999 Rush Creek Place
PO Box 146
Novato, CA 94948
Phone 415.897.4133
www.nmwd.com

NORTH MARIN WATER DISTRICT

Adopted

# BUDGETS

# Novato & West Marin Service Areas

FISCAL YEAR

# 2012/13

INTRODUCTION

This document contains the fiscal year 2012/13 budgets for North Marin Water District's various enterprise service districts located in Marin County. These are:

Potable Water Service:
- Novato
- West Marin (Point Reyes Station, Inverness Park, Olema, Bear Valley, Silver Hills & Paradise Ranch Estates)

Recycled Water Treatment, Transmission and Distribution:
- Novato

Sewage Collection, Treatment & Reuse/Disposal:
- Oceana Marin

Accompanying the operating budgets are improvement project expenditures for the fiscal year. Questions regarding these budgets may be directed to David L. Bentley, Auditor-Controller, at 415.897.4133 or dbentley@nmwd.com.

## MISSION STATEMENT

We provide an adequate supply of safe, reliable and high quality water and deliver reliable and continuous sewer service to our customers at reasonable cost consistent with good conservation practices and minimum environmental impact.

## VISION STATEMENT

We carry out our mission with a highly motivated and competent staff empowered to conduct the District's business by placing customer needs and welfare first. We seek continual dialogue from our staff, peers, and all those we serve so that we may continually improve service to our customers.

ORGANIZATION FACT SHEET
July 2012

Organization:

5 Directors elected at large for 4-year terms
- Stephen Petterle, President
- Rick Fraites, Vice President
- Jack Baker
- Dennis Rodoni
- John C. Schoonover

1 General Manager, Chris DeGabriele (serves at the pleasure of the Board of Directors)

4 Departments

| | |
|---|---|
| Administration & Finance | - David L. Bentley |
| Engineering | - Drew McIntyre |
| Construction/Maintenance | - Doug Moore |
| Operations/Maintenance | - Robert Clark |

53 Employees (52.5 regular full-time-equivalent authorized)

Authority:

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

Territory:

100 square miles (see attached map)

Current Service Functions:

Water Service:
- Novato
- West Marin

Recycled Water Service
- Novato

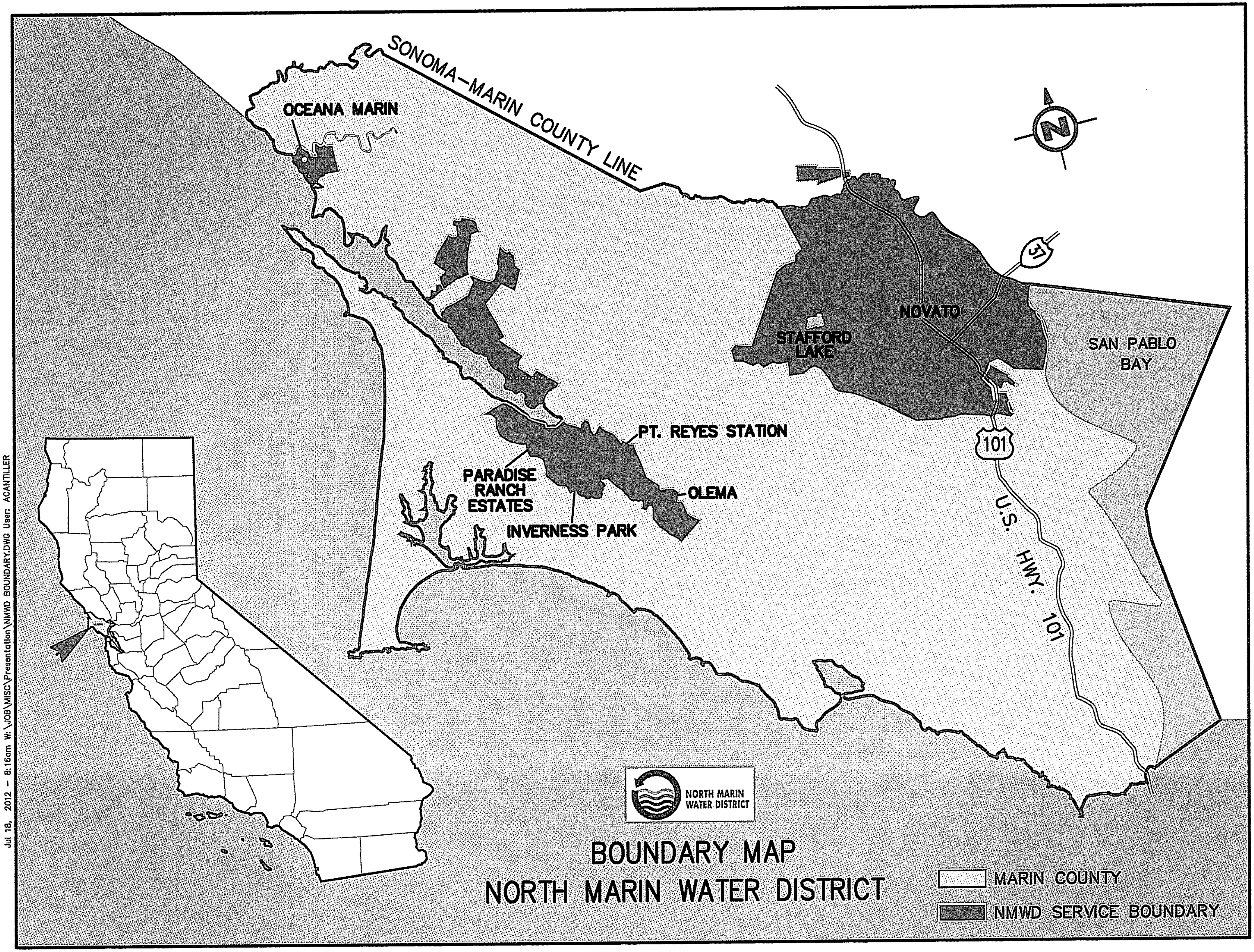
Sewer Service:
- Oceana Marin

Latent (unpracticed) Service Functions:

| | |
|---|---|
| Fire protection | Flood control |
| Recreational facilities | Solar energy device sales |
| Garbage collection/disposal | Power generation (Wind/Hydro/Solar) |

Distribution System Expansion Policy:

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



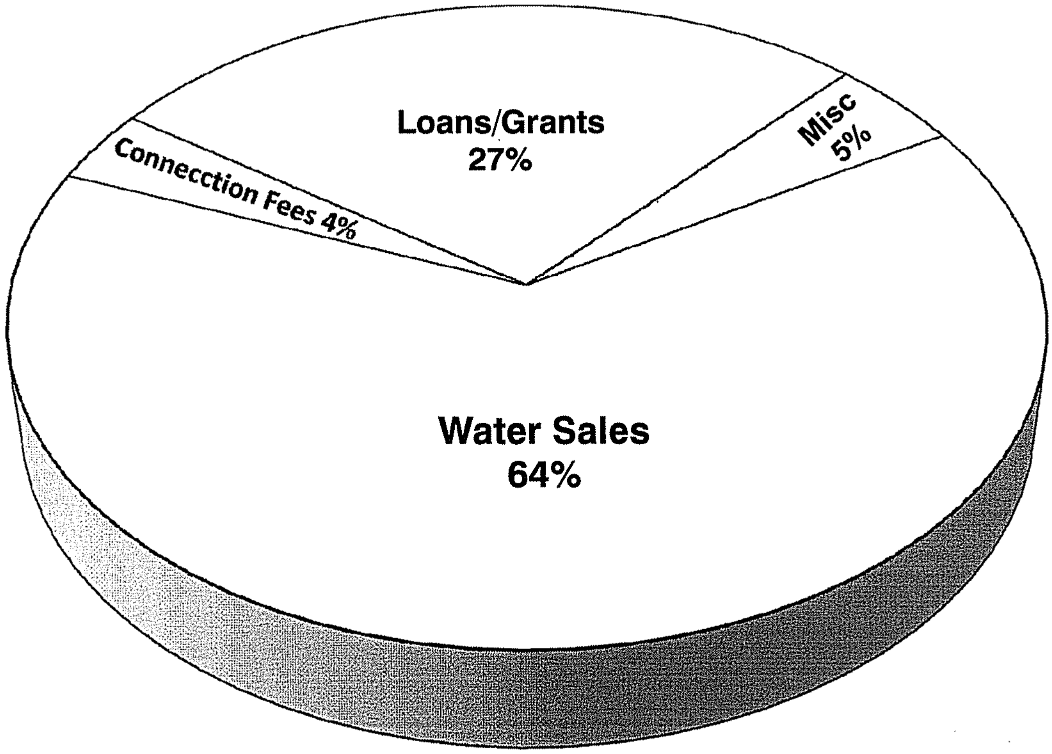

Jul 18, 2012 – 8:16am W:\JOB\MISC\Presentation\NMWD BOUNDARY.DWG User: ACANTILLER

