



NORTH MARIN WATER DISTRICT

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

Adopted
BUDGETS
Novato & West Marin
Service Areas
FISCAL YEAR
2013/14

Directors: Jack Baker * Rick Fraites * Stephen Petterle * Dennis J. Rodoni * John C. Schoonover
Officers: Chris DeGabriele, General Manager * Drew McIntyre, Chief Engineer * Katie Young, Secretary * David L. Bentley, Auditor-Controller



**NORTH MARIN
WATER DISTRICT**

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

PHONE
415.897.4133

FAX
415.892.8043

EMAIL
info@nmwd.com

WEB
www.nmwd.com

July 1, 2013

Board of Directors
North Marin Water District
999 Rush Creek Place
Novato, CA 94945

Re: Fiscal Year 2013/2014 Budget

Board of Directors:

The North Marin Water District budget for 2013/2014 (FY14) was adopted by the Board at public hearings held in Novato on June 18 and in Point Reyes Station on June 25, 2013. This budget identifies projected revenues, expenses, capital outlay and debt service costs for each of the District's four business segments: the Novato (potable) Water System, the Novato Recycled Water System, the West Marin Water System, and the Oceana Marin Sewer System.

Summary

The consolidated budget projects operating revenue of \$18.6 million and a net income of \$1.9 million. State Revolving Fund loans totaling \$3.5 million, as well as \$1.1 million in grant funds, are anticipated to finance the recycled water system expansion. Capital improvement project expenditures of \$8.4 million are budgeted, \$4.6 million of which pertain to the Aqueduct Energy Efficiency Project being undertaken in conjunction with Caltrans Highway 101 widening project. Caltrans will reimburse the District for \$2.2 million of the FY14 cost. After payment of \$2.4 million in debt service, the budget projects a cash surplus for the fiscal year of \$2.6 million.

Novato Water

The budget projects a net cash increase of \$2,269,000. An 11% rate increase effective June 1, 2013, adopted by the Board in May 2011, will add \$1.6 million in revenue. FY14 will see Novato Water repaid \$4.3 million loaned to the Recycled Water System for expansion.

Water sales volume is conservatively budgeted at 2.7 billion gallons. Consumption remains 20% below the pre-recession level, and is on par with levels last seen in the early 1980s. Total outlay, which includes capital expenditures and excludes depreciation expense, is budgeted at \$22.4 million, up 29% from the \$17.4 million FY13 budget. On a standardized accounting basis, the budget projects a Net Income of \$2,021,000.

DIRECTORS: JACK BAKER • RICK FRATES • STEPHEN PETTERLE • DENNIS RODONI • JOHN C. SCHOONOVER

OFFICERS: CHRIS DeGABRIELE, General Manager • RENEE ROBERTS, Secretary • DAVID L. BENTLEY, Auditor-Controller • DREW MCINPHE, Chief Engineer

Recycled Water

The Recycled Water System budget projects demand of 130 million gallons double the previous year, as 28 new accounts will begin drawing recycled water. An 8% commodity rate increase and a 20% fixed service charge increase became effective June 1, 2013.

Operating expenses, excluding depreciation, are budgeted to increase 58% (\$121,000) from the FY13 budget due to cost of more purchased water from Novato Sanitary and Las Gallinas Valley Sanitary Districts as sale of recycled water doubles.

Seventy-seven percent of the proposed \$5.6 million expenditure plan is reimbursement to Novato Water for money borrowed to complete the \$14.3 million North & South Service Area Expansion project, which is funded by Federal and State grant funds (25%), 20-year 2.6% State Revolving Fund loans (69%), and an \$850,000 (6%) District contribution.

West Marin Water

A rate increase averaging 8% effective July 1, 2013, will add \$4.25 per month to the typical residential customer water cost. Significant capital improvements budgeted include \$200,000 for continued work on the \$800,000 project to design and construct a 60,000 gallon solids-handling facility adjacent to the water treatment plant, and \$100,000 to upgrade the Olema Pump Station for flood protection. The \$91,000 projected cash deficit represents the planned drawdown of funds borrowed to construct the solids-handling facility.

The West Marin system is projected to consume 75 million gallons, which is the average over the past 4 years, but only 90% of the average consumption over the past ten years. Operating expenditures are budgeted to remain consistent with the FY13 budget.

Oceana Marin Sewer

A 12% increase (\$7/month - to \$780/year) in the sewer service charge is effective July 1, 2013. Operating expenditures, before depreciation, are projected to increase 3% from the prior year estimated actual expenditures, resulting in a net income of \$27,000.

Capital Improvement Projects

The two-year CIP budget totals \$23.5 million and is comprised of 40 projects in FY14 and 27 projects in FY15. \$7.6 million will be funded from District reserves. Major projects (over \$500,000) are as follows:

<u>Project</u>	<u>FY14</u>	<u>FY15</u>
Aqueduct Energy Efficiency Project - Hwy 101	\$4,600,000	\$10,600,000
Atherton Recoat & Mixing System (5 MG)	700,000	1,000,000
West Marin TP Solids Handling Facility	200,000	500,000
School Road Pump Station Relocation	100,000	500,000
Other Projects (less than \$500K)	2,778,000	2,555,000
Gross Project Outlay	\$8,378,000	\$15,155,000
Less Grant, Loan & Caltrans Funding	(4,800,000)	(11,100,000)
Net Project Outlay (internally funded)	\$3,578,000	\$4,055,000

Staffing

Staffing is budgeted at 50.5 full-time equivalent (FTE) employees, down 1.0 FTE (2%) from the prior year, and down 8.6 FTE (15%) from the staffing level adopted in the FY08 budget.

Debt Service

Principal and interest payments totaling \$2.4 million are budgeted as the annual obligation on \$34 million in outstanding debt, comprised of:

- 1) \$13.8 million 2.4% State Revolving Fund (SRF) loan used to finance the Stafford Water Treatment Plant Rehabilitation;
- 2) \$9.5 million 2.6% SRF loans used to finance the recycled water distribution system;
- 3) \$7.5 million 3.5% bank loan used to finance the Aqueduct Energy Efficiency Project and West Marin Treatment Plant Solids-Handling Facility;
- 4) \$3.2 million 2.4% SRF loan used to finance the Deer Island Recycled Water Facility;
- 5) Five 5% loans totaling \$265,000 used to finance various improvements in the 1970's and early 1980's.

Acknowledgement

The Budget represents the continued effort and guidance of the Board and staff, in particular, the District's Supervisors and Department Managers. Thanks to all involved for their thoughtful input into the budget process.

Sincerely,


Chris DeGabriele
General Manager


David L. Bentley
Auditor-Controller

ORGANIZATION FACT SHEET

July 2013

Organization:

5 Directors elected at large for 4-year terms

Rick Fraites, President

Dennis Rodoni, Vice President

Jack Baker

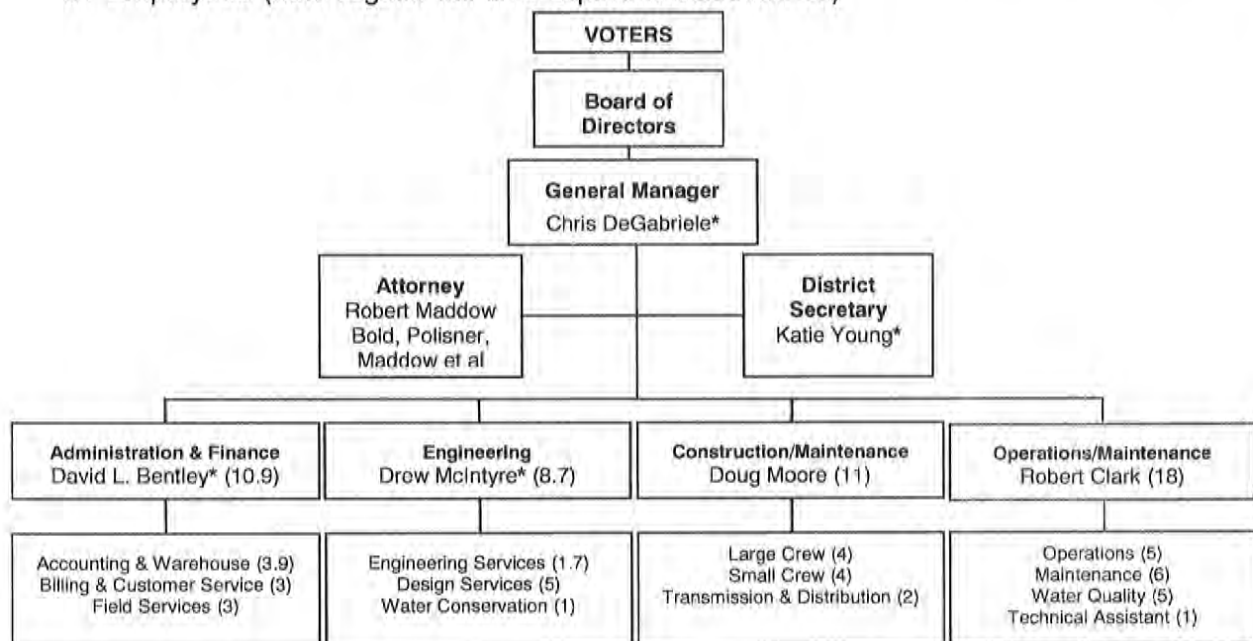
Stephen Petterle

John C. Schoonover

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

4 Departments

51 Employees (50.5 regular full-time-equivalent authorized)



* Also serves as District Officer

Authority:

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

Territory:

100 square miles (see attached map)

Distribution System Expansion Policy:

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

INTRODUCTION

This document contains the fiscal year 2013/14 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.

