is occurring now — the super El Niño — you can get three decades’ worth of sea level rise in a month when these Kelvin waves come. It’s not there forever, but when it’s there, it” can cause erosion and flooding.

On top of that, there’s a good chance of large swells being whipped up by winter storms, said meteorologist Munroe, adding to the sea level. And while recently it’s been south-facing beaches that are getting hit the hardest, swells will probably transition to coming from the northwest to the southwest, depending on the storms’ orientation.

A big problem for California is that the coming king tides will be especially supersized. The astronomical tides will be among the highest considered possible for California, due to the arriving peaks of what are known as the 18.6-year lunar node tidal cycle and the 4.4-year lunar perigee tidal cycle, which arise from small changes in the orbit of the moon and affect tide-generating forces, according to Reinhard Flick, a researcher at the Scripps Institution of Oceanography at UC San Diego.

Over the course of a century, for instance, it’s rare in La Jolla to see an astronomical high tide come in at 7 feet or higher above the baseline (which is currently defined as the average daily lowest-water level observed between 1983 and 2001), according to data provided by Flick. But that’s set to happen on Nov. 25 (the day before Thanksgiving) and on Dec. 23, 24 and 25. And that prediction doesn’t factor in higher-than-expected sea levels due to the hotter ocean.

By contrast, last week’s tides weren’t even king tides, UC Agriculture and Natural Resources climate scientist Daniel Swain said. They were higher than average, but they weren’t the highest of the year, which is suggested when using the term “king tides.”

Last week’s “record-breaking water levels … are not being caused by maximal sun and moon alignment, as is implied in ‘king tide,’ “ Swain said in an email. In fact, it’s the “combination of only moderately high astronomical — sun and moon — high tides plus extraordinary/record-breaking ocean level increases,” fueled by the extreme marine heat wave and El Niño-fueled Kelvin waves. “That is, by far, the larger effect at present.”

Scientists say this winter could be a preview of California’s coastal future. Between 2000 and 2070, according to one estimate, there could be more than 1 foot of additional sea level rise in L.A. under an intermediate scenario, and nearly 3 feet under a high scenario.

“California has already experienced anywhere from 20 to 30 centimeters [8 to 12 inches] of background sea level rise. So this is just adding an additional foot on top of that,” Amaya said of the more recent increases in sea levels. “This is just a warning shot from a warmer future. This is kind of our new reality.”

El Niño's impact is being felt inland, too. Extreme rainfall was hitting across Arizona and the Four Corners region that includes New Mexico, Utah and Colorado on Sunday. One culprit is "the absolutely ridiculous amount of moisture in the atmosphere," which Swain said is largely due to an "exceptional and record-shattering marine heat wave along the Baja California coast," which is the source of the moisture and is linked to both the extreme El Niño and climate change.

Times staff writers Jack Flemming and Stephanie Breijo contributed to this report.

CALIFORNIA

‘King tides’: An informal term that has West Coast on alert

Poses serious threats amid rain, winds, waves



A pedestrian walks through a flooded section of Lucky Drive during a high tide in Corte Madera on Oct. 28. The road was closed to vehicles because of the water. Alan Dep — Marin Independent Journal



High tides flood a plaza and parts of the sidewalk in San Francisco on Oct. 27. Ian C. Bates — The New York Times

BY AMY GRAFF

THE NEW YORK TIMES

Every fall and winter along the West Coast of the United States, the ocean swallows beaches. The Pacific lifts up and over the shore, and salt water spills onto roads and pathways. Hours later, it pulls back, exposing broad expanses of beach, seafloor, rocks and marine life that are usually covered by water.

This dramatic display comes from the highest and lowest tides of the year, commonly called “king tides” by the people who experience them. Usually, they bring only minor flooding and inconvenience. But the damage can become more serious when the high tides coincide with rain, winds and waves.

This winter, forecasters have warned that with sea levels along the West Coast higher than normal because of the strong El Niño climate pattern, these tides could reach their highest levels on record.