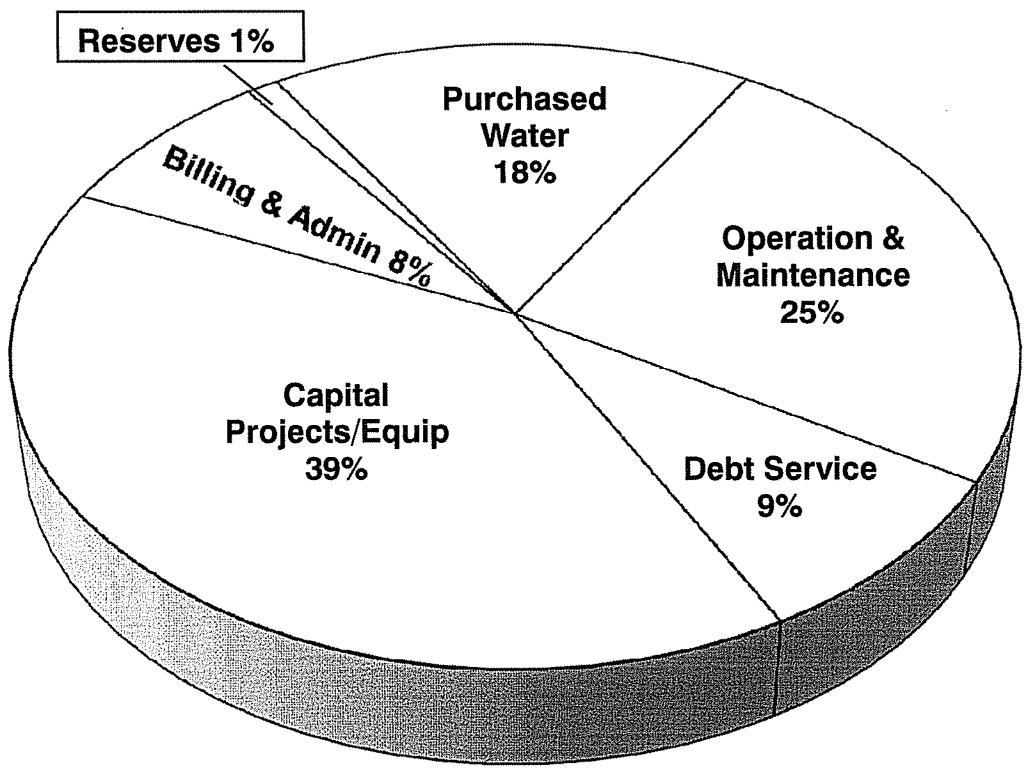
TABLE OF CONTENTS
NORTH MARIN WATER DISTRICT
FISCAL YEAR 2012/13 WATER AND SEWER BUDGETS



EQUIPMENT AND CAPITAL IMPROVEMENT PROJECTS

# NORTH MARIN WATER DISTRICT
## FY13 APPROVED BUDGET - ALL SERVICE AREAS COMBINED
## SOURCES = $25,011,000




## USES = $25,011,000

# NORTH MARIN WATER DISTRICT
## BUDGET SUMMARY - ALL SERVICE AREAS COMBINED
### Fiscal Year 2012/13

| | | Approved Budget 2012/13 | Estimated Actual 2011/12 | Adopted Budget 2011/12 |
|---|---|---|---|---|
| | **OPERATING INCOME** | | | |
| 1 | Water Sales | **$16,072,000** | $14,956,000 | $14,551,000 |
| 2 | Sewer Service Charges | **158,000** | 157,000 | 157,000 |
| 3 | Wheeling & Misc Service Charges | **448,000** | 237,000 | 241,000 |
| 4 | **Total Operating Income** | **$16,678,000** | $15,350,000 | $14,949,000 |
| | **OPERATING EXPENDITURES** | | | |
| 5 | Source of Supply | **$4,557,000** | $5,183,000 | $3,925,000 |
| 6 | Pumping | **378,000** | 311,000 | 382,000 |
| 7 | Operations | **575,000** | 698,000 | 543,000 |
| 8 | Water Treatment | **1,925,000** | 1,776,000 | 2,096,000 |
| 9 | Sewer Service | **108,000** | 110,000 | 103,000 |
| 10 | Transmission & Distribution | **2,668,000** | 2,392,000 | 2,388,000 |
| 11 | Consumer Accounting | **570,000** | 574,000 | 582,000 |
| 12 | Water Conservation | **404,000** | 264,000 | 404,000 |
| 13 | General & Administrative | **1,499,000** | 1,439,000 | 1,750,000 |
| 14 | Depreciation Expense | **2,719,000** | 2,685,000 | 2,657,000 |
| 15 | **Total Operating Expenditures** | **$15,403,000** | $15,432,000 | $14,830,000 |
| 16 | ***NET OPERATING INCOME (LOSS)*** | **$1,275,000** | ($82,000) | $119,000 |
| | **NON-OPERATING INCOME/(EXPENSE)** | | | |
| 17 | Tax Proceeds | **$95,000** | $99,000 | $98,000 |
| 18 | Interest Revenue | **128,000** | 128,000 | 112,000 |
| 19 | Bond & Loan Interest Expense | **(828,000)** | (645,000) | (925,000) |
| 20 | Miscellaneous Revenue/(Expense) | **117,000** | 149,000 | 128,000 |
| 21 | **Total Non-Operating Income/(Expense)** | **($488,000)** | ($269,000) | ($587,000) |
| | ***NET INCOME/(LOSS)*** | **$787,000** | ($351,000) | ($468,000) |
| | **OTHER SOURCES/(USES) OF FUNDS** | | | |
| 22 | Add Depreciation Expense | **$2,719,000** | $2,685,000 | $2,657,000 |
| 23 | Connection Fees | **921,000** | 1,006,000 | 570,000 |
| 24 | Loans/Grants | **6,860,000** | 11,059,000 | 7,700,000 |
| 25 | Stone Tree Golf Principal Repayment | **192,000** | 188,000 | 188,000 |
| 26 | Capital Equipment Expenditures | **(233,000)** | (190,000) | (182,000) |
| 27 | Capital Improvement Projects | **(9,622,000)** | (8,429,000) | (9,942,000) |
| 28 | Bond & Loan Principal Payments | **(1,334,000)** | (1,212,000) | (1,112,000) |
| 29 | **Total Other Souces/(Uses)** | **($497,000)** | $5,107,000 | ($121,000) |
| 30 | ***NET SURPLUS/(DEFICIT)*** | **$290,000** | $4,756,000 | ($589,000) |

## NORTH MARIN WATER DISTRICT

### FY 2012/13 BUDGETED EXPENDITURES BY CATEGORY

| | | FY13 Budget | Novato Potable | Novato Recycled | West Marin Wtr | Oceana Marin Swr | FY12 Budget | FY13/FY12 Budget % | FY12 Est Actual | FY13/ FY12 E/A % |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Operating Expense** | | | | | | | | | |
| 1 | Salaries & Benefits | $5,571,000 | $5,336,000 | $65,000 | $160,000 | $10,000 | $5,577,000 | (0%) | $5,533,000 | 1% |
| 2 | Water Purchases | 4,399,000 | 4,340,000 | 59,000 | 0 | 0 | 4,030,000 | 9% | 4,743,000 | (7%) |
| 3 | Depreciation | 2,719,000 | 2,360,000 | 165,000 | 153,000 | 41,000 | 2,657,000 | 2% | 2,684,000 | 1% |
| 4 | Materials, Services & Supplies | 1,413,000 | 1,220,000 | 16,000 | 96,000 | 81,000 | 1,281,000 | 10% | 1,151,000 | 23% |
| 5 | Chemicals | 460,000 | 425,000 | 30,000 | 5,000 | 0 | 460,000 | 0% | 290,000 | 59% |
| 6 | Electric Power | 399,000 | 339,000 | 4,000 | 41,000 | 15,000 | 431,000 | (7%) | 376,000 | 6% |
| 7 | Tools & Supplies (Distrib) | 255,000 | 238,000 | 4,000 | 12,000 | 1,000 | 260,000 | (2%) | 236,000 | 8% |
| 8 | Vehicles & Equipment (Distrib) | 231,000 | 214,000 | 1,000 | 15,000 | 1,000 | 270,000 | (14%) | 243,000 | (5%) |
| 9 | Retiree Medical Expense | 172,000 | 172,000 | 0 | 0 | 0 | 173,000 | (1%) | 160,000 | 8% |
| 10 | Office Supplies & Postage | 109,000 | 109,000 | 0 | 0 | 0 | 161,000 | (32%) | 88,000 | 24% |
| 11 | Water Conservation Rebates | 104,000 | 104,000 | 0 | 0 | 0 | 115,000 | (10%) | 49,000 | 112% |
| 12 | Insurance & Claims | 104,000 | 101,000 | 0 | 0 | 3,000 | 136,000 | (24%) | 115,000 | (10%) |
| 13 | Overhead Charge (Gain)/Loss | (202,000) | (200,000) | 0 | (2,000) | 0 | (140,000) | 44% | (339,000) | (40%) |
| 14 | Distributed Costs | (331,000) | (458,000) | 31,000 | 76,000 | 20,000 | (356,000) | (7%) | (325,000) | 2% |
| 15 | **Total Operating Expense** | $15,403,000 | $14,300,000 | $375,000 | $556,000 | $172,000 | $15,055,000 | 2% | $15,004,000 | 3% |
| 16 | Interest Expense & Other | 848,000 | 602,000 | 202,000 | 44,000 | 0 | 720,000 | 18% | 660,000 | 28% |
| 17 | **Total Expense** | $16,251,000 | $14,902,000 | $577,000 | $600,000 | $172,000 | $15,775,000 | 3% | $15,664,000 | 4% |
| | **Warehouse, Shop & Yard** | | | | | | | | | |
| 18 | Salaries and Benefits | $329,000 | $329,000 | $0 | $0 | $0 | $317,000 | 4% | $244,000 | 35% |
| 19 | Materials, Services & Supplies | 285,000 | 285,000 | 0 | 0 | 0 | 267,000 | 7% | 248,000 | 15% |
| 20 | Distributed Costs | (614,000) | (614,000) | 0 | 0 | 0 | (584,000) | 5% | (492,000) | 25% |
| 21 | **Total W/H, Shop & Yard** | $0 | $0 | $0 | $0 | $0 | $0 | - | $0 | - |
| | **District Capital Outlay** | | | | | | | | | |
| 22 | Salaries and Benefits | $665,000 | $463,000 | $120,000 | $48,000 | $34,000 | $862,000 | (23%) | $727,000 | (9%) |
| 23 | Equipment | 233,000 | 233,000 | 0 | 0 | 0 | 182,000 | 28% | 187,000 | 25% |
| 24 | Debt Principal Payments | 1,334,000 | 1,069,000 | 191,000 | 74,000 | 0 | 1,112,000 | 20% | 1,116,000 | 20% |
| 25 | Materials, Services & Supplies | 8,957,000 | 2,644,000 | 5,406,000 | 621,000 | 286,000 | 9,080,000 | (1%) | 6,311,000 | 42% |
| 26 | **Total District Capital Outlay** | $11,189,000 | $4,409,000 | $5,717,000 | $743,000 | $320,000 | $11,236,000 | (0%) | $8,341,000 | 34% |
| | **Developer Funded Projects** | | | | | | | | | |
| 27 | Salaries & Benefits | $222,000 | $196,000 | $0 | $26,000 | $0 | $236,000 | (6%) | $209,000 | 6% |
| 28 | Materials, Services & Supplies | 351,000 | 325,000 | 0 | 26,000 | 0 | 156,000 | 125% | 441,000 | (20%) |
| 29 | **Total Developer Projects** | $573,000 | $521,000 | $0 | $52,000 | $0 | $392,000 | 46% | $650,000 | (12%) |
| 30 | **Total** | $28,013,000 | $19,832,000 | $6,294,000 | $1,395,000 | $492,000 | $27,403,000 | 2% | $24,655,000 | 14% |

