



**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  
**2018/19**

Directors: Jack Baker \* Rick Fraites \* James Grossi \* Michael Joly \* Stephen Petterle  
Officers: Drew McIntyre, General Manager \* Rocky Volger, Chief Engineer \* Terrie Kehoe, Secretary \* Julie Blue, Auditor-Controller





July 1, 2018

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

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

Re: Fiscal Year 2018/2019 Budget

Board of Directors:

The North Marin Water District Budget for 2018/2019 (FY19) was adopted by the Board at public hearings held in Novato on June 19 and in Point Reyes Station on June 26, 2018. 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 \$28.9 million consolidated budget projects operating revenue of \$22.8 million and a net income of \$1.2 million. The FY19 budget incorporates \$7.8 million in capital improvement projects including the conversion of Novato Potable customers to Advanced Meter Information (AMI). After payment of \$2.3 million in debt service, the consolidated budget projects a cash deficit for the fiscal year of \$4.2 million.

### **Novato Water**

The Novato Potable Water System budget projects a \$1,282,000 cash decrease over the fiscal year. A 4.5% rate increase in both the commodity and bimonthly service charge was adopted effective June 1, 2018, and is projected to add \$880,000 to the FY19 revenue.

Water sales volume is budgeted at 2.6 billion gallons, consistent with the FY18 projected sales volume, but higher than the 2.3 BG budgeted amount for FY18. Total budgeted outlay, which includes \$5.8 million in capital improvement projects, is projected at \$24.5 million, a 13% decrease from the FY18 budget. The Novato potable water system budget projects a net income of \$902,000.

### **Recycled Water**

The FY19 Recycled Water System budget projects demand of 200MG an increase from FY18 as the Central expansion project continues to bring new customers. Consistent with the potable water rate increase, a 4.5% rate increase was enacted effective June 1, 2018, and is projected to add \$50,000 to FY19 revenue.

Operating expenses (excluding depreciation and purchased water cost) are budgeted to decrease 5% (\$10,000) from the FY18 budget. The budget projects purchase of 150MG 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 projects to expand recycled water distribution facilities to Central Novato were completed in FY18. The capital budget for FY19 includes \$100,000 to retrofit existing potable irrigation customers and \$20,000 for continued participation in The North Bay Water Reuse Program (NBWRA).

The budget projects a net accounting loss of \$10,000. After budget transfers of \$1.2 million to the Novato water, the Recycled Water System is projected to show a \$1.5 million cash decrease for the year.

### **West Marin Water**

A 4.5% rate increase for West Marin Water customers effective July 1, 2018, will add \$2.50 per month (\$30 annually) 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 \$625,000 for replacement of PRE Tank #4A and \$550,000 to commence the Treatment Plant Solids Handling Project for solids removal from the filtrate system.

FY19 water sales volume is budgeted at 64MG which is an increase of 3% compared with FY18 budget. Operating expenditures, before depreciation, are budgeted to increase \$16,000 or 3% from the FY18 adopted budget, and to increase 3% from the FY18 estimated actual expense. The budget projects a net accounting income of \$183,000 and, after capital outlay and debt service, the system is projected to show a cash decrease for the year of \$991,000.

**Oceana Marin Sewer**

A 5% increase (\$4/month - to \$1,080/year) in the Oceana Marin Sewer service charge effective July 1, 2018, is projected to add \$11,000 in additional annual revenue. FY19 operating expenditures, before depreciation are budgeted to decrease 2% from the FY18 adopted budget. The budget projects a net accounting income of \$20,000 and the system is projected to see a cash decrease for the year of \$344,000.