“King tide” is an informal, nonscientific term for the highest high tides of the year. It has no entry in the National Weather Service glossary of meteorological terms.

It was mentioned as early as the 1800s, in Australian newspapers; one, in 1868, described the tides as ebbing and flowing “with great violence.” In the early 21st century, an environmental effort in Australia thrust the term into the modern public eye, when the King Tides Project there sought to document dramatically high tides as a way to help communities conceptualize what sea level rise would look like in a changing climate.

Other countries and communities with vulnerable coastlines adopted similar programs, from New Zealand and Tuvalu to the western United States.

Government agencies in the United States didn't start using the term until recently. "It was not a thing when I left the NWS at the end of 1997," said Jan Null, a veteran meteorologist and former forecaster for the weather service.

"Somewhere in the last 20 years, the term has become more commonly used," he said, citing its increasing popularity on social media.

Tides are vast waves rolling around the ocean that are generated by the gravitational attraction between the moon and the sun on Earth. The moon and the sun both tug at the Earth and its oceans as it spins around on its axis. The laws of physics take over, resulting in the high and low tides each day.

What people call the king tides occur when the gravitational pull between the sun, moon and Earth is at its maximum strength.

"A couple of times a year, the moon is closer to the Earth, which is a little more gravitational pull, and the moon and the Earth together are closer to the sun, and that adds to that gravitational pull," said Gary Griggs, a professor at the University of California, Santa Cruz.

They happen on coastlines around the world during certain seasons. On the Atlantic and Gulf coasts of the United States, that's mainly during late summer and fall; on the West Coast, it's during the winter.

Tides have already set records this fall in California, when October's sent water over shorelines up and down the coast.

Many expect some of those records to be broken again.

The exact dates and times for the highest tides vary by location. The California Coastal Commission, which runs the state's King Tides Project, lists these dates for the state:

Nov. 24-26

Dec. 23-25

Jan. 21-22

Officials in Oregon and Washington list similar dates, but it is mostly in California where emergency officials and meteorologists are anticipating the kind of flooding that can affect daily life.

"Our coast is more sparsely populated than the coast of California," said Noah Alviz, a meteorologist with the weather service office in Portland, Oregon.

This will vary up and down the coast, but the short answer for some places is probably higher than ever before, experts warned.

King tides on the West Coast can be up to 2 feet higher than typical high tides.

But this year, the tides are hitting when the water levels along the coast are even higher because of El Niño. The climate pattern is defined by warm water in the Pacific Ocean, and as water warms, it expands, giving sea levels a little lift.

On top of that, the pulses of water known as Kelvin waves are arriving on the shores of the West Coast, sending sea levels even higher.

A few more of these waves of water will move across the ocean this winter, but they're tricky to track in real time, Griggs said.

A worst-case scenario for residents and emergency officials would be a storm slamming the coast at the same time as the king tides. That would layer the tides, heavy rains and lashing waves on top of the already high sea levels.

"There are agencies that are trying to plan for a situation where all of these things happen at once," said Karen Kavanaugh, an oceanographer at the National Oceanic and Atmospheric Administration.

October's record tides weren't technically king tides, the weather service office in San Francisco noted, though many called them that anyway.

The city's mayor, too, has embraced a more liberal definition.

Daniel Lurie, the mayor, said in a video last month that San Francisco was expecting 30 king tides between November and January. Even NOAA defines it just as "a nonscientific term people often use to describe exceptionally high tides."

Some experts worry the term is being overused and, because of that, risks losing its power to raise awareness about the potential for flooding at the coast.

“It brings in warning fatigue,” said Todd Hall, a meteorologist with the weather service in Los Angeles. “If you call everything big, it brings in a different factor of, ‘Oh my goodness, this is going to be the worst ever.’”

All elected boards should have term limits

Results of the November general election provide an opportunity to review the merits of adopting term limits in Marin's local governments.

Term limits for counties, cities and special-purpose districts are optional. California government code provides that voters in individual local governments may limit the length of service of their elected representatives if a majority of their voters so decide.