***NOVATO WATER***
***BUDGET SUMMARY***
***Fiscal Year 2012/13***

| | | ***Approved Budget 2012/13*** | *Estimated Actual 2011/12* | *Adopted Budget 2011/12* |
|---|---|---|---|---|
| | **OPERATING INCOME** | | | |
| 1 | Water Sales | **$15,150,000** | $14,130,000 | $13,660,000 |
| 2 | Wheeling & Misc Service Charges | **443,000** | 233,000 | 238,000 |
| 3 | **Total Operating Income** | **$15,593,000** | $14,363,000 | $13,898,000 |
| | **OPERATING EXPENDITURES** | | | |
| 4 | Source of Supply | **$4,461,000** | $5,160,000 | $3,912,000 |
| 5 | Pumping | **337,000** | 291,000 | 335,000 |
| 6 | Operations | **523,000** | 628,000 | 506,000 |
| 7 | Water Treatment | **1,732,000** | 1,602,000 | 1,905,000 |
| 8 | Transmission & Distribution | **2,536,000** | 2,269,000 | 2,282,000 |
| 9 | Consumer Accounting | **542,000** | 550,000 | 556,000 |
| 10 | Water Conservation | **400,000** | 262,000 | 400,000 |
| 11 | General Administration | **1,409,000** | 1,340,000 | 1,637,000 |
| 12 | Depreciation Expense | **2,360,000** | 2,330,000 | 2,300,000 |
| 13 | **Total Operating Expenditures** | **$14,300,000** | $14,432,000 | $13,833,000 |
| 14 | ***NET OPERATING INCOME (LOSS)*** | **$1,293,000** | ($69,000) | $65,000 |
| | **NON-OPERATING INCOME/(EXPENSE)** | | | |
| 15 | Interest Revenue | **$60,000** | $68,000 | $48,000 |
| 16 | Interest Expense | **(582,000)** | (546,000) | (781,000) |
| 17 | Other Misc Revenue/(Expense) | **113,000** | 146,000 | 123,000 |
| 18 | **Total Non-Operating Income/(Expense)** | **($409,000)** | ($332,000) | ($610,000) |
| 19 | ***NET INCOME/(LOSS)*** | **$884,000** | ($401,000) | ($545,000) |
| | **OTHER SOURCES/(USES) OF FUNDS** | | | |
| 20 | Add Depreciation Expense | **$2,360,000** | $2,330,000 | $2,300,000 |
| 21 | Connection Fees | **860,000** | 969,000 | 570,000 |
| 22 | Capital Equipment Expenditures | **(233,000)** | (190,000) | (182,000) |
| 23 | Capital Improvement Projects | **(3,107,000)** | (1,529,000) | (4,286,000) |
| 24 | Debt Principal Payments | **(1,069,000)** | (990,000) | (890,000) |
| 25 | Loan Proceeds - AEEP | **0** | 7,000,000 | 2,700,000 |
| 26 | Loan (To)/Repayment From WM Water | **0** | 357,000 | (125,000) |
| 27 | Loan (To)/Repayment From RWS | **1,712,000** | (2,434,000) | 0 |
| 28 | Connection Fee Transfer to RWS | **(467,000)** | (1,168,000) | (125,000) |
| 29 | **Total Other Souces/(Uses)** | **$56,000** | $4,345,000 | ($38,000) |
| 30 | ***NET SURPLUS/(DEFICIT)*** | **$940,000** | $3,944,000 | ($583,000) |

## *NOVATO WATER*
### *5-YEAR FINANCIAL FORECAST*

| | Fiscal Year Ending June 30 > | Projected 2013 | Projected 2014 | Projected 2015 | Projected 2016 | Projected 2017 |
|---|---|---|---|---|---|---|
| | **SERVICES** | | | | | |
| 1 | Active Meters @ Fiscal Year End | 20,550 | 20,600 | 20,650 | 20,700 | 20,750 |
| 2 | Increase for Year - Active Meters | 50 | 50 | 50 | 50 | 50 |
| | **WATER PRODUCTION (MG)** | | | | | |
| 3 | Stafford Production | 750 | 750 | 750 | 750 | 750 |
| 4 | Russian River Purchases | 1,950 | 1,950 | 1,950 | 1,950 | 1,950 |
| 5 | **Total Water Production** | 2,700 | 2,700 | 2,700 | 2,700 | 2,700 |
| | **REVENUE & EXPENSE** ($ in 000's) | | | | | |
| | **OPERATING REVENUE** | | | | | |
| 6 | Potable Water Sales | $15,150 | $16,620 | $17,290 | $17,970 | $18,690 |
| 7 | Wheeling & Other Misc Service Charges | 443 | 490 | 490 | 490 | 490 |
| 8 | **Total Operating Revenue** | **$15,593** | **$17,110** | **$17,780** | **$18,460** | **$19,180** |
| | **OPERATING EXPENSE** | | | | | |
| 9 | Russian River Water | $4,340 | $4,571 | $4,893 | $5,236 | $5,602 |
| 10 | Overheaded Operating Labor | 5,336 | 5,550 | 5,720 | 5,890 | 6,070 |
| 11 | Purification Chemicals | 425 | 521 | 537 | 553 | 570 |
| 12 | Electric Power | 339 | 367 | 383 | 397 | 413 |
| 13 | Other Operating Expenses | 1,500 | 1,483 | 1,513 | 1,543 | 1,574 |
| 14 | Depreciation | 2,360 | 2,380 | 2,400 | 2,420 | 2,440 |
| 15 | **Total Operating Expense** | **$14,300** | **$14,872** | **$15,446** | **$16,039** | **$16,669** |
| | **NON-OPERATING REVENUE/(EXPENSE)** | | | | | |
| 16 | Interest Revenue | $60 | $100 | $100 | $100 | $100 |
| 17 | Interest Expense | (582) | (565) | (539) | (511) | (483) |
| 18 | Misc Other Revenue/(Expense) | 113 | 130 | 130 | 130 | 130 |
| 19 | **Total Non-Op Revenue/(Expense)** | **($409)** | **($335)** | **($309)** | **($281)** | **($253)** |
| 20 | **Net Income** | **$884** | **$1,903** | **$2,025** | **$2,140** | **$2,258** |
| | **OTHER SOURCES/(USES) OF FUNDS** | | | | | |
| 21 | Add Depreciation Expense | $2,360 | $2,380 | $2,400 | $2,420 | $2,440 |
| 22 | Connection Fees | 860 | 860 | 1,430 | 1,430 | 1,430 |
| 23 | Capital Equipment Purchases | (233) | (255) | (260) | (265) | (270) |
| 24 | Capital Improvement Projects | (3,107) | (4,600) | (4,300) | (3,500) | (2,000) |
| 25 | Debt Principal Payments | (1,069) | (1,084) | (1,110) | (1,138) | (1,166) |
| 26 | Loan Repayment From Recycled Water | 1,712 | 1,898 | 0 | 0 | 0 |
| 27 | FRC Funds Transferred to Recycled Water | (467) | (771) | (771) | (771) | (771) |
| 28 | **Total Other Sources/(Uses)** | **$56** | **($1,572)** | **($2,611)** | **($1,824)** | **($337)** |
| 29 | **Total Cash Generated** | **$940** | **$330** | **($586)** | **$316** | **$1,920** |
| 30 | **Ending Reserve Balance** | **$10,240** | **$10,570** | **$9,984** | **$10,300** | **$12,220** |
| 31 | **Target Reserve Balance** | **$10,746** | **$11,243** | **$11,741** | **$12,257** | **$12,806** |
| 32 | **% Rate Increase[1]** | **11.0%** | **11.0%** | **4.0%** | **4.0%** | **4.0%** |
| 33 | **Median Monthly Single-Family Residential Bill** | **$49** | **$55** | **$57** | **$59** | **$61** |

[1] Fiscal year 2013 & 2014 Rate Increases approved by Board. FY 2015, 2016 & 2017 are projections for financial forecasting purposes only - not yet considered by the Board of Directors.