NMWD EMPLOYEE VALUES

Good Water, Good Service, Good Value and a Safe Place to Work

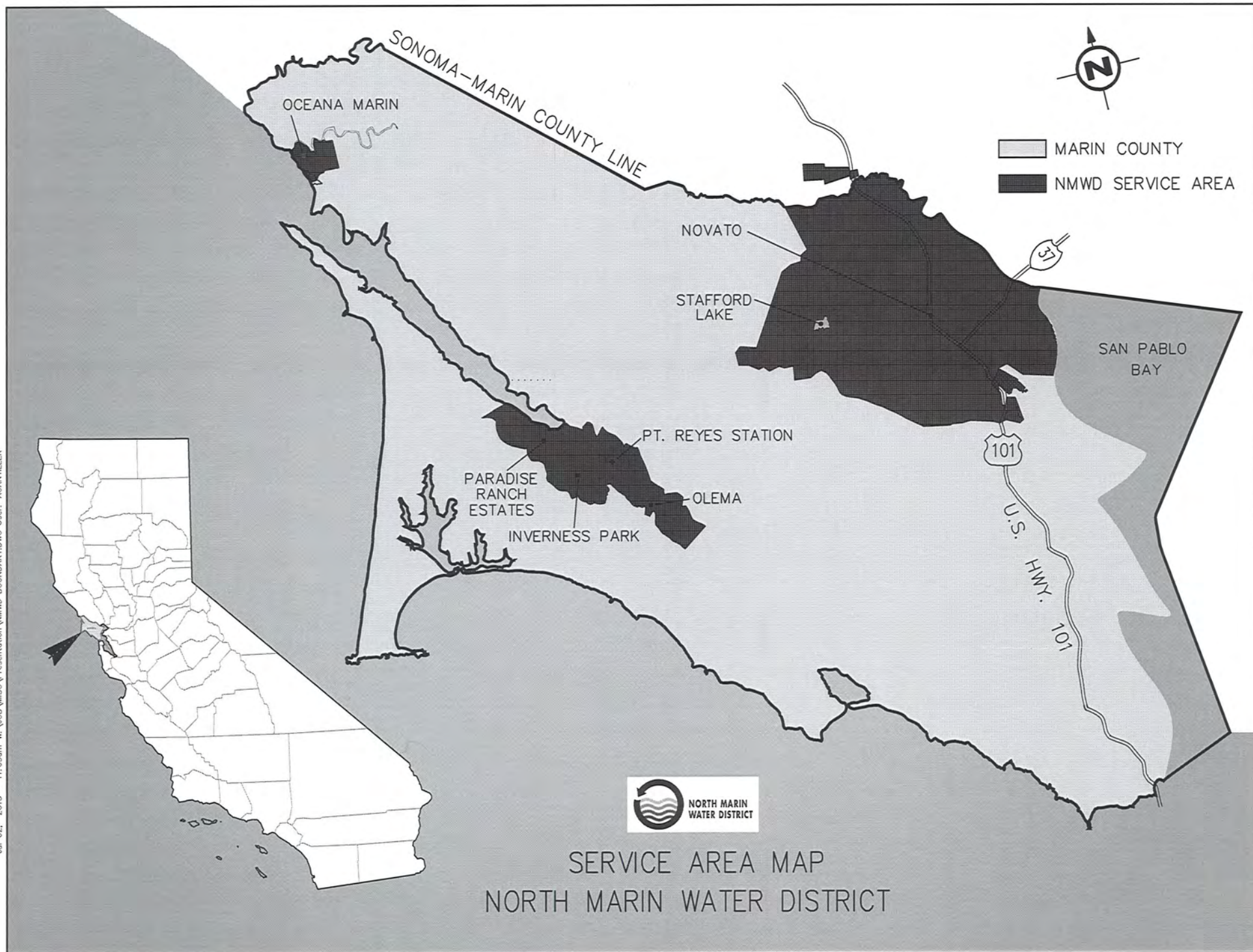


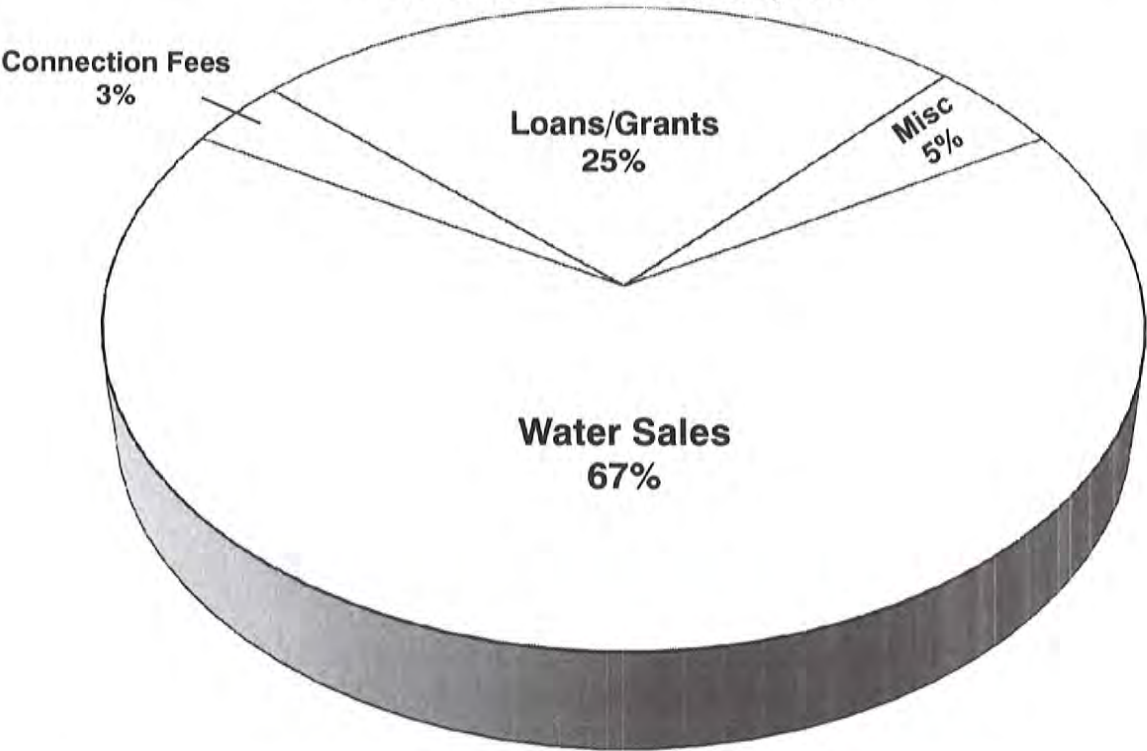
TABLE OF CONTENTS
NORTH MARIN WATER DISTRICT
FISCAL YEAR 2013/14 WATER AND SEWER BUDGETS

Source and Use of Funds Pie Chart – All Service Areas Combined	1
Budget Summary - All Service Areas Combined	2
Budgeted Expenditures by Category	3
 Novato Water Budget Summary	 4
Novato Water Five-Year Financial Forecast	5
Novato Water Operating Budget Detail.....	6
 Novato Recycled Water Budget Summary.....	 9
 West Marin Water Budget	 10
West Marin Water Five-Year Financial Forecast	11
 Oceana Marin Sewer Budget	 13
Oceana Marin Sewer Five-Year Financial Forecast.....	14

