



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
2015/16

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**

July 1, 2015

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

PHONE

415.897.4133

EMAIL

info@nmwd.com

WEB

www.nmwd.com

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

Re: Fiscal Year 2015/2016 Budget

Board of Directors:

The North Marin Water District budget for 2015/2016 (FY16) was adopted by the Board at public hearings held in Novato on June 16 and in Point Reyes Station on June 30, 2015. 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 \$19.9 million and a net income of \$1.1 million. The FY16 budget incorporates the final \$4.9 million phase of the \$23 million Aqueduct Energy Efficiency Project (AEEP) and the initial \$3.5 million phase of the \$11 million Recycled Water System Expansion into the Novato central service area. After payment of \$2.5 million in debt service, the consolidated budget projects a cash deficit for the fiscal year of \$1.2 million.

Novato Water

The Novato Potable Water System budget projects a cash decrease over the fiscal year of \$1.4 million, representing a drawdown of the bank loan reserved for the AEEP. A rate increase averaging 3% for the typical single-family residential customer, comprised of a 4% commodity rate increase and no increase in the bimonthly service charge, was adopted effective June 1, 2015, and is projected to add \$540,000 to FY16 revenue.

Water sales volume is conservatively budgeted at 2.7 billion gallons, which is appropriate given the Governor's call for a 24% reduction from 2013 consumption.

Total budgeted outlay, which includes capital improvement projects, is budgeted at \$25.2 million, and is down \$7.6 million from the FY15 budget. On a

DIRECTORS: JACK BAKER • RICK FRAITES • STEPHEN PETTERLE • DENNIS RODONI • JOHN SCHOONOVER

OFFICERS: CHRIS DeGABRIELE, General Manager • KATIE YOUNG, Secretary • DAVID L. BENTLEY, Auditor-Controller • DREW McINTYRE, Chief Engineer

standardized accounting basis, the Novato potable water system budget projects a net income of \$1,356,000.

Recycled Water

The FY16 Recycled Water System budget projects demand of 155 million gallons, on par with the FY15 sales volume. Consistent with the potable water rate increase, a 4% commodity rate increase was enacted effective June 1, 2015, and is projected to generate \$29,000 in additional revenue annually.

Operating expenses (excluding depreciation and purchased water cost) are budgeted to increase 13% (\$18,000) from the FY15 budget. The budget projects purchase of 100MG of tertiary treated water from Novato Sanitary District and 55MG from Las Gallinas Valley Sanitary District at \$1,400/MG. The Deer Island Plant is not budgeted to produce water, but will continue to serve as a backup facility.

The \$11 million expansion of the recycled water distribution system into central Novato will commence with \$3.5 million anticipated to be expended over the 12-month period. The District is applying for a 1% State Revolving fund loan (\$9.5 million) and \$1.5 million in Bureau of Reclamation Title XVI grant funds through the North Bay Water Reuse Authority to construct the facilities.

The budget projects a net accounting loss of \$315,000. After receipt of \$717,000 of Novato potable water system connection fees to pay the recycled water debt service, the system is projected to show a \$293,000 cash increase for the year.

West Marin Water

A rate increase for West Marin Water customers averaging 5% effective July 1, 2015, will add \$2.58 per month to the typical residential customer water cost, and is projected to generate \$37,000 in additional revenue annually.

Significant Capital Improvement Projects budgeted for the year include \$100,000 to continue upsizing 900 feet of pipeline from the Bear Valley Tanks to Fox Drive/McCarthy Court to improve water delivery and fire flow in the Bear Valley area; \$75,000 to replace the green-sand filter media in one of the two treatment plant filters; and \$50,000 to commence work on the \$500,000 replacement of the PRE Tank 4A burned in the Vision Fire.

FY16 water sales volume is budgeted to increase 6% (to 70 MG) from the FY15 estimated actual. Unlike FY15, FY16 will not include mandatory water use restrictions, and normal rainfall is assumed next winter. Operating expenditures, before depreciation, are budgeted to increase \$7,000 (1%) from the FY15 adopted budget, and \$15,000 (3%) from FY15 estimated actual outlays. The budget projects a net accounting income of \$74,000 and, after capital outlay and debt service, the system is projected to show a cash decrease for the year of \$92,000.

Oceana Marin Sewer

A 5% increase (\$3/month - to \$852/year) in the Oceana Marin Sewer service charge effective July 1, 2015, is projected to add \$9,000 in additional annual revenue. The FY16 budget projects operating expenditures, before depreciation, to decrease 3% from the FY15 budget. Incorporated into the budget is \$15,000 to complete the Oceana Marin Master Plan Update, last revised in 2006. The budget projects a net accounting income of \$9,000 and the system is projected to show a cash increase for the year of \$36,000.

Capital Improvement Projects

The two-year CIP Budget totals \$28.7 million and is comprised of 35 projects in FY16 and 30 projects in FY17. \$22.9 million will be funded from loans, grant funds and Caltrans reimbursements. Major projects (over \$500,000) are as follows:

<u>Project</u>	<u>FY16</u>	<u>FY17</u>
Aqueduct Energy Efficiency Project - Hwy 101	\$4,890,000	\$0
San Mateo 24" Inlet/Outlet Pipe	150,000	655,000
Radio Read Meter Retrofit (Pilot Study/Installation)	500,000	2,500,000
Office/Yard Building Refurbish	1,500,000	1,500,000
RW Expansion to Central Area	3,500,000	7,500,000
WM Water Solids Handling Facility	0	1,245,000
Other Projects	<u>2,525,000</u>	<u>2,240,000</u>
Gross Project Outlay	\$13,065,000	\$15,640,000
Less Loan/Grant/Caltrans Funding	<u>(10,113,000)</u>	<u>(12,745,000)</u>
Net Project Outlay (internally funded)	<u>\$2,952,000</u>	<u>\$2,895,000</u>

Staffing

The FY16 budget includes a staffing level of 52.7 full-time equivalent (FTE) employees, up 1.0 FTE from the FY15 budget. An Assistant General Manager position is budgeted in anticipation of the General Manager's future retirement. The budgeted staffing level of 52.7 FTE is down 6.4 FTE (11%) from the level adopted in the FY08 budget.

Debt Service

Principal and interest payments totaling \$2.5 million are budgeted as the annual obligation on \$31 million in outstanding debt, comprised of:

- 1) \$12.4 million at 2.4% State Revolving Fund (SRF) loan used to finance the Stafford Water Treatment Plant Rehabilitation;
- 2) \$8.9 million in 2.6% & 2.2% SRF loans (7 total) used to finance the recycled water distribution system;
- 3) \$6.9 million at 3.5% bank loan used to finance the Aqueduct Energy Efficiency Project and West Marin Treatment Plant Solids-Handling Facility;
- 4) \$2.8 million at 2.4% SRF loan used to finance the Deer Island Recycled Water Facility;
- 5) Four 5% loans totaling \$185,000 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

INTRODUCTION

This document contains the fiscal year 2015/16 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

ORGANIZATION FACT SHEET

July 2015

Organization:

5 Directors elected at large for 4-year terms

Jack Baker, President

John C. Schoonover, Vice-President

Rick Fraites

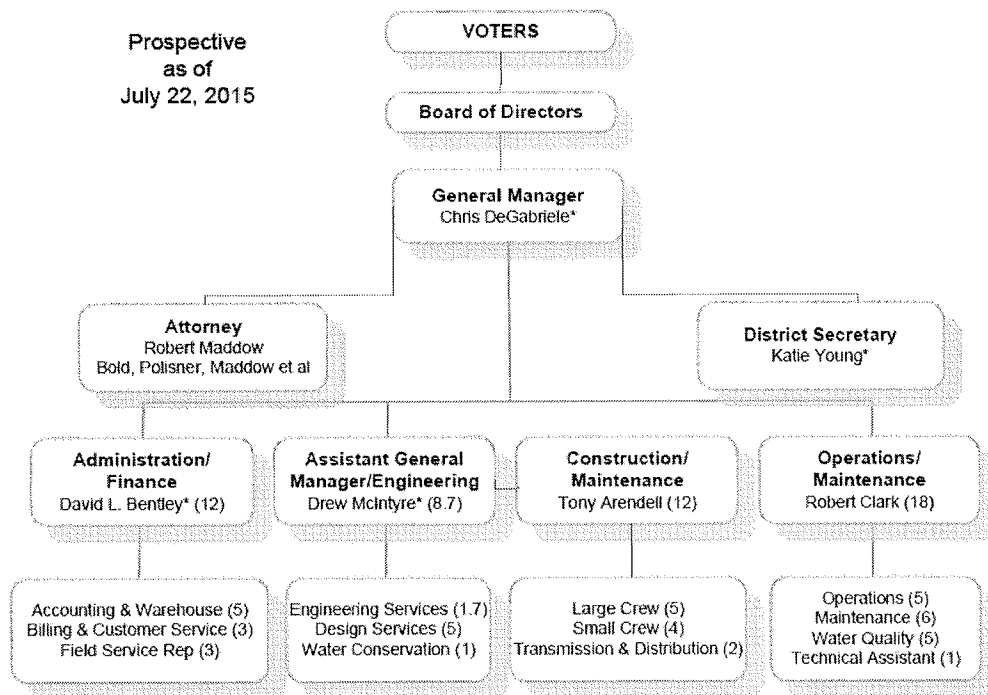
Stephen Petterle

Dennis Rodoni

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

4 Departments

53 Employees (52.7 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.

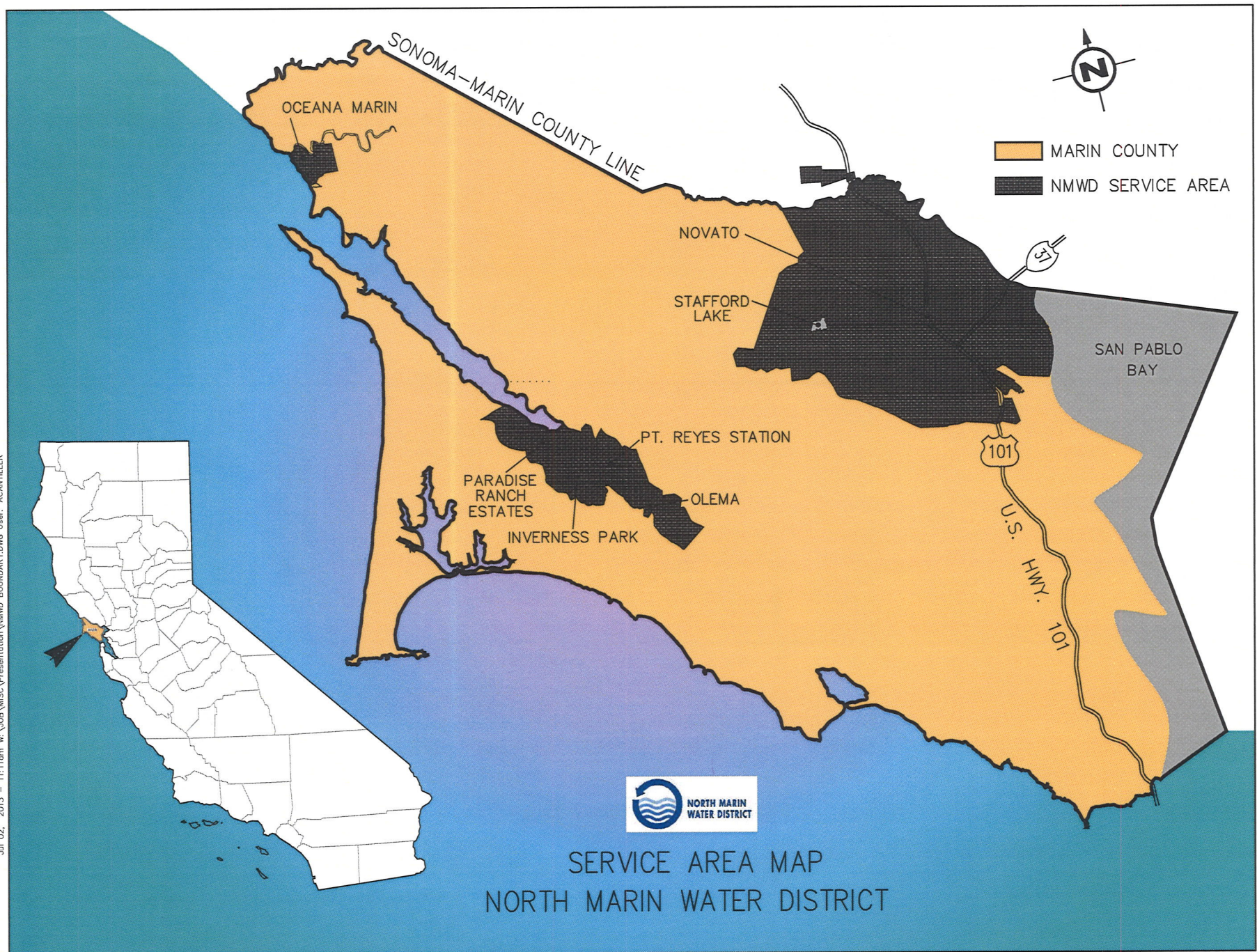


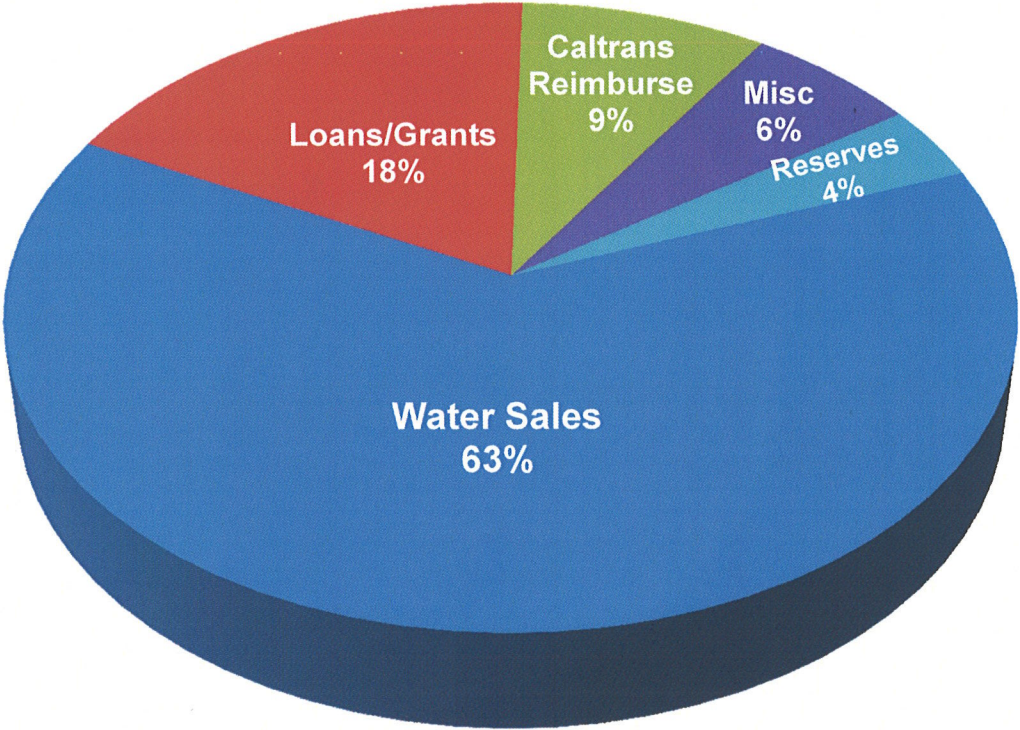
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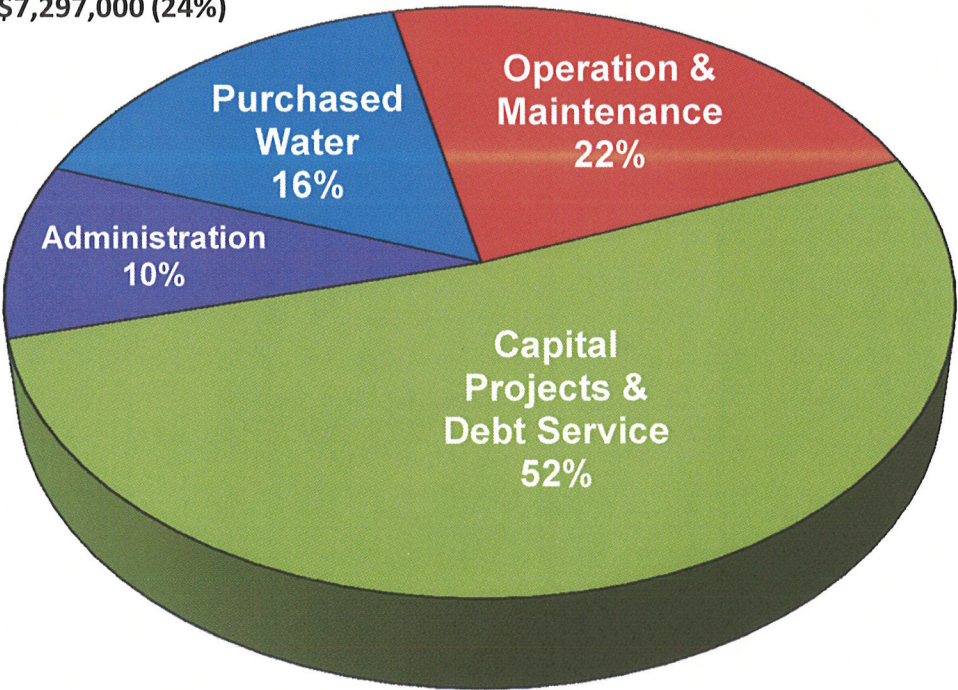
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NORTH MARIN WATER DISTRICT
FY16 APPROVED BUDGET - ALL SERVICE AREAS COMBINED
SOURCES = \$30,664,000



Labor = \$7,297,000 (24%)