# NOVATO WATER OPERATING BUDGET DETAIL

## Fiscal Year 2012/13

| | | Approved Budget 12/13 | Estimated Actual 11/12 | Adopted Budget 11/12 | Actual 10/11 | Actual 09/10 | Actual 08/09 | Actual 07/08 | Actual 06/07 |
|---|---|---|---|---|---|---|---|---|---|
| | **STATISTICS** | | | | | | | | |
| 1 | Active Meters | 20,550 | 20,500 | 20,520 | 20,464 | 20,438 | 20,416 | 20,366 | 20,325 |
| 2 | Avg Commodity Rate/1,000 Gal | $4.31 | $4.03 | $4.03 | | | | | |
| 3 | Potable Consumption (BG) | 2.70 | 2.81 | 2.70 | 2.79 | 2.87 | 3.29 | 3.29 | 3.53 |
| | **OPERATING INCOME** | | | | | | | | |
| 4 | Water Sales | $15,150,000 | $14,130,000 | $13,660,000 | $12,661,401 | $11,251,832 | $11,067,484 | $10,384,740 | $10,601,455 |
| 5 | Sales to MMWD | 0 | 0 | 0 | 0 | 0 | 351,154 | 0 | 0 |
| 6 | Wheeling Charges-MMWD | 252,000 | 65,000 | 70,000 | 53,662 | 67,180 | 75,090 | 76,588 | 74,962 |
| 7 | SCWA Water Conservation Reimb | 0 | 0 | 0 | 0 | 21,450 | 0 | 359,748 | 283,242 |
| 8 | Miscellaneous Service Revenue | 191,000 | 168,000 | 168,000 | 145,787 | 140,796 | 145,663 | 161,238 | 234,539 |
| 9 | **TOTAL OPERATING INCOME** | **$15,593,000** | **$14,363,000** | **$13,898,000** | **$12,860,850** | **$11,481,258** | **$11,639,391** | **$10,982,314** | **$11,194,198** |
| | **OPERATING EXPENSE** | | | | | | | | |
| | **SOURCE OF SUPPLY** | | | | | | | | |
| 10 | Supervision & Engineering | $15,000 | $9,000 | $6,000 | $8,965 | $2,007 | $2,120 | $2,391 | $15,420 |
| 11 | Operating Expense - Source | 11,000 | 8,000 | 6,000 | 5,927 | 5,745 | 4,702 | 3,109 | 6,709 |
| 12 | Maintenance/Monitoring of Dam | 28,000 | 25,000 | 28,000 | 8,290 | 8,741 | 7,583 | 6,078 | 5,768 |
| 13 | Maintenance of Lake & Intakes | 16,000 | 11,000 | 16,000 | 8,619 | 8,072 | 7,990 | 3,063 | 28 |
| 14 | Maintenance of Watershed | 39,000 | 0 | 38,000 | 2,152 | 7,352 | 28,126 | 9,177 | 12,506 |
| 15 | Water Purchased for Resale to MMWD | 0 | 0 | 0 | 0 | 0 | 171,447 | 0 | 0 |
| 16 | Water Quality Surveillance | 12,000 | 17,000 | 13,000 | 12,377 | 13,138 | 8,448 | 9,272 | 9,659 |
| 17 | Contract Water - SCWA | 4,340,000 | 5,090,000 | 3,805,000 | 3,790,789 | 3,441,147 | 3,728,052 | 3,738,218 | 4,452,191 |
| 19 | **TOTAL SOURCE OF SUPPLY** | **$4,461,000** | **$5,160,000** | **$3,912,000** | **$3,837,119** | **$3,486,202** | **$3,958,468** | **$3,771,308** | **$4,502,281** |
| | **PUMPING** | | | | | | | | |
| 20 | Operating Expense | $7,000 | $0 | $7,000 | $641 | $8,367 | $8,567 | $13,333 | $27,117 |
| 21 | Maintenance of Structures/Grounds | 37,000 | 30,000 | 38,000 | 17,153 | 18,600 | 23,080 | 15,909 | 17,736 |
| 22 | Maintenance of Pumping Equipment | 62,000 | 36,000 | 59,000 | 17,354 | 10,751 | 8,807 | 61,907 | 16,966 |
| 23 | Electric Power - Pumping | 231,000 | 225,000 | 231,000 | 233,222 | 200,318 | 249,190 | 227,916 | 245,797 |
| 24 | **TOTAL PUMPING** | **$337,000** | **$291,000** | **$335,000** | **$268,370** | **$238,036** | **$289,644** | **$319,065** | **$307,616** |
| | **OPERATIONS** | | | | | | | | |
| 25 | Supervision & Engineering | $143,000 | $183,000 | $149,000 | $185,361 | $176,082 | $168,202 | $188,926 | $155,660 |
| 26 | Operating Expense | 199,000 | 247,000 | 187,000 | 191,713 | 212,126 | 235,230 | 127,350 | 172,985 |
| 27 | Maintenance Expense | 92,000 | 108,000 | 87,000 | 94,633 | 84,121 | 89,775 | 112,461 | 108,197 |
| 28 | Telemetry Equipment/Controls Maint | 68,000 | 71,000 | 62,000 | 83,047 | 67,051 | 39,201 | 37,610 | 19,979 |
| 29 | Leased Line Expense | 21,000 | 19,000 | 21,000 | 20,841 | 20,547 | 20,342 | 19,601 | 41,809 |
| 30 | **TOTAL OPERATIONS** | **$523,000** | **$628,000** | **$506,000** | **$575,595** | **$559,927** | **$552,750** | **$485,948** | **$498,630** |

t:ac\excel\budget\13\{detail13.xlsx}detail13

# NOVATO WATER OPERATING BUDGET DETAIL

## Fiscal Year 2012/13

| | | Approved Budget 12/13 | Estimated Actual 11/12 | Adopted Budget 11/12 | Actual 10/11 | Actual 09/10 | Actual 08/09 | Actual 07/08 | Actual 06/07 |
|---|---|---|---|---|---|---|---|---|---|
| | **WATER TREATMENT** | | | | | | | | |
| 31 | Supervision & Engineering | $69,000 | $102,000 | $105,000 | $121,459 | $122,312 | $113,175 | $99,218 | $101,646 |
| 32 | Operating Expense | 273,000 | 220,000 | 351,000 | 320,882 | 365,305 | 247,309 | 357,877 | 363,204 |
| 33 | Purification Chemicals | 425,000 | 263,000 | 425,000 | 464,140 | 415,486 | 293,888 | 221,597 | 63,179 |
| 34 | Sludge Disposal | 83,000 | 110,000 | 74,000 | 84,618 | 69,209 | 40,163 | 49,299 | 34,844 |
| 35 | Maintenance of Structures/Grounds | 82,000 | 82,000 | 108,000 | 71,772 | 83,411 | 115,686 | 91,550 | 79,359 |
| 36 | Purification Equipment Maintenance | 132,000 | 137,000 | 172,000 | 105,217 | 157,642 | 204,217 | 203,622 | 90,608 |
| 37 | Electric Power - Treatment | 108,000 | 114,000 | 108,000 | 128,913 | 129,930 | 99,184 | 113,732 | 88,596 |
| 38 | Laboratory Expense (net) | 560,000 | 574,000 | 562,000 | 517,044 | 495,239 | 479,970 | 398,173 | 401,520 |
| 39 | **TOTAL WATER TREATMENT** | **$1,732,000** | **$1,602,000** | **$1,905,000** | **$1,814,045** | **$1,838,534** | **$1,593,592** | **$1,535,068** | **$1,222,956** |
| | **TRANSMISSION & DISTRIBUTION** | | | | | | | | |
| 40 | Supervision & Engineering | $490,000 | $427,000 | $355,000 | $466,110 | $528,659 | $560,968 | $524,345 | $522,663 |
| 41 | Maps & Records | 131,000 | 98,000 | 99,000 | 74,154 | 98,187 | 74,786 | 105,509 | 48,957 |
| 42 | Operation of T&D System | 411,000 | 488,000 | 450,000 | 422,375 | 448,650 | 420,639 | 439,348 | 395,866 |
| 43 | Storage Facilities Expense | 155,000 | 150,000 | 181,000 | 158,247 | 164,316 | 149,759 | 129,944 | 115,457 |
| 44 | Maintenance of Valves & Regulators | 256,000 | 102,000 | 180,000 | 190,866 | 190,255 | 131,094 | 107,354 | 165,842 |
| 45 | Maintenance of Mains | 154,000 | 50,000 | 120,000 | 146,814 | 102,633 | 108,752 | 143,525 | 119,713 |
| 46 | Backflow Prevention Program | 88,000 | 90,000 | 101,000 | 124,121 | 93,754 | 86,630 | 108,835 | 76,174 |
| 47 | Maintenance of Copper Services | 202,000 | 203,000 | 217,000 | 164,388 | 199,807 | 211,630 | 181,161 | 233,355 |
| 48 | Maintenance of PB Service Lines | 377,000 | 480,000 | 306,000 | 347,802 | 263,714 | 250,024 | 287,813 | 258,788 |
| 49 | Maintenance of Meters | 158,000 | 123,000 | 171,000 | 146,170 | 143,691 | 148,112 | 135,370 | 125,337 |
| 50 | Detector Check Assembly Maint | 54,000 | 34,000 | 41,000 | 36,509 | 41,557 | 30,488 | 26,483 | 34,177 |
| 51 | Maintenance of Hydrants | 60,000 | 24,000 | 61,000 | 50,354 | 77,038 | 62,794 | 74,700 | 42,474 |
| 52 | **TOTAL TRANSMISSION & DISTRIB** | **$2,536,000** | **$2,269,000** | **$2,282,000** | **$2,327,910** | **$2,352,261** | **$2,235,676** | **$2,264,387** | **$2,138,803** |
| | **CONSUMER ACCOUNTING** | | | | | | | | |
| 53 | Meter Reading & Collection | $167,000 | $167,000 | $160,000 | $142,581 | $142,956 | $140,851 | $132,653 | $146,286 |
| 54 | Billing & Accounting | 270,000 | 280,000 | 292,000 | 282,046 | 260,428 | 236,740 | 225,062 | 221,764 |
| 55 | Contract Billing | 19,000 | 18,000 | 19,000 | 18,285 | 18,590 | 18,504 | 18,513 | 18,292 |
| 56 | Postage & Supplies | 67,000 | 64,000 | 65,000 | 70,347 | 64,698 | 58,062 | 51,960 | 49,729 |
| 57 | Uncollectible Accounts | 28,000 | 28,000 | 29,000 | 32,723 | 35,190 | 28,022 | 13,507 | 10,412 |
| 58 | Office Equipment Expense | 6,000 | 8,000 | 7,000 | 9,835 | 5,048 | 14,471 | 14,585 | 17,208 |
| 59 | Distributed to Other Operations | (15,000) | (15,000) | (16,000) | (15,762) | (15,694) | (15,147) | (14,205) | (14,200) |
| 60 | **TOTAL CONSUMER ACCOUNTING** | **$542,000** | **$550,000** | **$556,000** | **$540,055** | **$511,216** | **$481,503** | **$442,075** | **$449,491** |