**Capital Improvement Projects**

The two-year CIP Budget totals \$13.4 million and is comprised of 31 projects in FY19 and 26 projects in FY20. \$4.9 million will be funded from loans and grant funds. Major projects (over \$500,000) are as follows:

| <b>Project</b>  | <b>FY19</b>               | <b>FY20</b>               |
|---|---------------------------|---------------------------|
| Advanced Meter Information–Radio Read Meter Retrofit <sup>1</sup> | \$2,500,000               | 0                         |
| Replace PRE Tank #4A (25K gal w/82K gal)                          | 625,000                   | 0                         |
| TP Solids Handling  | 550,000                   | 700,000                   |
| San Mateo 24” Inlet/Outlet Pipe (2,200)                           | 500,000                   | 190,000                   |
| Office/Yard Building Refurbish <sup>2</sup>                       | 250,000                   | 1,500,000                 |
| Cherry Hill #2 Recoat   | 250,000                   | 250,000                   |
| Replace Sludge Line to Center Road                                | 0                         | 600,000                   |
| Coat STP Concrete Clearwells                                      | 590,000                   | 0                         |
| Crest PS (Design/Const)/Reloc School Rd PS                        | 200,000                   | 520,000                   |
| Other Projects  | <u>2,305,000</u>          | <u>1,915,000</u>          |
| <b>Gross Project Outlay</b>                                       | <b>\$7,770,000</b>        | <b>\$5,675,000</b>        |
| Less Loans & Grants   | <u>(2,819,000)</u>        | <u>(2,113,000)</u>        |
| <b>Net Project Outlay (internally funded)</b>                     | <b><u>\$4,951,000</u></b> | <b><u>\$3,562,000</u></b> |

<sup>1</sup> Total of \$5.5 for Advanced Meter information – Project partially funded by bank loan of \$4.6M received March 2018.

<sup>2</sup> Office/Yard Renovation is budgeted for \$12.5M to be completed FY 22 and is proposed to be funded by a 20 year bank loan at 3.5% interest.

**Staffing**

The FY19 budget includes a staffing level of 54 full-time equivalent (FTE) employees, down 1.2 FTE (2%) from the prior budget.

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### **Debt Service**

Principal and interest payments totaling \$2.3 million are budgeted as the annual obligation on \$30.5 million in outstanding debt, comprised of:

- 1) \$10.1 million at 2.4% State Revolving Fund (SRF) loan used to finance the Stafford Water Treatment Plant Rehabilitation;
- 2) \$12.2 million in SRF loans (with interest varying from 1%-2.6%) used to finance the recycled water distribution system;
- 3) \$5.9 million at 3.5% bank loan used to finance the Aqueduct Energy Efficiency Project and West Marin Treatment Plant Solids-Handling Facility;
- 4) \$2.2 million at 2.4% SRF loan used to finance the Deer Island Recycled Water Facility;
- 5) Two 5% loans totaling \$71,000 used to finance various improvements in the 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,



Drew McIntyre  
General Manager



Julie Blue  
Auditor-Controller

## **INTRODUCTION**

This document contains the fiscal year 2018/19 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 Julie Blue, Auditor-Controller, at [jblue@nmwd.com](mailto:jblue@nmwd.com) or 415-761-8950.

## **MISSION STATEMENT**

Our mission is to meet the expectations of our customers in providing potable and recycled water and sewer services that are reliable, high-quality, environmentally responsible, and reasonably priced.

## **VISION STATEMENT**

We strive to optimize the value of services we provide to our customers and continually seek new ways to enhance efficiency and promote worker and customer engagement and satisfaction.