Nine California counties, both big and small, limit terms of members of their boards of supervisors. They include San Francisco, San Mateo, Santa Clara, San Benito, El Dorado, Los Angeles, San Joaquin, San Diego and Orange counties. There, county supervisors can hold office only for two or three four-year consecutive terms.

Marin should be the 10th county to adopt limits. Years ago, The Marin County Civil Grand Jury recommended that if term limits were ever approved, the limit for county supervisors should be three consecutive four-year terms. Today, no Marin jurisdiction has statutory term limits. By local custom and consensus, two municipalities have informal time-in-office maximums: Mill Valley and Belvedere.

The former follows a rule that council members should serve two terms. When there's community consensus, an incumbent may run for a third term. That's the maximum. Full disclosure: Following that custom I served three terms on Mill Valley's council. Belvedere's community understanding is that council members serve a maximum of two stints.

California local governments can and should adopt maximum years of service laws. So should special-purpose districts. There, directors often hold office for decades. A few do it for financial perks. For most, it's not about money. They thrive by serving on these off-the-radar boards. It's part of their self-identity. They'd try to stay in office even if there were no financial motivations.

Raising the prospect of term limits raises an alarm in the mind of veteran public officials. It shouldn't.

Limits will impact only those incumbents whose personal goal is a lifetime in office. For those who say "my life is committed to public service," the response is "join your local Rotary club."

Limiting spans in public office is beneficial even for incumbents. The worst scenario in politics is being defeated for reelection. Then, even top-notch people leave elected office as a perceived loser. With term maximums, county supervisors, council members and school trustees have a dignified way to depart before they exhaust their welcome.

The same logic applies to nonprofit boards which are also continuously in need of fresh thinking in addressing their goals. Again, turnover is the remedy.

Reelection limits also disrupt insidious relationships, particularly in special-purpose districts, between elected board members and senior management. That's when a "you scratch my back, I'll scratch yours" mentality leads to outrageously high compensation packages.

The argument against limits is that "experience counts." Veteran office holders do provide valuable civic memories of how and why past decisions were made. That history remains available in Belvedere and Mill Valley, where past mayors continue to play unofficial roles in civic affairs.

The right way to depart public office with all flags flying was exhibited at last week's well-attended celebration honoring Marin Municipal Water District Director Jed Smith.

When Smith first ran for the Division 4 seat representing Southern Marin in 2022, he vowed to serve only one four-year term. He then said, "If I can't accomplish what I need to do within four years, then I'll never be able to do it."

Good to his word, Smith didn't run for reelection. He departed as board president. I asked him what his biggest successes were. "The regional partnership we fostered with Sonoma Water is at the top. A productive relationship with (Sonoma County) is the best guarantee of long-term adequate water supplies. Second, forever preserving 3,000 acres of wildland on watershed running from Bolinas Ridge to Kent Lake."

Smith demonstrated what can be accomplished in just four years with determination and, crucially, working collegially with colleagues.

Columnist Dick Spotswood of Mill Valley writes on local issues Sundays and Wednesdays. Email him at spotswood@comcast.net.

California is lacking critical data on water supplies

California may be in for a drenching this winter, as what could be the strongest El Niño ever bears down on the state. Preparations are already underway: Gov. Gavin Newsom issued an emergency declaration in September to pre-position supplies in anticipation of major floods.

However, big storms also help replenish groundwater, a critical water supply for the state — especially during drought. A very wet year also offers an opportunity to sock away some of those floodwaters in underground aquifers. And these aquifers are by far the state's largest reservoir, dwarfing surface storage.

Unfortunately, groundwater recharge remains hampered by permitting issues and insufficient data, which makes it difficult to determine when flood flows can be diverted without harming downstream water users or the environment.

Inconsistent water accounting systems also make it challenging to estimate how much water made it into the ground and to know who should get credit and priority to pump it out.

Imagine trying to manage money when you can only check your balance once or twice a year. That's okay if you're starting off with plenty of money. But if money — or in this case water — is scarce, the information about how much you have and how much you're using will come too late to support good decisions.