# NOVATO WATER OPERATING BUDGET DETAIL

## Fiscal Year 2012/13

| | | Approved Budget 12/13 | Estimated Actual 11/12 | Adopted Budget 11/12 | Actual 10/11 | Actual 09/10 | Actual 08/09 | Actual 07/08 | Actual 06/07 |
|---|---|---|---|---|---|---|---|---|---|
| | **WATER CONSERVATION** | | | | | | | | |
| 61 | Residential | $298,000 | $209,000 | $287,000 | $338,093 | $438,668 | $438,588 | $457,600 | $253,540 |
| 62 | Commercial | 25,000 | 1,000 | 29,000 | 15,423 | 2,707 | 28,344 | 9,415 | 11,454 |
| 63 | Public Outreach/Information | 50,000 | 37,000 | 54,000 | 19,047 | 26,548 | 20,679 | 27,483 | 24,515 |
| 64 | Large Landscape | 27,000 | 15,000 | 30,000 | 10,337 | 10,695 | 19,649 | 26,120 | 16,751 |
| | **TOTAL WATER CONSERVATION** | **$400,000** | **$262,000** | **$400,000** | **$382,900** | **$478,618** | **$507,260** | **$520,618** | **$306,260** |
| | **GENERAL & ADMINISTRATION** | | | | | | | | |
| 65 | Director's Expense | $15,000 | $15,000 | $15,000 | $15,100 | $16,200 | $15,000 | $14,600 | $14,300 |
| 66 | Legal Fees | 11,000 | 5,000 | 11,000 | 8,572 | 59,818 | 9,933 | 7,824 | 34,013 |
| 67 | Auditing Services | 21,000 | 29,000 | 29,000 | 27,800 | 31,100 | 30,000 | 22,000 | 15,250 |
| 68 | Human Resources | 31,000 | 22,000 | 31,000 | 32,112 | 33,080 | 31,848 | 26,923 | 37,051 |
| 69 | Consulting Services/Studies | 44,000 | 35,000 | 96,000 | | | | | |
| 70 | General Office Salaries | 1,196,000 | 1,253,000 | 1,236,000 | 1,177,170 | 1,166,410 | 1,125,232 | 1,020,823 | 980,772 |
| 71 | Office Supplies | 50,000 | 24,000 | 49,000 | 38,870 | 47,363 | 56,621 | 32,193 | 37,525 |
| 72 | Employee Events | 8,000 | 8,000 | 10,000 | 4,469 | 11,366 | 3,881 | 4,585 | 0 |
| 73 | Other Administrative Expense | 16,000 | 17,000 | 22,000 | 17,414 | 20,090 | 21,313 | 20,246 | 23,149 |
| 74 | Election Cost | 0 | 0 | 60,000 | 0 | 250 | 0 | 51,262 | 0 |
| 75 | Dues & Subscriptions | 50,000 | 50,000 | 49,000 | 47,775 | 49,208 | 42,004 | 40,738 | 32,203 |
| 76 | Vehicle Expense | 8,000 | 8,000 | 8,000 | 8,112 | 8,112 | 8,112 | 8,193 | 8,112 |
| 77 | Meetings, Conf & Training | 154,000 | 98,000 | 153,000 | 101,472 | 114,985 | 112,985 | 107,411 | 108,228 |
| 78 | Telephone, Water, Gas & Electricity | 31,000 | 29,000 | 31,000 | 29,012 | 27,203 | 29,595 | 30,018 | 35,324 |
| 79 | Building & Grounds Maintenance | 34,000 | 37,000 | 35,000 | 35,902 | 53,907 | 44,268 | 47,389 | 41,312 |
| 80 | Office Equipment Expense | 87,000 | 78,000 | 96,000 | 74,325 | 85,550 | 91,052 | 78,962 | 98,577 |
| 81 | Insurance Premiums & Claims | 101,000 | 112,000 | 133,000 | 118,451 | 117,023 | 132,928 | 198,297 | 182,754 |
| 82 | Retiree Medical Benefits | 172,000 | 171,000 | 173,000 | 147,084 | 138,105 | 182,220 | 182,003 | 180,771 |
| 83 | G&A Applied to Construction Projects | (331,000) | (325,000) | (356,000) | (269,439) | (153,213) | (224,590) | (212,502) | (172,336) |
| 84 | G&A Distributed to Other Operations | (89,000) | (101,000) | (110,000) | (104,515) | (100,811) | (92,969) | (86,742) | (73,004) |
| 85 | Expensed Improvement Projects | 0 | 0 | 0 | 122,785 | 1,220,617 | 1,277,995 | 959,475 | 1,301,339 |
| 86 | Expensed Equipment Purchases | 0 | 3,000 | 6,000 | 29,993 | 31,266 | 34,204 | 8,531 | 2,427 |
| 87 | (Gain)/Loss on Overhead Charges | (200,000) | (228,000) | (140,000) | (172,628) | (214,770) | (157,888) | (277,413) | (414,082) |
| | **TOTAL GENERAL & ADMINISTRATION** | **$1,409,000** | **$1,340,000** | **$1,637,000** | **$1,489,836** | **$2,762,859** | **$2,773,744** | **$2,284,816** | **$2,473,685** |
| 88 | Depreciation Expense | $2,360,000 | $2,330,000 | $2,300,000 | $2,309,166 | $2,312,339 | $2,087,598 | $1,530,000 | $1,377,612 |
| 89 | **TOTAL OPERATING EXPENSE** | **$14,300,000** | **$14,432,000** | **$13,833,000** | **$13,544,996** | **$14,539,992** | **$14,480,235** | **$13,153,285** | **$13,277,334** |
| 90 | ***NET OPERATING INCOME/(LOSS)*** | **$1,293,000** | **($69,000)** | **$65,000** | **($684,146)** | **($3,058,734)** | **($2,840,844)** | **($2,170,971)** | **($2,083,136)** |

t:ac\excel\budget\13\{detail13.xlsx}detail13

# NOVATO RECYCLED WATER
## BUDGET SUMMARY
## Fiscal Year 2012/13

| | | Approved Budget 2012/13 | Estimated Actual 2011/12 | Adopted Budget 2011/12 |
|---|---|---|---|---|
| | **OPERATING INCOME** | | | |
| 1 | Recycled Water Sales | **$255,000** | $192,000 | $230,000 |
| 2 | Bimonthly Service Charge | **6,000** | 4,000 | 4,000 |
| 3 | **Total Operating Income** | **$261,000** | $196,000 | $234,000 |
| | **OPERATING EXPENDITURES** | | | |
| 4 | Purchased Water - NSD | **$41,000** | $0 | $0 |
| 5 | Purchased Water - LGVSD | **18,000** | 0 | 0 |
| 6 | Pumping | **2,000** | 1,000 | 2,000 |
| 7 | Operations | **22,000** | 39,000 | 6,000 |
| 8 | Water Treatment | **81,000** | 56,000 | 84,000 |
| 9 | Transmission & Distribution | **27,000** | 3,000 | 17,000 |
| 10 | General Administration | **18,000** | 20,000 | 22,000 |
| 11 | Depreciation | **165,000** | 163,000 | 165,000 |
| 12 | **Total Operating Expenditures** | **$374,000** | $282,000 | $296,000 |
| 13 | ***NET OPERATING INCOME (LOSS)*** | **($113,000)** | ($86,000) | ($62,000) |
| | **NON-OPERATING INCOME/(EXPENSE)** | | | |
| 14 | Interest Revenue | **$0** | $0 | $1,000 |
| 15 | Stone Tree Golf Interest Payments | **59,000** | 63,000 | 63,000 |
| 16 | RWF SRF Loan Interest Expense | **(82,000)** | (86,000) | (86,000) |
| 17 | RW Expansion SRF Loan Interest Exp | **(120,000)** | 0 | (45,000) |
| 18 | **Total Non-Operating Income/(Expense)** | **($143,000)** | ($23,000) | ($67,000) |
| 19 | ***NET INCOME/(LOSS)*** | **($256,000)** | ($109,000) | ($129,000) |
| | **OTHER SOURCES/(USES) OF FUNDS** | | | |
| 20 | Add Depreciation Expense | **$165,000** | $163,000 | $165,000 |
| 21 | Fed Grant/SRF Loan - RWS Expansion | **6,860,000** | 3,059,000 | 5,000,000 |
| 22 | Connection Fees Trsf'd from Novato | **467,000** | 1,168,000 | 125,000 |
| 23 | Stone Tree Golf Principal Repayment | **192,000** | 188,000 | 188,000 |
| 24 | Capital Improvement Projects | **(5,525,000)** | (6,716,000) | (5,125,000) |
| 25 | RWF SRF Loan Principal Payments | **(191,000)** | (187,000) | (187,000) |
| 26 | Loan From/(Repayment) to Novato | **(1,712,000)** | 2,434,000 | 0 |
| 27 | **Total Other Souces/(Uses)** | **$256,000** | $109,000 | $166,000 |
| 28 | ***NET SURPLUS/(DEFICIT)*** | **$0** | $0 | $37,000 |

# *WEST MARIN WATER*
## *BUDGET SUMMARY*
## *Fiscal Year 2012/13*

| | | Approved Budget 2012/13 | Estimated Actual 2011/12 | Adopted Budget 2011/12 |
|---|---|---|---|---|
| | **OPERATING INCOME** | | | |
| 1 | Water Sales | **$661,000** | $630,000 | $657,000 |
| 2 | Misc Service Charges | **5,000** | 4,000 | 3,000 |
| 3 | **Total Operating Income** | **$666,000** | $634,000 | $660,000 |
| | **OPERATING EXPENDITURES** | | | |
| 4 | Source of Supply | **$37,000** | $23,000 | $13,000 |
| 5 | Pumping | **39,000** | 19,000 | 45,000 |
| 6 | Operations | **30,000** | 31,000 | 31,000 |
| 7 | Water Treatment | **112,000** | 118,000 | 107,000 |
| 8 | Transmission & Distribution | **105,000** | 120,000 | 89,000 |
| 9 | Consumer Accounting | **26,000** | 22,000 | 24,000 |
| 10 | Water Conservation | **4,000** | 2,000 | 4,000 |
| 11 | General Administration | **51,000** | 57,000 | 66,000 |
| 12 | Depreciation Expense | **153,000** | 151,000 | 149,000 |
| 13 | **Total Operating Expenditures** | **$557,000** | $543,000 | $528,000 |
| 14 | ***NET OPERATING INCOME (LOSS)*** | **$109,000** | $91,000 | $132,000 |
| | **NON-OPERATING REVENUE/(EXPENSE)** | | | |
| 15 | PR-2 County Tax Allocation | **$45,000** | $40,000 | $38,000 |
| 16 | PR-3 / OL-2 Bond Tax | **4,000** | 18,000 | 19,000 |
| 17 | Interest Revenue | **6,000** | 0 | 0 |
| 18 | Interdistrict Loan Interest | **0** | (5,000) | (3,000) |
| 19 | Bond & Loan Interest Expense | **(44,000)** | (13,000) | (13,000) |
| 20 | Miscellaneous Revenue/(Expense) | **3,000** | 3,000 | 4,000 |
| 21 | **Total Non-Operating Income/(Expense)** | **$14,000** | $43,000 | $45,000 |
| | ***NET INCOME/(LOSS)*** | **$123,000** | $134,000 | $177,000 |
| | **OTHER SOURCES/(USES) OF FUNDS** | | | |
| 22 | Add Depreciation Expense | **$153,000** | $151,000 | $149,000 |
| 23 | Connection Fees | **46,000** | 37,000 | 0 |
| 24 | Loan Proceeds | **0** | 1,000,000 | 0 |
| 25 | Capital Improvement Projects | **(670,000)** | (138,000) | (416,000) |
| 26 | Bond & Loan Principal Payments | **(74,000)** | (35,000) | (35,000) |
| 27 | Loan from (repayment to) Novato | **0** | (357,000) | 125,000 |
| 28 | **Total Other Souces/(Uses)** | **($545,000)** | $658,000 | ($177,000) |
| 29 | ***NET SURPLUS/(DEFICIT)*** | **($422,000)** | $792,000 | $0 |