## **NMWD VALUES**

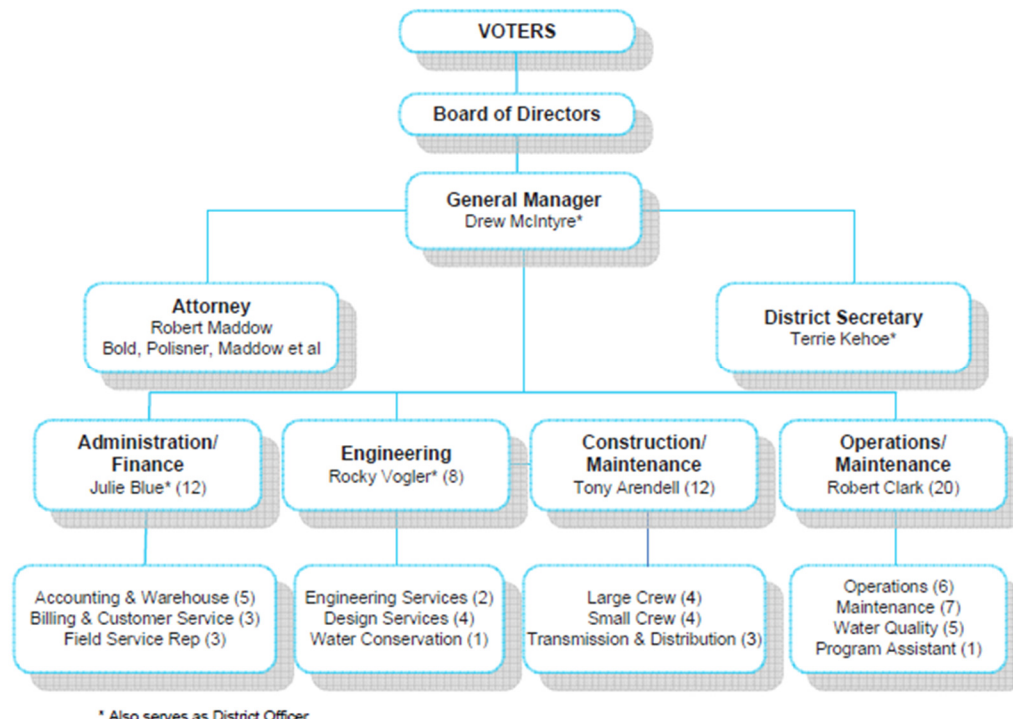
- **Accountability** – We work transparently and in full view of customers and take responsibility for our work.
- **Integrity** – Customers can count on quality and fair service from our staff and the District.
- **Teamwork** – We work cooperatively to accomplish our goals.
- **Honesty** – We always seek the truth in what we do.
- **Respect** – We value our customers and co-workers.



ORGANIZATION FACT SHEET  
July 2018

Organization:

- 5 Directors elected at large for 4-year terms
  - Rick Frites, President
  - Jack Baker, Vice-President
  - Stephen Petterle
  - Michael Joly (2 Year Term)
  - James Grossi
- 1 General Manager, Drew McIntyre (serves at the pleasure of the Board of Directors)
- 4 Departments
- 54 Employees (regular full-time-equivalent authorized)



Authority:

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

Territory:

100 square miles (see attached map)

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.

