



**NORTH MARIN  
WATER DISTRICT**

999 Rush Creek Place  
PO Box 146  
Novato, CA 94948  
Phone 415.897.4133  
[www.nmwd.com](http://www.nmwd.com)

Adopted  
**BUDGETS**  
**Novato & West Marin**  
**Service Areas**  
FISCAL YEAR  
**2016/17**

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, 2016

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

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

Re: Fiscal Year 2016/2017 Budget

**Board of Directors:**

The North Marin Water District Budget for 2016/2017 (FY17) was adopted by the Board at public hearings held in Novato on June 14 and in Point Reyes Station on June 28, 2016. This budget identifies projected revenue, expenditures, 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 \$34.7 million consolidated budget projects operating revenue of \$19.6 million and a net income of \$600,000. The FY17 budget incorporates \$7.5 million to commence the final phase of the \$36 million Recycled Water Distribution System. After payment of \$2.5 million in debt service, the consolidated budget projects a cash deficit for the fiscal year of \$500,000.

**Novato Water**

The Novato Potable Water System budget projects a \$400,000 cash decrease over the fiscal year. A rate increase averaging 5% for the typical single-family residential customer, comprised of a 7% commodity rate increase and no increase in the bimonthly service charge, was adopted effective June 1, 2016, and is projected to add \$880,000 to FY17 revenue.

Water sales volume is budgeted at 2.5 billion gallons, a 14% increase from FY16, due to the cessation of state mandated water conservation requirements. Total budgeted outlay, which includes \$8.3 million in capital improvement projects, is projected at \$25.5 million, a 1% increase from the FY16 budget. On a standardized accounting basis, the Novato potable water system budget projects a net income of \$755,000.

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

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

### **Recycled Water**

The FY17 Recycled Water System budget projects demand of 140 million gallons, on par with the FY16 sales volume. Consistent with the potable water rate increase, a 7% commodity rate increase was enacted effective June 1, 2016, and is projected to generate \$48,000 in additional revenue annually.

Operating expenses (excluding depreciation, purchased water cost, and non-recurring Engineering Studies) are budgeted to increase 2% (\$4,000) from the FY16 budget. The budget projects purchase of 90MG of tertiary treated water from Novato Sanitary District and 45MG from Las Gallinas Valley Sanitary District, at an average rate of \$1,400/MG. The Deer Island Plant is budgeted to produce 5MG, and will continue to serve as a backup facility.

The \$14.8 million expansion of the recycled water distribution system into Central Novato will commence with \$7.5 million anticipated to be expended over the 12-month period. The District has been approved for a 1% State Revolving fund loan (\$6.6 million), a \$2.75 million Bureau of Reclamation Title XVI grant through the North Bay Water Reuse Authority, and \$3.3 million Proposition 1 grant through the CA Department of Water Resources.

The budget projects a net accounting loss of \$305,000. After receipt of \$1.3 million of Novato potable water system connection fees to pay the Recycled Water System debt service and the local share of Central Expansion Project, the System is projected to show a \$405,000 cash increase for the year.

### **West Marin Water**

A rate increase for West Marin Water customers averaging 5% effective July 1, 2016, will add \$2.67 per month to the typical residential customer water cost, and is projected to generate \$40,000 in additional revenue annually.

Significant Capital Improvement Projects budgeted for the year include \$450,000 to complete the bulk of the work on the \$525,000 replacement of the PRE Tank burned in the Vision Fire; \$75,000 to replace the green-sand filter media in one of the two treatment plant filters (another \$75,000 will be expended in FY18 to replace the media in the second filter); and \$100,000 to permit and commence construction of the \$300,000 project to install a second well on the Gallagher site.

FY17 water sales volume is budgeted to increase 3% compared with the current year estimated actual. Unlike the current fiscal year, FY17 will not include mandatory water use restrictions, and normal rainfall is assumed. West Marin customers are projected to consume

62MG, compared to 60MG estimated for FY16. Operating expenditures, before depreciation and non-recurring Engineering Studies, are budgeted to increase \$7,000 (3%) from the FY16 adopted budget, and \$15,000 (3%) from FY16 estimated actual outlays. Incorporated into the budget is \$35,000 to digitize West Marin Water facility maps. The budget projects a net accounting income of \$73,000 and, after capital outlay and debt service, the system is projected to show a cash decrease for the year of \$406,000.

### **Oceana Marin Sewer**

A 10% increase (\$7/month - to \$936/year) in the Oceana Marin Sewer service charge effective July 1, 2016, is projected to add \$20,000 in additional annual revenue. The FY17 budget projects operating expenditures, before depreciation and non-recurring Engineering Studies, to decrease 3% from the FY16 budget. The budget projects a net accounting income of \$51,000 and the system is projected to see a cash decrease for the year of \$82,000.

### **Capital Improvement Projects**

The two-year CIP Budget totals \$30.2 million and is comprised of 37 projects in FY17 and 30 projects in FY18. \$20.9 million will be funded from loans and grant funds. Major projects (over \$500,000) are as follows:

<b>Project</b>	<b>FY17</b>	<b>FY18</b>
San Mateo 24" Inlet/Outlet Pipe (2,200')	\$150,000	\$850,000
San Mateo Tank Recoat	120,000	1,900,000
Radio Read Meter Retrofit (Installation) <sup>1</sup>	3,000,000	1,900,000
Office/Yard Building Refurbish <sup>2</sup>	3,000,000	0
SCWA CIP	1,603,000	648,000
RW Expansion to Central Service Area <sup>3</sup>	7,500,000	3,400,000
Replace PRE Tank 4A	450,000	50,000
TP Solids Handling Facility	0	625,000
Other Projects	<u>2,636,000</u>	<u>2,370,000</u>
<b>Gross Project Outlay</b>	<b>\$18,459,000</b>	<b>\$11,743,000</b>
Less Loan/Grant/SCWA Rate Funding	<u>(14,590,000)</u>	<u>(6,341,000)</u>
<b>Net Project Outlay (internally funded)</b>	<b><u>\$3,869,000</u></b>	<b><u>\$5,402,000</u></b>

<sup>1</sup> \$5M Radio Read Meter Retrofit to be funded by an SRF or bank loan.

<sup>2</sup> \$3M Office/Yard Building Refurbish to be funded by a bank loan.

<sup>3</sup> RW Expansion to Central Service Area to be funded by a 1% SRF Loan, Federal and State Grants, and Marin Country Club contribution.

### **Staffing**

The FY17 budget includes a staffing level of 55.7 full-time equivalent (FTE) employees, up 3.0 FTE (6%) from the prior budget. Two Apprentice Treatment Plant Operators were hired after a Senior Treatment Plant Operator retired, and two Apprentice Electrical/Mechanical Techs are budgeted to be hired in FY17 in anticipation of the pending retirements of the Senior E/M Tech and the Maintenance Supervisor. The budgeted staffing level of 55.7 FTE is down 3.4 FTE (6%) 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 \$29 million in outstanding debt, comprised of:

- 1) \$11.6 million at 2.4% State Revolving Fund (SRF) loan used to finance the Stafford Water Treatment Plant Rehabilitation;
- 2) \$8.5 million in 2.6% & 2.2% SRF loans (7 total) used to finance the recycled water distribution system;
- 3) \$6.5 million at 3.5% bank loan used to finance the Aqueduct Energy Efficiency Project and West Marin Treatment Plant Solids-Handling Facility;
- 4) \$2.6 million at 2.4% SRF loan used to finance the Deer Island Recycled Water Facility;
- 5) Four 5% loans totaling \$145,000 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 2016/17 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](mailto: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 2016