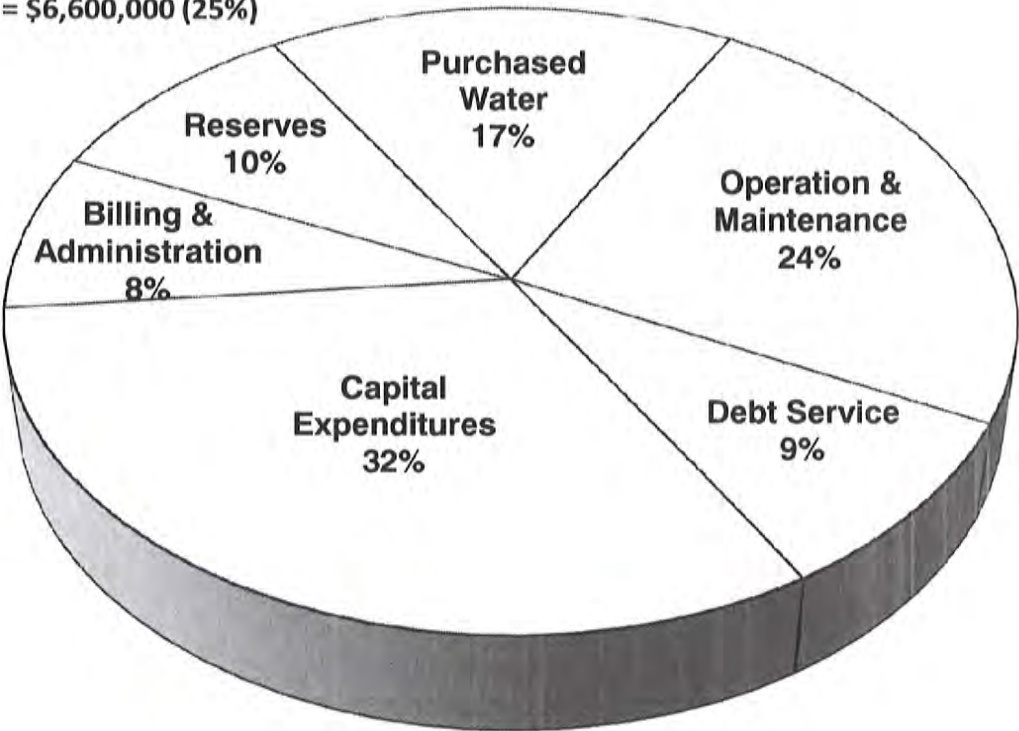
EQUIPMENT AND CAPITAL IMPROVEMENT PROJECTS

Capital Equipment Expenditures	16
<u>Capital Improvement Projects</u>	
- Novato Water System	17
- Recycled Water System	19
- West Marin Water System.....	19
- Oceana Marin Sewer System.....	20

NORTH MARIN WATER DISTRICT
FY14 APPROVED BUDGET - ALL SERVICE AREAS COMBINED
SOURCES = \$26,803,000



Labor = \$6,600,000 (25%)



USES = \$26,803,000

NORTH MARIN WATER DISTRICT
BUDGET SUMMARY - ALL SERVICE AREAS COMBINED
Fiscal Year 2013/14

	Approved Budget 2013/14	Estimated Actual 2012/13	Adopted Budget 2012/13
OPERATING INCOME			
1 Water Sales	\$17,837,000	\$17,189,000	\$16,072,000
2 Sewer Service Charges	178,000	158,000	158,000
3 Wheeling & Misc Service Charges	570,000	766,000	448,000
4 Total Operating Income	\$18,585,000	\$18,113,000	\$16,678,000
OPERATING EXPENDITURES			
5 Source of Supply	\$4,696,000	\$5,374,000	\$4,557,000
6 Pumping	375,000	314,000	378,000
7 Operations	669,000	708,000	575,000
8 Water Treatment	1,994,000	1,877,000	1,925,000
9 Sewer Service	129,000	126,000	108,000
10 Transmission & Distribution	2,751,000	2,351,000	2,668,000
11 Consumer Accounting	566,000	551,000	570,000
12 Water Conservation	404,000	251,000	404,000
13 General & Administrative	1,583,000	1,394,000	1,499,000
14 Depreciation Expense	2,879,000	2,716,000	2,719,000
15 Total Operating Expenditures	\$16,046,000	\$15,662,000	\$15,403,000
16 NET OPERATING INCOME (LOSS)	\$2,539,000	\$2,451,000	\$1,275,000
NON-OPERATING INCOME/(EXPENSE)			
17 Tax Proceeds	\$93,000	\$97,000	\$95,000
18 Interest Revenue	96,000	54,000	128,000
19 Interest Expense	(912,000)	(775,000)	(828,000)
20 Miscellaneous Revenue/(Expense)	105,000	145,000	117,000
21 Total Non-Operating Income/(Expense)	(\$618,000)	(\$479,000)	(\$488,000)
NET INCOME/(LOSS)	\$1,921,000	\$1,972,000	\$787,000
OTHER SOURCES/(USES) OF FUNDS			
22 Add Depreciation Expense	\$2,879,000	\$2,716,000	\$2,719,000
23 Connection Fees	936,000	895,000	921,000
24 Loans/Grants	6,771,000	5,289,000	6,860,000
25 Stone Tree Golf Principal Repayment	197,000	192,000	192,000
26 Capital Equipment Expenditures	(231,000)	(199,000)	(233,000)
27 Capital Improvement Projects	(8,378,000)	(8,818,000)	(9,622,000)
28 Debt Principal Payments	(1,529,000)	(1,340,000)	(1,334,000)
29 Total Other Sources/(Uses)	\$645,000	(\$1,265,000)	(\$497,000)
30 NET SURPLUS/(DEFICIT)	\$2,566,000	\$707,000	\$290,000

NORTH MARIN WATER DISTRICT
FY 2013/14 BUDGETED EXPENDITURES BY CATEGORY

	FY14	Novato	Novato	West	Oceana	FY13	FY14/FY13	FY13	FY14/
Operating Expense	Budget	Potable	Recycled	Marin Wtr	Marin Swr	Budget	Budget %	Est Actual	FY13 E/A %
1 Salaries & Benefits	\$5,906,000	\$5,648,000	\$62,000	\$181,000	\$15,000	\$5,571,000	6%	\$5,531,000	7%
2 Water Purchases	4,552,000	4,370,000	182,000	0	0	4,399,000	3%	5,192,000	(12%)
3 Depreciation	2,879,000	2,400,000	280,000	150,000	49,000	2,719,000	6%	2,730,000	5%
4 Materials, Services & Supplies	1,628,000	1,435,000	29,000	68,000	96,000	1,413,000	15%	1,227,000	33%
5 Chemicals	445,000	425,000	15,000	5,000	0	460,000	(3%)	346,000	29%
6 Electric Power	391,000	333,000	2,000	41,000	15,000	399,000	(2%)	425,000	(8%)
7 Vehicles & Equipment (Distrib)	236,000	216,000	1,000	17,000	2,000	231,000	2%	238,000	(1%)
8 Tools & Supplies (Distrib)	173,000	160,000	3,000	9,000	1,000	255,000	(32%)	159,000	9%
9 Retiree Medical Expense	157,000	157,000	0	0	0	172,000	(9%)	177,000	(11%)
10 Office Supplies & Postage	116,000	116,000	0	0	0	109,000	6%	91,000	27%
11 Insurance & Claims	101,000	98,000	0	0	3,000	104,000	(3%)	79,000	28%
12 Water Conservation Rebates	90,000	89,000	0	1,000	0	104,000	(13%)	56,000	61%
13 Overhead Charge (Gain)/Loss	(265,000)	(265,000)	0	0	0	(202,000)	31%	(197,000)	35%
14 Distributed Costs	(363,000)	(495,000)	36,000	78,000	18,000	(331,000)	10%	(392,000)	(7%)
15 Total Operating Expense	\$16,046,000	\$14,687,000	\$610,000	\$550,000	\$199,000	\$15,403,000	4%	\$15,662,000	2%
16 Interest Expense & Other	991,000	570,000	370,000	51,000	0	848,000	17%	996,000	(1%)
17 Total Expense	\$17,037,000	\$15,257,000	\$980,000	\$601,000	\$199,000	\$16,251,000	5%	\$16,658,000	2%
Warehouse, Shop & Yard									
18 Salaries and Benefits	\$314,000	\$314,000	\$0	\$0	\$0	\$286,000	10%	\$233,000	35%
19 Materials, Services & Supplies	284,000	284,000	0	0	0	281,000	1%	380,000	(25%)
20 Distributed Costs	(598,000)	(598,000)	0	0	0	(567,000)	5%	(613,000)	(2%)
21 Total W/H, Shop & Yard	\$0	\$0	\$0	\$0	\$0	\$0	-	\$0	-
District Capital Outlay									
22 Salaries and Benefits	\$767,000	\$675,000	\$17,000	\$67,000	\$8,000	\$665,000	15%	\$916,000	(16%)
23 Equipment	231,000	231,000	0	0	0	233,000	(1%)	199,000	16%
24 Debt Principal Payments	1,529,000	1,099,000	366,000	64,000	0	1,334,000	15%	1,340,000	14%
25 Materials, Services & Supplies	7,611,000	7,018,000	183,000	368,000	42,000	8,957,000	(15%)	8,162,000	(7%)
26 Total District Capital Outlay	\$10,138,000	\$9,023,000	\$566,000	\$499,000	\$50,000	\$11,189,000	(9%)	\$10,617,000	(5%)
Developer Funded Projects									
27 Salaries & Benefits	\$212,000	\$180,000	\$0	\$26,000	\$6,000	\$265,000	(20%)	\$142,000	49%
28 Materials, Services & Supplies	276,000	249,000	0	24,000	3,000	355,000	(22%)	176,000	57%
29 Total Developer Projects	\$488,000	\$429,000	\$0	\$50,000	\$9,000	\$620,000	(21%)	\$318,000	53%
30 Total	\$27,663,000	\$24,709,000	\$1,546,000	\$1,150,000	\$258,000	\$28,060,000	(1%)	\$27,593,000	0%