USES = \$30,664,000

NORTH MARIN WATER DISTRICT
BUDGET SUMMARY - ALL SERVICE AREAS COMBINED
Fiscal Year 2015/16

	Approved Budget 2015/16	Estimated Actual 2014/15	Adopted Budget 2014/15
OPERATING INCOME			
1 Water Sales	\$19,335,000	\$18,242,000	\$18,726,000
2 Sewer Service Charges	196,000	187,000	187,000
3 Wheeling & Misc Service Charges	387,000	355,000	385,000
4 Total Operating Income	\$19,918,000	\$18,784,000	\$19,298,000
OPERATING EXPENDITURES			
5 Source of Supply	\$5,110,000	\$4,871,000	\$4,879,000
6 Pumping	413,000	367,000	411,000
7 Operations	695,000	760,000	620,000
8 Water Treatment	2,130,000	1,898,000	2,042,000
9 Sewer Service	136,000	112,000	149,000
10 Transmission & Distribution	2,850,000	2,788,000	2,816,000
11 Consumer Accounting	621,000	575,000	589,000
12 Water Conservation	471,000	431,000	467,000
13 General & Administrative	2,319,000	1,674,000	1,799,000
14 Depreciation Expense	3,404,000	3,209,000	3,146,000
15 Total Operating Expenditures	\$18,149,000	\$16,685,000	\$16,918,000
16 NET OPERATING INCOME (LOSS)	\$1,769,000	\$2,099,000	\$2,380,000
NON-OPERATING INCOME/(EXPENSE)			
17 Tax Proceeds	\$92,000	\$90,000	\$85,000
18 Interest Revenue	125,000	127,000	98,000
19 Miscellaneous Revenue	87,000	141,000	144,000
20 Interest Expense	(826,000)	(852,000)	(867,000)
21 Miscellaneous Expense	(108,000)	(20,000)	(58,000)
22 Total Non-Operating Income/(Expense)	(\$630,000)	(\$514,000)	(\$598,000)
	NET INCOME/(LOSS)	\$1,585,000	\$1,782,000
OTHER SOURCES/(USES) OF FUNDS			
23 Add Depreciation Expense	\$3,404,000	\$3,209,000	\$3,146,000
24 Connection Fees	576,000	802,000	1,319,000
25 Caltrans AEEP Reimbursement	2,740,000	7,480,000	8,840,000
26 MMWD AEEP Capital Contribution	245,000	245,000	245,000
27 Loans/Grants	5,500,000	1,276,000	1,286,000
28 Stone Tree Golf Principal Repayment	206,000	201,000	201,000
29 Capital Equipment Expenditures	(199,000)	(197,000)	(198,000)
30 Capital Improvement Projects	(13,080,000)	(15,439,000)	(19,304,000)
31 Debt Principal Payments	(1,706,000)	(1,686,000)	(1,670,000)
32 Working Capital Increase/(Decrease)	0	1,000,000	0
33 Total Other Sources/(Uses)	(\$2,314,000)	(\$3,109,000)	(\$6,135,000)
34 CASH INCREASE/(DECREASE)	(\$1,175,000)	(\$1,524,000)	(\$4,353,000)

FY16 BUDGETED EXPENDITURES BY CATEGORY

	FY16	Novato	Novato	West	Oceana	FY15	FY16/FY15	FY15	FY16/FY15
<u>Operating Expense</u>	<u>Budget</u>	<u>Potable</u>	<u>Recycled</u>	<u>Marin Wtr</u>	<u>Marin Swr</u>	<u>Budget</u>	<u>Budget %</u>	<u>Est Actual</u>	<u>Est Actual %</u>
1 Salaries & Benefits	\$6,466,000	\$6,127,000	\$57,000	\$218,000	\$64,000	\$6,012,000	8%	\$5,850,000	11%
2 Water Purchases	4,927,000	4,710,000	217,000	0	0	4,721,000	4%	4,817,000	2%
3 Depreciation	3,404,000	2,700,000	472,000	180,000	52,000	3,146,000	8%	3,209,000	6%
4 Materials, Services & Supplies	1,675,000	1,519,000	30,000	80,000	46,000	1,568,000	7%	1,524,000	10%
5 Electric Power	449,000	389,000	2,000	42,000	16,000	449,000	0%	379,000	18%
6 Chemicals	436,000	425,000	4,000	5,000	2,000	436,000	0%	282,000	55%
7 Consulting Services/Studies	271,000	271,000	0	0	0	194,000	40%	100,000	171%
8 Vehicles & Equipment (Distrib)	260,000	241,000	1,000	15,000	3,000	242,000	7%	268,000	(3%)
9 Tools & Supplies (Distrib)	179,000	161,000	4,000	9,000	5,000	172,000	4%	200,000	(11%)
10 Retiree Medical Expense	174,000	174,000	0	0	0	156,000	12%	176,000	(1%)
11 Water Conservation Rebates	160,000	149,000	0	11,000	0	94,000	70%	88,000	82%
12 Insurance & Claims	105,000	103,000	0	0	2,000	109,000	(4%)	91,000	15%
13 Office Supplies & Postage	100,000	100,000	0	0	0	115,000	(13%)	97,000	3%
14 Overhead Charge (Gain)/Loss	(70,000)	(70,000)	0	0	0	(128,000)	(45%)	(53,000)	32%
15 Distributed Costs	(387,000)	(590,000)	62,000	110,000	31,000	(368,000)	5%	(343,000)	13%
16 Total Operating Expense	\$18,149,000	\$16,409,000	\$849,000	\$670,000	\$221,000	\$16,918,000	7%	\$16,685,000	9%
17 Interest Expense & Other	949,000	530,000	310,000	94,000	15,000	925,000	3%	887,000	7%
18 Total Expense	\$19,098,000	\$16,939,000	\$1,159,000	\$764,000	\$236,000	\$17,843,000	7%	\$17,572,000	9%
<u>Warehouse, Shop & Yard</u>									
19 Salaries and Benefits	\$304,000	\$304,000	\$0	\$0	\$0	\$267,000	14%	\$221,000	38%
20 Materials, Services & Supplies	303,000	303,000	0	0	0	292,000	4%	436,000	(31%)
21 Distributed Costs	(607,000)	(607,000)	0	0	0	(559,000)	9%	(657,000)	(8%)
22 Total W/H, Shop & Yard	\$0	\$0	\$0	\$0	\$0	\$0	-	\$0	-
<u>District Capital Outlay</u>									
23 Salaries and Benefits	\$831,000	\$447,000	\$320,000	\$61,000	\$3,000	\$785,000	6%	\$743,000	12%
24 Equipment	199,000	199,000	0	0	0	198,000	1%	197,000	1%
25 Debt Principal Payments	1,706,000	1,035,000	607,000	64,000	0	1,670,000	2%	1,686,000	1%
26 Materials, Services & Supplies	12,234,000	8,593,000	3,360,000	244,000	37,000	18,519,000	(34%)	14,681,000	(17%)
27 Total District Capital Outlay	\$14,970,000	\$10,274,000	\$4,287,000	\$369,000	\$40,000	\$21,172,000	(29%)	\$17,307,000	(14%)
<u>Developer Funded Projects</u>									
28 Salaries & Benefits	\$209,000	\$183,000	\$0	\$26,000	\$0	\$203,000	3%	\$158,000	32%
29 Materials, Services & Supplies	98,000	86,000	0	12,000	0	119,000	(18%)	180,000	(46%)
30 Total Developer Projects	\$307,000	\$269,000	\$0	\$38,000	\$0	\$322,000	(5%)	\$338,000	(9%)
31 Total	\$34,375,000	\$27,482,000	\$5,446,000	\$1,171,000	\$276,000	\$39,337,000	(13%)	\$35,217,000	(2%)

NOVATO WATER
BUDGET SUMMARY
Fiscal Year 2015/16

	Approved Budget 2015/16	Estimated Actual 2014/15	Adopted Budget 2014/15
OPERATING INCOME			
1 Water Sales	\$17,768,000	\$16,742,000	\$17,187,000
2 Wheeling & Misc Service Charges	380,000	348,000	379,000
3 Total Operating Income	\$18,148,000	\$17,090,000	\$17,566,000
OPERATING EXPENDITURES			
4 Source of Supply	\$4,869,000	\$4,640,000	\$4,617,000
5 Pumping	367,000	334,000	365,000
6 Operations	609,000	632,000	542,000
7 Water Treatment	1,975,000	1,751,000	1,891,000
8 Transmission & Distribution	2,698,000	2,589,000	2,675,000
9 Consumer Accounting	592,000	548,000	559,000
10 Water Conservation	450,000	413,000	445,000
11 General Administration	2,149,000	1,560,000	1,676,000
12 Depreciation Expense	2,700,000	2,530,000	2,500,000
13 Total Operating Expenditures	\$16,409,000	\$14,997,000	\$15,270,000
14 NET OPERATING INCOME (LOSS)	\$1,739,000	\$2,093,000	\$2,296,000
NON-OPERATING INCOME/(EXPENSE)			
15 Interest Revenue	\$64,000	\$65,000	\$41,000
16 Miscellaneous Revenue	83,000	137,000	140,000
17 Interest Expense	(510,000)	(525,000)	(538,000)
18 Miscellaneous Expense	(20,000)	(\$11,000)	(20,000)
19 Total Non-Operating Income/(Expense)	(\$383,000)	(\$334,000)	(\$377,000)
20 NET INCOME/(LOSS)	\$1,356,000	\$1,759,000	\$1,919,000
OTHER SOURCES/(USES) OF CASH			
21 Add Depreciation Expense	\$2,700,000	\$2,530,000	\$2,500,000
22 Connection Fees	538,000	764,000	1,281,000
23 Caltrans AEEP Capital Contribution	2,740,000	7,480,000	8,840,000
24 MMWD AEEP Capital Contribution	245,000	245,000	245,000
25 Loans/Grants	2,000,000	82,000	0
26 Capital Equipment Expenditures	(199,000)	(197,000)	(198,000)
27 Capital Improvement Projects	(9,040,000)	(13,765,000)	(17,510,000)
28 Debt Principal Payments	(1,035,000)	(1,022,000)	(1,007,000)
29 Connection Fee Transfer to RWS	(717,000)	(716,000)	(737,000)
30 Working Capital Increase/(Decrease)	0	1,000,000	0
31 Total Other Sources/(Uses)	(\$2,768,000)	(\$3,599,000)	(\$6,586,000)
32 CASH INCREASE/(DECREASE)	(\$1,412,000)	(\$1,840,000)	(\$4,667,000)