### Organization:

5 Directors elected at large for 4-year terms

John C. Schoonover, President

Stephen Petterle, Vice President

Jack Baker

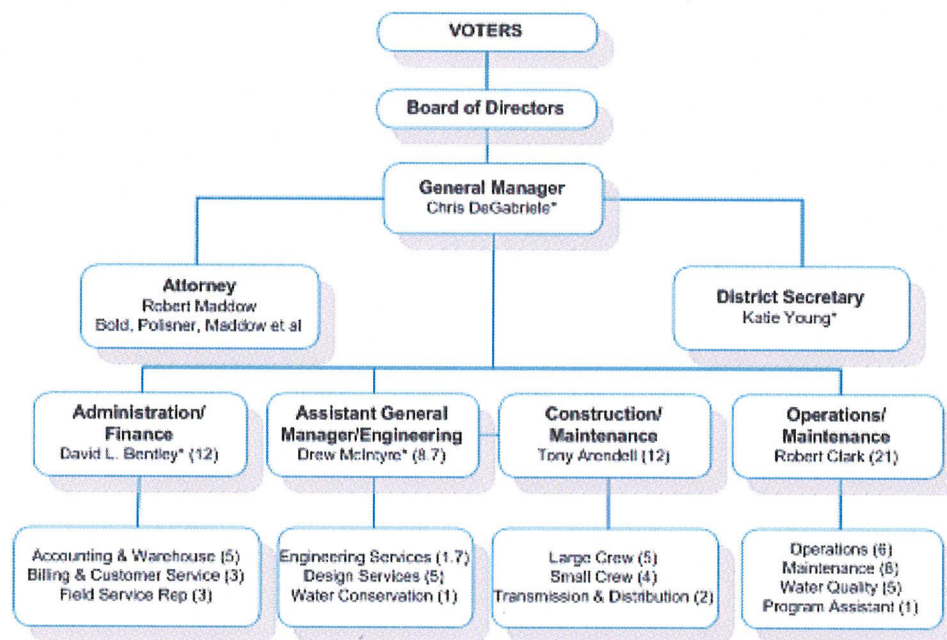
Rick Fraites

Dennis Rodoni

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

4 Departments

55 Employees (54.7 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.



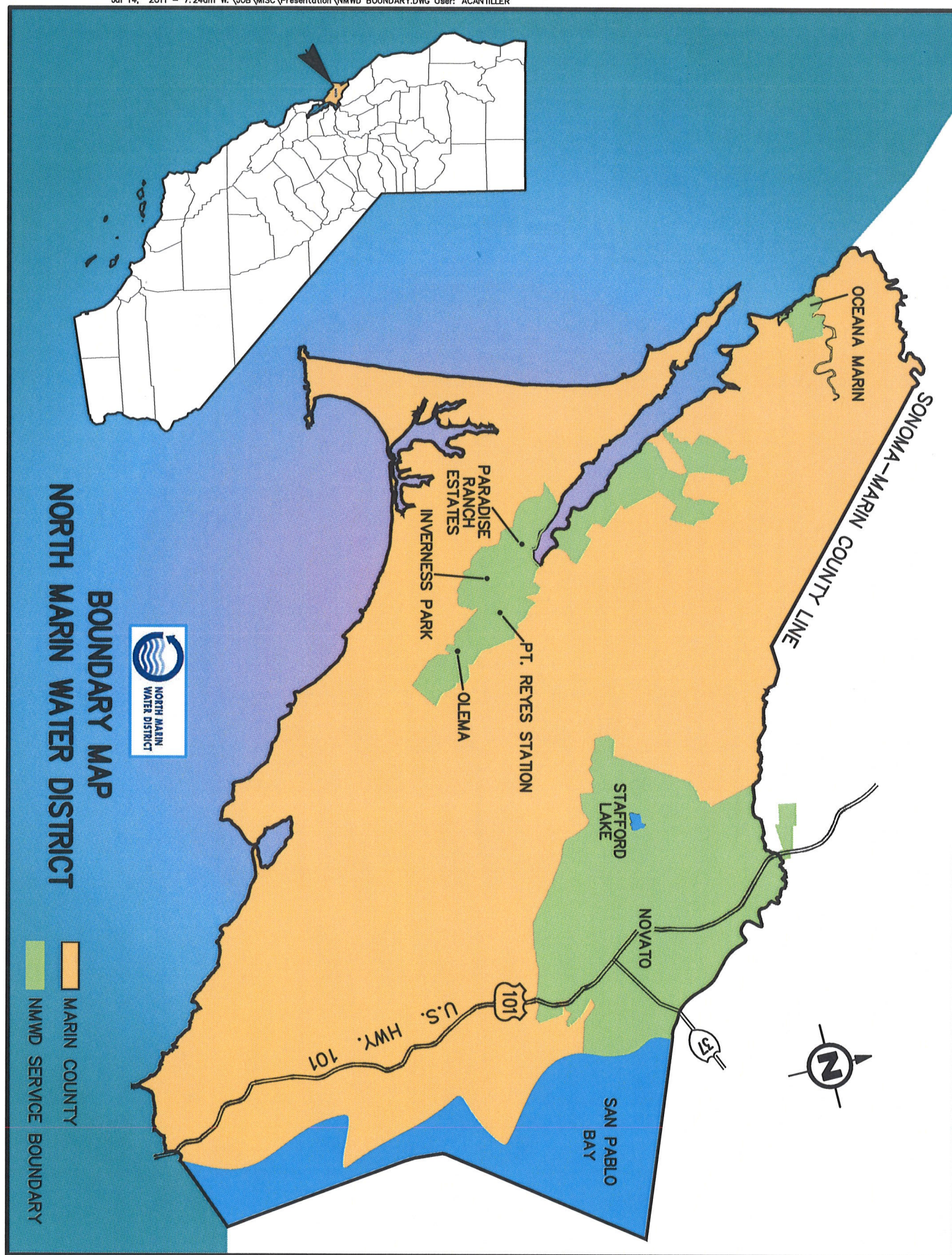




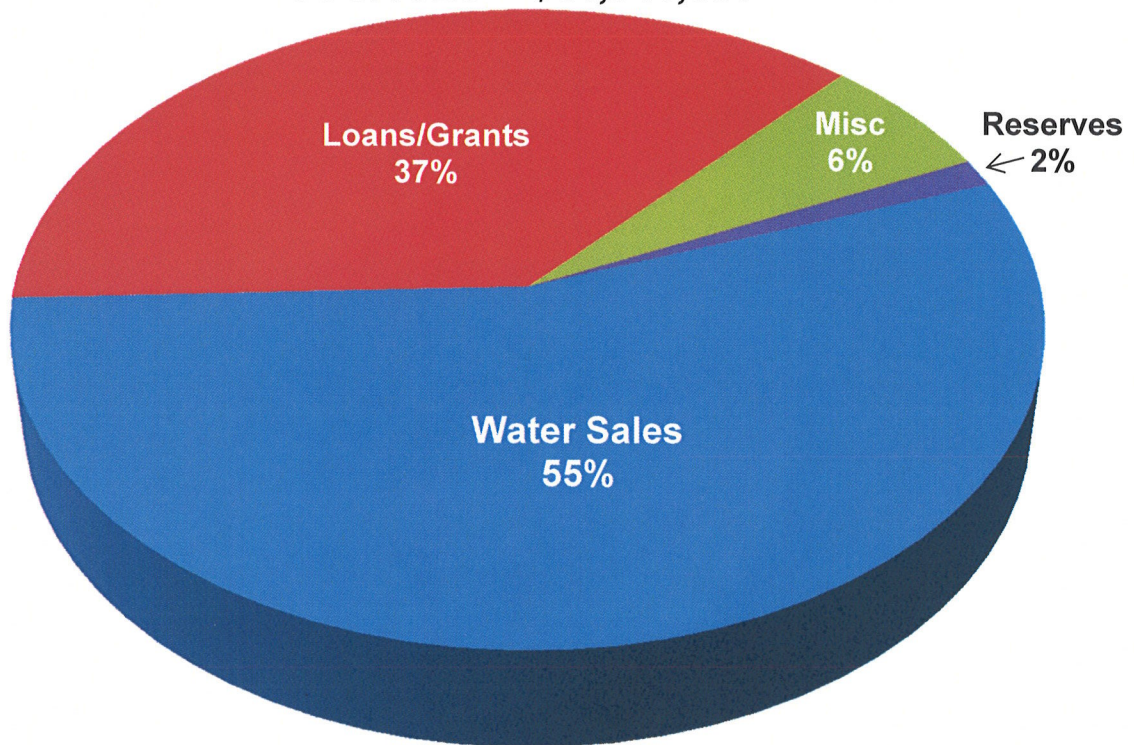
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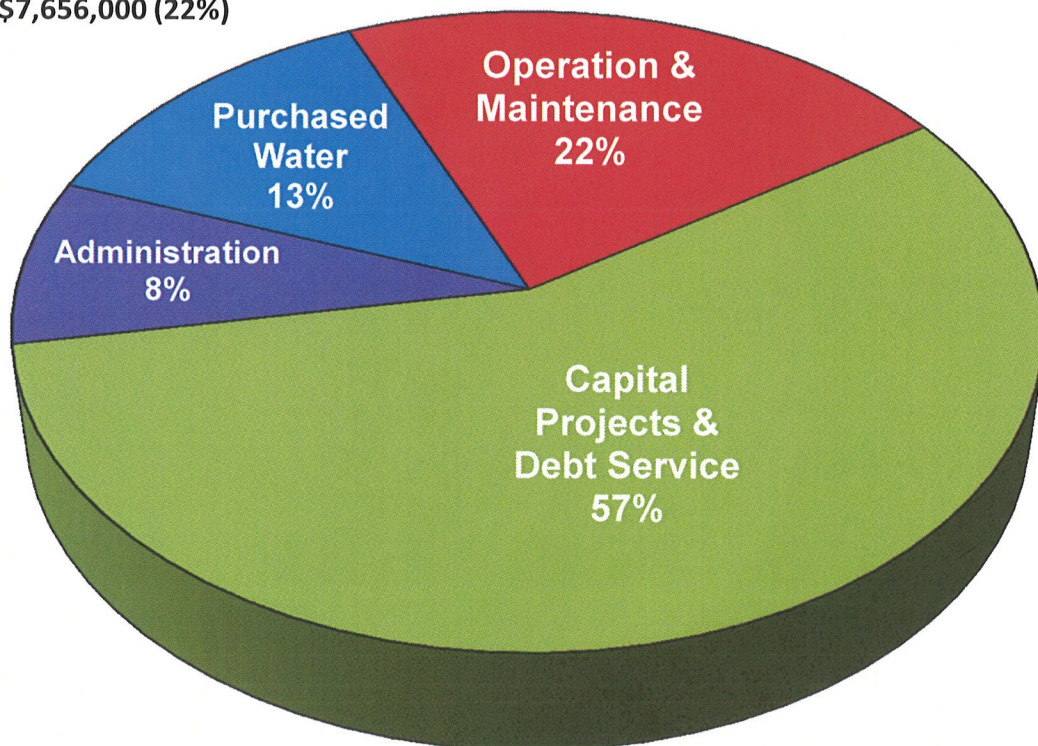
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**NORTH MARIN WATER DISTRICT  
FY17 APPROVED BUDGET - ALL SERVICE AREAS COMBINED  
SOURCES = \$34,746,000**



Labor = \$7,656,000 (22%)



**USES = \$34,746,000**

Excludes Depreciation Expense & Developer Funded Costs

**NORTH MARIN WATER DISTRICT**  
**BUDGET SUMMARY - ALL SERVICE AREAS COMBINED**  
**Fiscal Year 2016/17**

	<i>Approved Budget 2016/17</i>	<i>Estimated Actual 2015/16</i>	<i>Adopted Budget 2015/16</i>
<b>OPERATING INCOME</b>			
1 Water Sales	\$19,087,000	\$16,593,000	\$19,335,000
2 Sewer Service Charges	214,000	196,000	196,000
3 Wheeling & Misc Service Charges	347,000	342,000	387,000
4 <b>Total Operating Income</b>	<b>\$19,648,000</b>	<b>\$17,131,000</b>	<b>\$19,918,000</b>
<b>OPERATING EXPENDITURES</b>			
5 Source of Supply	\$4,869,000	\$4,106,000	\$5,110,000
6 Pumping	366,000	270,000	413,000
7 Operations	843,000	781,000	695,000
8 Water Treatment	2,223,000	1,793,000	2,130,000
9 Sewer Service	141,000	141,000	136,000
10 Transmission & Distribution	3,272,000	2,848,000	2,850,000
11 Consumer Accounting	653,000	630,000	621,000
12 Water Conservation	480,000	400,000	471,000
13 General & Administrative	2,247,000	1,942,000	2,319,000
14 Depreciation Expense	3,517,000	3,291,000	3,404,000
15 <b>Total Operating Expenditures</b>	<b>\$18,611,000</b>	<b>\$16,202,000</b>	<b>\$18,149,000</b>
16 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$1,037,000</b>	<b>\$929,000</b>	<b>\$1,769,000</b>
<b>NON-OPERATING INCOME/(EXPENSE)</b>			
17 Tax Proceeds	\$100,000	\$97,000	\$92,000
18 Interest Revenue	105,000	117,000	125,000
19 Miscellaneous Revenue	136,000	108,000	87,000
20 Interest Expense	(779,000)	(809,000)	(826,000)
21 Miscellaneous Expense	(20,000)	(1,000)	(108,000)
22 <b>Total Non-Operating Income/(Expense)</b>	<b>(\$458,000)</b>	<b>(\$488,000)</b>	<b>(\$630,000)</b>
<b>NET INCOME/(LOSS)</b>	<b>\$579,000</b>	<b>\$441,000</b>	<b>\$1,139,000</b>
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
23 Add Depreciation Expense	\$3,517,000	\$3,291,000	\$3,404,000
24 Connection Fees	832,000	279,000	576,000
25 Caltrans AEEP Reimbursement	0	2,600,000	2,740,000
26 MMWD AEEP Capital Contribution	245,000	245,000	245,000
27 Loans/Grants	12,987,000	0	5,500,000
28 Stone Tree Golf Principal Repayment	212,000	206,000	206,000
29 Capital Equipment Expenditures	(245,000)	(65,000)	(199,000)
30 Capital Improvement Projects	(16,856,000)	(6,063,000)	(13,080,000)
31 Debt Principal Payments	(1,752,000)	(1,722,000)	(1,706,000)
32 Working Capital Increase/(Decrease)	0	(750,000)	0
33 <b>Total Other Sources/(Uses)</b>	<b>(\$1,060,000)</b>	<b>(\$1,979,000)</b>	<b>(\$2,314,000)</b>
34 <b>CASH INCREASE/(DECREASE)</b>	<b>(\$481,000)</b>	<b>(\$1,538,000)</b>	<b>(\$1,175,000)</b>