NOVATO WATER
BUDGET SUMMARY
Fiscal Year 2013/14

	Approved Budget 2013/14	Estimated Actual 2012/13	Adopted Budget 2012/13
OPERATING INCOME			
1 Water Sales	\$16,498,000	\$16,193,000	\$15,150,000
2 Wheeling & Misc Service Charges	564,000	761,000	443,000
3 Total Operating Income	\$17,062,000	\$16,954,000	\$15,593,000
OPERATING EXPENDITURES			
4 Source of Supply	\$4,493,000	\$5,329,000	\$4,461,000
5 Pumping	334,000	286,000	337,000
6 Operations	599,000	613,000	523,000
7 Water Treatment	1,819,000	1,711,000	1,732,000
8 Transmission & Distribution	2,616,000	2,188,000	2,536,000
9 Consumer Accounting	538,000	528,000	542,000
10 Water Conservation	400,000	247,000	400,000
11 General Administration	1,488,000	1,315,000	1,409,000
12 Depreciation Expense	2,400,000	2,360,000	2,360,000
13 Total Operating Expenditures	\$14,687,000	\$14,577,000	\$14,300,000
14 NET OPERATING INCOME (LOSS)	\$2,375,000	\$2,377,000	\$1,293,000
NON-OPERATING INCOME/(EXPENSE)			
15 Interest Revenue	\$87,000	\$212,000	\$60,000
16 Interest Expense	(550,000)	(577,000)	(582,000)
17 Miscellaneous Revenue/(Expense)	109,000	139,000	113,000
18 Total Non-Operating Income/(Expense)	(\$354,000)	(\$226,000)	(\$409,000)
19 NET INCOME/(LOSS)	\$2,021,000	\$2,151,000	\$884,000
OTHER SOURCES/(USES) OF CASH			
20 Add Depreciation Expense	\$2,400,000	\$2,360,000	\$2,360,000
21 Connection Fees	860,000	871,000	860,000
22 Caltrans AEEP Reimbursement	2,200,000	0	0
23 Capital Equipment Expenditures	(231,000)	(199,000)	(233,000)
24 Capital Improvement Projects	(7,693,000)	(1,577,000)	(3,107,000)
25 Debt Principal Payments	(1,099,000)	(1,072,000)	(1,069,000)
26 Loan (To)/Repayment From RWS	4,347,000	(1,060,000)	1,712,000
27 Connection Fee Transfer to RWS	(536,000)	(419,000)	(467,000)
28 Total Other Sources/(Uses)	\$248,000	(\$1,096,000)	\$56,000
29 CASH INCREASE/(DECREASE)	\$2,269,000	\$1,055,000	\$940,000

NOVATO WATER **5-YEAR FINANCIAL FORECAST**

Fiscal Year Ending June 30 >		Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
SERVICES						
1	Active Meters @ Fiscal Year End	20,550	20,580	20,610	20,640	20,670
2	Increase for Year - Active Meters	50	30	30	30	30
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	\$16,498	\$17,010	\$17,510	\$18,050	\$18,590
7	Wheeling & Other Misc Service Charges	1,044	562	562	562	562
8	Total Operating Revenue	\$17,542	\$17,572	\$18,072	\$18,612	\$19,152
OPERATING EXPENSE						
9	Russian River Water	\$4,370	\$4,920	\$5,263	\$5,632	\$6,026
10	Overheaded Operating Labor	5,648	5,820	5,990	6,170	6,360
11	Purification Chemicals	425	487	501	516	532
12	Electric Power	333	329	343	354	367
13	Other Operating Expenses	1,511	1,541	1,572	1,603	1,635
14	Depreciation	2,400	2,420	2,440	2,460	2,480
15	Total Operating Expense	\$14,687	\$15,517	\$16,109	\$16,734	\$17,399
NON-OPERATING REVENUE/(EXPENSE)						
16	Interest Revenue	\$87	\$130	\$90	\$110	\$120
17	Interest Expense	(550)	(539)	(511)	(483)	(455)
18	Misc Other Revenue/(Expense)	109	110	110	110	110
19	Total Non-Op Revenue/(Expense)	(\$354)	(\$299)	(\$311)	(\$263)	(\$225)
20	Net Income	\$2,501	\$1,756	\$1,652	\$1,615	\$1,528
OTHER SOURCES/(USES) OF FUNDS						
21	Add Depreciation Expense	\$2,400	\$2,420	\$2,440	\$2,460	\$2,480
22	Connection Fees	860	1,430	1,430	1,430	1,430
23	Capital Equipment Purchases	(231)	(260)	(265)	(270)	(275)
24	Capital Improvement Projects (Net)	(5,493)	(7,200)	(1,900)	(1,900)	(1,900)
25	Debt Principal Payments	(1,099)	(1,110)	(1,138)	(1,166)	(1,176)
26	Loan Repayment From Recycled Water	4,347	0	0	0	0
27	FRC Funds Transferred to Recycled Water	(536)	(740)	(740)	(740)	(740)
28	Total Other Sources/(Uses)	\$248	(\$5,460)	(\$173)	(\$186)	(\$181)
29	Total Cash Generated	\$2,749	(\$3,704)	\$1,479	\$1,428	\$1,347
30	Ending Reserve Balance	\$12,833	\$9,129	\$10,607	\$12,035	\$13,382
31	Target Reserve Balance (90% Op Exp)	\$11,058	\$11,787	\$12,302	\$12,847	\$13,427
32	% Rate Increase¹	11.0%	3.0%	3.0%	3.0%	3.0%
33	Median Monthly Single-Family Residential Bill	\$55	\$56	\$58	\$60	\$62

¹ Fiscal year 2014 Rate Increase approved by Board. FY 2015 through 2018 are projections for financial forecasting purposes only - not yet considered by the Board of Directors.

NOVATO WATER OPERATING BUDGET DETAIL**Fiscal Year 2013/14**

	Approved Budget 13/14	Estimated Actual 12/13	Adopted Budget 12/13	Actual 11/12	Actual 10/11	Actual 09/10	Actual 08/09	Actual 07/08
STATISTICS								
1 Active Meters	20,550	20,500	20,550	20,490	20,464	20,438	20,416	20,366
2 Avg Commodity Rate/1,000 Gal (Net)	\$4.58	\$4.25	\$4.31	\$4.05	\$3.82			
3 Potable Consumption (BG)	2.70	2.99	2.70	2.82	2.79	2.87	3.29	3.29
OPERATING INCOME								
4 Water Sales	\$16,650,000	\$16,330,000	\$15,150,000	\$14,220,429	\$12,727,649	\$11,251,832	\$11,067,484	\$10,384,740
5 Bill Adjustments	(152,000)	(137,000)	0	(58,770)	(66,248)			
6 Sales to MMWD	0	0	0	0	0	0	351,154	0
7 Wheeling Charges-MMWD	322,000	535,000	252,000	58,802	53,662	67,180	75,090	76,588
8 SCWA Water Conservation Reimb	0	0	0	0	0	21,450	0	359,748
9 Miscellaneous Service Revenue	242,000	226,000	191,000	197,752	145,787	140,796	145,663	161,238
10 TOTAL OPERATING INCOME	\$17,062,000	\$16,954,000	\$15,593,000	\$14,418,213	\$12,860,850	\$11,481,258	\$11,639,391	\$10,982,314
OPERATING EXPENSE								
SOURCE OF SUPPLY								
11 Supervision & Engineering	\$15,000	\$9,000	\$15,000	\$9,064	\$8,965	\$2,007	\$2,120	\$2,391
12 Operating Expense - Source	7,000	6,000	11,000	11,488	5,927	5,745	4,702	3,109
13 Maintenance/Monitoring of Dam	34,000	44,000	28,000	25,716	8,290	8,741	7,583	6,078
14 Maintenance of Lake & Intakes	16,000	15,000	16,000	10,377	8,619	8,072	7,990	3,063
15 Maintenance of Watershed	38,000	22,000	39,000	8,188	2,152	7,352	28,126	9,177
16 Water Purchased for Resale to MMWD	0	0	0	0	0	0	171,447	0
17 Water Quality Surveillance	13,000	13,000	12,000	16,385	12,377	13,138	8,448	9,272
18 Contract Water - SCWA	4,370,000	5,220,000	4,340,000	5,047,469	3,790,789	3,441,147	3,728,052	3,738,218
19 TOTAL SOURCE OF SUPPLY	\$4,493,000	\$5,329,000	\$4,461,000	\$5,128,687	\$3,837,119	\$3,486,202	\$3,958,468	\$3,771,308
PUMPING								
20 Operating Expense	\$5,000	\$0	\$7,000	\$0	\$641	\$8,367	\$8,567	\$13,333
21 Maintenance of Structures/Grounds	36,000	25,000	37,000	29,042	17,153	18,600	23,080	15,909
22 Maintenance of Pumping Equipment	69,000	36,000	62,000	50,797	17,354	10,751	8,807	61,907
23 Electric Power - Pumping	224,000	225,000	231,000	204,927	233,222	200,318	249,190	227,916
24 TOTAL PUMPING	\$334,000	\$286,000	\$337,000	\$284,766	\$268,370	\$238,036	\$289,644	\$319,065
OPERATIONS								
25 Supervision & Engineering	\$236,000	\$189,000	\$143,000	\$185,838	\$185,361	\$176,082	\$168,202	\$188,926
26 Operating Expense	191,000	268,000	199,000	255,272	191,713	212,126	235,230	127,350
27 Maintenance Expense	81,000	102,000	92,000	105,545	94,633	84,121	89,775	112,461
28 Telemetry Equipment/Controls Maint	70,000	37,000	68,000	67,936	83,047	67,051	39,201	37,610
29 Leased Line Expense	21,000	17,000	21,000	18,930	20,841	20,547	20,342	19,601
30 TOTAL OPERATIONS	\$599,000	\$613,000	\$523,000	\$633,521	\$575,595	\$559,927	\$552,750	\$485,948