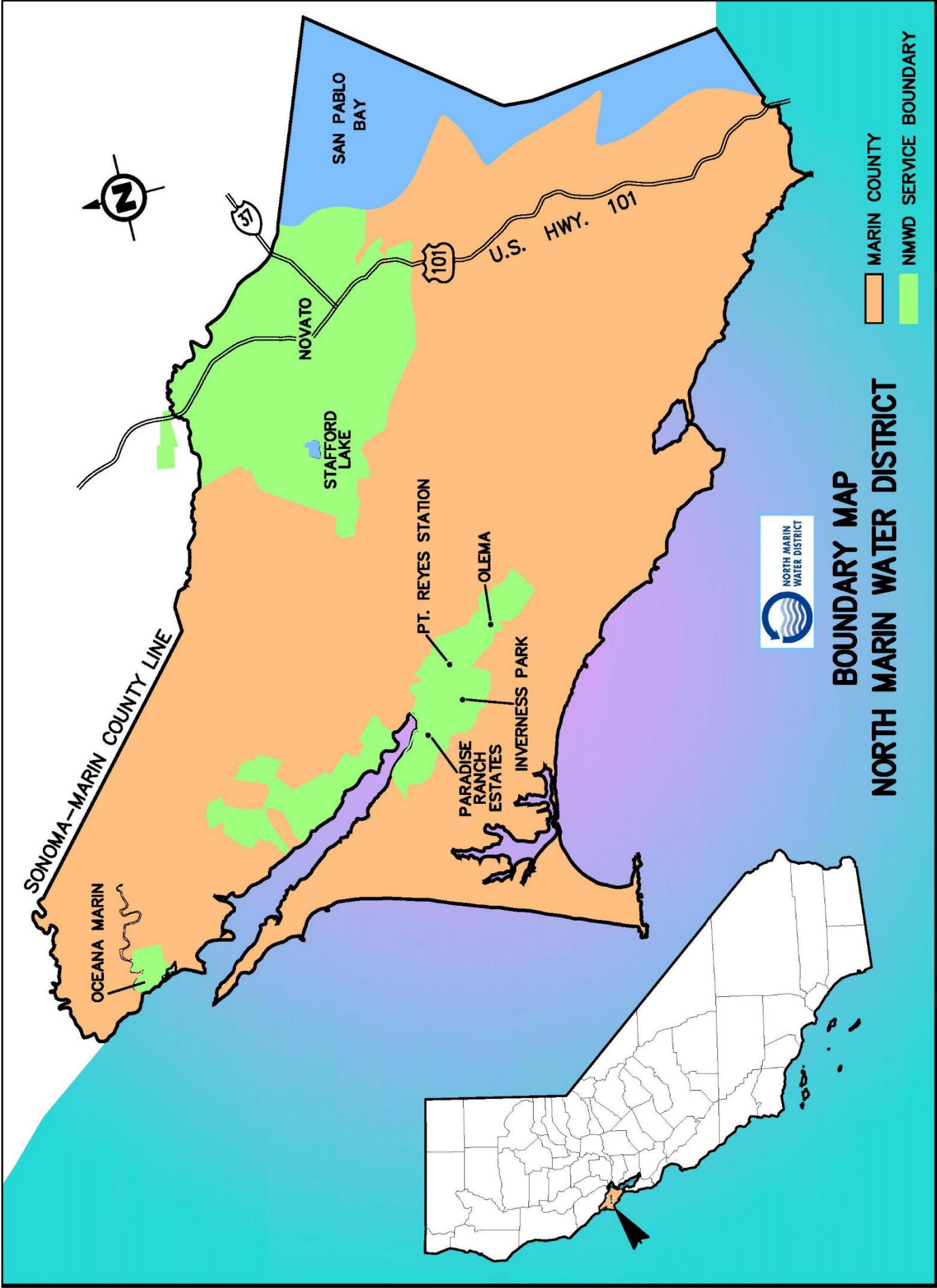


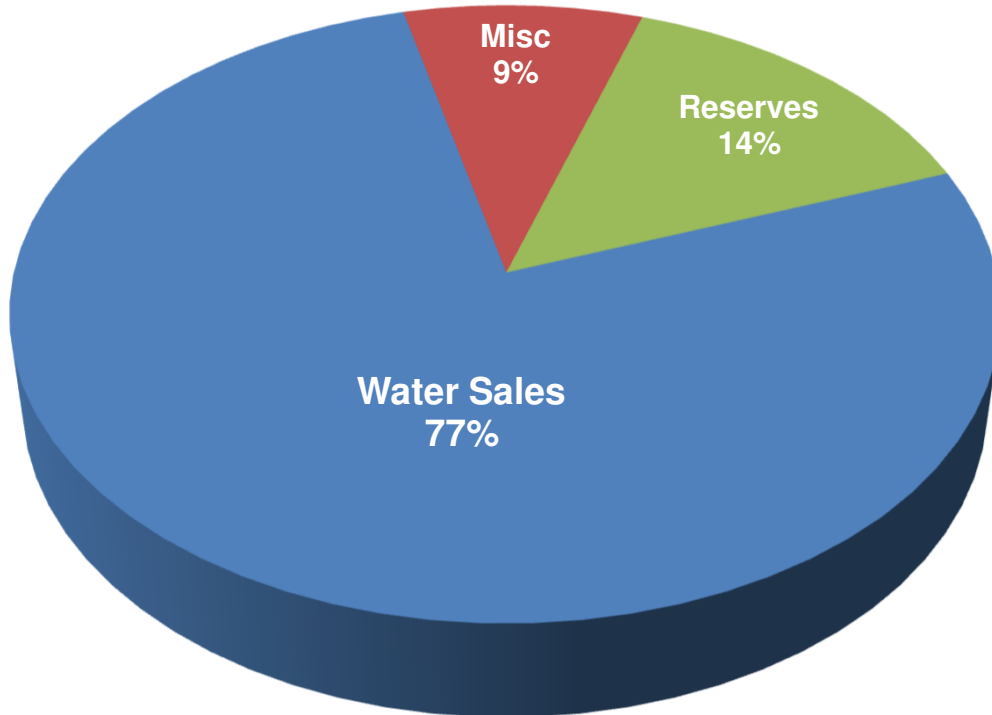
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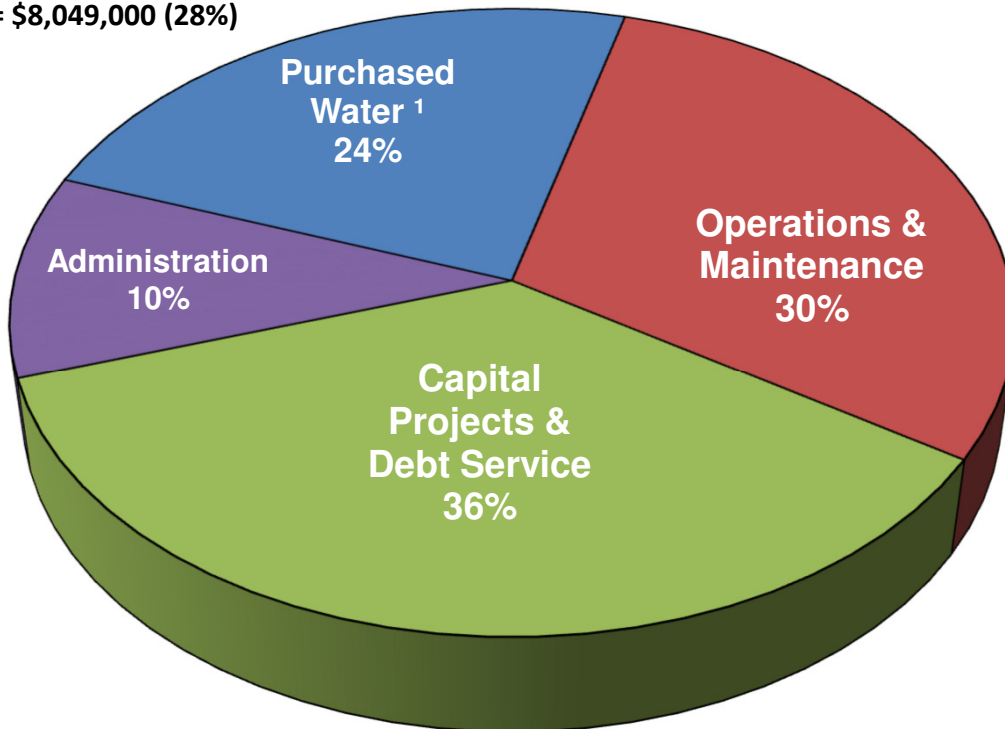
EQUIPMENT, CAPITAL IMPROVEMENT PROJECTS AND DEBT SERVICE

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**NORTH MARIN WATER DISTRICT  
FY19 APPROVED BUDGET - ALL SERVICE AREAS COMBINED  
SOURCES = \$28,933,000**