NOVATO WATER

5-YEAR FINANCIAL FORECAST

Fiscal Year Ending June 30 >		Approved 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
SERVICES						
1	Active Meters @ Fiscal Year End	20,525	20,550	20,575	20,600	20,625
2	Increase for Year - Active Meters	25	25	25	25	25
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	\$17,768	\$18,687	\$19,640	\$20,630	\$21,650
7	Wheeling & Other Misc Service Charges	380	395	400	406	412
8	Total Operating Revenue	\$18,148	\$19,082	\$20,040	\$21,036	\$22,062
OPERATING EXPENSE						
9	Russian River Water	\$4,710	\$4,893	\$5,140	\$5,398	\$5,669
10	Overheaded Operating Labor	6,127	6,210	6,400	6,590	6,790
11	Purification Chemicals	425	501	516	531	547
12	Electric Power	389	399	414	429	444
13	Other Operating Expenses	2,058	2,099	2,141	2,184	2,228
14	Depreciation	2,700	2,730	2,760	2,790	2,820
15	Total Operating Expense	\$16,409	\$16,831	\$17,371	\$17,922	\$18,498
NON-OPERATING REVENUE/(EXPENSE)						
16	Interest Revenue	\$64	\$46	\$46	\$47	\$51
17	Interest Expense	(510)	(676)	(637)	(600)	(562)
18	Misc Other Revenue/(Expense)	63	126	63	60	60
19	Total Non-Op Revenue/(Expense)	(\$383)	(\$504)	(\$528)	(\$493)	(\$451)
20	Net Income	\$1,356	\$1,747	\$2,141	\$2,621	\$3,113
OTHER SOURCES/(USES) OF FUNDS						
21	Add Depreciation Expense	\$2,700	\$2,730	\$2,760	\$2,790	\$2,820
22	Connection Fees	538	0	0	0	0
23	MMWD AEEP Capital Contribution	245	245	245	245	245
24	Capital Equipment Purchases	(199)	(203)	(207)	(211)	(215)
25	Capital Improvement Projects (Net)	(4,300)	(2,100)	(2,100)	(2,100)	(2,100)
26	Debt Principal Payments	(1,035)	(1,381)	(1,402)	(1,439)	(1,477)
27	FRC Funds Transferred to Recycled Water	(717)	(1,135)	(1,135)	(1,055)	(1,055)
28	Total Other Sources/(Uses)	(\$2,768)	(\$1,844)	(\$1,839)	(\$1,770)	(\$1,782)
29	Cash Increase/(Decrease)	(\$1,412)	(\$97)	\$302	\$852	\$1,332
30	Ending Reserve Balance	\$9,300	\$9,203	\$9,505	\$10,357	\$11,688
31	Target Reserve Balance (90% Op Exp)	\$12,338	\$12,691	\$13,150	\$13,619	\$14,110
32	% Rate Increase¹	3.0%	5.0%	5.0%	5.0%	5.0%
33	Median Monthly Single-Family Residential Bill	\$56	\$59	\$62	\$65	\$68
34	Fiscal year 2015/16 Rate Increase approved by Board. FY 2017 through 2020 are projections for financial forecasting purposes only - not yet considered by the Board of Directors.					

NOVATO WATER OPERATING BUDGET DETAIL**Fiscal Year 2015/16**

	Approved Budget 15/16	Estimated Actual 14/15	Adopted Budget 14/15	Actual 13/14	Actual 12/13	Actual 11/12	Actual 10/11	Actual 09/10
STATISTICS								
1 Active Meters	20,525	20,500	20,550	20,505	20,492	20,490	20,464	20,438
2 Avg Commodity Rate/1,000 Gal (Net)	\$5.05	\$4.85	\$4.84	\$4.66	\$4.32	\$4.05	\$3.82	\$3.50
3 Potable Consumption (BG)	2.70	2.50	2.70	2.95	3.02	2.82	2.79	2.87
OPERATING INCOME								
4 Water Sales	\$17,860,000	\$16,830,000	\$17,300,000	\$17,944,029	\$16,626,526	\$14,220,429	\$12,727,649	\$11,301,674
5 Bill Adjustments	(92,000)	(88,000)	(113,000)	(95,470)	(104,567)	(58,770)	(66,248)	(\$49,842)
6 Sales to MMWD	0	0	0	432,294	0	0	0	0
7 Wheeling Charges-MMWD	120,000	89,000	120,000	100,527	251,980	58,802	53,662	67,180
8 SCWA Water Conservation Reimb	0	0	0	0	0	0	0	21,450
9 Miscellaneous Service Revenue	260,000	259,000	259,000	265,496	223,619	197,752	145,787	140,796
10 TOTAL OPERATING INCOME	\$18,148,000	\$17,090,000	\$17,566,000	\$18,646,876	\$16,997,558	\$14,418,213	\$12,860,850	\$11,481,258
OPERATING EXPENSE								
SOURCE OF SUPPLY								
11 Supervision & Engineering	\$19,000	\$10,000	\$18,000	\$9,698	\$9,103	\$9,064	\$8,965	\$2,007
12 Operating Expense - Source	11,000	10,000	11,000	10,497	6,821	11,488	5,927	5,745
13 Maintenance/Monitoring of Dam	50,000	5,000	34,000	19,438	38,295	25,716	8,290	8,741
14 Maintenance of Lake & Intakes	21,000	0	21,000	11,701	14,481	10,377	8,619	8,072
15 Maintenance of Watershed	41,000	5,000	40,000	17,015	23,405	8,188	2,152	7,352
16 Water Purchased for Resale to MMWD	0	0	0	253,539	0	0	0	0
17 Water Quality Surveillance	17,000	10,000	13,000	13,713	12,776	16,385	12,377	13,138
18 Contract Water - SCWA	4,710,000	4,600,000	4,480,000	5,698,211	5,135,330	5,047,469	3,790,789	3,441,147
19 TOTAL SOURCE OF SUPPLY	\$4,869,000	\$4,640,000	\$4,617,000	\$6,033,812	\$5,240,211	\$5,128,687	\$3,837,119	\$3,486,202
PUMPING								
20 Operating Expense	\$3,000	\$0	\$3,000	\$0	\$0	\$0	\$641	\$8,367
21 Maintenance of Structures/Grounds	39,000	54,000	34,000	46,502	24,115	29,042	17,153	18,600
22 Maintenance of Pumping Equipment	70,000	60,000	71,000	27,696	35,637	50,797	17,354	10,751
23 Electric Power - Pumping	255,000	220,000	257,000	255,711	263,471	204,927	233,222	200,318
24 TOTAL PUMPING	\$367,000	\$334,000	\$365,000	\$329,909	\$323,223	\$284,766	\$268,370	\$238,036
OPERATIONS								
25 Supervision & Engineering	\$182,000	\$237,000	\$162,000	\$219,520	\$187,986	\$185,838	\$185,361	\$176,082
26 Operating Expense	255,000	248,000	216,000	274,893	264,400	255,272	191,713	212,126
27 Maintenance Expense	84,000	40,000	82,000	79,906	101,036	105,545	94,633	84,121
28 Telemetry Equipment/Controls Maint	71,000	89,000	64,000	62,223	44,349	67,936	83,047	67,051
29 Leased Line Expense	17,000	18,000	18,000	17,675	17,921	18,930	20,841	20,547
30 TOTAL OPERATIONS	\$609,000	\$632,000	\$542,000	\$654,217	\$615,692	\$633,521	\$575,595	\$559,927

NOVATO WATER OPERATING BUDGET DETAIL**Fiscal Year 2015/16**

	Approved Budget 15/16	Estimated Actual 14/15	Adopted Budget 14/15	Actual 13/14	Actual 12/13	Actual 11/12	Actual 10/11	Actual 09/10
WATER TREATMENT								
31 Supervision & Engineering	\$97,000	\$109,000	\$94,000	\$111,096	\$112,612	\$100,916	\$121,459	\$122,312
32 Operating Expense	288,000	308,000	265,000	285,050	308,301	206,957	320,882	365,305
33 Purification Chemicals	425,000	263,000	425,000	316,762	400,627	253,797	464,140	415,486
34 Sludge Disposal	87,000	70,000	85,000	66,085	103,196	100,861	84,618	69,209
35 Maintenance of Structures/Grounds	80,000	80,000	82,000	60,148	52,242	82,839	71,772	83,411
36 Purification Equipment Maintenance	140,000	107,000	130,000	137,838	137,793	136,782	105,217	157,642
37 Electric Power - Treatment	134,000	129,000	132,000	135,637	112,767	114,184	128,913	129,930
38 Laboratory Expense (net)	724,000	685,000	678,000	655,315	602,901	568,124	517,044	495,239
39 TOTAL WATER TREATMENT	\$1,975,000	\$1,751,000	\$1,891,000	\$1,767,931	\$1,830,439	\$1,564,460	\$1,814,045	\$1,838,534
TRANSMISSION & DISTRIBUTION								
40 Supervision & Engineering	\$485,000	\$567,000	\$585,000	\$486,544	\$427,430	\$423,813	\$466,110	\$528,659
41 Maps & Records	138,000	92,000	125,000	77,995	106,669	96,058	74,154	98,187
42 Operation of T&D System	556,000	414,000	507,000	511,708	460,489	478,959	422,375	448,650
43 Storage Facilities Expense	147,000	169,000	141,000	134,352	87,843	140,564	158,247	164,316
44 Maintenance of Valves & Regulators	208,000	161,000	204,000	91,709	117,299	132,239	190,866	190,255
45 Maintenance of Mains	126,000	172,000	110,000	72,176	86,906	49,922	146,814	102,633
46 Backflow Prevention Program	131,000	157,000	104,000	147,878	102,338	84,714	124,121	93,754
47 Maintenance of Copper Services	183,000	205,000	191,000	141,987	175,880	190,698	164,388	199,807
48 Maintenance of PB Service Lines	443,000	441,000	435,000	411,357	483,006	443,509	347,802	263,714
49 Maintenance of Meters	132,000	98,000	129,000	94,418	93,360	135,900	146,170	143,691
50 Detector Check Assembly Maint	71,000	87,000	39,000	52,369	7,581	38,361	36,509	41,557
51 Maintenance of Hydrants	78,000	26,000	105,000	22,154	28,531	33,980	50,354	77,038
52 TOTAL TRANSMISSION & DISTRIB	\$2,698,000	\$2,589,000	\$2,675,000	\$2,244,647	\$2,177,332	\$2,248,717	\$2,327,910	\$2,352,261
CONSUMER ACCOUNTING								
53 Meter Reading & Collection	\$209,000	\$160,000	\$196,000	\$182,216	\$180,030	\$170,589	\$142,581	\$142,956
54 Billing & Accounting	256,000	260,000	249,000	256,653	247,897	282,702	282,046	260,428
55 Contract Billing	19,000	17,000	19,000	17,561	18,110	18,231	18,285	18,590
56 Postage & Supplies	53,000	59,000	63,000	61,791	64,497	63,359	70,347	64,698
57 Credit Card Fees	23,000	24,000	15,000	14,149				
58 Lock Box Service	11,000	11,000	0					
59 Uncollectible Accounts	15,000	15,000	18,000	19,500	23,230	26,685	32,723	35,190
60 Office Equipment Expense	21,000	18,000	15,000	23,905	8,290	8,690	9,835	5,048
61 Distributed to Other Operations	(15,000)	(16,000)	(16,000)	(15,276)	(13,961)	(15,726)	(15,762)	(15,694)
62 TOTAL CONSUMER ACCOUNTING	\$592,000	\$548,000	\$559,000	\$560,499	\$528,093	\$554,530	\$540,055	\$511,216