NOVATO WATER OPERATING BUDGET DETAIL**Fiscal Year 2013/14**

	Approved Budget 13/14	Estimated Actual 12/13	Adopted Budget 12/13	Actual 11/12	Actual 10/11	Actual 09/10	Actual 08/09	Actual 07/08
WATER TREATMENT								
31 Supervision & Engineering	\$137,000	\$113,000	\$69,000	\$100,916	\$121,459	\$122,312	\$113,175	\$99,218
32 Operating Expense	252,000	302,000	273,000	206,957	320,882	365,305	247,309	357,877
33 Purification Chemicals	425,000	305,000	425,000	253,797	464,140	415,486	293,888	221,597
34 Sludge Disposal	90,000	100,000	83,000	100,861	84,618	69,209	40,163	49,299
35 Maintenance of Structures/Grounds	78,000	48,000	82,000	82,839	71,772	83,411	115,686	91,550
36 Purification Equipment Maintenance	122,000	135,000	132,000	136,782	105,217	157,642	204,217	203,622
37 Electric Power - Treatment	109,000	109,000	108,000	114,184	128,913	129,930	99,184	113,732
38 Laboratory Expense (net)	606,000	599,000	560,000	568,124	517,044	495,239	479,970	398,173
39 TOTAL WATER TREATMENT	\$1,819,000	\$1,711,000	\$1,732,000	\$1,564,460	\$1,814,045	\$1,838,534	\$1,593,592	\$1,535,068
TRANSMISSION & DISTRIBUTION								
40 Supervision & Engineering	\$587,000	\$428,000	\$490,000	\$423,813	\$466,110	\$528,659	\$560,968	\$524,345
41 Maps & Records	125,000	102,000	131,000	96,058	74,154	98,187	74,786	105,509
42 Operation of T&D System	474,000	468,000	411,000	478,959	422,375	448,650	420,639	439,348
43 Storage Facilities Expense	134,000	84,000	155,000	140,564	158,247	164,316	149,759	129,944
44 Maintenance of Valves & Regulators	161,000	126,000	256,000	132,239	190,866	190,255	131,094	107,354
45 Maintenance of Mains	117,000	94,000	154,000	49,922	146,814	102,633	108,752	143,525
46 Backflow Prevention Program	117,000	100,000	88,000	84,714	124,121	93,754	86,630	108,835
47 Maintenance of Copper Services	201,000	175,000	202,000	190,698	164,388	199,807	211,630	181,161
48 Maintenance of PB Service Lines	448,000	481,000	377,000	443,509	347,802	263,714	250,024	287,813
49 Maintenance of Meters	144,000	92,000	158,000	135,900	146,170	143,691	148,112	135,370
50 Detector Check Assembly Maint	53,000	8,000	54,000	38,361	36,509	41,557	30,488	26,483
51 Maintenance of Hydrants	55,000	30,000	60,000	33,980	50,354	77,038	62,794	74,700
52 TOTAL TRANSMISSION & DISTRIB	\$2,616,000	\$2,188,000	\$2,536,000	\$2,248,717	\$2,327,910	\$2,352,261	\$2,235,676	\$2,264,387
CONSUMER ACCOUNTING								
53 Meter Reading & Collection	\$181,000	\$180,000	\$167,000	\$170,589	\$142,581	\$142,956	\$140,851	\$132,653
54 Billing & Accounting	248,000	250,000	270,000	282,702	282,046	260,428	236,740	225,062
55 Contract Billing	19,000	18,000	19,000	18,231	18,285	18,590	18,504	18,513
56 Postage & Supplies	67,000	61,000	67,000	63,359	70,347	64,698	58,062	51,960
57 Uncollectible Accounts	23,000	24,000	28,000	26,685	32,723	35,190	28,022	13,507
58 Office Equipment Expense	15,000	8,000	6,000	8,690	9,835	5,048	14,471	14,585
59 Distributed to Other Operations	(15,000)	(13,000)	(15,000)	(15,726)	(15,762)	(15,694)	(15,147)	(14,205)
60 TOTAL CONSUMER ACCOUNTING	\$538,000	\$528,000	\$542,000	\$554,530	\$540,055	\$511,216	\$481,503	\$442,075

NOVATO WATER OPERATING BUDGET DETAIL**Fiscal Year 2013/14**

	Approved Budget 13/14	Estimated Actual 12/13	Adopted Budget 12/13	Actual 11/12	Actual 10/11	Actual 09/10	Actual 08/09	Actual 07/08
WATER CONSERVATION								
61 Residential	\$298,000	\$205,000	\$298,000	\$213,883	\$338,093	\$438,668	\$438,588	\$457,600
62 Commercial	25,000	1,000	25,000	1,414	15,423	2,707	28,344	9,415
63 Public Outreach/Information	50,000	27,000	50,000	41,251	19,047	26,548	20,679	27,483
64 Large Landscape	27,000	14,000	27,000	13,780	10,337	10,695	19,649	26,120
TOTAL WATER CONSERVATION	\$400,000	\$247,000	\$400,000	\$270,328	\$382,900	\$478,618	\$507,260	\$520,618
GENERAL & ADMINISTRATION								
65 Director's Expense	\$15,000	\$14,000	\$15,000	\$15,000	\$15,100	\$16,200	\$15,000	\$14,600
66 Legal Fees	11,000	7,000	11,000	7,098	8,572	59,818	9,933	7,824
67 Auditing Services	21,000	21,000	21,000	28,900	27,800	31,100	30,000	22,000
68 Human Resources	32,000	35,000	31,000	21,860	32,112	33,080	31,848	26,923
69 Consulting Services/Studies	100,000	51,000	44,000	34,731				
70 General Office Salaries	1,215,000	1,225,000	1,196,000	1,252,684	1,177,170	1,166,410	1,125,232	1,020,823
71 Office Supplies	57,000	39,000	50,000	22,743	38,870	47,363	56,621	32,193
72 Employee Events	10,000	7,000	8,000	5,931	4,469	11,366	3,881	4,585
73 Other Administrative Expense	18,000	19,000	16,000	17,254	17,414	20,090	21,313	20,246
74 Election Cost	73,000	0	0	250	0	250	0	51,262
75 Dues & Subscriptions	52,000	50,000	50,000	49,260	47,775	49,208	42,004	40,738
76 Vehicle Expense	8,000	8,000	8,000	8,118	8,112	8,112	8,112	8,193
77 Meetings, Conf & Training	171,000	108,000	154,000	97,626	101,472	114,985	112,985	107,411
78 Telephone, Water, Gas & Electricity	26,000	22,000	31,000	26,172	29,012	27,203	29,595	30,018
79 Building & Grounds Maintenance	44,000	41,000	34,000	36,438	35,902	53,907	44,268	47,389
80 Office Equipment Expense	99,000	79,000	87,000	89,291	74,325	85,550	91,052	78,962
81 Insurance Premiums & Claims	98,000	77,000	101,000	113,556	118,451	117,023	132,928	198,297
82 Retiree Medical Benefits	157,000	170,000	172,000	160,725	147,084	138,105	182,220	182,003
83 G&A Applied to Construction Projects	(362,000)	(392,000)	(331,000)	(327,881)	(269,439)	(153,213)	(224,590)	(212,502)
84 G&A Distributed to Other Operations	(92,000)	(79,000)	(89,000)	(101,630)	(104,515)	(100,811)	(92,969)	(86,742)
85 Expensed Improvement Projects	0	0	0	0	122,785	1,220,617	1,277,995	959,475
86 Expensed Equipment Purchases	0	0	0	3,383	29,993	31,266	34,204	8,531
87 (Gain)/Loss on Overhead Charges	(265,000)	(187,000)	(200,000)	(297,783)	(172,628)	(214,770)	(157,888)	(277,413)
TOTAL GENERAL & ADMINISTRATION	\$1,488,000	\$1,315,000	\$1,409,000	\$1,263,726	\$1,489,836	\$2,762,859	\$2,773,744	\$2,284,816
88 Depreciation Expense	\$2,400,000	\$2,360,000	\$2,360,000	\$2,372,380	\$2,309,166	\$2,312,339	\$2,087,598	\$1,530,000
89 TOTAL OPERATING EXPENSE	\$14,687,000	\$14,577,000	\$14,300,000	\$14,321,115	\$13,544,996	\$14,539,992	\$14,480,235	\$13,153,285
90 NET OPERATING INCOME/(LOSS)	\$2,375,000	\$2,377,000	\$1,293,000	\$97,098	(\$684,146)	(\$3,058,734)	(\$2,840,844)	(\$2,170,971)