# WEST MARIN WATER

## *5-Year Financial Forecast*

| # | BASIC DATA | Actual 2009/10 | Actual 2010/11 | Estimated 2011/12 | Approved 2012/13 | Projected 2013/14 | Projected 2014/15 | Projected 2015/16 | Projected 2016/17 |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Active Meters | 769 | 770 | 776 | 778 | 780 | 782 | 784 | 786 |
| 2 | Avg Commodity Rate/1,000 Gal | $5.95 | $6.56 | $7.07 | $7.49 | $7.95 | $7.95 | $7.95 | $7.95 |
| 3 | Potable Consumption (MG) | 77 | 75 | 73 | 73 | 73 | 73 | 73 | 73 |
| | **INCOME** | | | | | | | | |
| 4 | Commodity Charge | $459,606 | $489,493 | $516,000 | $547,000 | $580,000 | $580,000 | $580,000 | $580,000 |
| 5 | Minimum Service Charge | 92,766 | 94,214 | 114,000 | 114,000 | 137,000 | 137,000 | 137,000 | 137,000 |
| 6 | Connection Fee | 31,350 | 16,150 | 37,000 | 46,000 | 46,000 | 46,000 | 46,000 | 46,000 |
| 7 | PR-2 County Tax Allocation | 40,024 | 38,446 | 40,000 | 45,000 | 43,000 | 44,000 | 45,000 | 46,000 |
| 8 | PR-3 G.O. Bond Tax | 13,631 | 13,803 | 14,000 | 0 | 0 | 0 | 0 | 0 |
| 9 | OL-2 G.O. Bond Tax | 3,910 | 3,528 | 4,000 | 4,000 | 4,000 | 0 | 0 | 0 |
| 10 | Interest | 365 | 0 | 0 | 6,000 | 3,000 | 2,000 | 2,000 | 2,000 |
| 11 | Miscellaneous | 6,998 | (10,290) | 7,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |
| 12 | **TOTAL INCOME** | **$648,650** | **$645,344** | **$732,000** | **$770,000** | **$821,000** | **$817,000** | **$818,000** | **$819,000** |
| | **EXPENDITURES** | | | | | | | | |
| 13 | Operating Expenditures | $370,787 | $373,023 | $392,000 | $404,000 | $416,000 | $428,000 | $441,000 | $454,000 |
| 14 | Replacement/Enhancement Projects | 84,195 | 8,201 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 | Bond & Loan Debt Service | 47,500 | 48,105 | 48,000 | 49,000 | 33,000 | 34,000 | 29,000 | 30,000 |
| 16 | New Loan Debt Service | 0 | 0 | 0 | 69,000 | 69,000 | 69,000 | 69,000 | 177,000 |
| 17 | Interdistrict Loan Interest | 7,074 | 4,969 | 5,000 | 0 | 0 | 0 | 0 | 0 |
| 18 | **TOTAL EXPENDITURES** | **$509,556** | **$434,298** | **$445,000** | **$522,000** | **$518,000** | **$531,000** | **$539,000** | **$661,000** |
| | **NET INCOME BEFORE PROJECTS** | **$139,094** | **$211,046** | **$287,000** | **$248,000** | **$303,000** | **$286,000** | **$279,000** | **$158,000** |
| | **OTHER SOURCES/(USES)** | | | | | | | | |
| 19 | Capital Improvement Projects | (27,581) | (136,485) | (138,000) | (670,000) | (520,000) | (270,000) | (200,000) | (1,600,000) |
| 20 | Loan/Grant Proceeds | 0 | 0 | 1,000,000 | 0 | 0 | 0 | 0 | 1,600,000 |
| 21 | Loan from (repayment to) Novato | (38,522) | (63,332) | (357,000) | 0 | 0 | 0 | 0 | 0 |
| 22 | Net Change in Working Capital | (73,858) | (13,013) | 0 | 0 | 0 | 0 | 0 | 0 |
| 23 | **INCREASE (DECREASE) IN CASH** | **($867)** | **($1,784)** | **$792,000** | **($422,000)** | **($217,000)** | **$16,000** | **$79,000** | **$158,000** |
| | **CASH BALANCE** | | | | | | | | |
| 24 | Operating Reserve | $0 | $0 | $0 | $0 | $0 | $0 | $56,000 | $326,000 |
| 25 | System Expansion Reserve | 0 | 0 | 693,000 | 286,000 | 69,000 | 89,000 | 112,000 | 0 |
| 26 | Liability Contingency Reserve | 0 | 0 | 99,000 | 99,000 | 99,000 | 99,000 | 99,000 | 99,000 |
| 27 | Bond Redemption Reserve | 52,097 | 50,313 | 50,000 | 35,000 | 35,000 | 31,000 | 31,000 | 31,000 |
| 28 | **TOTAL CASH BALANCE** | **$52,097** | **$50,313** | **$842,000** | **$420,000** | **$203,000** | **$219,000** | **$298,000** | **$456,000** |
| 29 | Amount Due to Novato Water | $420,300 | $356,968 | $0 | $0 | $0 | $0 | $0 | $0 |
| 30 | Depreciation Expense | $145,913 | $147,002 | $151,000 | $153,000 | $164,000 | $173,000 | $178,000 | $181,000 |

7/5/12

## WEST MARIN WATER NOTES

\# KEY

West Marin Water includes the communities of Point Reyes Station, Inverness Park, Olema, Bear Valley, Silver Hills and Paradise Ranch Estates (PRE).

1 Assumes annual increase of 2 connections per year, which is the 5 year average.

2 A commodity rate increase of 6% for residential, and 7% for non-residential, was approved effective 8/1/12.

3 Projection based on FY12 estimated actual.

5 A 25% increase in the Bimonthly Minimum Service Charge to $25 for the typical 5/8" X 3/4" residential meter was approved effective 8/1/12. An 11% increase was approved for the PRE bimonthly Minimum Service Charge (to $41 per month) which is adequate to cover the cost of reading, billing and maintaining the meter, plus the cost of amortizing the $14,000 annual revenue bond debt service applicable to customers within the PRE subdivision.

6 The connection fee was increased to $22,800 per equivalent dwelling unit effective August 1, 2010.

7 In July 2009 the State Legislature "borrowed" 8% (approximately $3,500) of Point Reyes tax revenue. California promised to repay the borrowed money plus 2% interest per annum no later than June 30, 2013. Said repayment is incorporated into the FY13 budget. PR2 County Tax allocation is projected to increase 3% per year.

8, 9 GO Bond Taxes are Proposition 13 Exempt property tax levies that fund general obligation bond debt service.

10 Projected available funds invested at 0.75%

11 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.

13 3% annual increase assumed after FY13.

14 Replacement/Enhancement Projects are comprised of non-capitalized projects.

15 Comprised of four 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1973 $250,000 PR-3 GO bond maturing 2013; 2) 1975 OL-2 $70,000 GO bond due 2015; 3) 1980 PRE-1 $240,000 revenue bond due 2020; 4) 1981 PR-6 $217,800 revenue bond due 2021; plus an Economic Development Administration $46,000 5% 40-year loan in 2017. On 6/1/91 the OL-2 bond was repurchased by Novato Water upon demand by FmHA.

16 FY13-FY16 is interest and principal payment on $1 million loan from Bank of Marin; FY17 includes debt service on loan for Gallagher Pipeline.

17 Interest on interdistrict Loan to fund the LRIPP. Projection assumes interdistrict debt will be fully repaid in June 2012 with Bank of Marin loan.

18 Excludes depreciation.

19 Capital Improvement Projects. See 5-year Improvement Projects Forecast.

20 Assumes $1 million loan from Bank of Marin in June 2012. Gallagher Pipeline grant or loan proceeds offset the $1.6 million cost of installation.

21 Interdistrict loan repayment to fund the West Marin Long Range Improvement Project Plan (LRIPP).

24 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors. This reserve should have a balance of $152,000 at June 30, 2012, however the funds have been used to subsidize operating deficits resulting from financing the LRIPP. Future cash generated will accrue to the emergency operating reserve fund until it is whole.

25 System Expansion Reserve is composed of connection fee revenue and the Bank of Marin loan funds.

26 Liability Contingency Reserve - $90,000 is West Marin Water's pro-rata share (3.6%) of the District's $2.5 million liability contingency fund, available to pay liability claims arising within the West Marin water system. This reserve was exhausted during FY04/05 to fund the LRIPP. $8,885 derived from sale of 2 surplus parcels in Inverness Park was added to the fund in Dec 2006.

27 Bond Redemption Reserve is comprised of one year of Revenue Bond debt service for PR-6 & PRE-1 bonds as required by bond covenant plus tax receipts held in the Marin County treasury. The PR-6 Revenue Bond will be fully repaid in January 2013, eliminating the need for the $15K Reserve.