NOVATO WATER OPERATING BUDGET DETAIL**Fiscal Year 2015/16**

	Approved Budget 15/16	Estimated Actual 14/15	Adopted Budget 14/15	Actual 13/14	Actual 12/13	Actual 11/12	Actual 10/11	Actual 09/10
WATER CONSERVATION								
63 Residential	\$345,000	\$366,000	\$337,000	\$362,499	\$222,637	\$213,883	\$338,093	\$438,668
64 Commercial	25,000	5,000	25,000	2,605	1,169	1,414	15,423	2,707
65 Public Outreach/Information	50,000	31,000	53,000	51,638	28,477	41,251	19,047	26,548
66 Large Landscape	30,000	11,000	30,000	12,702	13,966	13,780	10,337	10,695
TOTAL WATER CONSERVATION	\$450,000	\$413,000	\$445,000	\$429,444	\$266,249	\$270,328	\$382,900	\$478,618
GENERAL & ADMINISTRATION								
67 Director's Expense	\$32,000	\$30,000	\$30,000	\$25,300	\$14,400	\$15,000	\$15,100	\$16,200
68 Legal Fees	12,000	11,000	12,000	20,906	10,112	7,098	8,572	59,818
69 Human Resources	34,000	31,000	33,000	28,386	35,917	21,860	32,112	33,080
70 Auditing Services	21,000	18,000	18,000	21,050	20,600	28,900	27,800	31,100
71 Consulting Services/Studies	290,000	100,000	194,000	0	53,327	34,731		
72 General Office Salaries	1,533,000	1,173,000	1,239,000	1,184,164	1,214,210	1,252,684	1,177,170	1,166,410
73 Office Supplies	47,000	37,000	52,000	46,174	37,232	22,743	38,870	47,363
74 Employee Events	12,000	9,000	12,000	7,227	6,204	5,931	4,469	11,366
75 Other Administrative Expense	16,000	13,000	16,000	13,240	18,150	17,254	17,414	20,090
76 Election Cost	70,000	0	0	250	0	250	0	250
77 Dues & Subscriptions	57,000	54,000	54,000	47,842	45,607	49,260	47,775	49,208
78 Vehicle Expense	8,000	8,000	8,000	8,112	8,112	8,118	8,112	8,112
79 Meetings, Conf & Training	184,000	133,000	173,000	117,425	112,402	97,626	101,472	114,985
80 Telephone, Water, Gas & Electricity	39,000	37,000	35,000	33,328	32,995	26,172	29,012	27,203
81 Building & Grounds Maintenance	51,000	50,000	50,000	35,642	41,194	36,438	35,902	53,907
82 Office Equipment Expense	90,000	99,000	102,000	90,231	82,349	89,291	74,325	85,550
83 Insurance Premiums & Claims	103,000	88,000	106,000	72,192	76,473	113,556	118,451	117,023
84 Retiree Medical Benefits	174,000	176,000	156,000	159,691	166,699	160,725	147,084	138,105
85 (Gain)/Loss on Overhead Charges	(70,000)	(49,000)	(128,000)	(222,710)	(136,354)	(297,783)	(172,628)	(214,770)
86 G&A Distributed to Other Operations	(169,000)	(112,000)	(120,000)	(76,538)	(77,443)	(101,630)	(104,515)	(100,811)
87 G&A Applied to Construction Projects	(385,000)	(346,000)	(366,000)	(389,569)	(392,205)	(327,881)	(269,439)	(153,213)
88 Expensed Improvement Projects	0	0	0	0	0	0	122,785	1,220,617
89 Expensed Equipment Purchases	0	0	0	0	0	3,383	29,993	31,266
TOTAL GENERAL & ADMINISTRATION	\$2,149,000	\$1,560,000	\$1,676,000	\$1,222,343	\$1,369,981	\$1,263,726	\$1,489,836	\$2,762,859
90 Depreciation Expense	\$2,700,000	\$2,530,000	\$2,500,000	\$2,445,634	\$2,417,032	\$2,372,380	\$2,309,166	\$2,312,339
91 TOTAL OPERATING EXPENSE	\$16,409,000	\$14,997,000	\$15,270,000	\$15,688,436	\$14,768,252	\$14,321,115	\$13,544,996	\$14,539,992
92 NET OPERATING INCOME/(LOSS)	\$1,739,000	\$2,093,000	\$2,296,000	\$2,958,440	\$2,229,306	\$97,098	(\$684,146)	(\$3,058,734)

NOVATO RECYCLED WATER
BUDGET SUMMARY
Fiscal Year 2015/16

	<i>Approved Budget 2015/16</i>	<i>Estimated Actual 2014/15</i>	<i>Adopted Budget 2014/15</i>
# BASIC DATA			
1 Active Meters	44	44	47
2 Average Commodity rate	\$4.92	\$4.73	\$4.73
3 Consumption (MG)	155	155	145
OPERATING INCOME			
4 Recycled Water Sales	\$762,000	\$733,000	\$686,000
5 Bimonthly Service Charge	28,000	27,000	28,000
6 Total Operating Income	\$790,000	\$760,000	\$714,000
OPERATING EXPENDITURES			
7 Purchased Water - NSD	\$140,000	\$110,000	\$126,000
8 Purchased Water - LGVSD	77,000	100,000	77,000
9 Pumping	8,000	5,000	7,000
10 Operations	40,000	64,000	39,000
11 Water Treatment	21,000	4,000	20,000
12 Transmission & Distribution	32,000	73,000	30,000
13 Consumer Accounting	1,000	1,000	1,000
14 General Administration	58,000	42,000	45,000
15 Depreciation	472,000	472,000	428,000
16 Total Operating Expenditures	\$849,000	\$871,000	\$773,000
17 NET OPERATING INCOME (LOSS)	(\$59,000)	(\$111,000)	(\$59,000)
NON-OPERATING INCOME/(EXPENSE)			
18 Interest Revenue	\$10,000	\$6,000	\$4,000
19 Stone Tree Golf Interest Payments	44,000	49,000	49,000
20 Deer Island SRF Loan Interest Expense	(68,000)	(73,000)	(73,000)
21 Distrib System SRF Loans Interest Exp	(212,000)	(215,000)	(216,000)
22 Studies	(30,000)	(8,000)	(8,000)
23 Total Non-Operating Income/(Expense)	(\$256,000)	(\$241,000)	(\$244,000)
24 NET INCOME/(LOSS)	(\$315,000)	(\$352,000)	(\$303,000)
OTHER SOURCES/(USES) OF FUNDS			
25 Add Depreciation Expense	\$472,000	\$472,000	\$428,000
26 Fed Grant/SRF Loan - Central Expansion	3,500,000	0	0
27 Connection Fees Transferred from Novato	717,000	716,000	737,000
28 Stone Tree Golf Principal Repayment	206,000	201,000	201,000
29 Capital Improvement Projects	(3,680,000)	(217,000)	(125,000)
30 Deer Island SRF Loan Principal Payments	(205,000)	(200,000)	(200,000)
31 Distrib System SRF Loan Principal Pmts	(402,000)	(398,000)	(398,000)
32 Total Other Souces/(Uses)	\$608,000	\$574,000	\$643,000
33 CASH INCREASE/(DECREASE)	\$293,000	\$222,000	\$340,000