NOVATO RECYCLED WATER
BUDGET SUMMARY
Fiscal Year 2013/14

	Approved Budget 2013/14	Estimated Actual 2012/13	Adopted Budget 2012/13
OPERATING INCOME			
1 Recycled Water Sales	\$577,000	\$265,000	\$255,000
2 Bimonthly Service Charge	10,000	7,000	6,000
3 Total Operating Income	\$587,000	\$272,000	\$261,000
OPERATING EXPENDITURES			
4 Purchased Water - NSD	\$114,000	\$11,000	\$41,000
5 Purchased Water - LGVSD	68,000	10,000	18,000
6 Pumping	2,000	0	2,000
7 Operations	38,000	63,000	22,000
8 Water Treatment	50,000	62,000	81,000
9 Transmission & Distribution	32,000	38,000	27,000
10 General Administration	26,000	16,000	18,000
11 Depreciation	280,000	164,000	165,000
12 Total Operating Expenditures	\$610,000	\$364,000	\$374,000
13 NET OPERATING INCOME (LOSS)	(\$23,000)	(\$92,000)	(\$113,000)
NON-OPERATING INCOME/(EXPENSE)			
14 Interest Revenue	\$0	\$0	\$0
15 Stone Tree Golf Interest Payments	54,000	59,000	59,000
16 Interest Exp - Advance from Novato	(49,000)	(221,000)	0
17 RWF SRF Loan Interest Expense	(73,000)	(82,000)	(82,000)
18 RW Expansion SRF Loan Interest Exp	(248,000)	(72,000)	(120,000)
19 Total Non-Operating Income/(Expense)	(\$316,000)	(\$316,000)	(\$143,000)
20 NET INCOME/(LOSS)	(\$339,000)	(\$408,000)	(\$256,000)
OTHER SOURCES/(USES) OF FUNDS			
21 Add Depreciation Expense	\$280,000	\$164,000	\$165,000
22 Fed Grant/SRF Loan - RWS Expansion	4,571,000	5,289,000	6,860,000
23 Connection Fees Trsf'd from Novato	536,000	419,000	467,000
24 Stone Tree Golf Principal Repayment	197,000	192,000	192,000
25 Capital Improvement Projects	(200,000)	(6,525,000)	(5,525,000)
26 RWF SRF Loan Principal Payments	(200,000)	(191,000)	(191,000)
27 SRF Expansion Loan Principal Payments	(166,000)	0	0
28 Loan From/(Repayment to) Novato	(4,347,000)	1,060,000	(1,712,000)
29 Total Other Souces/(Uses)	\$671,000	\$408,000	\$256,000
30 NET SURPLUS/(DEFICIT)	\$332,000	\$0	\$0

WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 2013/14

	Approved Budget 2013/14	Estimated Actual 2012/13	Adopted Budget 2012/13
OPERATING INCOME			
1 Water Sales	\$752,000	\$724,000	\$661,000
2 Misc Service Charges	6,000	5,000	5,000
3 Total Operating Income	\$758,000	\$729,000	\$666,000
OPERATING EXPENDITURES			
4 Source of Supply	\$21,000	\$24,000	\$37,000
5 Pumping	39,000	28,000	39,000
6 Operations	32,000	32,000	30,000
7 Water Treatment	125,000	104,000	112,000
8 Transmission & Distribution	103,000	125,000	105,000
9 Consumer Accounting	26,000	21,000	26,000
10 Water Conservation	4,000	4,000	4,000
11 General Administration	50,000	45,000	51,000
12 Depreciation Expense	150,000	149,000	153,000
13 Total Operating Expenditures	\$550,000	\$532,000	\$557,000
14 NET OPERATING INCOME (LOSS)	\$208,000	\$197,000	\$109,000
NON-OPERATING REVENUE/(EXPENSE)			
15 PR-2 County Tax Allocation	\$43,000	\$45,000	\$45,000
16 OL-2 Bond Tax	4,000	4,000	4,000
17 Interest Revenue	3,000	3,000	6,000
18 Bond & Loan Interest Expense	(41,000)	(44,000)	(44,000)
19 Miscellaneous Revenue/(Expense)	(5,000)	6,000	3,000
20 Total Non-Operating Income/(Expense)	\$4,000	\$14,000	\$14,000
21 NET INCOME/(LOSS)	\$212,000	\$211,000	\$123,000
OTHER SOURCES/(USES) OF FUNDS			
22 Add Depreciation Expense	\$150,000	\$149,000	\$153,000
23 Connection Fees	46,000	5,000	46,000
24 Capital Improvement Projects	(435,000)	(475,000)	(670,000)
25 Bond & Loan Principal Payments	(64,000)	(77,000)	(74,000)
26 Total Other Sources/(Uses)	(\$303,000)	(\$398,000)	(\$545,000)
27 NET SURPLUS/(DEFICIT)	(\$91,000)	(\$187,000)	(\$422,000)

WEST MARIN WATER

5-Year Financial Forecast

#	BASIC DATA	Actual 2010/11	Actual 2011/12	Estimated 2012/13	Approved 2013/14	Projected 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18
1	Active Meters	770	777	776	778	780	782	784	786
2	Avg Commodity Rate/1,000 Gal	\$6.59	\$6.97	\$7.60	\$7.79	\$8.17	\$8.57	\$9.00	\$9.45
3	Potable Consumption (MG)	74	74	77	75	75	75	75	75
INCOME									
4	Commodity Charge	\$489,493	\$518,217	\$585,000	\$584,000	\$613,000	\$643,000	\$675,000	\$709,000
5	Minimum Service Charge	94,214	115,584	139,000	168,000	177,000	186,000	196,000	206,000
6	Connection Fee	16,150	36,600	5,000	46,000	46,000	46,000	46,000	46,000
7	PR-2 County Tax Allocation	38,446	40,598	45,000	43,000	44,000	45,000	46,000	47,000
8	PR-3 G.O. Bond Tax	13,803	13,938	0	0	0	0	0	0
9	OL-2 G.O. Bond Tax	3,528	3,757	4,000	4,000	0	0	0	0
10	Interest	0	0	3,000	3,000	2,000	1,000	2,000	2,000
11	Miscellaneous	(18,491)	4,921	11,000	11,000	11,000	11,000	11,000	11,000
12	TOTAL INCOME	\$637,143	\$733,615	\$792,000	\$859,000	\$893,000	\$932,000	\$976,000	\$1,021,000
EXPENDITURES									
13	Operating Expenditures	\$381,224	\$382,948	\$383,000	\$410,000	\$412,000	\$424,000	\$437,000	\$450,000
14	Bond & Loan Debt Service	48,105	55,597	121,000	105,000	106,000	101,000	225,000	223,000
15	Interdistrict Loan Interest	4,969	5,918	0	0	0	0	0	0
16	TOTAL EXPENDITURES	\$434,298	\$444,463	\$504,000	\$515,000	\$518,000	\$525,000	\$662,000	\$673,000
NET INCOME		\$202,845	\$289,152	\$288,000	\$344,000	\$375,000	\$407,000	\$314,000	\$348,000
OTHER SOURCES/(USES)									
17	Capital Improvement Projects	(136,485)	(145,027)	(475,000)	(435,000)	(620,000)	(300,000)	(1,850,000)	(120,000)
18	Loan Proceeds	0	1,000,000	0	0	0	0	1,600,000	0
19	Loan from (Repayment to) Novato	(63,332)	(356,968)	0	0	0	0	0	0
20	Net Change in Working Capital	(13,013)	(4,575)	0	0	0	0	0	0
21	INCREASE (DECREASE) IN CASH	(\$9,985)	\$782,582	(\$187,000)	(\$91,000)	(\$245,000)	\$107,000	\$64,000	\$228,000
CASH BALANCE									
22	Operating Reserve	\$0	\$0	\$0	\$242,000	\$181,000	\$288,000	\$352,000	\$580,000
23	System Expansion Reserve	0	700,680	514,000	181,000	0	0	0	0
24	Liability Contingency Reserve	0	98,885	99,000	99,000	99,000	99,000	99,000	99,000
25	Bond Redemption Reserve	50,313	33,330	33,000	33,000	30,000	30,000	30,000	30,000
26	TOTAL CASH BALANCE	\$50,313	\$832,895	\$646,000	\$555,000	\$310,000	\$417,000	\$481,000	\$709,000
27	Amount Due to Novato Water	\$356,968	\$0	\$0	\$0	\$0	\$0	\$0	\$0
28	Depreciation Expense	\$147,002	\$150,169	\$149,000	\$150,000	\$157,000	\$167,000	\$172,000	\$203,000

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.
- 2 A commodity rate increase of 5% is proposed effective 7/1/13.
- 3 Projection based on FY13 estimated actual.
- 5 A 20% increase in the Bimonthly Service Charge consistent with Novato Water is proposed effective 7/1/13. Thereafter a 5% annual increase is proposed.
- 6 The connection fee was set at \$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. The Legislature 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. See Note 27 regarding the PR-3 GO Bond.
- 10 Projected available funds invested at 0.40%
- 11 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.
- 13 3% annual increase assumed after FY14.
- 14 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. In July 2012 WM Water was allocated \$1 million from a Bank of Marin loan to finance construction of a Treatment Plant Solids Handling Facility. Commencing FY13 includes repayment of the \$1 million Bank of Marin loan; commencing FY17 includes repayment of a Gallagher Pipeline loan.
- 15 Interest on interdistrict Loan to fund the LRIPP. Debt was fully repaid in June 2012 with Bank of Marin loan.
- 16 Excludes depreciation.
- 17 Capital Improvement Projects. See 5-year Improvement Projects Forecast.
- 18 \$1 million loan from Bank of Marin in June 2012. Assumes Gallagher Pipeline loan proceeds offset the \$1.6 million installation cost.
- 19 Interdistrict loan repayment to fund the West Marin Long Range Improvement Project Plan (LRIPP). Fully repaid in June 2012.
- 22 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 \$128,000 at June 30, 2013, however the funds have been used to subsidize operating deficits resulting from financing capital improvement projects. Future cash generated will accrue to the emergency operating reserve fund until it is whole.
- 23 System Expansion Reserve is composed of connection fee revenue and unexpended Bank of Marin loan funds.
- 24 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. \$8,885 was added in Dec 2006 from sale of 2 surplus parcels in Inverness Park.
- 25 Bond Redemption Reserve is comprised of one year of Revenue Bond debt service (\$30K) for PR-6 & PRE-1 bonds as required by bond covenant plus tax receipts held in the Marin County treasury. The PR-3 GO Bond was fully repaid in January 2013, eliminating the need for its \$15K County Reserve.
- 27 Amount Due to Novato Water at fiscal year end.