29 Amount Due to Novato Water at fiscal year end.

# OCEANA MARIN SEWER
## BUDGET SUMMARY
## Fiscal Year 2012/13

| | | Approved Budget 2012/13 | Estimated Actual 2011/12 | Adopted Budget 2011/12 |
|---|---|---|---|---|
| | **OPERATING INCOME** | | | |
| 1 | Monthly Sewer Service Charge | **$158,000** | $157,000 | $157,000 |
| 2 | Misc Service Charges | **0** | 0 | 0 |
| 3 | **Total Operating Income** | **$158,000** | $157,000 | $157,000 |
| | **OPERATING EXPENDITURES** | | | |
| 4 | Sewage Collection | **$21,000** | $20,000 | $20,000 |
| 5 | Sewage Treatment | **20,000** | 27,000 | 19,000 |
| 6 | Sewage Disposal | **2,000** | 2,000 | 1,000 |
| 7 | Contract Operations | **65,000** | 61,000 | 63,000 |
| 8 | Customer Accounting | **2,000** | 2,000 | 2,000 |
| 9 | General & Administration | **21,000** | 22,000 | 25,000 |
| 10 | Depreciation Expense | **41,000** | 41,000 | 43,000 |
| 11 | **Total Operating Expenditures** | **$172,000** | $175,000 | $173,000 |
| 12 | ***NET OPERATING INCOME (LOSS)*** | **($14,000)** | ($18,000) | ($16,000) |
| | **NON-OPERATING REVENUE/(EXPENSE)** | | | |
| 13 | OM-1/OM-3 Tax Allocation | **$46,000** | $41,000 | $41,000 |
| 14 | Interest Revenue | **3,000** | 2,000 | 3,000 |
| 15 | Miscellaneous Revenue/(Expense) | **1,000** | 0 | 1,000 |
| 16 | **Total Non-Op Income/(Expense)** | **$50,000** | $43,000 | $45,000 |
| | ***NET INCOME/(LOSS)*** | **$36,000** | $25,000 | $29,000 |
| | **OTHER SOURCES/(USES) OF FUNDS** | | | |
| 17 | Add Depreciation Expense | **$41,000** | $41,000 | $43,000 |
| 18 | Connection Fees | **15,000** | 0 | 0 |
| 19 | Capital Improvement Projects | **(320,000)** | (46,000) | (115,000) |
| 20 | **Total Other Souces/(Uses)** | **($264,000)** | ($5,000) | ($72,000) |
| 21 | ***NET SURPLUS/(DEFICIT)*** | **($228,000)** | $20,000 | ($43,000) |

# OCEANA MARIN SEWER

## *5-Year Financial Forecast*

| # | BASIC DATA | Actual 2009/10 | Actual 2010/11 | Estimated 2011/12 | Approved 2012/13 | Projected 2013/14 | Projected 2014/15 | Projected 2015/16 | Projected 2016/17 |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Number of Connections | 225 | 227 | 227 | 228 | 229 | 230 | 231 | 232 |
| 2 | Monthly Service Charge | $55.00 | $55.00 | $58.00 | $58.00 | $58.00 | $58.00 | $58.00 | $58.00 |
| | **INCOME** | | | | | | | | |
| 3 | Monthly Service Charge | $148,427 | $149,820 | $157,000 | $158,000 | $159,000 | $160,000 | $160,000 | $161,000 |
| 4 | OM-1/OM-3 Tax Allocation | 42,654 | 40,992 | 41,000 | 46,000 | 44,000 | 45,000 | 46,000 | 47,000 |
| 5 | Connection Fees | 9,000 | 0 | 0 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| 6 | Interest Revenue | 2,919 | 2,555 | 2,000 | 3,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 7 | Miscellaneous Revenue/(Expense) | 798 | (156) | 0 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 8 | **TOTAL INCOME** | **$203,798** | **$193,211** | **$200,000** | **$223,000** | **$220,000** | **$222,000** | **$223,000** | **$225,000** |
| 9 | **OPERATING EXPENDITURES** | **$123,296** | **$128,191** | **$134,000** | **$131,000** | **$135,000** | **$139,000** | **$143,000** | **$147,000** |
| | **OTHER EXPENDITURES** | | | | | | | | |
| 10 | Capital Imprvmnt Projects/Other | $40,159 | $26,360 | $46,000 | $320,000 | $50,000 | $65,000 | $65,000 | $35,000 |
| 11 | **TOTAL EXPENDITURES** | **$163,455** | **$154,551** | **$180,000** | **$451,000** | **$185,000** | **$204,000** | **$208,000** | **$182,000** |
| 12 | Net Change in Working Capital | ($2,028) | $9,603 | | | | | | |
| 13 | **INCREASE (DECREASE) IN CASH** | **$38,315** | **$48,263** | **$20,000** | **($228,000)** | **$35,000** | **$18,000** | **$15,000** | **$43,000** |
| | **CASH BALANCE** | | | | | | | | |
| 14 | Operating Reserve | $191,225 | $238,651 | $258,000 | $108,000 | $143,000 | $161,000 | $176,000 | $219,000 |
| 15 | Connection Fee Reserve | 76,455 | 77,292 | 78,000 | 0 | 0 | 0 | 0 | 0 |
| 16 | **TOTAL CASH BALANCE** | **$267,680** | **$315,943** | **$336,000** | **$108,000** | **$143,000** | **$161,000** | **$176,000** | **$219,000** |
| 17 | Depreciation Expense | $41,084 | $41,084 | $41,000 | $42,000 | $50,000 | $51,000 | $53,000 | $55,000 |

7/5/12

## OCEANA MARIN SEWER

### NOTES

| # KEY | |
|---|---|
| 1 | Assumes increase of 1 connection per year, which is the average over the last 5 years. Capacity is estimated at 308 dwelling units. |
| 2 | Service charge of $58/month effective 8/1/11. |
| 4 | County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. In July 2009 the State Legislature "borrowed" 8% (approximately $3,500) of Oceana Marin tax revenue. California promised to repay the borrowed money plus 2% interest per annum no later than June 30, 2013. Said repayment is incorporated into the FY13 budget. OM-1/IOM-3 County Tax allocation is projected to increase 3% per year. |
| 5 | Assumes the new connections occur in OM-3 (Units 1 or 5) which are subject to the connection fee. |
| 9 | 3% annual increase assumed after FY13. |
| 10 | Capital Improvement Projects. See 5-year Improvement Projects Forecast. |
| 11 | Excludes depreciation. |
| 16 | Cash available for operation, maintenance and improvements |

**Approved**
## *Equipment Expenditures*
### *Fiscal Year 2012/2013 Budget*

6/20/12

t:\ac\excel\budget\13\[equip13.xlsx]equip13

| Account | Item | | Approved | Notes | Description |
|---|---|---|---|---|---|
| | **1 INFORMATION SYSTEMS** | | | | |
| | **Administration** | | | | |
| 12101.01.00 | a. | Server Software Upgrade | $8,900 | 1 | Upgrade Servers from 2003 to 2008 software. Software already purchased, cost is IT install time. |
| | | | **$8,900** | | |
| | **2 ADMINISTRATION** | | | | |
| 12101.01.00 | a. | Photocopier | $25,000 | 1 | Existing 7-year old copier has over 2M copies & is experiencing increasing maintenance problems. |
| 12101.01.00 | b. | Meter Reading Devices & Software | $20,000 | 1 | Manufacturer ceased carrying replacement parts for these 7 year old devices |
| | | | **$45,000** | | |
| | **3 ENGINEERING** | | | | |
| 12102.01.00 | a. | Multi-function Wide-Carriage Copier (Used) | $9,000 | 1 | Parts no longer available for existing obsolete copier |
| | | | **$9,000** | | |
| | **4 CONSTRUCTION** | | | | |
| 12104.01.00 | a. | 1" (300') Potable Water Hose & Fittings | $8,600 | | Additional hose & fittings for trailer-mounted emergency portable pipeline system |
| | | | **$8,600** | | |
| | **5 OPERATIONS** | | | | |
| 12108.01.00 | c. | Chlorine Dioxide Analyzer | 6,500 | 1 | Existing STP unit no longer provides consistent and reliable test data. |
| | | | **$6,500** | | |

**Approved**

6/20/12

# *Equipment Expenditures*

t:\ac\excel\budget\13\[equip13.xlsx]equip13

## *Fiscal Year 2012/2013 Budget*

| | | | Approved | Notes | Description |
|---|---|---|---|---|---|
| | 6 | **VEHICLE & ROLLING EQUIPMENT EXPENDITURES** | | | |
| 12104.01.00 | a. | Portable Air Compressor | $20,000 | 1 | To replace '09 compressor that had an air-end bearing failure ($6,500 to repair & may not operate correctly) |
| 12104.01.00 | b. | 800 Gallon Portable Vac Trailer | $65,000 | 1 | To replace '03 Vacuum excavator that is non-compliant w/CARB rules. |
| 12104.01.00 | c. | 3/4-ton 2WD Alternate Fuel Pickup w/Srvc Body | $35,000 | 1 | To replace '02 1-ton valve crew truck w/108,000 miles. Engine showing signs of wear, and cab-over design creates back-strain on driver. |
| 12104.01.00 | d. | 3/4-ton 2WD Alternate Fuel Pickup w/Srvc Body | $35,000 | 1 | To replace '99 3/4-ton water service response truck w/177,000 miles. Transmission & rear-end worn out. |
| | | | **$155,000** | | |
| | | **Total** | **$233,000** | | |

Notes:

1 Replacement item.

| **RECAP** | Adopted Budget 2011/12 | Estimated Actual 2011/12 | **Proposed Budget 2012/13** |
|---|---|---|---|
| Equipment | $85,000 | $87,000 | $78,000 |
| Rolling Stock | $103,000 | $103,000 | $155,000 |
| | **$188,000** | **$190,000** | **$233,000** |