**FY17 BUDGETED EXPENDITURES BY CATEGORY**

	FY17	Novato	Novato	West	Oceana	FY16	FY17/FY16	FY16	FY17/FY16
<b>Operating Expense</b>	<b>Budget</b>	<b>Potable</b>	<b>Recycled</b>	<b>Marin Wtr</b>	<b>Marin Swr</b>	<b>Budget</b>	<b>Budget %</b>	<b>Est Actual</b>	<b>Est Actual %</b>
1 Salaries & Benefits	\$6,848,000	\$6,475,000	\$68,000	\$238,000	\$67,000	\$6,466,000	6%	\$6,144,000	11%
2 Water Purchases	4,669,000	4,480,000	189,000	0	0	4,927,000	(5%)	4,020,000	16%
3 Depreciation	3,517,000	2,800,000	480,000	190,000	47,000	3,404,000	3%	3,291,000	7%
4 Materials, Services & Supplies	1,684,000	1,547,000	38,000	79,000	20,000	1,675,000	1%	1,460,000	15%
5 Electric Power	414,000	354,000	2,000	42,000	16,000	449,000	(8%)	366,000	13%
6 Chemicals	436,000	425,000	4,000	5,000	2,000	436,000	0%	205,000	113%
7 Consulting Services/Studies	490,000	455,000	0	35,000	0	271,000	81%	119,000	312%
8 Vehicles & Equipment (Distrib)	282,000	262,000	2,000	14,000	4,000	260,000	8%	282,000	0%
9 Tools & Supplies (Distrib)	186,000	166,000	4,000	11,000	5,000	179,000	4%	231,000	(19%)
10 Retiree Medical Expense	173,000	173,000	0	0	0	174,000	(1%)	172,000	1%
11 Water Conservation Rebates	160,000	150,000	0	10,000	0	160,000	0%	90,000	78%
12 Insurance & Claims	145,000	118,000	0	0	27,000	105,000	38%	159,000	(9%)
13 Office Supplies & Postage	110,000	110,000	0	0	0	100,000	10%	82,000	34%
14 Overhead Charge (Gain)/Loss	(122,000)	(122,000)	0	0	0	(70,000)	74%	(130,000)	(6%)
15 Distributed Costs	(381,000)	(575,000)	60,000	105,000	29,000	(387,000)	(2%)	(365,000)	4%
16 <b>Total Operating Expense</b>	<b>\$18,611,000</b>	<b>\$16,818,000</b>	<b>\$847,000</b>	<b>\$729,000</b>	<b>\$217,000</b>	<b>\$18,149,000</b>	<b>3%</b>	<b>\$16,126,000</b>	<b>15%</b>
17 Interest Expense & Other	799,000	501,000	264,000	34,000	0	949,000	(16%)	858,000	(7%)
18 <b>Total Expense</b>	<b>\$19,410,000</b>	<b>\$17,319,000</b>	<b>\$1,111,000</b>	<b>\$763,000</b>	<b>\$217,000</b>	<b>\$19,098,000</b>	<b>2%</b>	<b>\$16,984,000</b>	<b>14%</b>
<b>Warehouse, Shop &amp; Yard</b>									
19 Salaries and Benefits	\$292,000	\$292,000	\$0	\$0	\$0	\$304,000	(4%)	\$197,000	48%
20 Materials, Services & Supplies	307,000	307,000	0	0	0	303,000	1%	417,000	(26%)
21 Distributed Costs	(599,000)	(599,000)	0	0	0	(607,000)	(1%)	(614,000)	(2%)
22 <b>Total W/H, Shop &amp; Yard</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-</b>	<b>\$0</b>	<b>-</b>
<b>District Capital Outlay</b>									
23 Salaries and Benefits	\$808,000	\$518,000	\$188,000	\$71,000	\$31,000	\$831,000	(3%)	\$748,000	8%
24 Equipment	245,000	245,000	0	0	0	199,000	23%	41,000	498%
25 Debt Principal Payments	1,752,000	1,063,000	622,000	67,000	0	1,706,000	3%	1,144,000	53%
26 Materials, Services & Supplies	16,048,000	7,823,000	7,492,000	554,000	179,000	12,234,000	31%	4,929,000	226%
27 <b>Total District Capital Outlay</b>	<b>\$18,853,000</b>	<b>\$9,649,000</b>	<b>\$8,302,000</b>	<b>\$692,000</b>	<b>\$210,000</b>	<b>\$14,970,000</b>	<b>26%</b>	<b>\$6,862,000</b>	<b>175%</b>
<b>Developer Funded Projects</b>									
28 Salaries & Benefits	\$217,000	\$190,000	\$0	\$27,000	\$0	\$209,000	4%	\$206,000	5%
29 Materials, Services & Supplies	124,000	111,000	0	13,000	0	98,000	27%	255,000	(51%)
30 <b>Total Developer Projects</b>	<b>\$341,000</b>	<b>\$301,000</b>	<b>\$0</b>	<b>\$40,000</b>	<b>\$0</b>	<b>\$307,000</b>	<b>11%</b>	<b>\$461,000</b>	<b>(26%)</b>
31 <b>Total</b>	<b>\$38,604,000</b>	<b>\$27,269,000</b>	<b>\$9,413,000</b>	<b>\$1,495,000</b>	<b>\$427,000</b>	<b>\$34,375,000</b>	<b>12%</b>	<b>\$24,307,000</b>	<b>59%</b>

**NOVATO POTABLE WATER**  
**BUDGET SUMMARY**  
**Fiscal Year 2016/17**

	<b>Approved Budget 2016/17</b>	<b>Estimated Actual 2015/16</b>	<b>Adopted Budget 2015/16</b>
<b>OPERATING INCOME</b>			
1 Water Sales	<b>\$17,550,000</b>	\$15,163,000	\$17,768,000
2 Wheeling & Misc Service Charges	<b>340,000</b>	335,000	380,000
3 <b>Total Operating Income</b>	<b>\$17,890,000</b>	\$15,498,000	\$18,148,000
<b>OPERATING EXPENDITURES</b>			
4 Source of Supply	<b>\$4,658,000</b>	\$3,916,000	\$4,869,000
5 Pumping	<b>323,000</b>	241,000	367,000
6 Operations	<b>744,000</b>	667,000	609,000
7 Water Treatment	<b>2,051,000</b>	1,642,000	1,975,000
8 Transmission & Distribution	<b>3,100,000</b>	2,727,000	2,698,000
9 Consumer Accounting	<b>627,000</b>	603,000	592,000
10 Water Conservation	<b>460,000</b>	393,000	450,000
11 General Administration	<b>2,055,000</b>	1,735,000	2,149,000
12 Depreciation Expense	<b>2,800,000</b>	2,580,000	2,700,000
13 <b>Total Operating Expenditures</b>	<b>\$16,818,000</b>	\$14,504,000	\$16,409,000
14 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$1,072,000</b>	\$994,000	\$1,739,000
<b>NON-OPERATING INCOME/(EXPENSE)</b>			
15 Interest Revenue	<b>\$52,000</b>	\$56,000	\$64,000
16 Miscellaneous Revenue	<b>132,000</b>	104,000	83,000
17 Interest Expense	<b>(481,000)</b>	(494,000)	(510,000)
18 Miscellaneous Expense	<b>(20,000)</b>	\$0	(20,000)
19 <b>Total Non-Operating Income/(Expense)</b>	<b>(\$317,000)</b>	(\$334,000)	(\$383,000)
20 <b>NET INCOME/(LOSS)</b>	<b>\$755,000</b>	\$660,000	\$1,356,000
<b>OTHER SOURCES/(USES) OF CASH</b>			
21 Add Depreciation Expense	<b>\$2,800,000</b>	\$2,580,000	\$2,700,000
22 Connection Fees	<b>779,000</b>	255,000	538,000
23 Caltrans AEEP Capital Contribution	<b>0</b>	2,600,000	2,740,000
24 MMWD AEEP Capital Contribution	<b>245,000</b>	245,000	245,000
25 Loans	<b>6,000,000</b>	0	2,000,000
26 Capital Equipment Expenditures	<b>(245,000)</b>	(65,000)	(199,000)
27 Capital Improvement Projects	<b>(8,341,000)</b>	(4,928,000)	(9,040,000)
28 Debt Principal Payments	<b>(1,063,000)</b>	(1,050,000)	(1,035,000)
29 Connection Fee Transfer to RWS	<b>(1,328,000)</b>	(711,000)	(717,000)
30 Working Capital Increase/(Decrease)	<b>0</b>	(750,000)	0
31 <b>Total Other Sources/(Uses)</b>	<b>(\$1,153,000)</b>	(\$1,824,000)	(\$2,768,000)
32 <b>CASH INCREASE/(DECREASE)</b>	<b>(\$398,000)</b>	(\$1,164,000)	(\$1,412,000)