OCEANA MARIN SEWER
BUDGET SUMMARY
Fiscal Year 2013/14

	Approved Budget 2013/14	Estimated Actual 2012/13	Adopted Budget 2012/13
OPERATING INCOME			
1 Monthly Sewer Service Charge	\$178,000	\$158,000	\$158,000
2 Misc Service Charges	0	0	0
3 Total Operating Income	\$178,000	\$158,000	\$158,000
OPERATING EXPENDITURES			
4 Sewage Collection	\$29,000	\$30,000	\$21,000
5 Sewage Treatment	26,000	26,000	20,000
6 Sewage Disposal	7,000	8,000	2,000
7 Contract Operations	67,000	62,000	65,000
8 Customer Accounting	2,000	2,000	2,000
9 General & Administration	19,000	18,000	21,000
10 Depreciation Expense	49,000	43,000	41,000
11 Total Operating Expenditures	\$199,000	\$189,000	\$172,000
12 NET OPERATING INCOME (LOSS)	(\$21,000)	(\$31,000)	(\$14,000)
NON-OPERATING REVENUE/(EXPENSE)			
13 OM-1/OM-3 Tax Allocation	\$46,000	\$48,000	\$46,000
14 Interest Revenue	1,000	1,000	3,000
15 Miscellaneous Revenue/(Expense)	1,000	0	1,000
16 Total Non-Op Income/(Expense)	\$48,000	\$49,000	\$50,000
NET INCOME/(LOSS)	\$27,000	\$18,000	\$36,000
OTHER SOURCES/(USES) OF FUNDS			
17 Add Depreciation Expense	\$49,000	\$43,000	\$41,000
18 Connection Fees	30,000	19,000	15,000
19 Capital Improvement Projects	(50,000)	(241,000)	(320,000)
20 Total Other Sources/(Uses)	\$29,000	(\$179,000)	(\$264,000)
21 NET SURPLUS/(DEFICIT)	\$56,000	(\$161,000)	(\$228,000)

OCEANA MARIN SEWER

5-Year Financial Forecast

#		Actual 2010/11	Actual 2011/12	Estimated 2012/13	Approved 2013/14	Projected 2014/15	Projected 2015/16	Projected 2016/17	Projected 2017/18
1	BASIC DATA								
1	Number of Connections	227	227	227	229	230	231	232	233
2	Monthly Service Charge	\$55.00	\$58.00	\$58.00	\$65.00	\$68.00	\$71.00	\$75.00	\$79.00
	INCOME								
3	Monthly Service Charge	\$149,820	\$157,311	\$158,000	\$178,000	\$187,000	\$196,000	\$208,000	\$220,000
4	OM-1/OM-3 Tax Allocation	40,992	43,266	48,000	46,000	47,000	48,000	49,000	50,000
5	Connection Fees	0	0	19,000	30,000	15,000	15,000	15,000	15,000
6	Interest Revenue	2,555	1,387	1,000	1,000	1,000	1,000	1,000	1,000
7	Miscellaneous Revenue/(Expense)	(156)	10	0	1,000	1,000	1,000	1,000	1,000
8	TOTAL INCOME	\$193,211	\$201,974	\$226,000	\$256,000	\$251,000	\$261,000	\$274,000	\$287,000
9	OPERATING EXPENDITURES	\$128,191	\$137,490	\$146,000	\$150,000	\$155,000	\$160,000	\$165,000	\$170,000
	OTHER EXPENDITURES								
10	Capital Imprvmnt Projects/Other	\$26,360	\$58,694	\$241,000	\$50,000	\$95,000	\$65,000	\$35,000	\$435,000
11	TOTAL EXPENDITURES	\$154,551	\$196,184	\$387,000	\$200,000	\$250,000	\$225,000	\$200,000	\$605,000
12	Net Change in Working Capital	\$9,603	\$21,639						
13	INCREASE (DECREASE) IN CASH	\$48,263	\$27,429	(\$161,000)	\$56,000	\$1,000	\$36,000	\$74,000	(\$318,000)
	CASH BALANCE								
14	Operating Reserve	\$238,651	\$293,416	\$182,000	\$233,000	\$239,000	\$275,000	\$349,000	\$31,000
15	Connection Fee Reserve	77,292	49,956	0	5,000	0	0	0	0
16	TOTAL CASH BALANCE	\$315,943	\$343,372	\$182,000	\$238,000	\$239,000	\$275,000	\$349,000	\$31,000
17	Depreciation Expense	\$41,084	\$41,084	\$43,000	\$49,000	\$50,000	\$52,000	\$54,000	\$55,000

OCEANA MARIN SEWER**NOTES**

KEY

- 1 Assumes increase of 2 connection in FY14 with Brown annexation, then 1 per year thereafter, which is the average over the last 5 years.
Capacity is estimated at 308 dwelling units.
- 2 Proposed 12% (\$7/mo) increase commencing 7/1/13, followed by 5% annual increases thereafter to build cash to fund the FY18 \$400,000 Pond Relining Project.
- 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 new connections occur in OM-3 (Units 1 or 5) which are subject to the connection fee.
- 6 Projected available funds invested at 0.40%
- 9 3% annual increase assumed after FY14.
- 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 2013/2014 Budget

6/27/13

t:\ac\excel\budget\14\equip14.xlsx\equip14

		Approved	Description
1 INFORMATION SYSTEMS			
12101.01.00	a. Server Software Upgrade	\$9,000	Upgrade last two Servers from 2003 to 2008 software. Software already purchased, cost is IT install time.
		\$9,000	
2 ADMINISTRATION			
12101.01.00	a. Phone System	\$35,000	Replace 10-year old digital phone system with Internet Protocol system that runs on District network.
		\$35,000	
3 ENGINEERING			
12102.01.00	a. Multi-function Wide-Carriage Copier (Used)	\$12,000	Parts no longer available for existing obsolete copier
		\$12,000	
4 VEHICLE & ROLLING EQUIPMENT EXPENDITURES			
12104.01.00	a. ¾-ton 2WD Alternate Fuel Pickup w/Srvc Body	\$30,000	Replace '93 F250 4X4 with 137K miles (#29) that will be auctioned
12104.01.00	b. ¾-ton 2WD Alternate Fuel Pickup w/Srvc Body	\$30,000	Replace '94 GMC 1500 with 134K miles (#30) that will be auctioned
12104.01.00	c. Propane Powered 5,000 lb Capacity Forklift	\$35,000	Replace STP '97 Hyster with inadequate 2,500 lb lift capacity. Will be auctioned
12104.01.00	d. Hybrid 2WD Pickup	\$40,000	Replace '00 Dodge Dakota with 103K miles (#40) that will be auctioned
12104.01.00	e. Hybrid 2WD Pickup	\$40,000	Replace '02 Chev K1500 4X4 with 103K miles (#47) that will be auctioned
		\$175,000	
		Total	\$231,000

	Adopted Budget 2012/13	Estimated Actual 2012/13	Proposed Budget 2013/14
RECAP			
Equipment	\$78,000	\$53,000	\$56,000
Rolling Stock	\$155,000	\$146,000	\$175,000
	\$233,000	\$199,000	\$231,000