NOVATO RECYCLED WATER 5-YEAR FINANCIAL FORECAST

Fiscal Year Ending June 30 >		Approved 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
1	Active Services @ Fiscal Year End	44	44	55	81	81
2	Commodity Rate/1,000 Gal	\$4.92	\$5.17	\$5.42	\$5.69	\$5.98
3	Consumption (MG)	155	157	175	217	217
OPERATING REVENUE						
4	Recycled Water Sales	\$762,000	\$811,000	\$949,000	\$1,236,000	\$1,298,000
5	Bimonthly Service Charge	28,000	29,000	34,000	45,000	47,000
6	Total Operating Revenue	\$790,000	\$840,000	\$983,000	\$1,281,000	\$1,345,000
OPERATING EXPENSE						
7	Purchased Water - NSD - \$1,400/MG	\$140,000	\$141,000	\$167,000	\$225,000	\$225,000
8	Purchased Water - LGVSD - \$1,400/MG	77,000	78,000	78,000	78,000	78,000
9	Overheaded Operating Labor	57,000	58,000	60,000	62,000	64,000
10	Electric Power	2,000	2,000	2,000	2,000	2,000
11	Other Operating Expenses	101,000	102,000	104,000	106,000	108,000
12	Depreciation	472,000	472,000	699,000	703,000	705,000
13	Total Operating Expense	\$849,000	\$853,000	\$1,110,000	\$1,176,000	\$1,182,000
NON-OPERATING REVENUE/(EXPENSE)						
14	Interest Revenue	\$54,000	\$85,000	\$79,000	\$74,000	\$69,000
15	Interest Expense	(280,000)	(358,000)	(338,000)	(318,000)	(313,000)
16	Other Revenue/(Expense)	(30,000)				
17	Total Non-Op Revenue/(Expense)	(\$256,000)	(\$273,000)	(\$259,000)	(\$244,000)	(\$244,000)
18	NET INCOME/(LOSS)	(\$315,000)	(\$286,000)	(\$386,000)	(\$139,000)	(\$81,000)
OTHER SOURCES/(USES) OF FUNDS						
19	Add Depreciation Expense	\$472,000	\$472,000	\$699,000	\$703,000	\$705,000
20	Grant & Loan - Central Expansion	3,500,000	7,500,000			
21	StoneTree Principal Repayment	206,000	211,000	216,000	222,000	227,000
22	Marin CC Principal Repayment		88,000	89,000	90,000	90,000
23	Novato Potable FRC Fund Trsf	717,000	1,135,000	1,135,000	1,055,000	1,055,000
24	Capital Improvement Projects	(3,680,000)	(7,680,000)	(180,000)	(100,000)	(100,000)
25	Deer Island TP Loan Principal Pmt	(205,000)	(216,000)	(221,000)	(226,000)	(232,000)
26	Distrib Sys Exp Loan Principal Pmt	(402,000)	(840,000)	(855,000)	(869,000)	(869,000)
27	Total Other Sources/Uses	\$608,000	\$670,000	\$883,000	\$875,000	\$876,000
28	Cash Increase/(Decrease)	\$293,000	\$384,000	\$497,000	\$736,000	\$795,000
29	Ending Reserve Balance	\$1,567,000	\$1,658,000	\$1,771,000	\$2,010,000	\$2,069,000
30	% Rate Increase	3.0%	5.0%	5.0%	5.0%	5.0%
31	Fiscal year 2015/16 Rate Increase approved by Board. FY 2017 through 2020 are projections for financial forecasting purposes only - not yet considered by the Board of Directors.					

WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 2015/16

	Approved Budget 2015/16	Estimated Actual 2014/15	Adopted Budget 2014/15
OPERATING INCOME			
1 Water Sales	\$777,000	\$740,000	\$825,000
2 Misc Service Charges	7,000	7,000	6,000
3 Total Operating Income	\$784,000	\$747,000	\$831,000
OPERATING EXPENDITURES			
4 Source of Supply	\$24,000	\$21,000	\$59,000
5 Pumping	38,000	28,000	39,000
6 Operations	46,000	64,000	39,000
7 Water Treatment	134,000	143,000	131,000
8 Transmission & Distribution	120,000	126,000	111,000
9 Consumer Accounting	26,000	24,000	27,000
10 Water Conservation	21,000	18,000	22,000
11 General Administration	81,000	51,000	55,000
12 Depreciation Expense	180,000	157,000	160,000
13 Total Operating Expenditures	\$670,000	\$632,000	\$643,000
14 NET OPERATING INCOME (LOSS)	\$114,000	\$115,000	\$188,000
NON-OPERATING REVENUE/(EXPENSE)			
15 PR-2 County Tax Allocation	\$45,000	\$44,000	\$41,000
16 Miscellaneous Revenue	4,000	4,000	4,000
17 Interest Revenue	5,000	5,000	3,000
18 Bond & Loan Interest Expense	(36,000)	(39,000)	(40,000)
19 Miscellaneous Expense	(58,000)	(1,000)	0
20 Total Non-Operating Income/(Expense)	(\$40,000)	\$13,000	\$8,000
21 NET INCOME/(LOSS)	\$74,000	\$128,000	\$196,000
OTHER SOURCES/(USES) OF FUNDS			
22 Add Depreciation Expense	\$180,000	\$157,000	\$160,000
23 Connection Fees	23,000	23,000	23,000
24 Prop 50 Grant (Gallagher Well Pipeline)	0	1,194,000	1,286,000
25 Capital Improvement Projects	(305,000)	(1,384,000)	(1,599,000)
26 Bond & Loan Principal Payments	(64,000)	(66,000)	(65,000)
27 Total Other Sources/(Uses)	(\$166,000)	(\$76,000)	(\$195,000)
28 CASH INCREASE/(DECREASE)	(\$92,000)	\$52,000	\$1,000

WEST MARIN WATER

5-Year Financial Forecast

#	BASIC DATA	Actual 2012/13	Actual 2013/14	Estimated 2014/15	Budget 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20
1	Active Meters	776	776	776	777	778	779	780	781
2	Avg Commodity Rate/1,000 Gal	\$7.61	\$8.12	\$8.74	\$9.30	\$9.77	\$10.26	\$10.77	\$11.31
3	Potable Consumption (MG)	81	78	66	70	70	70	70	70
INCOME									
4	Commodity Charge	\$614,880	\$633,904	\$573,000	\$610,000	\$684,000	\$718,000	\$754,000	\$792,000
5	Bimonthly Service Charge	138,684	169,038	167,000	167,000	175,000	184,000	193,000	203,000
6	Connection Fee	4,900	22,800	23,000	23,000	23,000	23,000	23,000	23,000
7	PR-2 County Tax Allocation	40,443	42,119	44,000	45,000	46,000	47,000	48,000	49,000
8	OL-2 G.O. Bond Tax	4,205	3,064	0	0	0	0	0	0
9	Interest	3,251	3,292	5,000	5,000	4,000	0	1,000	1,000
10	Miscellaneous	11,321	10,453	11,000	11,000	11,000	11,000	11,000	11,000
11	TOTAL INCOME	\$817,684	\$884,670	\$823,000	\$861,000	\$943,000	\$983,000	\$1,030,000	\$1,079,000
EXPENDITURES									
12	Operating Expenditures	\$396,828	\$474,270	\$468,000	\$490,000	\$505,000	\$520,000	\$536,000	\$552,000
13	Water Purchased from MMWD		0	7,000	0	0	0	0	0
14	Miscellaneous	11,964	35,525	1,000	58,000	0	0	0	0
15	Bond & Loan Debt Service	110,799	103,222	105,000	100,000	101,000	145,000	144,000	143,000
16	TOTAL EXPENDITURES	\$519,591	\$613,017	\$581,000	\$648,000	\$606,000	\$665,000	\$680,000	\$695,000
NET INCOME		\$298,093	\$271,653	\$242,000	\$213,000	\$337,000	\$318,000	\$350,000	\$384,000
OTHER SOURCES/(USES)									
17	Capital Improvement Projects	(\$380,323)	(\$277,492)	(\$1,384,000)	(\$305,000)	(\$1,820,000)	(\$100,000)	(\$275,000)	(\$3,150,000)
18	Grant/Loan Proceeds	0	266,060	1,194,000	0	600,000	0	0	2,800,000
19	Net Change in Working Capital	(51,956)	(46,404)	0	0	0	0	0	0
20	INCREASE (DECREASE) IN CASH	(\$134,186)	\$213,817	\$52,000	(\$92,000)	(\$883,000)	\$218,000	\$75,000	\$34,000
CASH BALANCE									
21	Operating Reserve	\$0	\$0	\$102,000	\$292,000	\$0	\$79,000	\$154,000	\$188,000
22	System Expansion Reserve	556,710	808,832	734,000	452,000	0	0	0	0
23	Liability Contingency Reserve	99,000	73,696	99,000	99,000	(40,000)	99,000	99,000	99,000
24	Bond Redemption Reserve	33,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
25	TOTAL CASH BALANCE	\$698,710	\$912,528	\$965,000	\$873,000	(\$10,000)	\$208,000	\$283,000	\$317,000
26	Depreciation Expense	\$148,654	\$154,749	\$157,000	\$180,000	\$185,000	\$215,000	\$217,000	\$222,000

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 1 connection per year.
- 2 Commodity rate increase of 6.5% is proposed effective 7/1/15. Annual 5% Commodity and Bimonthly Service Charge increases shown thereafter.
- 3 Consumption projection assumes 70MG annually in FY16 and thereafter which is 12.5% below the average use prior to FY15.
- 4 FY15 commodity charge revenue includes \$37,000 in drought surcharge revenue generated from the temporary drought surcharge.
- 5 Bimonthly service charge shown to increase 5% annually after FY16. Details of the rate increase structure to be determined at annual budget hearings.
- 6 The connection fee was set at \$22,800 per equivalent dwelling unit effective August 1, 2010.
- 7 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. PR-2 County Tax allocation is projected to increase 3% per year.
- 8 Olema GO Bond Tax terminated with payoff of Olema Bond January 1, 2015.
- 9 Projected available funds invested at 0.50%
- 10 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.
- 12 3% annual increase in Operating Expenditures assumed after FY15.
- 13 Purchase of 33.66AF from MMWD for release into Lagunitas Creek in October 2014 \$197.60/AF to address salinity intrusion.
- 14 FY14 includes \$20K for Master Plan update & \$13K in prior year work on Well #3 Rehab abandoned in FY14.
- 15 Comprised of three 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1975 OL-2 \$70,000 GO bond due 2015; 2) 1980 PRE-1 \$240,000 revenue bond due 2020; 3) 1981 PR-6 \$217,800 revenue bond due 2021; plus an Economic Development Administration \$46,000 5% 40-year loan due 2017. On June 30, 2012, WM Water was allocated \$1 million from a Bank of Marin loan to finance construction of a Treatment Plant Solids Handling Facility, with repayment commencing FY13. FY18 includes debt service on \$500K loan to finance completion of Solids Handling Facility.
- 16 Total Expenditures excludes depreciation.
- 17 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 18 FY14 & FY15 Gallagher Pipeline grant of \$1.2 million; FY17 \$600,000 loan to complete the Solids Handling and PRE Storage projects.
- 21 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors.
- 22 System Expansion Reserve is composed of connection fee revenue and unexpended Bank of Marin loan funds.
- 23 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.
- 24 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.