# NOVATO POTABLE WATER

## 5-YEAR FINANCIAL FORECAST

Fiscal Year Ending June 30 >		Approved 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
<b>SERVICES</b>						
1	Active Meters @ Fiscal Year End	20,560	20,585	20,610	20,635	20,660
2	Increase for Year - Active Meters	37	25	25	25	25
<b>WATER PRODUCTION (MG)</b>						
3	Stafford Production	750	750	750	750	750
4	Russian River Purchases	1,750	1,750	1,750	1,750	1,750
5	<b>Total Water Production</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
<b>REVENUE &amp; EXPENSE (\$ in 000's)</b>						
<b>OPERATING REVENUE</b>						
6	Potable Water Sales	\$17,550	\$18,500	\$19,420	\$20,400	\$21,410
7	Wheeling & Other Misc Service Charges	340	420	426	432	438
8	<b>Total Operating Revenue</b>	<b>\$17,890</b>	<b>\$18,920</b>	<b>\$19,846</b>	<b>\$20,832</b>	<b>\$21,848</b>
<b>OPERATING EXPENSE</b>						
9	Russian River Water	\$4,480	\$4,725	\$5,009	\$5,308	\$5,626
10	Overheaded Operating Labor	6,475	6,375	6,566	6,763	6,966
11	Purification Chemicals	425	438	451	464	478
12	Electric Power	354	364	377	390	405
13	Other Operating Expenses	2,284	1,960	2,019	2,080	2,142
14	Depreciation	2,800	2,830	2,860	2,890	2,920
15	<b>Total Operating Expense</b>	<b>\$16,818</b>	<b>\$16,692</b>	<b>\$17,282</b>	<b>\$17,895</b>	<b>\$18,538</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>						
16	Interest Revenue	\$52	\$35	\$33	\$35	\$39
17	Interest Expense	(481)	(635)	(598)	(858)	(809)
18	Misc Other Revenue/(Expense)	112	63	70	70	70
19	<b>Total Non-Op Revenue/(Expense)</b>	<b>(\$317)</b>	<b>(\$537)</b>	<b>(\$495)</b>	<b>(\$753)</b>	<b>(\$700)</b>
20	<b>Net Income</b>	<b>\$755</b>	<b>\$1,691</b>	<b>\$2,069</b>	<b>\$2,184</b>	<b>\$2,610</b>
<b>OTHER SOURCES/(USES) OF FUNDS</b>						
21	Add Depreciation Expense	\$2,800	\$2,830	\$2,860	\$2,890	\$2,920
22	Connection Fees	779	0	0	0	0
23	MMWD AEEP Capital Contribution	245	245	245	245	245
24	Loans	6,000	1,900	0	0	0
25	Capital Equipment Purchases	(245)	(250)	(250)	(250)	(250)
26	Capital Improvement Projects	(8,341)	(6,305)	(1,400)	(2,395)	(2,810)
27	Debt Principal Payments	(1,063)	(1,394)	(1,431)	(1,171)	(1,220)
28	FRC Funds Transferred to Recycled Water	(1,328)	(1,243)	(944)	(944)	(944)
29	<b>Total Other Sources/(Uses)</b>	<b>(\$1,153)</b>	<b>(\$4,217)</b>	<b>(\$920)</b>	<b>(\$1,625)</b>	<b>(\$2,059)</b>
30	<b>Cash Increase/(Decrease)</b>	<b>(\$398)</b>	<b>(\$2,526)</b>	<b>\$1,150</b>	<b>\$559</b>	<b>\$552</b>
31	<b>Ending Reserve Balance</b>	<b>\$10,100</b>	<b>\$7,574</b>	<b>\$8,724</b>	<b>\$9,283</b>	<b>\$9,834</b>
32	<b>Target Reserve Balance (90% Op Exp)</b>	<b>\$12,616</b>	<b>\$12,476</b>	<b>\$12,979</b>	<b>\$13,505</b>	<b>\$14,056</b>
33	<b>% Rate Increase<sup>1</sup></b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>
34	<b>Median Monthly Single-Family Residential Bill</b>	<b>\$55</b>	<b>\$58</b>	<b>\$61</b>	<b>\$64</b>	<b>\$67</b>
35	Fiscal year 2017 Rate Increase approved by Board. FY 2018 through 2021 are projections for financial forecasting purposes only - not yet considered by the Board of Directors.					

**NOVATO POTABLE WATER OPERATING BUDGET DETAIL****Fiscal Year 2016/17**

	Approved Budget 16/17	Estimated Actual 15/16	Adopted Budget 15/16	Actual 14/15	Actual 13/14	Actual 12/13	Actual 11/12	Actual 10/11
<b>STATISTICS</b>								
1 Active Meters	20,560	20,535	20,525	20,498	20,505	20,492	20,490	20,464
2 Avg Commodity Rate/1,000 Gal (Net)	\$5.36	\$5.04	\$5.05	\$4.87	\$4.81	\$4.32	\$4.05	\$3.82
3 Potable Consumption (BG)	2.50	2.20	2.70	2.44	2.95	3.02	2.82	2.79
<b>OPERATING INCOME</b>								
4 Water Sales	\$17,620,000	\$15,230,000	\$17,620,000	\$16,101,706	\$18,385,017	\$16,626,526	\$14,220,429	\$12,727,649
5 Bill Adjustments	(70,000)	(67,000)	(92,000)	(82,790)	(95,470)	(104,567)	(58,770)	(66,248)
6 Sales to MMWD	0	0	0	0	432,294	0	0	0
7 Wheeling Charges-MMWD	88,000	66,000	120,000	119,144	100,527	251,980	58,802	53,662
8 Miscellaneous Service Revenue	252,000	269,000	260,000	276,388	265,496	223,619	197,752	145,787
9 <b>TOTAL OPERATING INCOME</b>	<b>\$17,890,000</b>	<b>\$15,498,000</b>	<b>\$17,908,000</b>	<b>\$16,414,448</b>	<b>\$19,087,864</b>	<b>\$16,997,558</b>	<b>\$14,418,213</b>	<b>\$12,860,850</b>
<b>OPERATING EXPENSE</b>								
<b>SOURCE OF SUPPLY</b>								
11 Supervision & Engineering	\$18,000	\$9,000	\$19,000	\$11,641	\$9,698	\$9,103	\$9,064	\$8,965
12 Operating Expense - Source	10,000	13,000	11,000	11,044	10,497	6,821	11,488	5,927
13 Maintenance/Monitoring of Dam	63,000	17,000	50,000	11,635	19,438	38,295	25,716	8,290
14 Maintenance of Lake & Intakes	18,000	7,000	21,000	511	11,701	14,481	10,377	8,619
15 Maintenance of Watershed	43,000	17,000	41,000	15,151	17,015	23,405	8,188	2,152
16 Water Purchased for Resale to MMWD	0	0	0	0	253,539	0	0	0
17 Water Quality Surveillance	26,000	3,000	17,000	7,467	13,713	12,776	16,385	12,377
18 Contract Water - SCWA	4,480,000	3,850,000	4,710,000	4,333,100	5,698,211	5,135,330	5,047,469	3,790,789
19 <b>TOTAL SOURCE OF SUPPLY</b>	<b>\$4,658,000</b>	<b>\$3,916,000</b>	<b>\$4,869,000</b>	<b>\$4,390,549</b>	<b>\$6,033,812</b>	<b>\$5,240,211</b>	<b>\$5,128,687</b>	<b>\$3,837,119</b>
<b>PUMPING</b>								
20 Operating Expense	\$3,000	\$0	\$3,000	\$237	\$0	\$0	\$0	\$641
21 Maintenance of Structures/Grounds	34,000	30,000	39,000	51,544	46,502	24,115	29,042	17,153
22 Maintenance of Pumping Equipment	66,000	16,000	70,000	51,013	27,696	35,637	50,797	17,354
23 Electric Power - Pumping	220,000	195,000	255,000	213,909	255,711	263,471	204,927	233,222
24 <b>TOTAL PUMPING</b>	<b>\$323,000</b>	<b>\$241,000</b>	<b>\$367,000</b>	<b>\$316,703</b>	<b>\$329,909</b>	<b>\$323,223</b>	<b>\$284,766</b>	<b>\$268,370</b>
<b>OPERATIONS</b>								
25 Supervision & Engineering	\$164,000	\$252,000	\$182,000	\$241,264	\$219,520	\$187,986	\$185,838	\$185,361
26 Operating Expense	401,000	304,000	255,000	244,900	274,893	264,400	255,272	191,713
27 Maintenance Expense	79,000	26,000	84,000	37,667	79,906	101,036	105,545	94,633
28 Telemetry Equipment/Controls Maint	83,000	67,000	71,000	86,544	62,223	44,349	67,936	83,047
29 Leased Line Expense	17,000	18,000	17,000	17,986	17,675	17,921	18,930	20,841
30 <b>TOTAL OPERATIONS</b>	<b>\$744,000</b>	<b>\$667,000</b>	<b>\$609,000</b>	<b>\$628,361</b>	<b>\$654,217</b>	<b>\$615,692</b>	<b>\$633,521</b>	<b>\$575,595</b>