**Labor = \$8,049,000 (28%)**



**USES = \$28,933,000**

Excludes Depreciation Expense & Developer Funded Costs

1. Includes a one time payment to SCWA for bond issued debt.

**NORTH MARIN WATER DISTRICT**  
**BUDGET SUMMARY - ALL SERVICE AREAS COMBINED**  
**Fiscal Year 2018/19**

|  | <i>Approved<br/>Budget<br/>2018/19</i> | <i>Estimated<br/>Actual<br/>2017/18</i> | <i>Adopted<br/>Budget<br/>2017/18</i> |
|--|--|---|---------------------------------------|
| <b>OPERATING INCOME</b>                        |  |   |                                       |
| 1 Water Sales                                  | <b>\$22,207,000</b>                    | \$21,239,000                            | \$19,094,000                          |
| 2 Sewer Service Charges                        | <b>252,000</b>                         | 239,000                                 | 239,000                               |
| 3 Wheeling & Misc Service Charges              | <b>347,000</b>                         | 393,500                                 | 359,000                               |
| 4 <b>Total Operating Income</b>                | <b>\$22,806,000</b>                    | \$21,871,500                            | \$19,692,000                          |
| <b>OPERATING EXPENDITURES</b>                  |  |   |                                       |
| 5 Source of Supply                             | <b>7,044,000</b>                       | \$5,727,000                             | \$5,065,000                           |
| 6 Pumping                                      | <b>391,000</b>                         | 389,000                                 | 401,000                               |
| 7 Operations                                   | <b>696,000</b>                         | 898,000                                 | 810,000                               |
| 8 Water Treatment                              | <b>2,603,000</b>                       | 2,262,000                               | 2,340,000                             |
| 9 Sewer Service                                | <b>164,000</b>                         | 133,000                                 | 143,000                               |
| 10 Transmission & Distribution                 | <b>3,331,000</b>                       | 2,734,000                               | 3,260,000                             |
| 11 Consumer Accounting                         | <b>648,000</b>                         | 606,000                                 | 677,000                               |
| 12 Water Conservation                          | <b>390,000</b>                         | 274,000                                 | 450,000                               |
| 13 General & Administrative                    | <b>2,392,000</b>                       | 1,963,000                               | 2,408,000                             |
| 14 Depreciation Expense                        | <b>3,528,000</b>                       | 3,239,450                               | 3,526,000                             |
| 15 <b>Total Operating Expenditures</b>         | <b>\$21,187,000</b>                    | \$18,225,450                            | \$19,080,000                          |
| 16 <b>NET OPERATING INCOME (LOSS)</b>          | <b>\$1,619,000</b>                     | \$3,646,050                             | \$612,000                             |
| <b>NON-OPERATING INCOME/(EXPENSE)</b>          |  |   |                                       |
| 17 Tax Proceeds                                | <b>\$114,000</b>                       | \$110,000                               | \$109,000                             |
| 18 Interest Revenue                            | <b>159,000</b>                         | 208,000                                 | 161,000                               |
| 19 Miscellaneous Revenue                       | <b>137,000</b>                         | 153,500                                 | 137,000                               |
| 20 Interest Expense                            | <b>(850,000)</b>                       | (711,000)                               | (732,000)                             |
| 21 Miscellaneous Expense                       | <b>(20,000)</b>                        | (86,600)                                | (20,000)                              |
| 22 <b>Total Non-Operating Income/(Expense)</b> | <b>(\$460,000)</b>                     | (\$326,100)                             | (\$345,000)                           |
|  | <b>NET INCOME/(LOSS)</b>               | <b>\$1,159,000</b>                      | <b>\$3,319,950</b>                    |
| <b>OTHER SOURCES/(USES) OF FUNDS</b>           |  |   |                                       |
| 23 Add Depreciation Expense                    | <b>\$3,528,000</b>                     | \$3,239,450                             | \$3,526,000                           |
| 24 Connection Fees                             | <b>733,000</b>                         | 998,000                                 | 833,000                               |
| 25 Caltrans AEEP Reimbursement                 | <b>1,000</b>                           | 1,000                                   | -                                     |
| 26 MMWD AEEP Capital Contribution              | <b>245,000</b>                         | 245,000                                 | 245,000                               |
| 27 Loans/Grants                                | <b>349,000</b>                         | 7,490,000                               | 11,533,000                            |
| 28 Stone Tree Golf Principal Repayment         | <b>222,000</b>                         | 217,000                                 | 217,000                               |
| 29 Capital Equipment Expenditures              | <b>(355,000)</b>                       | (63,000)                                | (210,000)                             |
| 30 Capital Improvement Projects                | <b>(7,770,000)</b>                     | (10,148,000)                            | (17,745,000)                          |
| 31 Debt Principal Payments                     | <b>(2,279,000)</b>                     | (1,798,000)                             | (1,802,000)                           |
| 32 Working Capital Increase/(Decrease)         | <b>0</b>                               | 1,129,000                               | 2,570,000                             |
| 33 <b>Total Other Sources/(Uses)</b>           | <b>(\$5,326,000)</b>                   | \$1,310,450                             | (\$833,000)                           |
| 34 <b>CASH INCREASE/(DECREASE)</b>             | <b>(\$4,167,000)</b>                   | \$4,630,400                             | (\$566,000)                           |