OCEANA MARIN SEWER
BUDGET SUMMARY
Fiscal Year 2015/16

	Approved Budget 2015/16	Estimated Actual 2014/15	Adopted Budget 2014/15
OPERATING INCOME			
1 Monthly Sewer Service Charge	\$196,000	\$187,000	\$187,000
2 Misc Service Charges	0	0	0
3 Total Operating Income	\$196,000	\$187,000	\$187,000
OPERATING EXPENDITURES			
4 Sewage Collection	\$49,000	\$37,000	\$55,000
5 Sewage Treatment	56,000	52,000	63,000
6 Sewage Disposal	31,000	23,000	31,000
7 Consumer Accounting	2,000	2,000	2,000
8 General Administration	31,000	21,000	23,000
9 Depreciation Expense	52,000	50,000	58,000
10 Total Operating Expenditures	\$221,000	\$185,000	\$232,000
11 NET OPERATING INCOME (LOSS)	(\$25,000)	\$2,000	(\$45,000)
NON-OPERATING REVENUE/(EXPENSE)			
12 OM-1/OM-3 Tax Allocation	\$47,000	\$46,000	\$44,000
13 Interest Revenue	2,000	2,000	1,000
14 Master Plan Update	(15,000)	(15,000)	(30,000)
15 Total Non-Op Income/(Expense)	\$34,000	\$33,000	\$15,000
NET INCOME/(LOSS)	\$9,000	\$35,000	(\$30,000)
OTHER SOURCES/(USES) OF FUNDS			
16 Add Depreciation Expense	\$52,000	\$50,000	\$58,000
17 Connection Fees	15,000	15,000	15,000
18 Capital Improvement Projects	(40,000)	(68,000)	(70,000)
19 Total Other Sources/(Uses)	\$27,000	(\$3,000)	\$3,000
20 CASH INCREASE/(DECREASE)	\$36,000	\$32,000	(\$27,000)

OCEANA MARIN SEWER

5-Year Financial Forecast

#	BASIC DATA	Actual 2012/13	Actual 2013/14	Estimated 2014/15	Budget 2015/16	Projected 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20
1	Number of Connections	227	229	229	230	231	232	233	234
2	Monthly Service Charge	\$58.00	\$65.00	\$68.00	\$71.00	\$75.00	\$79.00	\$83.00	\$87.00
INCOME									
3	Monthly Service Charge	\$157,992	\$177,970	\$187,000	\$196,000	\$207,000	\$219,000	\$232,000	\$244,000
4	OM-1/OM-3 Tax Allocation	43,101	44,887	46,000	47,000	48,000	49,000	50,000	52,000
5	Connection Fees	0	30,400	15,000	15,000	15,000	15,000	15,000	15,000
6	Interest Revenue	724	1,051	2,000	2,000	2,000	1,000	1,000	0
7	Miscellaneous Revenue/(Expense)	19,127	(248)	0	0	0	0	0	0
8	TOTAL INCOME	\$220,944	\$254,060	\$250,000	\$260,000	\$272,000	\$284,000	\$298,000	\$311,000
9	OPERATING EXPENDITURES	\$148,164	\$138,518	\$135,000	\$169,000	\$174,000	\$179,000	\$184,000	\$190,000
OTHER EXPENDITURES									
10	Capital Improvement Projects/Other	\$221,835	\$19,655	\$83,000	\$55,000	\$160,000	\$110,000	\$380,000	\$40,000
11	TOTAL EXPENDITURES	\$369,999	\$158,173	\$218,000	\$224,000	\$334,000	\$289,000	\$564,000	\$230,000
12	Net Change in Working Capital	(\$2,275)	(\$5,035)						
13	INCREASE (DECREASE) IN CASH	(\$151,330)	\$90,852	\$32,000	\$36,000	(\$62,000)	(\$5,000)	(\$266,000)	\$81,000
CASH BALANCE									
14	Operating Reserve	\$192,042	\$282,894	\$315,000	\$351,000	\$289,000	\$284,000	\$18,000	\$99,000
15	Connection Fee Reserve	0	0	0	0	0	0	0	0
16	TOTAL CASH BALANCE	\$192,042	\$282,894	\$315,000	\$351,000	\$289,000	\$284,000	\$18,000	\$99,000
17	Depreciation Expense	\$44,720	\$57,024	\$50,000	\$52,000	\$53,000	\$57,000	\$60,000	\$70,000

OCEANA MARIN SEWER

NOTES

KEY

- 1 Assumes 1 connection per year, which is the average over the last 5 years. Capacity is estimated at 308 dwelling units.
- 2 Proposed 5% annual increases to build cash to fund the FY19 \$350,000 Pond Relining Project. A \$700K parallel force main is also projected outside the 5-year window.
- 4 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. 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 \$15,200 connection fee.
- 6 Projected available funds invested at 0.50%
- 9 Operating expenditures return to normal after FY15 deferred maintenance projects completed, then increase 3% annually thereafter.
- 10 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 11 Total Expenditures excludes depreciation.
- 14 Cash available for operation, maintenance and improvements

EQUIPMENT EXPENDITURES**Fiscal Year 2015/2016 Budget**

		Approved	Description
1 CONSTRUCTION			
12107.01.00	a. Fittings & Hose for Emergency Hose Trailer	\$6,000	Additional Fittings & Hose (1"-6") for Hose Trailer
		\$6,000	
2 ENGINEERING			
12102.01.00	a. Large Format Color Printer	\$12,000	For CAD Drawings - to replace HP800 Plotter which is obsolete and no longer supported
		\$12,000	
3 OPERATIONS/MAINTENANCE			
12107.01.00	a. Tire Balancer	\$6,000	To replace broken 1992 balancer with unit that supports a larger variety of fleet wheels.
		\$6,000	
4 VEHICLE & ROLLING EQUIPMENT EXPENDITURES			
12104.01.00	a. 4x4 Backhoe (Diesel)	\$125,000	To replace '04 JD 310 with 2,445 hours that will be auctioned
12104.01.00	b. 1/2 Ton Pickup w/Tool Box & Radio	25,000	To replace '00 Dakota w/115,000 miles that will be auctioned
12104.01.00	c. 1/2 Ton Pickup w/Tool Box & Radio	25,000	To replace '03 Chevy C1500 w/117,000 miles that will be auctioned
		\$175,000	
Total		\$199,000	

	Adopted Budget 2014/15	Estimated Actual 2014/15	Approved Budget 2015/16
RECAP			
Equipment	\$23,000	\$23,000	\$24,000
Rolling Stock	\$175,000	\$174,000	\$175,000
	\$198,000	\$197,000	\$199,000

CAPITAL IMPROVEMENT PROJECTS

			FY16	FY17	FY16 Project Description
1. PIPELINE REPLACEMENTS/ADDITIONS					
	a.	Main/Pipeline Replacements			
1.7067.20	1	So Novato Blvd - Rowland to Sunset (12" CI @ 1,000')	\$400,000		3rd year of 3-year project to replace Cast Iron Pipe at the end of its useful life.
	2	Ridge Road 6" ACP (8"@1,400')		\$300,000	
			\$400,000	\$300,000	
	b.	Main/Pipeline Additions			
1.7145.00	1	Zone A Pressure Improvements - Ignacio	\$150,000		Upsize Bel Marin Keys Intertie to enhance water delivery to the south service area.
1.7150.00	2	San Mateo 24" Inlet/Outlet Pipe	\$150,000	\$655,000	Multiyear project to install a new 24-inch, 2,000 foot long pipeline from San Mateo Tank to the end of Palmo Way to improve fire flow in the northern most part of Zone 2.
			\$300,000	\$655,000	
	c.	Polybutylene Service Line Replacements			
	1	Replace PB in Sync w/City Paving (30 Srvcs)	\$70,000	\$70,000	PB service replacement coordinated with City Overlay Program.
	2	Other PB Replacements (60 Services)		\$200,000	
			\$70,000	\$270,000	
	d.	Relocations to Sync w/City & County CIP			
1.8737.xx	1	Other Relocations	\$80,000	\$80,000	Relocate facilities for yet to be identified City/County Projects.
			\$80,000	\$80,000	
	e.	Aqueduct Replacements/Enhancements (Note 1)			
1.7118.01-21	1	Energy Efficiency Project-Hwy 101 Widening	\$4,890,000		Completion of North Marin Aqueduct Energy Efficiency Project.
			<u>\$5,740,000</u>	<u>\$1,305,000</u>	