**NOVATO POTABLE WATER OPERATING BUDGET DETAIL****Fiscal Year 2016/17**

	Approved Budget 16/17	Estimated Actual 15/16	Adopted Budget 15/16	Actual 14/15	Actual 13/14	Actual 12/13	Actual 11/12	Actual 10/11
<b>WATER TREATMENT</b>								
31 Supervision & Engineering	\$92,000	\$118,000	\$97,000	\$112,433	\$111,096	\$112,612	\$100,916	\$121,459
32 Operating Expense	296,000	256,000	288,000	333,020	285,050	308,301	206,957	320,882
33 Purification Chemicals	425,000	166,000	425,000	358,907	316,762	400,627	253,797	464,140
34 Sludge Disposal	84,000	88,000	87,000	72,720	66,085	103,196	100,861	84,618
35 Maintenance of Structures/Grounds	88,000	60,000	80,000	79,728	60,148	52,242	82,839	71,772
36 Purification Equipment Maintenance	159,000	152,000	140,000	104,290	137,838	137,793	136,782	105,217
37 Electric Power - Treatment	134,000	120,000	134,000	120,592	135,637	112,767	114,184	128,913
38 Laboratory Expense (net)	773,000	682,000	724,000	691,990	655,315	602,901	568,124	517,044
39 <b>TOTAL WATER TREATMENT</b>	<b>\$2,051,000</b>	<b>\$1,642,000</b>	<b>\$1,975,000</b>	<b>\$1,873,680</b>	<b>\$1,767,931</b>	<b>\$1,830,439</b>	<b>\$1,564,460</b>	<b>\$1,814,045</b>
<b>TRANSMISSION &amp; DISTRIBUTION</b>								
40 Supervision & Engineering	\$749,000	\$551,000	\$485,000	\$562,934	\$486,544	\$427,430	\$423,813	\$466,110
41 Maps & Records	141,000	105,000	138,000	108,956	77,995	106,669	96,058	74,154
42 Operation of T&D System	629,000	498,000	556,000	404,243	511,708	460,489	478,959	422,375
43 Storage Facilities Expense	158,000	139,000	147,000	167,362	134,352	87,843	140,564	158,247
44 Maintenance of Valves & Regulators	220,000	153,000	208,000	151,691	91,709	117,299	132,239	190,866
45 Maintenance of Mains	133,000	215,000	126,000	149,898	72,176	86,906	49,922	146,814
46 Backflow Prevention Program	170,000	150,000	131,000	156,590	147,878	102,338	84,714	124,121
47 Maintenance of Copper Services	182,000	148,000	183,000	202,193	141,987	175,880	190,698	164,388
48 Maintenance of PB Service Lines	458,000	568,000	443,000	432,820	411,357	483,006	443,509	347,802
49 Maintenance of Meters	106,000	97,000	132,000	100,401	94,418	93,360	135,900	146,170
50 Detector Check Assembly Maint	73,000	66,000	71,000	65,749	52,369	7,581	38,361	36,509
51 Maintenance of Hydrants	81,000	37,000	78,000	25,655	22,154	28,531	33,980	50,354
52 <b>TOTAL TRANSMISSION &amp; DISTRIB</b>	<b>\$3,100,000</b>	<b>\$2,727,000</b>	<b>\$2,698,000</b>	<b>\$2,528,492</b>	<b>\$2,244,647</b>	<b>\$2,177,332</b>	<b>\$2,248,717</b>	<b>\$2,327,910</b>
<b>CONSUMER ACCOUNTING</b>								
53 Meter Reading & Collection	\$222,000	\$187,000	\$209,000	\$166,919	\$182,216	\$180,030	\$170,589	\$142,581
54 Billing & Accounting	265,000	274,000	256,000	269,054	256,653	247,897	282,702	282,046
55 Contract Billing	18,000	17,000	19,000	16,946	17,561	18,110	18,231	18,285
56 Postage & Supplies	63,000	60,000	53,000	60,032	61,791	64,497	63,359	70,347
57 Credit Card Fees	25,000	26,000	23,000	23,893	14,149			
58 Lock Box Service	11,000	11,000	11,000	10,080				
59 Uncollectible Accounts	17,000	17,000	15,000	14,818	19,500	23,230	26,685	32,723
60 Office Equipment Expense	22,000	28,000	21,000	16,743	23,905	8,290	8,690	9,835
61 Distributed to Other Operations	(16,000)	(17,000)	(15,000)	(16,233)	(15,276)	(13,961)	(15,726)	(15,762)
62 <b>TOTAL CONSUMER ACCOUNTING</b>	<b>\$627,000</b>	<b>\$603,000</b>	<b>\$592,000</b>	<b>\$562,252</b>	<b>\$560,499</b>	<b>\$528,093</b>	<b>\$554,530</b>	<b>\$540,055</b>

**NOVATO POTABLE WATER OPERATING BUDGET DETAIL****Fiscal Year 2016/17**

	Approved Budget 16/17	Estimated Actual 15/16	Adopted Budget 15/16	Actual 14/15	Actual 13/14	Actual 12/13	Actual 11/12	Actual 10/11
<b>WATER CONSERVATION</b>								
63 Residential	\$381,000	\$340,000	\$345,000	\$410,154	\$362,499	\$222,637	\$213,883	\$338,093
64 Commercial	19,000	5,000	25,000	5,352	2,605	1,169	1,414	15,423
65 Public Outreach/Information	40,000	26,000	50,000	34,148	51,638	28,477	41,251	19,047
66 Large Landscape	20,000	22,000	30,000	10,747	12,702	13,966	13,780	10,337
<b>TOTAL WATER CONSERVATION</b>	<b>\$460,000</b>	<b>\$393,000</b>	<b>\$450,000</b>	<b>\$460,401</b>	<b>\$429,444</b>	<b>\$266,249</b>	<b>\$270,328</b>	<b>\$382,900</b>
<b>GENERAL &amp; ADMINISTRATION</b>								
67 Director's Expense	\$33,000	\$34,000	\$32,000	\$30,400	\$25,300	\$14,400	\$15,000	\$15,100
68 Legal Fees	13,000	13,000	12,000	9,956	20,906	10,112	7,098	8,572
69 Human Resources	30,000	24,000	34,000	33,977	28,386	35,917	21,860	32,112
70 Auditing Services	17,000	19,000	21,000	18,380	21,050	20,600	28,900	27,800
71 Consulting Services/Studies	455,000	119,000	290,000	107,015	0	53,327	34,731	
72 General Office Salaries	1,337,000	1,279,000	1,533,000	1,191,792	1,184,164	1,214,210	1,252,684	1,177,170
73 Office Supplies	47,000	22,000	47,000	36,877	46,174	37,232	22,743	38,870
74 Employee Events	12,000	13,000	12,000	7,379	7,227	6,204	5,931	4,469
75 Other Administrative Expense	13,000	10,000	16,000	13,390	13,240	18,150	17,254	17,414
76 Election Cost	0	0	70,000	0	250	0	250	0
77 Dues & Subscriptions	60,000	56,000	57,000	53,296	47,842	45,607	49,260	47,775
78 Vehicle Expense	8,000	8,000	8,000	8,112	8,112	8,112	8,118	8,112
79 Meetings, Conf & Training	205,000	147,000	184,000	136,863	117,425	112,402	97,626	101,472
80 Telephone, Water, Gas & Electricity	41,000	41,000	39,000	38,580	33,328	32,995	26,172	29,012
81 Building & Grounds Maintenance	54,000	69,000	51,000	48,891	35,642	41,194	36,438	35,902
82 Office Equipment Expense	95,000	96,000	90,000	97,868	90,231	82,349	89,291	74,325
83 Insurance Premiums & Claims	118,000	157,000	103,000	102,073	72,192	76,473	113,556	118,451
84 Retiree Medical Benefits	173,000	172,000	174,000	175,580	159,691	166,699	160,725	147,084
85 (Gain)/Loss on Overhead Charges	(122,000)	(49,000)	(70,000)	(85,682)	(222,710)	(136,354)	(297,783)	(172,628)
86 G&A Distributed to Other Operations	(155,000)	(130,000)	(169,000)	(113,218)	(76,538)	(77,443)	(101,630)	(104,515)
87 G&A Applied to Construction Projects	(379,000)	(365,000)	(385,000)	(353,998)	(389,569)	(392,205)	(327,881)	(269,439)
88 Expensed Improvement Projects								122,785
89 Expensed Equipment Purchases							3,383	29,993
<b>TOTAL GENERAL &amp; ADMINISTRATION</b>	<b>\$2,055,000</b>	<b>\$1,735,000</b>	<b>\$2,149,000</b>	<b>\$1,557,531</b>	<b>\$1,222,343</b>	<b>\$1,369,981</b>	<b>\$1,263,726</b>	<b>\$1,489,836</b>
90 Depreciation Expense	\$2,800,000	\$2,580,000	\$2,700,000	\$2,507,124	\$2,445,634	\$2,417,032	\$2,372,380	\$2,309,166
<b>91 TOTAL OPERATING EXPENSE</b>	<b>\$16,818,000</b>	<b>\$14,504,000</b>	<b>\$16,409,000</b>	<b>\$14,825,093</b>	<b>\$15,688,436</b>	<b>\$14,768,252</b>	<b>\$14,321,115</b>	<b>\$13,544,996</b>
<b>92 NET OPERATING INCOME/(LOSS)</b>	<b>\$1,072,000</b>	<b>\$994,000</b>	<b>\$1,499,000</b>	<b>\$1,589,355</b>	<b>\$3,399,428</b>	<b>\$2,229,306</b>	<b>\$97,098</b>	<b>(\$684,146)</b>

**NOVATO RECYCLED WATER**  
**BUDGET SUMMARY**  
**Fiscal Year 2016/17**

	<i>Approved Budget 2016/17</i>	<i>Estimated Actual 2015/16</i>	<i>Adopted Budget 2015/16</i>
<b>OPERATING INCOME</b>			
1 Recycled Water Sales	<b>\$737,000</b>	\$689,000	\$762,000
2 Bimonthly Service Charge	<b>29,000</b>	29,000	28,000
3 <b>Total Operating Income</b>	<b>\$766,000</b>	\$718,000	\$790,000
<b>OPERATING EXPENDITURES</b>			
4 Purchased Water - NSD	<b>\$126,000</b>	\$110,000	\$140,000
5 Purchased Water - LGVSD	<b>63,000</b>	\$60,000	77,000
6 Pumping	<b>6,000</b>	3,000	8,000
7 Operations	<b>57,000</b>	71,000	40,000
8 Water Treatment	<b>25,000</b>	7,000	21,000
9 Transmission & Distribution	<b>32,000</b>	13,000	32,000
10 Consumer Accounting	<b>1,000</b>	1,000	1,000
11 General Administration	<b>57,000</b>	95,000	88,000
12 Depreciation	<b>480,000</b>	472,000	472,000
13 <b>Total Operating Expenditures</b>	<b>\$847,000</b>	\$832,000	\$879,000
14 <b>NET OPERATING INCOME (LOSS)</b>	<b>(\$81,000)</b>	(\$114,000)	(\$89,000)
<b>NON-OPERATING INCOME/(EXPENSE)</b>			
15 Interest Revenue	<b>\$6,000</b>	\$5,000	\$10,000
16 Stone Tree Golf Interest Payments	<b>39,000</b>	45,000	44,000
17 Deer Island SRF Loan Interest Expense	<b>(63,000)</b>	(68,000)	(68,000)
18 Distrib System SRF Loans Interest Exp	<b>(201,000)</b>	(210,000)	(212,000)
19 <b>Total Non-Operating Income/(Expense)</b>	<b>(\$219,000)</b>	(\$228,000)	(\$226,000)
20 <b>NET INCOME/(LOSS)</b>	<b>(\$300,000)</b>	(\$342,000)	(\$315,000)
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
21 Add Depreciation Expense	<b>\$480,000</b>	\$472,000	\$472,000
22 Fed Grant/SRF Loan - Central Expansion	<b>6,987,000</b>	0	3,500,000
23 Connection Fees Transferred from Novato	<b>1,328,000</b>	711,000	717,000
24 Stone Tree Golf Principal Repayment	<b>212,000</b>	206,000	206,000
25 Capital Improvement Projects	<b>(7,680,000)</b>	(875,000)	(3,680,000)
26 Deer Island SRF Loan Principal Payments	<b>(210,000)</b>	(205,000)	(205,000)
27 Distrib System SRF Loan Principal Pmts	<b>(412,000)</b>	(404,000)	(402,000)
28 <b>Total Other Sources/(Uses)</b>	<b>\$705,000</b>	(\$95,000)	\$608,000
29 <b>CASH INCREASE/(DECREASE)</b>	<b>\$405,000</b>	(\$437,000)	\$293,000