**FY18 BUDGETED EXPENDITURES BY CATEGORY**

|                                      | FY19         |              | Novato      |             | West      |              | Oceana       |          | FY18         |              | FY18/FY17 |              | FY19/FY18    |  |
|--------------------------------------|--------------|--------------|-------------|-------------|-----------|--------------|--------------|----------|--------------|--------------|-----------|--------------|--------------|--|
|                                      | Budget       | Potable      | Recycled    | Marin Wtr   | Marin Swr | Budget       | Est Actual   | Budget % | Est Actual   | Est Actual   | Budget %  | Est Actual   | Est Actual % |  |
| <b>Operating Expense</b>             |              |              |             |             |           |              |              |          |              |              |           |              |              |  |
| 1 Salaries & Benefits                | \$6,942,000  | \$6,514,000  | \$97,000    | \$249,000   | \$82,000  | \$6,938,000  | \$6,777,000  | 0%       | \$6,777,000  | \$6,777,000  | 0%        | \$6,777,000  | 2%           |  |
| 2 Water Purchases                    | 6,823,000    | 6,550,000    | 273,000     | -           | -         | 4,867,000    | 5,214,450    | 40%      | 5,214,450    | 4,867,000    | 40%       | 5,214,450    | 31%          |  |
| 3 Depreciation                       | 3,528,000    | 2,820,000    | 474,000     | 197,000     | 37,000    | 3,526,000    | 3,240,000    | 0%       | 3,240,000    | 3,526,000    | 0%        | 3,240,000    | 9%           |  |
| 4 Materials, Services & Supplies     | 2,064,000    | 1,926,000    | 30,000      | 77,000      | 31,000    | 1,903,000    | 1,700,000    | 8%       | 1,700,000    | 1,903,000    | 8%        | 1,700,000    | 21%          |  |
| 5 Electric Power                     | 477,000      | 408,000      | 2,000       | 49,000      | 18,000    | 459,000      | 525,000      | 4%       | 525,000      | 459,000      | 4%        | 525,000      | (9%)         |  |
| 6 Chemicals                          | 464,000      | 455,000      | 4,000       | 5,000       | -         | 434,000      | 443,000      | 7%       | 443,000      | 434,000      | 7%        | 443,000      | 5%           |  |
| 7 Consulting Services/Studies        | 335,000      | 335,000      | -           | -           | -         | 382,000      | 230,000      | (12%)    | 230,000      | 382,000      | (12%)     | 230,000      | 46%          |  |
| 8 Vehicles & Equipment (Distrib)     | 293,000      | 265,000      | 4,000       | 20,000      | 4,000     | 287,000      | 252,000      | 2%       | 252,000      | 287,000      | 2%        | 252,000      | 16%          |  |
| 9 Tools & Supplies (Distrib)         | 188,000      | 168,000      | 4,000       | 10,000      | 6,000     | 185,000      | 223,000      | 2%       | 223,000      | 185,000      | 2%        | 223,000      | (16%)        |  |
| 10 Retiree Medical Expense           | 172,000      | 172,000      | -           | -           | -         | 172,000      | 175,000      | 0%       | 175,000      | 172,000      | 0%        | 175,000      | (2%)         |  |
| 11 Water Conservation Rebates        | 104,000      | 101,000      | -           | 3,000       | -         | 104,000      | 30,000       | 0%       | 30,000       | 104,000      | 0%        | 30,000       | 247%         |  |
| 12 Insurance & Claims                | 155,000      | 128,000      | -           | -           | 27,000    | 144,000      | 94,000       | 8%       | 94,000       | 144,000      | 8%        | 94,000       | 65%          |  |