In this era of big data, such a lack of information is hard to comprehend — particularly in a state that's home to some of the world's most innovative technology companies.

As we argue in our recent policy brief, it's time to invest in modernized water accounting.

Groundwater is generally measured only once or twice a year — hardly frequently enough for timely decision making. And the problem goes far beyond groundwater: Insufficient and slow tracking of surface water limits the state's ability to manage scarce resources during droughts, too.

The limitations of our water information systems hinder many aspects of water management, including the administration of water rights, drought response, water transfers, groundwater recharge and protecting water quality and habitat for fish and wildlife.

To be fair, the state has made great strides in improving its water accounting, but its systems still do not provide the information needed on the time scales that matter.

Why is this so important right now?

Accounting is increasingly important as climate change intensifies weather whiplash. With bigger swings between wet and dry times, we need to take advantage of the wet periods to prepare for the dry ones.

Furthermore, snowpack — traditionally an important form of seasonal storage — has been decreasing. Snow-eater heat waves, like the one we experienced in March, have only made this worse.

Consistent and robust accounting systems for surface and groundwater (and the connections between the two) will enable water managers to better handle these extremes.

Water accounting is foundational to managing water for communities, farms and the environment. Improving accounting is also critical to the success of many of the state's most ambitious projects, including the Bay—Delta Water Quality Control Plan update, the Sustainable Groundwater Management Act and the new California Water Plan.

It's honestly hard to think of a major California water initiative which doesn't rely on improved accounting.

The moment is ripe for modernizing California's water accounting systems.

The state has invested in key pieces of this puzzle, including digitizing paper-based water rights records. Now is the time to build off these advances.

For example, California would benefit from:

Increased funding for stream gages, which measure flows in the state's rivers and streams. Right now, just 8% of California's waterways are gaged. Better measurements would help the state understand how much of flood flows are available for recharge, among other things.

Speeding up digitization of water rights to make that information more transparent and accessible.

Piloting new technologies (including AI) to predict flows and pull together data sets to deliver timely information to decision-makers.

Investments in water accounting will pay dividends, allowing us to manage water precisely during times of scarcity and incentivize banking water underground in times of plenty.