## NOVATO RECYCLED WATER 5-YEAR FINANCIAL FORECAST

Fiscal Year Ending June 30 >		Approved 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
1	Active Services @ Fiscal Year End	44	55	84	84	84
2	Commodity Rate/1,000 Gal	\$5.26	\$5.53	\$5.80	\$6.09	\$6.40
3	Consumption (MG)	140	158	200	200	200
<b>OPERATING REVENUE</b>						
4	Recycled Water Sales	\$737,000	\$873,000	\$1,161,000	\$1,219,000	\$1,280,000
5	Bimonthly Service Charge	29,000	34,000	46,000	48,000	50,000
6	<b>Total Operating Revenue</b>	<b>\$766,000</b>	<b>\$907,000</b>	<b>\$1,207,000</b>	<b>\$1,267,000</b>	<b>\$1,330,000</b>
<b>OPERATING EXPENSE</b>						
7	Purchased Water - NSD	\$126,000	\$180,000	\$254,000	\$262,000	\$270,000
8	Purchased Water - LGVSD	63,000	\$72,000	\$74,000	\$76,000	\$78,000
9	Overheaded Operating Labor	68,000	61,000	63,000	65,000	67,000
10	Electric Power	2,000	4,000	4,000	4,000	4,000
11	Other Operating Expenses	108,000	86,000	87,000	88,000	89,000
12	Depreciation	480,000	638,000	706,000	706,000	706,000
13	<b>Total Operating Expense</b>	<b>\$847,000</b>	<b>\$1,041,000</b>	<b>\$1,188,000</b>	<b>\$1,201,000</b>	<b>\$1,214,000</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>						
14	Interest Revenue	\$45,000	\$68,000	\$66,000	\$63,000	\$62,000
15	Interest Expense	(264,000)	(348,000)	(330,000)	(312,000)	(294,000)
16	Other Revenue/(Expense)	0				
17	<b>Total Non-Op Revenue/(Expense)</b>	<b>(\$219,000)</b>	<b>(\$280,000)</b>	<b>(\$264,000)</b>	<b>(\$249,000)</b>	<b>(\$232,000)</b>
18	<b>NET INCOME/(LOSS)</b>	<b>(\$300,000)</b>	<b>(\$414,000)</b>	<b>(\$245,000)</b>	<b>(\$183,000)</b>	<b>(\$116,000)</b>
<b>OTHER SOURCES/(USES) OF FUNDS</b>						
19	Add Depreciation Expense	\$480,000	\$638,000	\$706,000	\$706,000	\$706,000
20	Grant & Loan - Central Expansion	6,987,000	3,168,000	0	0	0
21	StoneTree Principal Repayment	212,000	211,000	216,000	222,000	227,000
22	Marin CC Principal Repayment	0	56,000	57,000	57,000	58,000
23	Novato Potable FRC Fund Trsf	1,328,000	1,243,000	944,000	944,000	944,000
24	Capital Improvement Projects	(7,680,000)	(3,580,000)	(110,000)	(110,000)	(110,000)
25	Deer Island TP Loan Principal Pmt	(210,000)	(216,000)	(221,000)	(226,000)	(232,000)
26	Distrib Sys Exp Loan Principal Pmt	(412,000)	(695,000)	(708,000)	(721,000)	(733,000)
27	<b>Total Other Sources/Uses</b>	<b>\$705,000</b>	<b>\$825,000</b>	<b>\$884,000</b>	<b>\$872,000</b>	<b>\$860,000</b>
28	<b>Cash Increase/(Decrease)</b>	<b>\$405,000</b>	<b>\$411,000</b>	<b>\$639,000</b>	<b>\$689,000</b>	<b>\$744,000</b>
29	<b>Ending Reserve Balance</b>	<b>\$1,505,000</b>	<b>\$1,685,000</b>	<b>\$1,913,000</b>	<b>\$1,963,000</b>	<b>\$2,018,000</b>
30	<b>% Rate Increase</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>
31	Fiscal year 2016/17 Rate Increase approved by Board. FY 2018 through 2021 are projections for financial forecasting purposes only - not yet considered by the Board of Directors.					



**WEST MARIN WATER**  
**BUDGET SUMMARY**  
**Fiscal Year 2016/17**

	<b>Approved Budget 2016/17</b>	<b>Estimated Actual 2015/16</b>	<b>Adopted Budget 2015/16</b>
<b>OPERATING INCOME</b>			
1 Water Sales	<b>\$771,000</b>	\$712,000	\$777,000
2 Misc Service Charges	<b>7,000</b>	7,000	7,000
3 <b>Total Operating Income</b>	<b>\$778,000</b>	\$719,000	\$784,000
<b>OPERATING EXPENDITURES</b>			
4 Source of Supply	<b>\$22,000</b>	\$20,000	\$24,000
5 Pumping	<b>37,000</b>	26,000	38,000
6 Operations	<b>42,000</b>	43,000	46,000
7 Water Treatment	<b>147,000</b>	144,000	134,000
8 Transmission & Distribution	<b>140,000</b>	108,000	120,000
9 Consumer Accounting	<b>23,000</b>	24,000	26,000
10 Water Conservation	<b>20,000</b>	7,000	21,000
11 General Administration	<b>108,000</b>	89,000	139,000
12 Depreciation Expense	<b>190,000</b>	190,000	180,000
13 <b>Total Operating Expenditures</b>	<b>\$729,000</b>	\$651,000	\$728,000
14 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$49,000</b>	\$68,000	\$56,000
<b>NON-OPERATING REVENUE/(EXPENSE)</b>			
15 PR-2 County Tax Allocation	<b>\$48,000</b>	\$47,000	\$45,000
16 Miscellaneous Revenue	<b>4,000</b>	4,000	4,000
17 Interest Revenue	<b>6,000</b>	9,000	5,000
18 Bond & Loan Interest Expense	<b>(34,000)</b>	(37,000)	(36,000)
20 <b>Total Non-Operating Income/(Expense)</b>	<b>\$24,000</b>	\$23,000	\$18,000
21 <b>NET INCOME/(LOSS)</b>	<b>\$73,000</b>	\$91,000	\$74,000
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
22 Add Depreciation Expense	<b>\$190,000</b>	\$190,000	\$180,000
23 Connection Fees	<b>23,000</b>	0	23,000
24 Capital Improvement Projects	<b>(625,000)</b>	(220,000)	(305,000)
25 Bond & Loan Principal Payments	<b>(67,000)</b>	(63,000)	(64,000)
26 <b>Total Other Sources/(Uses)</b>	<b>(\$479,000)</b>	(\$93,000)	(\$166,000)
27 <b>CASH INCREASE/(DECREASE)</b>	<b>(\$406,000)</b>	(\$2,000)	(\$92,000)

# WEST MARIN WATER

## 5-Year Financial Forecast

#		Approved 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21
<b>BASIC DATA</b>						
1	Active Meters	780	781	782	783	784
2	Avg Commodity Rate/1,000 Gal	\$9.74	\$10.42	\$11.15	\$11.93	\$12.77
3	Potable Consumption (MG)	62	64	65	65	65
<b>INCOME</b>						
4	Commodity Charge	\$604,000	\$667,000	\$725,000	\$776,000	\$830,000
5	Bimonthly Service Charge	167,000	179,000	192,000	206,000	221,000
6	Connection Fee	23,000	23,000	23,000	23,000	23,000
7	PR-2 County Tax Allocation	48,000	49,000	50,000	52,000	54,000
8	Interest	6,000	4,000	1,000	1,000	0
9	Miscellaneous	11,000	11,000	11,000	11,000	11,000
10	<b>TOTAL INCOME</b>	<b>\$859,000</b>	<b>\$933,000</b>	<b>\$1,002,000</b>	<b>\$1,069,000</b>	<b>\$1,139,000</b>
<b>EXPENDITURES</b>						
11	Operating Expenditures	\$539,000	\$519,000	\$535,000	\$551,000	\$568,000
12	Water Purchased from MMWD	0	0	0	0	0
13	Miscellaneous	0	5,000	5,000	5,000	5,000
14	Bond & Loan Debt Service	101,000	100,000	140,000	336,000	323,000
15	<b>TOTAL EXPENDITURES</b>	<b>\$640,000</b>	<b>\$624,000</b>	<b>\$680,000</b>	<b>\$892,000</b>	<b>\$896,000</b>
<b>NET INCOME</b>		<b>\$219,000</b>	<b>\$309,000</b>	<b>\$322,000</b>	<b>\$177,000</b>	<b>\$243,000</b>
<b>OTHER SOURCES/(USES)</b>						
16	Capital Improvement Projects	(\$625,000)	(\$850,000)	(\$945,000)	(\$3,050,000)	(\$250,000)
17	Grant/Loan Proceeds	0	0	600,000	2,800,000	0
18	Net Change in Working Capital	0	0	0	0	0
19	<b>INCREASE (DECREASE) IN CASH</b>	<b>(\$406,000)</b>	<b>(\$541,000)</b>	<b>(\$23,000)</b>	<b>(\$73,000)</b>	<b>(\$7,000)</b>
<b>CASH BALANCE</b>						
20	Operating Reserve	\$602,000	\$62,000	\$39,000	\$0	\$0
21	System Expansion Reserve	1,000	0	0	0	0
22	Liability Contingency Reserve	99,000	99,000	99,000	65,000	73,000
23	Bond Redemption Reserve	30,000	30,000	30,000	30,000	15,000
24	<b>TOTAL CASH BALANCE</b>	<b>\$732,000</b>	<b>\$191,000</b>	<b>\$168,000</b>	<b>\$95,000</b>	<b>\$88,000</b>
25	Depreciation Expense	\$190,000	\$200,000	\$214,000	\$230,000	\$281,000

## **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 7% is proposed effective 7/1/16. Annual 5% Commodity and Bimonthly Service Charge increases shown thereafter.
- 3 Consumption projection assumes 62MG in FY17, 64MG in FY18, and 65MG annually thereafter.
- 4 Average Commodity Rate multiplied by Potable Consumption.
- 5 Bimonthly service charge shown to increase 5% annually after FY17. 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 Projected available funds invested at 0.50%
- 9 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.
- 11 3% annual increase in Operating Expenditures assumed after FY17. FY17 includes \$35K to Digitize the WM Water Facility Maps.
- 14 Comprised of three 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1975 OL-2 \$70,000 GO bond paid off in 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. FY19 includes debt service on \$600K loan to finance completion of Solids Handling Facility, and FY20 includes debt service on \$2.8M to finance the TP Rehab.
- 15 Total Expenditures excludes depreciation.
- 16 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 17 FY19 \$600,000 loan to complete the Solids Handling and PRE Storage projects; FY20 \$2.8M for TP Rehab.
- 20 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors.
- 21 System Expansion Reserve is composed of connection fee revenue and unexpended Bank of Marin loan funds.
- 22 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.
- 23 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 2016/17**