CAPITAL IMPROVEMENT PROJECTS

		FY16	FY17	FY16 Project Description	
2. SYSTEM IMPROVEMENTS					
1.7008.12	a.	RTU Upgrades	\$15,000	\$15,000	FY17 will complete the replacement of aging and unreliable RTUs.
1.8677.20	b.	Flushing Taps at Dead-Ends (12 biennially)	\$50,000		Ongoing replacement program.
1.7007.10	c.	DCA Repair/Replace (~14/yr)	\$190,000	\$190,000	Detector Check Assembly replacements.
1.7090.02	d.	Anode Installations (150/yr)	\$30,000	\$30,000	Place anodes on copper laterals for corrosion protection.
1.7132.02	e.	Radio Telemetry	\$25,000	\$25,000	Install radio transmitters to replace leased lines.
1.7054.06	f.	Inaccurate High Use Meter Replacement	\$10,000	\$10,000	Evaluate large meters to assure accuracy.
1.7137.00	g.	Backflow Device Upgrade - BMK (15 Srvcs/yr)	\$30,000		Replace DCVs with above grade RPP devices.
1.7146.00	h.	Tank Access Hatch/Level Alarms (15 Sites)	\$35,000	\$35,000	Remote alarm notification of unauthorized entry at tank sites.
1.7157.00	i.	Automate Zone Valve (Slowdown Ct)	\$50,000		To provide real-time operation of Zone 2 pressure and flow when STP goes on & off.
1.7158.00	j.	Radio Read Meter Retrofit (Pilot Study/Install)	\$500,000	\$2,500,000	Pilot Program-\$5M Cellular & Tower Mounted Radio Transmission.
1.7136.00	k.	Facilities Security Enhancements		\$25,000	
			\$935,000	\$2,830,000	

3. BUILDING, YARD, STP. IMPROVEMENTS

a. Administration Building					
1.6501.43	1	Electronic Document Management System	\$150,000		Manage digital document creation, storage, retrieval & expiration.
1.6501.46	2	Office Emergency Generator	\$150,000		Customer service, lab and operations equipment requires an emergency power supply when primary power is interrupted.
1.6501.44	3	Office/Yard Building Refurbish (Note 3)	\$1,500,000	\$1,500,000	Building is 50-years-old and requires significant upgrading.
			<u>\$1,800,000</u>	<u>\$1,500,000</u>	
b. Stafford Treatment Plant					
1.6600.69	1	Dam Concrete Repair	\$50,000		Concrete patch repair to west face of the dam.
1.6600.82	2	STP Emergency Power Generator	\$150,000		Power for the chlorine gas scrubber in the event primary power is interrupted. Recommended by County Health and Safety Dept.
1.6600.70	3	Watershed Erosion Control	\$25,000		STRAW, Grossi dairy manure removal and misc. erosion control on the Stafford Lake Watershed.
	4	Remove Old STP Chemical Tanks		\$20,000	
	5	Lake Backfeed De-Chlorination System		\$100,000	
	6	Other Treatment Plant Improvements		\$75,000	
			<u>\$225,000</u>	<u>\$195,000</u>	
			<u>\$2,025,000</u>	<u>\$1,695,000</u>	

CAPITAL IMPROVEMENT PROJECTS

		FY16	FY17	FY16 Project Description
4. STORAGE TANKS/PUMP STATIONS				
	a.	Hydropneumatic Tank Repairs	\$60,000	Inspect/Repair the 7 tanks in compliance with State Code.
			\$60,000	\$0
1.6112.24	b.	Lynwood P.S. Motor Control Center	\$120,000	Move motor controls above-ground.
1.6222.23	c.	Sunset Tank Cl2 Mixing System	\$90,000	Chlorine mixing system to enhance water quality.
1.6141.00	d.	Crest PS(Design/Const)/Reloc School Rd PS	\$70,000	\$150,000 Design phase of Crest zone pump station.
			<u>\$340,000</u>	<u>\$150,000</u>
5. RECYCLED WATER				
5.7127.00	a.	NBWRA Grant Program Administration	\$80,000	\$80,000 Continued support of NBWRA to obtain/administer recycled water project Federal/State grants for the Central Project.
5.6058.10	b.	Expansion to Central Area (Note 4)	\$3,500,000	\$7,500,000 Install 5.7 miles of pipeline on Ignacio Blvd.
	c.	Other Recycled Water Expenditures	\$100,000	\$100,000 Retrofit existing potable irrigation customers to RW.
			<u>\$3,680,000</u>	<u>\$7,680,000</u>

CAPITAL IMPROVEMENT PROJECTS

		FY16	FY17	FY16 Project Description
6. WEST MARIN WATER SYSTEM				
2.7153.00	a.	Upsize 4" Pipe from Bear Valley Tanks (8"@900')	\$100,000	Upsize 900' of pipeline to 8-inch from Bear Valley Tanks to Fox Dr/ McCarthy Ct to improve water delivery and fire flow to Bear Valley.
2.6257.20	b.	Tanks #2 & #3 Seismic Piping Upgrade	\$30,000	Balance of work commenced in FY13.
2.6263.20	c.	Replace PRE Tank #4A (25K gal w/82K gal)	\$50,000	\$450,000 Replace redwood tank destroyed in Vision Fire with concrete tank.
2.8850.xx	d.	PB Replace in Sync w/ County Paving	\$50,000	For 25 replacements.
2.7160.00	e.	Green Sand Filter Media Replace	\$75,000	\$75,000 Media replacement in both filters.
2.6601.32	f.	TP Solids Handling (Note 5)		\$1,245,000
2.6605.23	g.	Abandon Downey Well		\$50,000
			<u>\$305,000</u>	<u>\$1,820,000</u>
7. OCEANA MARIN SEWER SYSTEM				
8.8672.28	a.	Infiltration Repair	\$40,000	\$40,000 Ongoing work to identify and repair collection pipelines to prevent rainwater from leaking into the system.
	b.	Design/Install 8th Disposal Trench (300')		\$50,000
	c.	Tahiti Way Lift Pumps Rebuild (2) (every 5 yrs)		\$20,000
	d.	Tahiti Way Power Relocation		\$20,000
	e.	Dillon Beach Lift Station Rehab		\$30,000
			<u>\$40,000</u>	<u>\$160,000</u>
		Novato Water	\$9,040,000	\$5,980,000
		Recycled Water	\$3,680,000	\$7,680,000
		West Marin Water	\$305,000	\$1,820,000
		Oceana Marin Sewer	\$40,000	\$160,000
		GROSS PROJECT OUTLAY	<u>\$13,065,000</u>	<u>\$15,640,000</u>

CAPITAL IMPROVEMENT PROJECTS

	FY16	FY17	FY16 Project Description
LESS FUNDED BY LOANS/GRANTS/OTHER			
a. AEEP - Hwy 101 Widening (Note 1)	(\$4,613,000)	\$0	Funded by Bank Loan & Caltrans Reimbursement
b. Radio Read Meter Retrofit (Note 2)	(\$500,000)	(\$2,500,000)	Funded by SRF or Bank Loan
c. Office/Yard Building Refurbish (Note 3)	(\$1,500,000)	(\$1,500,000)	Funded by Bank Loan
c. RW Sys Expansion (Note 4)	(\$3,500,000)	(\$7,500,000)	Funded by 1% SRF Loan, \$2.25M MCC Contrib & \$1.5M Grant
e. WM Treatment Plant Solids Handling (Note 5)	\$0	(\$1,245,000)	Funded from FY12 Bank Loan & Add'l \$600K FY17 loan
	<u>(\$10,113,000)</u>	<u>(\$12,745,000)</u>	
<u>SUMMARY - NET PROJECT OUTLAY</u>			
Novato Water	\$2,427,000	\$1,980,000	
Recycled Water	\$180,000	\$180,000	
West Marin Water	\$305,000	\$575,000	
Oceana Marin Sewer	\$40,000	\$160,000	
NET PROJECT OUTLAY	<u>\$2,952,000</u>	<u>\$2,895,000</u>	
Total Number of Projects	35	30	

Note 1 - Aqueduct Energy Efficiency Project funded by \$7M bank loan, \$9.9M in Caltrans reimbursement, and \$300,000 local contribution.

Note 2 - Radio Read Meter Retrofit to be funded by SRF or Bank Loan

Note 3 - Office/Yard Refurbish to be funded by Bank Loan

Note 4 - RW Central Expansion funded by \$2.25M Marin Country Club Contribution with balance from Fed Grant & SRF loan with debt service paid from Novato potable water FRC funds.

Note 5 - West Marin Water Treatment Plant Solids Handling Facility partially funded by \$782,000 bank loan. Additional \$600K to be borrowed in FY17 to complete project.

Studies carried under General Administration or Non-Operating Expense

a. 2015 Urban Water Management Plan	\$10,000	
b. Insured Property Valuation Assessment	\$40,000	
c. Local Water Supply Enhancement Study	\$100,000	\$100,000
d. Retiree Health Liability Actuarial Update	\$5,000	
e. Stafford Lake Sanitary Survey	\$30,000	
f. Novato Water Master Plan Update (every 5 yrs)		\$85,000
g. NMWD/NSD Central Svc Area Expansion Study	\$30,000	
h. Gallagher Well #2 Hydrogeologic Study	\$58,000	
	<u>\$273,000</u>	<u>\$185,000</u>