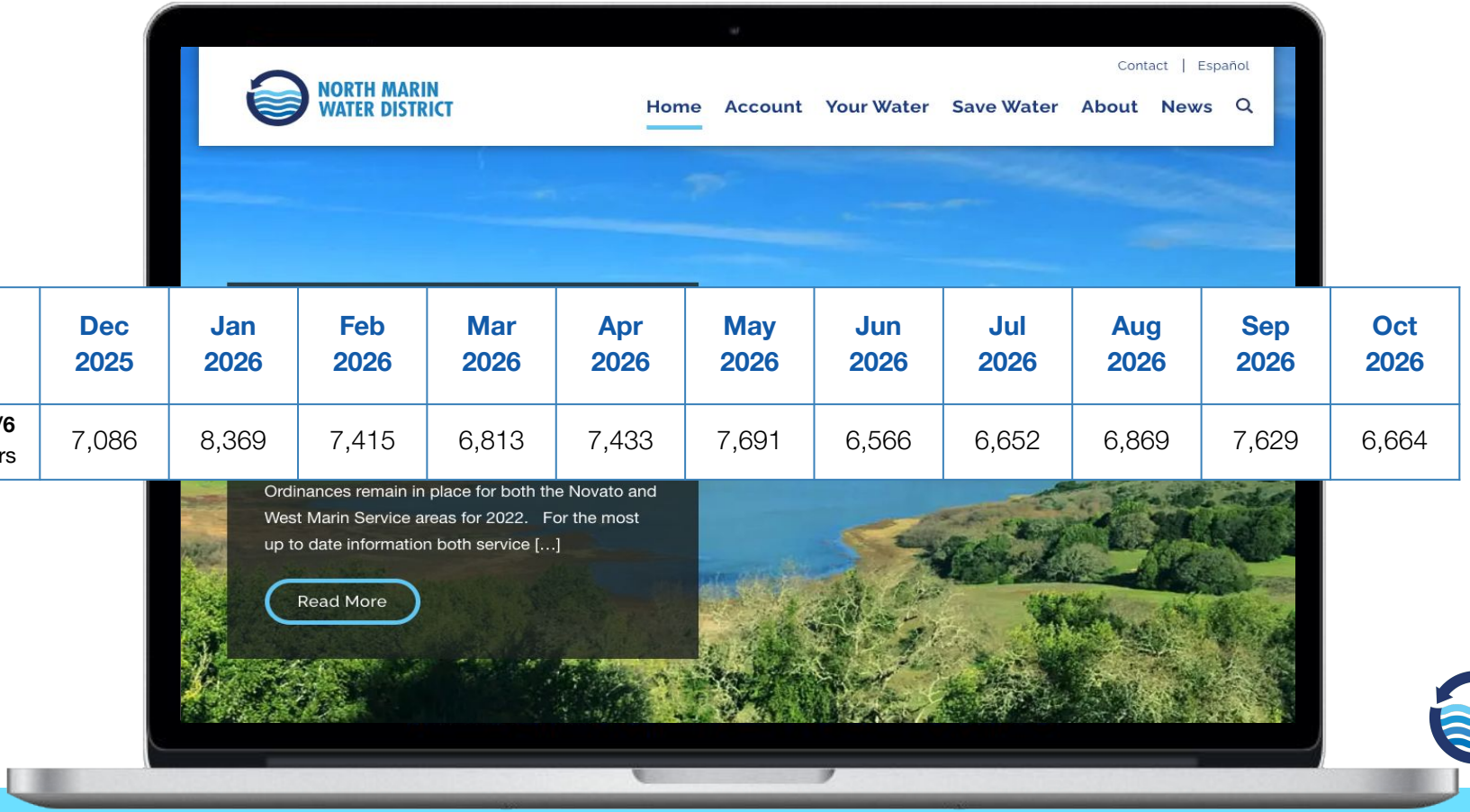
Annalise Blum is a hydrologist and research fellow at the PPIC Water Policy Center. Jeffrey Mount is a senior fellow at the PPIC Water Policy Center and founding director of the Center for Watershed Sciences at UC Davis.

NORTH MARIN
WATER DISTRICT

Web & Social Media Report

October 2026

Website Statistics



	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Aug 2026	Sep 2026	Oct 2026
2025/6 Visitors	7,086	8,369	7,415	6,813	7,433	7,691	6,566	6,652	6,869	7,629	6,664

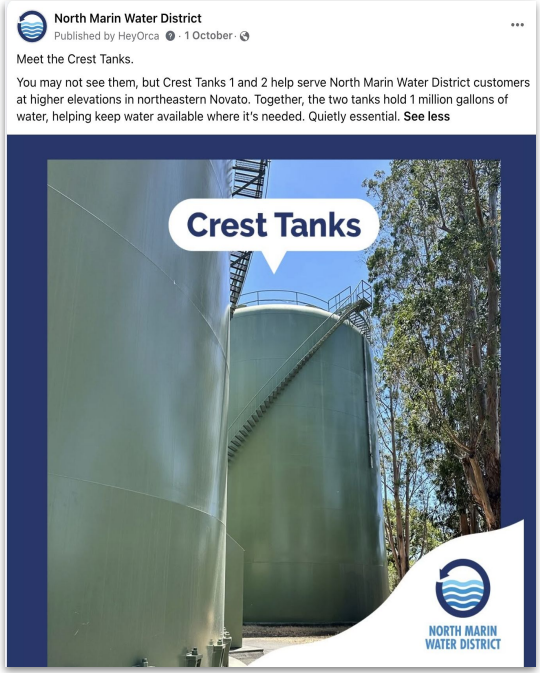
Social Media Followers

	Dec-2025	Jan-2026	Feb-2026	Mar-2026	Apr-2026	May-2026	Jun-2026	Jul-2026	Aug-2026	Sep-2026	Oct-2026
 Facebook Followers	2,952	2,990	3,008	3,040	3,069	3,099	3,116	3,139	3,158	3,172	3,196
 Instagram Followers	1,020	1,028	1,027	1,028	1,040	1,051	1,055	1,066	1,069	1,071	1,076