Approved Capital Improvement Projects

6/27/13

t:\ac\excel\budget\14\5 yr cip fy14.xlsx\5 yr ip

			FY14	FY15	FY14 Project Description
1. PIPELINE REPLACEMENTS/ADDITIONS					
	a.	Main/Pipeline Replacements			
1.7067.20	1	So Novato Blvd - Rowland to Sunset (12"CI@1	\$100,000	\$200,000	1st year of 2-year project to replace Cast Iron Pipe at the end of its useful life.
1.7142.00	2	Shields Ln 6" Cast Iron (6"@1,120')	\$225,000		Replace Cast Iron Pipe at end of its useful life.
1.7143.00	3	Ashley Ct 2" Thinwall Plastic (6"@200')	\$40,000		Replace plastic that has suffered a number of recent failures.
1.7144.00	4	Grant/4th 1" Galvanized Steel (6"@400')	\$100,000		Replace galvanized steel that has been prone to failure.
	5	Other Pipeline Replacements (60+ years old)	\$35,000	\$300,000	As needed
			\$500,000	\$500,000	
	b.	Main/Pipeline Additions			
1.7145.00	1	Zone A Pressure Improvements - Ignacio Area	\$250,000		Upsize Bel Marin Keys Intertie to enhance water delivery to the south service area.
	2	San Mateo 24" Inlet/Outlet		\$440,000	
			\$250,000	\$440,000	
	c.	Polybutylene Service Line Replacements			
1.7123.11	1	Pacheco Valle (42 Services)	\$125,000		Ongoing Polybutylene service line replacement program
	2	Replace PB in Sync w/City Paving (45 Srvcs)	\$135,000	\$90,000	PB service replacement coordinated with City Overlay Program
1.7123.13	3	Atherton Oaks/Clay Ct (11 Srvcs)	\$33,000		Ongoing Polybutylene service line replacement program
1.7123.14	4	Atherton Oaks/Summit Ln (20 Srvcs)	\$60,000		Ongoing Polybutylene service line replacement program
	5	Other PB Replacements	\$47,000	\$310,000	Ongoing Polybutylene service line replacement program
			\$400,000	\$400,000	
	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	
1.7118.01-17	e.	Aqueduct Replacements/Enhancements (Note 1)			
	1	Energy Efficiency Proj-Hwy 101 Widening	\$4,600,000	\$10,600,000	North Marin Aqueduct upsizing/relocation
			<u>\$5,830,000</u>	<u>\$12,020,000</u>	

Approved Capital Improvement Projects

6/27/13

t:\ac\excel\budget\14\5 yr cip fy14.xlsx\5 yr ip

		FY14	FY15	FY14 Project Description	
2. SYSTEM IMPROVEMENTS					
1.7008.10	a.	RTU Upgrades	\$10,000	\$10,000	Replace aging and unreliable RTUs
1.8677.19	b.	Flushing Taps at Dead-Ends (12 biennially)	\$50,000		Install flushing taps at dead-end zone valves to improve water quality
1.7007.08	c.	DCA Repair/Replace (~14/yr)	\$150,000	\$150,000	Detector Check Assembly replacements
1.7090.02	d.	Anode Installations (150/yr)	\$30,000	\$30,000	Place anodes on copper laterals for corrosion protection
1.7132.00	e.	Radio Telemetry	\$25,000	\$25,000	Install radio transmitters to replace leased lines
1.7054.04	f.	Inaccurate Meter Replacement	\$10,000		Replacement of inaccurate meters based on recommendations in the FY06 meter testing study.
1.7137.00	g.	Backflow Device Upgrade - BMK (15 Srvcs/yr)	\$30,000	\$30,000	Replace DCVs with above grade RPP devices
1.7146.00	h.	Tank Access Hatch/Level Alarms (10 Sites)	\$35,000	\$35,000	Enhance tank security by adding remote alarm notification of unauthorized entry.
	i.	Sampling Stations (6 biennially)		\$50,000	
	j.	Facilities Security Enhancements		\$25,000	
		\$340,000	\$355,000		

3. BUILDING, YARD, STP. IMPROVEMENTS

	a.	Administration Building			
1.6501.43	1	Electronic Document Management System	\$150,000		Manage digital document creation, storage, retrieval & expiry.
1.6501.41	2	Admin Office/Lab/Yard Remodel Plan	\$50,000		Move from conceptual to preliminary design phase.
			<u>\$200,000</u>	<u>\$0</u>	
	b.	Corp. Yard/Warehouse/Construction Office			
1.6502.46	1	SMART Crossing Upgrade (Golden Gate Pl)	\$58,000		Shared Cost with Golden Gate Transit.
			<u>\$58,000</u>	<u>\$0</u>	
	c.	Stafford Treatment Plant			
1.6600.70	1	Watershed Erosion Control	\$25,000	\$25,000	STRAW Project (\$9K) & Dairy Nutrient Control
1.6600.54	2	Start-up Flushing Connection	\$225,000		To allow flushing the Novato Blvd main from Sutro back to STP with Zone 2 water.
1.6600.80	3	Lake Aeration Upgrade	\$25,000		Injection of diffused air into lake for improved water quality.
	4	Dam Concrete Apron Repair		\$50,000	
	5	STP Emergency Power Generator		\$120,000	
			<u>\$275,000</u>	<u>\$195,000</u>	
			<u>\$533,000</u>	<u>\$195,000</u>	

Approved Capital Improvement Projects

6/27/13

t:\ac\excel\budget\14\5 yr cip fy14.xlsx\5 yr ip

		FY14	FY15	FY14 Project Description
4. STORAGE TANKS/PUMP STATIONS				
	a.	Tank Construction		
	1	New Half Moon Tank Property Site Acquisition		
			\$200,000	
		\$0	\$200,000	
	b.	Tank Rehabilitation		
1.6201.21	1	Atherton Recoat & Mixing System (5 MG)		
		\$700,000	\$1,000,000	1st of 2-year tank recoat project
		\$700,000	\$1,000,000	
1.6112.24	c.	Lynwood P.S. Motor Control Center		
		\$190,000		Move motor controls above-ground.
1.6141.00	d.	Relocate School Road/Crest P.S. (Design/Constru		
		\$100,000	\$500,000	Design phase of Crest zone pump station.
		\$990,000	\$1,700,000	
5. RECYCLED WATER (Note 2)				
5.7127.00	a.	NBWRA Grant Program Administration		
		\$100,000	\$100,000	Continued support of North Bay Water Reuse Authority to
5.6056.00	b.	Expansion to South Area		
11-13, 20-21		\$100,000		Completion of South Area Expansion
	c.	Other Recycled Water Expenditures		
			\$100,000	
		\$200,000	\$200,000	
6. WEST MARIN WATER SYSTEM				
2.6601.32	a.	TP Solids Handling (Note 3)		
		\$200,000	\$500,000	2nd phase of three year project to permit, design & construct a 60,000 gal solids handling facility.
2.6601.35	b.	Treatment Plant Control Valve Replacement		
		\$25,000		Replace 9 Point Reyes Treatment Plant control valves
2.6604.20	c.	Gallagher Auxiliary Stream Gauge		
		\$30,000		To record the Gallagher Well impact on Lagunitas Creek flow
2.6130.21	d.	Olema PS Flood Protection & RTU Upgrade		
		\$100,000		Modify existing structure to prevent flooding of facilities by Olema Creek.
2.7147.00	e.	Emergency Generator Connections		
		\$15,000		For PRE & Olema Pump Stations
2.6257.20	f.	Pt Reyes Tank #2 & #3 Seismic Piping Upgrad		
		\$65,000		Install flexible piping connections to improve seismic safety.
	g.	Replace PRE 2" Galvanized Steel Pipe		
			\$120,000	
		\$435,000	\$620,000	

Approved Capital Improvement Projects

6/27/13

t:\ac\excel\budget\14\5 yr cip fy14.xlsx]5 yr ip

		FY14	FY15	FY14 Project Description	
7. OCEANA MARIN SEWER SYSTEM					
8,8672.27	a.	Infiltration Repair	\$15,000	\$15,000	Ongoing work to identify and repair collection pipelines to prevent rainwater from leaking into the system
8,7149.00	c.	SCADA RTU Upgrade and Install	\$35,000		Upgrade Equipment at Tahiti Way Lift Station
	d.	Design/Install 8th Disposal Trench (300')		\$50,000	
			\$50,000	\$65,000	

SUMMARY - GROSS PROJECT OUTLAY

GROSS PROJECT OUTLAY	\$8,378,000	\$15,155,000
Novato Water	\$7,693,000	\$14,270,000
Recycled Water	\$200,000	\$200,000
West Marin Water	\$435,000	\$620,000
Oceana Marin Sewer	\$50,000	\$65,000
GROSS PROJECT OUTLAY	<u>\$8,378,000</u>	<u>\$15,155,000</u>

LESS FUNDED BY LOANS/GRANTS/OTHER

a.	AEEP - Hwy 101 Widening (Note 1)	(\$4,600,000)	(\$10,600,000)	Bank Loan & Caltrans Reimbursement
b.	Recycled Water Sys Expansion - South Area	\$0	\$0	Funded 25% by Fed/State Grant; 75% by low-interest State
a.	WM Treatment Plant Solids Handling (Note 3)	(\$200,000)	(\$500,000)	Funded from FY12 Bank of Marin loan
		<u>(\$4,800,000)</u>	<u>(\$11,100,000)</u>	

SUMMARY - NET PROJECT OUTLAY

NET PROJECT OUTLAY	\$3,578,000	\$4,055,000
Novato Water	\$3,093,000	\$3,670,000
Recycled Water	\$200,000	\$200,000
West Marin Water	\$235,000	\$120,000
Oceana Marin Sewer	\$50,000	\$65,000
NET (INTERNALLY FUNDED) PROJECT OUTLAY	<u>\$3,578,000</u>	<u>\$4,055,000</u>

Total Number of Projects	40	27
--------------------------	----	----