	<b>Approved Budget 2016/17</b>	<b>Estimated Actual 2015/16</b>	<b>Adopted Budget 2015/16</b>
<b>OPERATING INCOME</b>			
1 Monthly Sewer Service Charge	<b>\$214,000</b>	\$196,000	\$196,000
2 Misc Service Charges	<b>0</b>	0	0
3 <b>Total Operating Income</b>	<b>\$214,000</b>	\$196,000	\$196,000
<b>OPERATING EXPENDITURES</b>			
4 Sewage Collection	<b>\$50,000</b>	\$58,000	\$49,000
5 Sewage Treatment	<b>58,000</b>	50,000	56,000
6 Sewage Disposal	<b>33,000</b>	33,000	31,000
7 Consumer Accounting	<b>2,000</b>	2,000	2,000
8 General Administration	<b>27,000</b>	23,000	31,000
9 Depreciation Expense	<b>47,000</b>	49,000	52,000
10 <b>Total Operating Expenditures</b>	<b>\$217,000</b>	\$215,000	\$221,000
11 <b>NET OPERATING INCOME (LOSS)</b>	<b>(\$3,000)</b>	(\$19,000)	(\$25,000)
<b>NON-OPERATING REVENUE/(EXPENSE)</b>			
12 OM-1/OM-3 Tax Allocation	<b>\$52,000</b>	\$50,000	\$47,000
13 Interest Revenue	<b>2,000</b>	2,000	2,000
14 Miscellaneous Revenue/(Expense)	<b>0</b>	(1,000)	(15,000)
15 <b>Total Non-Op Income/(Expense)</b>	<b>\$54,000</b>	\$51,000	\$34,000
<b>NET INCOME/(LOSS)</b>	<b>\$51,000</b>	\$32,000	\$9,000
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
16 Add Depreciation Expense	<b>\$47,000</b>	\$49,000	\$52,000
17 Connection Fees	<b>30,000</b>	24,000	15,000
18 Capital Improvement Projects	<b>(210,000)</b>	(40,000)	(40,000)
19 <b>Total Other Souces/(Uses)</b>	<b>(\$133,000)</b>	\$33,000	\$27,000
20 <b>CASH INCREASE/(DECREASE)</b>	<b>(\$82,000)</b>	\$65,000	\$36,000

## OCEANA MARIN SEWER

### 5-Year Financial Forecast

#		Approved 2016/17	Projected 2017/18	Projected 2018/19	Projected 2019/20	Projected 2020/21
<b>BASIC DATA</b>						
1	Number of Connections	231	232	233	234	235
2	Monthly Service Charge	\$78.00	\$86.00	\$95.00	\$105.00	\$116.00
<b>INCOME</b>						
3	Monthly Service Charge	\$214,000	\$239,000	\$265,000	\$294,000	\$326,000
4	OM-1/OM-3 Tax Allocation	52,000	54,000	56,000	58,000	60,000
5	Connection Fees	30,000	30,000	30,000	30,000	30,000
6	Interest Revenue	2,000	2,000	1,000	1,000	2,000
7	Miscellaneous Revenue/(Expense)	0	0	0	0	0
8	<b>TOTAL INCOME</b>	<b>\$298,000</b>	<b>\$325,000</b>	<b>\$352,000</b>	<b>\$383,000</b>	<b>\$418,000</b>
9	<b>OPERATING EXPENDITURES</b>	<b>\$170,000</b>	<b>\$175,000</b>	<b>\$180,000</b>	<b>\$185,000</b>	<b>\$191,000</b>
<b>OTHER SOURCES (USES)</b>						
10	Capital Improvement Projects/Other	(210,000)	(360,000)	(40,000)	(140,000)	(440,000)
11	Net Change in Working Capital					
12	<b>INCREASE (DECREASE) IN CASH</b>	<b>(\$82,000)</b>	<b>(\$210,000)</b>	<b>\$132,000</b>	<b>\$58,000</b>	<b>(\$213,000)</b>
13	<b>TOTAL CASH BALANCE</b>	<b>\$327,000</b>	<b>\$117,000</b>	<b>\$249,000</b>	<b>\$307,000</b>	<b>\$94,000</b>
14	Depreciation Expense	\$47,000	\$58,000	\$76,000	\$78,000	\$85,000

## **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 10% annual increases to build cash to fund Phase 1 of the FY20 & FY21 \$500,000 Parallel Force Main project. The \$350,000 Pond Relining Project is outside of 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 Proposed increase in the connection fee to \$30,000. Assumes connections occur in OM-3 Units 1 or 5 which are subject to the connection fee.
- 6 Projected available funds invested at 0.50%
- 9 Operating expenditures projected to increase 3% annually after FY17. Excludes depreciation expense.
- 10 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 13 Cash available for operation, maintenance and improvements



**EQUIPMENT EXPENDITURES****Fiscal Year 2016/2017 Budget**

		Approved	Description
<b>1 CONSTRUCTION/MAINTENANCE</b>			
12107.01.00	a.	\$8,000	Leak Detector Replace 12-year--old unit that requires frequent repair.
12106.01.00	b.	6,000	Fittings & Hose for Emergency Hose Trailer Additional Fittings & Hose (1"-6") for Hose Trailer
		<b>\$14,000</b>	
<b>2 OPERATIONS/MAINTENANCE</b>			
12108.01.00	a.	\$13,000	STP Manganese Analyzer Replaces unit that creates cyanide waste, requires several reagents to operate, and performs a single sample analyses at a time. The new analyzer will be plumbed with a multi-sample port input to allow testing of the various online process water stream points and will not produce hazardous waste nor require multiple reagents.
12105.01.00	b.	70,000	Lab Info Management Sys Software Upgrade Replaces 2006 software to allow compatibility with current PC operating system software.
		<b>\$83,000</b>	
<b>3 VEHICLE &amp; ROLLING EQUIPMENT EXPENDITURES</b>			<u>To Replace</u>
12104.01.00	a.	\$90,000	Compact Track Loader w/Attachments '00 Bobcat 763G w/1,600 hours has an electrical controller failure affecting the hydraulic system that costs more then the unit is worth. Will be auctioned
12104.01.00	b.	30,000	1/2 Ton 4x4 Pickup w/Tool Box & Radio '02 Chev K1500 4x4 w/117,000 miles that will be auctioned
12104.01.00	c.	28,000	1/2 Ton Pickup w/Tool Box & Radio '04 Chev C1500 w/119,000 miles that will be auctioned
		<b>\$148,000</b>	
<b>Total</b>		<b>\$245,000</b>	

**CAPITAL IMPROVEMENT PROJECTS**

6/30/16

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		FY17	FY18	FY17 Project Description
<b>1. PIPELINE REPLACEMENTS/ADDITIONS</b>				
<b>a. Main/Pipeline Replacements</b>				
1.7161.00	1 Ridge Road 6" ACP (8"@1,400')	\$315,000		Install 1,400' of 8" water main from Ridge Rd PS to Forest Rd to replace 6" ACP that shows a high level of degradation.
	2 Other Main Replacements (60+ years old)		\$100,000	
		\$315,000	\$100,000	
<b>b. Main/Pipeline Additions</b>				
1.7150.00	1 San Mateo 24" Inlet/Outlet Pipe (2,200')	\$150,000	\$850,000	Multiyear project to install 2,200' of 24" pipe from San Mateo Tank to the end of Palmo Way to improve northern Zone 2 fire flow.
	2 Other Main/Pipeline Additions		\$150,000	
		\$150,000	\$1,000,000	
<b>c. Polybutylene Service Line Replacements</b>				
1.7139.xx	1 Replace PB in Sync w/City Paving (30 Srvcs)	\$70,000	\$70,000	PB service replacement coordinated with City Overlay Program.
1.7123.xx	2 Other PB Replacements (85 Services)	\$200,000	\$200,000	PB replacement for yet-to-be identified locations.
		\$270,000	\$270,000	
<b>d. Relocations to Sync w/City &amp; County CIP</b>				
1.8737.xx	1 Other Relocations	\$80,000	\$80,000	Relocate facilities for yet to be identified City/County Projects.
		\$80,000	\$80,000	
		<u>\$815,000</u>	<u>\$1,450,000</u>	

**CAPITAL IMPROVEMENT PROJECTS**

6/30/16

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		FY17	FY18	FY17 Project Description
<b>2. SYSTEM IMPROVEMENTS</b>				
1.7008.13	a. RTU Upgrades	\$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	
1.7007.10	c. DCA Repair/Replace (~14/yr)	\$190,000	\$190,000	Detector Check Assembly replacements.
1.7090.03	d. Anode Installations (150/yr)	\$30,000	\$30,000	Place anodes on copper laterals for corrosion protection.
1.7132.03	e. Radio Telemetry	\$25,000	\$25,000	Install radio transmitters to replace leased lines.
1.7146.00	f. Tank Access Hatch/Level Alarms (15 Sites)	\$40,000		Remote alarm notification of unauthorized entry at tank sites.
1.7157.00	g. Automate Zone Valve (Slowdown Ct)	\$100,000		To provide real-time operation of Zone 2 pressure and flow when STP goes on & off.
1.7158.00	h. Advanced Meter Information Retrofit (Note 1)	\$3,000,000	\$1,900,000	Pilot Program/Install - AMI System.
1.7136.00	i. Facilities Security Enhancements	\$25,000		Ongoing program - FY17 focus on expansion of electronic card security access at various entry locations.
1.6504.20	j. 25 Giacomini Exterior Paint	\$8,000		10-year-old home needs paint.
		<u>\$3,433,000</u>	<u>\$2,195,000</u>	

**CAPITAL IMPROVEMENT PROJECTS**

6/30/16

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		FY17	FY18	FY17 Project Description
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 2)	\$3,000,000		50-year-old building requires significant upgrading.
	4 Other Admin Building Improvements		\$50,000	
		\$3,300,000	\$50,000	
	b. Corp Yard/Warehouse/Construction Office			
1.8738.01	1 SMART Crossing Upgrade (Golden Gate Pl)	\$58,000		Shared Cost with Golden Gate Transit.
	2 Other Yard Improvements		\$30,000	
		\$58,000	\$30,000	
	c. Stafford Treatment Plant			
1.6600.69	1 Dam Concrete Repair	\$70,000	\$50,000	Repair West face of Stafford 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.
	3 Coat Concrete Clearwells (Both Units)		\$490,000	
1.6600.83	4 Lake Backfeed De-Chlorination System	\$50,000		Backfeeding to Stafford Lake is regulated by NPDES permit which requires dechlorination.
	5 Other Treatment Plant Improvements		\$75,000	
		\$270,000	\$615,000	
		<u>\$3,628,000</u>	<u>\$695,000</u>	