NMWD Most Visited Pages

Pages	Views
Home	3,997
Online Billing	2,884
My Water Usage (WaterSmart Portal)	810
Meetings 2026	617
What Is An Acre Foot?	338
FAQs	302
Employment Opportunities	274
Stop Service	273
Contact	221

October Social Media Highlights | Facebook



348 people reached | 15 engagements



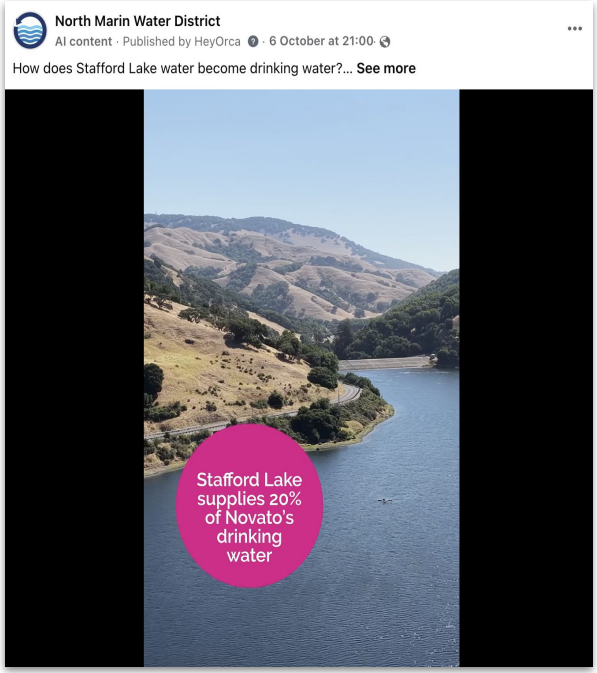
2,569 people reached | 387 engagements



638 people reached | 91 engagements

Engagements include likes, reactions, clicks and comments

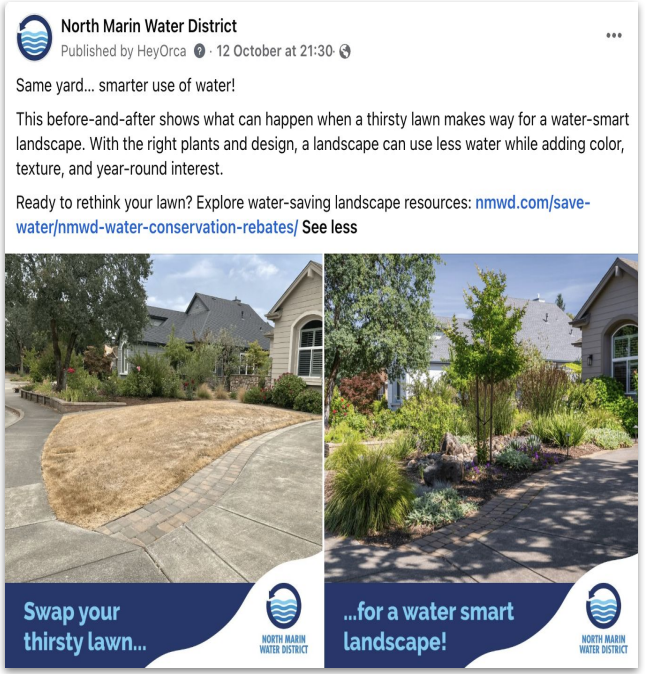
October Social Media Highlights | Facebook