# Approved Capital Improvement Projects

7/5/12

t:\ac\excel\budget\13\[5 yr cip fy13.xlsx]5 yr ip

| Account | | | Project | FY13 Budget | FY14 Budget | FY13 Project Description |
|---|---|---|---|---|---|---|
| | 1. | | PIPELINE REPLACEMENTS/ADDITIONS | | | |
| | a. | | Main/Pipeline Replacements | | | |
| 1.7130.00 | | 1 | STP Trans Line Repair (13,200') | $160,000 | | Assess condition & spot repair 18" concrete pipe |
| | | 2 | So Novato Blvd - Rowland to Sunset (12"CI@1,500') | | $200,000 | |
| | | 3 | Other Pipeline Replacements (60+ years old) | | $175,000 | |
| | | | | $160,000 | $375,000 | |
| | b. | | Main/Pipeline Additions | | | |
| 1.7134.00 | | 1 | Digital to Leveroni Looping (12"@600') | $130,000 | | Enhance fire flow and provide additional reliability |
| 1.7135.00 | | 2 | Delong to Cain Looping (8"@400') | $100,000 | | Enhance fire flow and provide additional reliability |
| | | 3 | Other Main/Pipeline Additions | | $200,000 | |
| | | | | $230,000 | $200,000 | |
| | c. | | Polybutylene Service Line Replacements | | | |
| 1.7123.11 | | 1 | Pacheco Valle (42 Services) | $84,000 | | Ongoing Polybutylene service line replacement program |
| | | 2 | Replace PB in Sync w/City Paving (45 Srvcs) | $90,000 | $90,000 | PB service replacement coordinated with City Overlay Program |
| | | 3 | Other PB Replacements | | $85,000 | |
| | | | | $174,000 | $175,000 | |
| | d. | | Relocations to Sync w/City & County CIP | | | |
| | | 1 | Other Relocations | $80,000 | $80,000 | Relocate facilities for as yet unidentified City/County Projects |
| | | | | $80,000 | $80,000 | |
| | e. | | Aqueduct Replacements/Enhancements | | | |
| 1.7118.01-09 | | 1 | Energy Efficiency Proj-Hwy 101 Widening | $1,300,000 | $2,600,000 | North Marin Aqueduct upsizing/relocation |
| | | | | $1,944,000 | $3,430,000 | |
| | 2. | | SYSTEM IMPROVEMENTS | | | |
| 1.7008.09 | a. | | RTU Upgrades | $10,000 | $10,000 | Replace aging and unreliable RTUs at Nunes and Half Moon |
| | b. | | DCV & Zone Valve Flushing Taps (12 biennially) | | $50,000 | |
| 1.7007.07 | c. | | DCA Repair/Replace (~14/yr) | $150,000 | $150,000 | Detector Check Assembly replacements |
| 1.7090.03 | d. | | Anode Installations (150/yr) | $30,000 | $30,000 | Place anodes on copper service laterals for corrosion protection |
| 1.7132.00 | e. | | Radio Telemetry | $15,000 | $15,000 | Install radio transmitters to replace leased lines at Bahia, Nunes, & Half Moon |

# Approved Capital Improvement Projects

7/5/12

t:\ac\excel\budget\13\[5 yr cip fy13.xlsx]5 yr ip

| Acct | | | Project | FY13 Budget | FY14 Budget | FY13 Project Description |
|---|---|---|---|---|---|---|
| | 2. SYSTEM IMPROVEMENTS (Continued) | | | | | |
| 1.8650.19 | f. | | Sampling Stations (6 biennially) | $24,000 | | Install 6 water quality sample stations. There are 58 permanent sampling stations in the system, and 12 more locations that need a permanent station installed. |
| 1.7054.03 | g. | | Inaccurate Meter Replacement | $16,000 | | Replacement of inaccurate meters based on recommendations in the meter testing study done in FY06. |
| 1.7136.00 | h. | | Facilities Security Enhancements | $25,000 | | Security camera monitoring system in the yard to help identify potential intruders for investigation assistance. |
| 1.7137.00 | i. | | Backflow Device Upgrade - BMK (14 Srvcs) | $30,000 | | Replace DCVs with above grade RPP devices |
| | j. | | Crest Pressure Zone Emergency Pump Bypass | | $70,000 | |
| | k. | | Other System Improvements | | $30,000 | |
| | | | | $300,000 | $355,000 | |
| | 3. BUILDING, YARD, STP. IMPROVEMENTS | | | | | |
| | a. | | Administration Building | | | |
| 1.6501.43 | | 1 | Electronic Document Management System | $50,000 | | Manage digital document creation, storage, retrieval & expiry |
| | | 2 | Other Admin Building Improvements | $25,000 | $25,000 | Repairs/enhancements identified during the year |
| | | | | $75,000 | $25,000 | |
| | b. | | Corp. Yard/Warehouse/Construction Office | | | |
| 1.6502.46 | | 1 | SMART Crossing Upgrade (@ Golden Gate Pl) | $58,000 | | Shared Cost with Golden Gate Transit |
| | | 2 | Other Yard Improvements | $15,000 | $15,000 | Repairs/enhancements identified during the year |
| | | | | $73,000 | $15,000 | |
| | c. | | Stafford Treatment Plant | | | |
| 1.6600.70 | | 1 | Watershed Erosion Control | $25,000 | $25,000 | STRAW Project ($9K) & Dairy Nutrient Control |
| 1.6600.60 | | 2 | Leveroni Creek Bank Repair | $145,000 | | Creek bank erosion control/restoration |
| 1.6600.69 | | 3 | Dam Concrete Apron Repair | $50,000 | | 2nd phase of concrete patch repairs to west face of the dam |
| 1.6600.54 | | 4 | Start-up Flushing Connection | $200,000 | | To allow flushing the Novato Blvd main from Sutro back to STP with Zone 2 water. |
| | | 5 | STP Discharge/Treatment | | $30,000 | |
| | | 6 | Coat Concrete Clearwells (Both Units) | | $450,000 | |
| | | 7 | Other Treatment Plant Improvements | | $50,000 | |
| | | | | $420,000 | $555,000 | |
| | | | | $568,000 | $595,000 | |

## Approved Capital Improvement Projects

7/5/12

t:\ac\excel\budget\13\[5 yr cip fy13.xlsx]5 yr ip

| Acct. | | Project | FY13 Budget | FY14 Budget | FY13 Project Description |
|---|---|---|---|---|---|
| | 4. | STORAGE TANKS/PUMP STATIONS | | | |
| 1.6112.24 | a. | Lynwood P.S. Motor Control Center | $265,000 | | Move motor controls above-ground. |
| 1.6217.20 | b. | Pacheco Tank Cl2 Mixing System | $30,000 | | Balance of work to install pump mixing and chlorine injection sys |
| | c. | Relocate School Road/Crest P.S. (Design/Construct) | | $100,000 | |
| | | | $295,000 | $100,000 | |
| | 5. | RECYCLED WATER | | | |
| 5.7127.00 | a. | NBWRA Grant Program Administration | $325,000 | $125,000 | Continued support of North Bay Water Reuse Authority to obtain/administer recycled water project Federal/State grants. |
| 5.6055.01, 11-14, 20-22 | b. | Expansion to North Area | $1,000,000 | | Pipeline additions and storage improvements to increase recycled water use by 186 AF. |
| 5.6056.00, 11-13, 20-21 | c. | Expansion to South Area | $4,200,000 | $300,000 | Pipeline additions and storage improvements to increase recycled water use by 220 AF. |
| | d. | Other Recycled Water Expenditures | | $20,000 | |
| | | | $5,525,000 | $445,000 | |
| | 6 | WEST MARIN WATER SYSTEM | | | |
| 2.6601.32 | a. | TP Solids Handling | $400,000 | $300,000 | Design & construct a 60,000 gal solids handling facility. |
| 2.6603.20-22 | b. | Point Reyes Well #3 Rehab | $165,000 | | Replace failed well |
| 2.6601.35 | c. | Treatment Plant Control Valve Replacement | $75,000 | | Replace 9 Point Reyes Treatment Plant control valves |
| 2.6604.20 | d. | Gallagher Auxiliary Stream Gauge | $30,000 | | To record the Gallagher Well impact on Lagunitas Creek flow |
| | e. | Replace PRE 2" Galvanized Steel Pipe | | $120,000 | |
| | f. | Olema PS Flood Protection & RTU Upgrade | | $100,000 | |
| | | | $670,000 | $520,000 | |
| | 7 | OCEANA MARIN SEWER SYSTEM | | | |
| 8.8672.26 | a. | Infiltration Repair | $15,000 | $15,000 | Ongoing work to identify and repair collection pipelines to prevent rainwater from leaking into the system |
| 8.7085.01 | b. | Tahiti Way Lift Pumps Rebuild (1/year) | $20,000 | | Rebuild the two lift pumps in 5-year cycles. |
| 8.6001.20 | c. | Cross Country Sewer Line Rehab (3,150') | $275,000 | | Line 3,150' of 6"-8" pipe in high-risk areas |
| 8.6607.21 | e. | Treatment Pond Algae Control Device | $10,000 | | Design, Procure and install Ultrasonic Irradiation Device |
| | d. | SCADA RTU Upgrade and Install | | $35,000 | |
| | | | $320,000 | $50,000 | |

# Approved Capital Improvement Projects

7/5/12

t:\ac\excel\budget\13\[5 yr cip fy13.xlsx]5 yr ip

| | | FY13 Budget | FY14 Budget | FY13 Project Description |
|---|---|---|---|---|
| | **SUMMARY - GROSS PROJECT OUTLAY** | | | |
| | Novato Water | $3,107,000 | $4,480,000 | |
| | Recycled Water | $5,525,000 | $445,000 | |
| | West Marin Water | $670,000 | $520,000 | |
| | Oceana Marin Sewer | $320,000 | $50,000 | |
| | GROSS PROJECT OUTLAY | $9,622,000 | $5,495,000 | |
| | LESS FUNDED BY LOANS/GRANTS | | | |
| a. | Aq Energy Efficiency Proj - Hwy 101 Widening | (1,300,000) | (2,600,000) | Funded from FY12 Bank of Marin loan |
| b. | Recycled Water Sys Expansion - North Area | ($1,000,000) | $0 | Funded 25% by Fed/State Grant; 75% by low-interest State Revolving Fund loan |
| c. | Recycled Water Sys Expansion - South Area | ($4,200,000) | ($300,000) | Funded 25% by Fed/State Grant; 75% by low-interest State Revolving Fund loan |
| d. | WM Treatment Plant Solids Handling | ($400,000) | ($300,000) | Funded from FY12 Bank of Marin loan |
| | | ($6,900,000) | ($3,200,000) | |
| | **SUMMARY - NET PROJECT OUTLAY** | | | |
| | Novato Water | $1,807,000 | $1,880,000 | |
| | Recycled Water | $325,000 | $145,000 | |
| | West Marin Water | $270,000 | $220,000 | |
| | Oceana Marin Sewer | $320,000 | $50,000 | |
| | INTERNALLY FUNDED PROJECT OUTLAY | $2,722,000 | $2,295,000 | |
| | Total Number of Projects | 36 | 29 | |