**CAPITAL IMPROVEMENT PROJECTS**

6/30/16

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		FY17	FY18	FY17 Project Description
4.	STORAGE TANKS/PUMP STATIONS			
	a. Clear Tank Sites			
	1 Woodland Heights (120,000 gal, 1974)		\$65,000	
	b. Tank Rehabilitation			
1.6221.21	1 San Mateo Recoat (5 MG)	\$120,000	\$1,900,000	Tank recoat and chlorine mixing system.
		\$120,000	\$1,900,000	
1.6112.24	c. Lynwood P.S. Motor Control Center	\$165,000		Move motor controls above-ground.
1.6117.27&	d. San Marin & Lynwood PS Can Rehab	\$60,000		Inspection and rehab of pump barrels.
1.6141.00	e. Crest PS (Design/Const) /Reloc School Rd PS	\$120,000		Design phase of Crest zone pump station.
		<u>\$465,000</u>	<u>\$1,965,000</u>	

**CAPITAL IMPROVEMENT PROJECTS**

6/30/16

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	FY17	FY18	FY17 Project Description
5. SONOMA COUNTY WATER AGENCY (NMWD Share of CIP Program) (Note 3)			
a. Local Hazard Mitigation Prog Plan/Design	\$3,000		Funding Source: Common Facilities Fund
b. System-wide Meter Replacements	\$12,000	\$12,000	Funding Source: Common Facilities Fund
c. Isolation Valve Seismic Hazard Mitigation	\$34,000		Funding Source: Common Facilities Fund
d. Mirabel Chlorine Lines Replacements	\$13,000		Funding Source: Common Facilities Fund
e. Caisson 5 Motor & Discharge Head Replace	\$62,000		Funding Source: Common Facilities Fund
f. Mark West Creek Crossing Seismic Mitigation	\$597,000	\$72,000	Funding Source: Common Facilities Fund
g. Mirabel Chlorine Building Water Supply	\$19,000	\$12,000	Funding Source: Common Facilities Fund
h. pH Pump Replacement		\$13,000	Funding Source: Common Facilities Fund
i. Russian River Crossing Seismic Mitigation	\$756,000	\$39,000	Funding Source: Common Facilities Fund
j. Wohler Motor Replacements	\$3,000	\$46,000	Funding Source: Common Facilities Fund
k. Wohler Road Fiber Optic Cable	\$2,000	\$48,000	Funding Source: Common Facilities Fund
l. Caisson 6 Valve Replacement & Vault		\$7,000	Funding Source: Common Facilities Fund
m. Mirabel Maintenance Building		\$36,000	Funding Source: Common Facilities Fund
n. Replace River Diversion Structure MCC	\$10,000	\$45,000	Funding Source: Common Facilities Fund
o. Wohler Power Delivery Substation 1 & 2 Upgrade		\$15,000	Funding Source: Common Facilities Fund
p. Collectors 3 & 5 Liquefaction Mitigation		\$27,000	Funding Source: Common Facilities Fund
q. River Diversion Structure Seismic Mitigation	\$34,000	\$31,000	Funding Source: Common Facilities Fund
r. Mirabel Surge Tanks		\$12,000	Funding Source: Common Facilities Fund
s. Collector 6 Liquefaction Mitigation		\$40,000	Funding Source: Common Facilities Fund
t. Mirabel Dam Bladder Replacement	\$50,000	\$186,000	Funding Source: Common Facilities Fund
u. Hwy 101 HOV Lane (Lakeville to Old Redwood Hwy)	\$5,000		Funding Source: Pipeline Fund
v. Ely BPS Flood Control & Electrical Upgrade		\$3,000	Funding Source: Pipeline Fund
w. Local Hazard Mitigation Prog Plan/Design	\$3,000	\$4,000	Funding Source: Pipeline Fund
	<u>\$1,603,000</u>	<u>\$648,000</u>	



**CAPITAL IMPROVEMENT PROJECTS**

6/30/16

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		FY17	FY18	FY17 Project Description
6.	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)	\$7,500,000	\$3,400,000	Install 5.8 miles of RW pipeline, rehab existing 0.5MG Norman Tank and retrofit ~ 39 sites for RW.
5.7162.xx	c. Other Recycled Water Expenditures	\$100,000	\$100,000	Retrofit existing potable irrigation customers to RW.
		<u>\$7,680,000</u>	<u>\$3,580,000</u>	
7.	WEST MARIN WATER SYSTEM			
2.6263.20	a. Replace PRE Tank #4A (25K gal w/82K gal)	\$450,000	\$50,000	Replace redwood tank destroyed in Vision Fire with concrete tank.
	b. PB Replace in Sync w/ County Paving		\$50,000	
	c. Green Sand Filter Media Replace	\$75,000	\$75,000	Media replacement in both filters.
2.6601.32	d. TP Solids Handling		\$625,000	
	e. Abandon Downey Well		\$50,000	
2.6609.20	f. New Gallagher Well #2	\$100,000		Permit & Construct 2nd well at Gallagher Ranch.
		<u>\$625,000</u>	<u>\$850,000</u>	
8.	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.
8.7163.00	b. Design/Install 8th Disposal Trench (300')	\$50,000	\$50,000	To expand disposal capacity.
8.7085.02	c. Tahiti Way Lift Pumps Rebuild (2) (every 5 yrs)	\$20,000	\$20,000	Rebuild one pump set per year.
8.7164.00	d. Tahiti Way Power Relocation	\$20,000		Remove wood shack and relocate PG&E meter to generator building.
8.7165.00	e. North St Lift Station Communication Upgrade	\$30,000		SCADA communication addition.
8.7166.00	f. ACP Sewer Reline (6"@ 3,000')	\$50,000	\$250,000	Rehabilitate various sewer pipeline sections as recommended in the 2015 OM Master Plan update.
		<u>\$210,000</u>	<u>\$360,000</u>	

**CAPITAL IMPROVEMENT PROJECTS**

6/30/16

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	FY17	FY18	FY17 Project Description
<b><u>SUMMARY - GROSS PROJECT OUTLAY</u></b>			
Novato Water	\$9,944,000	\$6,953,000	
Recycled Water	\$7,680,000	\$3,580,000	
West Marin Water	\$625,000	\$850,000	
Oceana Marin Sewer	\$210,000	\$360,000	
<b>GROSS PROJECT OUTLAY</b>	<b>\$18,459,000</b>	<b>\$11,743,000</b>	
<b>LESS FUNDED BY LOANS/GRANTS/OTHER</b>			
a. Advanced Meter Information Retrofit (Note 1)	(\$3,000,000)	(\$1,900,000)	Funded by SRF or Bank Loan
b. Office/Yard Building Refurbish (Note 2)	(\$3,000,000)	\$0	Funded by Bank Loan
c. Sonoma County Water Agency CIP (Note 3)	(\$1,603,000)	(\$648,000)	Funded by Wholesale Water Rate or SCWA Bond Issue
d. RW Sys Expansion (Note 4)	(\$6,987,000)	(\$3,168,000)	Funded by 1% SRF Loan, \$2.25M MCC Contrib & \$1.5M Grant
e. WM Treatment Plant Solids Handling (Note 5)	\$0	(\$625,000)	
	<b>(\$14,590,000)</b>	<b>(\$6,341,000)</b>	
<b><u>SUMMARY - NET PROJECT OUTLAY</u></b>			
Novato Water	\$2,341,000	\$4,405,000	
Recycled Water	\$693,000	\$412,000	
West Marin Water	\$625,000	\$225,000	
Oceana Marin Sewer	\$210,000	\$360,000	
<b>NET PROJECT OUTLAY</b>	<b>\$3,869,000</b>	<b>\$5,402,000</b>	
 Total Number of District Projects	 37	 30	
<b><u>STUDIES &amp; SPECIAL PROJECTS</u></b>			
1.4055.00 a. Stafford Lake Sanitary Survey	\$40,000		
1.4057.00 b. Local Water Supply Enhancement Study	\$100,000	\$100,000	
1.7039.02 c. Novato Water Master Plan Update (every 5 yrs)	\$85,000		
1.4058.00 d. Cost of Service Study Peer Review	\$30,000		
1.4059.00 e. Stafford Lake Water Rights Update	\$50,000	\$50,000	
1.4060.00 f. STP Efficiency Improvements	\$150,000		
2.4061.00 g. Digitize West Marin Water Facility Maps	\$35,000		
	<b>\$490,000</b>	<b>\$150,000</b>	

**CAPITAL IMPROVEMENT PROJECTS**

6/30/16

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	FY17	FY18	FY17 Project Description
<b>Novato Potable Water Debt Service</b>			
a. EDA Loan	\$18,000	\$18,000	
b. STP SRF Loan	\$1,044,000	\$1,044,000	
c. AEEP Bank Loan	\$482,000	\$482,000	
d. Admin Building Renovation Loan		\$211,000	
e. Advanced Meter Info Retrofit Loan		\$291,000	
	\$1,544,000	\$2,046,000	
<b>Novato Recycled Water Debt Service</b>			
a. Deer Island Facility SRF Loan	\$273,000	\$273,000	
b. RW North Expansion SRF Loan	\$282,000	\$282,000	
c. RW South Expansion SRF Loan	\$332,000	\$332,000	
d. RW Central Expansion SRF Loan		\$364,000	
	\$887,000	\$1,251,000	
<b>West Marin Water Debt Service</b>			
a. EDA Loan	\$3,000	\$2,000	
b. PRE-1 Revenue Bond	\$15,000	\$14,000	
c. PR-6 Revenue Bond	\$13,000	\$13,000	
d. TP Solids Handling Bank Loan	\$71,000	\$71,000	
	\$102,000	\$100,000	
<b>TOTAL DEBT SERVICE</b>	<b>\$2,533,000</b>	<b>\$3,397,000</b>	
<b>NET PROJECT &amp; DEBT SERVICE OUTLAY</b>	<b>\$6,402,000</b>	<b>\$8,799,000</b>	

Note 1 - Radio Read Meter Retrofit to be funded by SRF or Bank Loan

Note 2 - Office/Yard Refurbish to be funded by Bank Loan

Note 3 - SCWA CIP Projects to be funded by wholesale water rate or SCWA Bond Issue.

Note 4 - \$11.7M RW Central Expansion funded by \$1.5M Federal Grant, \$9.4M SRF Loan, \$800K local contribution &amp; \$2.25M Marin Country Club contribution. Debt service paid from FRC funds.

Note 5 - \$625,000 Bank Loan for construction of Solids Handling Facility remaining.