2,207 people reached | 69 engagements



569 people reached | 9 engagements



131 people reached | 5 engagements

Engagements include likes, reactions, clicks and comments

October Social Media Highlights | Facebook



122 people reached | 4 engagements



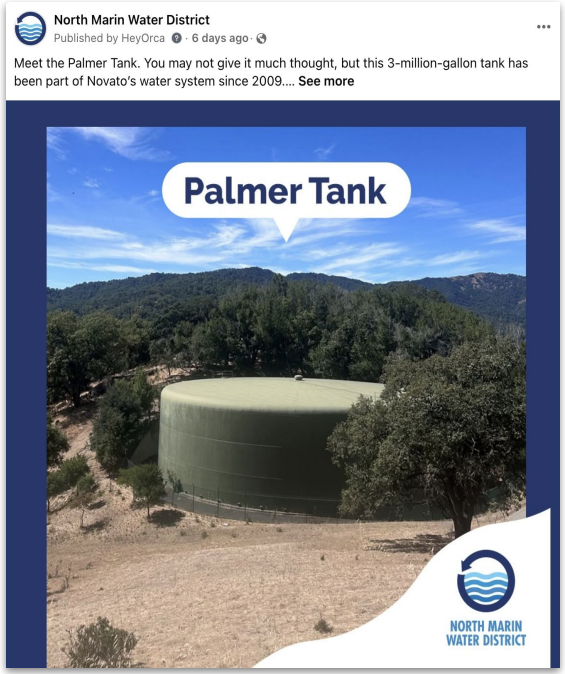
298 people reached | 12 engagements



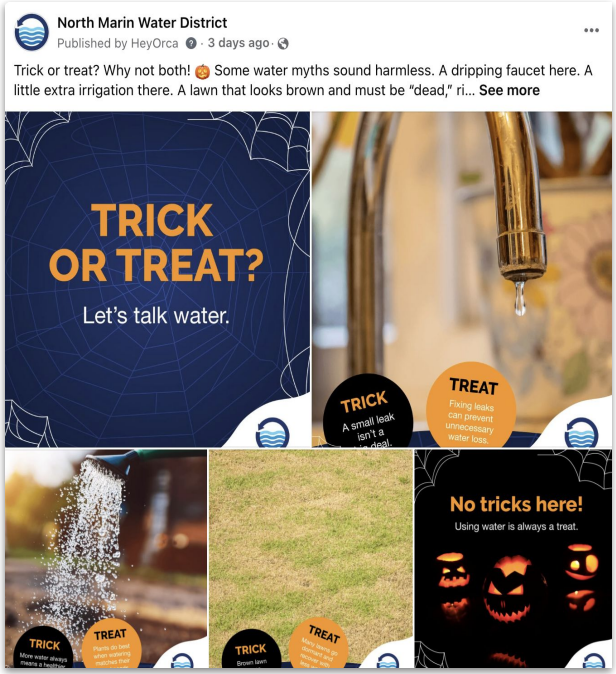
521 people reached | 30 engagements

Engagements include likes, reactions, clicks and comments

October Social Media Highlights | Facebook



832 people reached | 51 engagements



105 people reached | 4 engagements



105 people reached | 5 engagements

Engagements include likes, reactions, clicks and comments

October Social Media Highlights | Instagram

Profile Overview

Key Performance Metrics

Views	Engagement Rate	Total Engagement	Change in Followers
4,599	3.2%	146	7

Post Performance Overview

Filter

Key Performance Metrics

Post Reach	Post Engagement	Post Views	Story Views
1,419	132	3,231	1,105

Average Watch Time	Total Watch Time
00:00:06	00:27:46

October Social Media Highlights | Instagram In-Feed

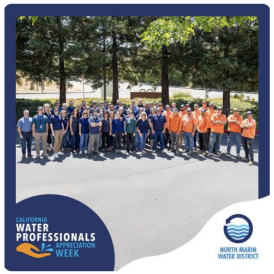
Post Performance

North Marin Water District
Oct 2, 2026 9:01 AM
Grateful for the people who keep the



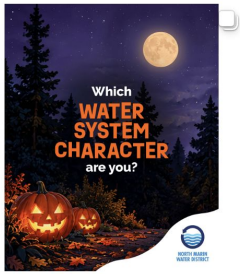
3 Comments	28 Likes	0 Saves
0 Shares	147 Reach	329 Views
31 Engagement		

North Marin Water District
Oct 5, 2026 7:30 AM
Reliable water service takes a lot of



1 Comments	14 Likes	1 Saves
1 Shares	260 Reach	496 Views
17 Engagement		

North Marin Water District
Oct 31, 2026 9:02 AM
Which water system character are you?



1 Comments	13 Likes	0 Saves
0 Shares	93 Reach	236 Views
14 Engagement		

North Marin Water District
Oct 22, 2026 12:03 PM
A summer of learning at North Marin



1 Comments	12 Likes	0 Saves
0 Shares	80 Reach	208 Views
13 Engagement		

North Marin Water District
Oct 8, 2026 12:03 PM
New requirements for non-functional turf



0 Comments	10 Likes	0 Saves
2 Shares	155 Reach	457 Views
12 Engagement		

North Marin Water District
Oct 30, 2026 12:01 PM
Trick or treat? Why not both! 🎃 Some



0 Comments	11 Likes	0 Saves
0 Shares	75 Reach	296 Views
11 Engagement		

Videos/ Posts with the most engagement on Instagram

October Social Media Highlights | Instagram Stories

Top Stories

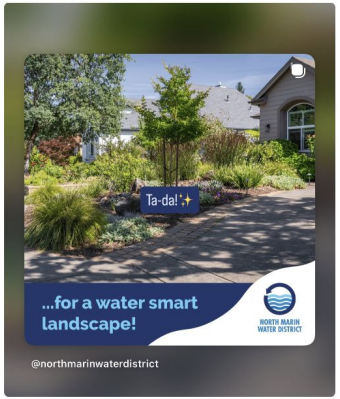
Sort: Views

North Marin Water District
Oct 12, 2026 12:47 PM



0 Profile Visits	0 Shares	94 Reach
70 Taps Forward	4 Taps Back	9 Exits
114 Views	0 Follows	0 Replies

North Marin Water District
Oct 12, 2026 12:48 PM



2 Profile Visits	0 Shares	81 Reach
61 Taps Forward	6 Taps Back	17 Exits
98 Views	0 Follows	0 Replies

North Marin Water District
Oct 20, 2026 3:14 PM



0 Profile Visits	0 Shares	73 Reach
47 Taps Forward	1 Taps Back	14 Exits
73 Views	0 Follows	0 Replies

Videos/ Posts with the most engagement on Instagram

Results for Boosted Posts in November



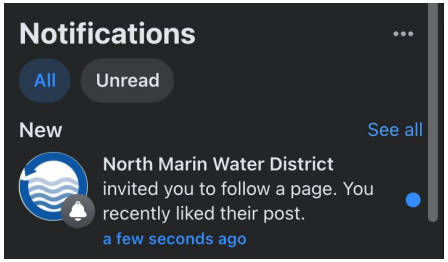
Spent	$49.89
Reach (Number of people who saw the ad)	1,214
Views	3,557
ThruPlays (The number of times the video was played to completion, or for at least 15 seconds)	3,297
Cost Per ThruPlay	$0.02

The boosted video generated 3,297 ThruPlays at a cost of $0.02 per ThruPlay.
The video was boosted for 4 days.

Facebook Likes Campaign - October 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.

Spend in October 2026	**Reach** (Number of people who saw the ad)	**Impressions**	**Results** (New Page Likes)	**Cost Per New Page Like**
$44.10	1,888	3,187	22	$2.00

This month, we were able to reach over 1,800 people with the Likes Campaign

What's Next?

- Kiosk will highlight posts from the Fall Social Media Toolkit provided by SMSWP
- Kiosk has begun posting new video assets that are part of the Educational Campaign that will be highlighted throughout the social media channels.
- Kiosk has finished the motion graphics videos that will be part of the Education Campaign.
- Kiosk to continue rolling out the 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, fall water savings tips & resources, employees on their work anniversaries, as well as highlight indoor/outdoor rebates.



Thank You