| 13 Office Supplies & Postage         | 102,000      | 102,000      | -           | -           | -         | 102,000      | 87,000       | 0%       | 87,000       | 102,000      | 0%        | 87,000       | 17%          |  |
| 14 Overhead Charge (Gain)/Loss       | (39,000)     | (39,000)     | -           | -           | -         | (39,000)     | (380,000)    | 0%       | (380,000)    | (39,000)     | 0%        | (380,000)    | (90%)        |  |
| 15 Distributed Costs                 | (421,000)    | (643,000)    | 68,000      | 127,000     | 27,000    | (384,000)    | (385,000)    | 10%      | (385,000)    | (421,000)    | 10%       | (385,000)    | 9%           |  |
| <b>Total Operating Expense</b>       | \$21,187,000 | \$19,262,000 | \$956,000   | \$737,000   | \$232,000 | \$19,080,000 | \$18,225,450 | 11%      | \$18,225,450 | \$19,080,000 | 11%       | \$18,225,450 | 16%          |  |
| 17 Interest Expense & Other          | 870,000      | 553,000      | 288,000     | 29,000      | -         | 752,000      | 800,000      | 16%      | 800,000      | 870,000      | 16%       | 800,000      | 9%           |  |
| <b>Total Expense</b>                 | \$22,057,000 | \$19,815,000 | \$1,244,000 | \$766,000   | \$232,000 | \$19,832,000 | \$19,025,450 | 11%      | \$19,025,450 | \$22,057,000 | 11%       | \$19,025,450 | 16%          |  |
| <b>Warehouse, Shop &amp; Yard</b>    |              |              |             |             |           |              |              |          |              |              |           |              |              |  |
| 19 Salaries and Benefits             | \$263,000    | \$263,000    | -           | -           | -         | \$299,000    | \$203,000    | (12%)    | \$203,000    | \$263,000    | (12%)     | \$203,000    | 30%          |  |
| 20 Materials, Services & Supplies    | 325,000      | 325,000      | -           | -           | -         | 307,000      | 259,000      | 6%       | 259,000      | 325,000      | 6%        | 259,000      | 25%          |  |
| 21 Distributed Costs                 | (588,000)    | (588,000)    | -           | -           | -         | (606,000)    | (462,000)    | (3%)     | (462,000)    | (588,000)    | (3%)      | (462,000)    | 27%          |  |
| <b>Total W/H, Shop &amp; Yard</b>    | -            | -            | -           | -           | -         | -            | \$0          | -        | \$0          | -            | -         | \$0          | -            |  |
| <b>District Capital Outlay</b>       |              |              |             |             |           |              |              |          |              |              |           |              |              |  |
| 23 Salaries and Benefits             | \$844,000    | \$603,000    | \$29,000    | \$149,000   | \$63,000  | \$817,000    | \$765,000    | 3%       | \$765,000    | \$844,000    | 3%        | \$765,000    | 10%          |  |
| 24 Equipment                         | 355,000      | 355,000      | -           | -           | -         | 210,000      | 73,000       | 69%      | 73,000       | 355,000      | 69%       | 73,000       | 386%         |  |
| 25 Debt Principal Payments           | 2,279,000    | 1,350,000    | 860,000     | 69,000      | -         | 1,799,000    | 1,432,000    | 27%      | 1,432,000    | 2,279,000    | 27%       | 1,432,000    | 59%          |  |
| 26 Materials, Services & Supplies    | 6,926,000    | 5,157,000    | 91,000      | 1,176,000   | 502,000   | 6,928,000    | 10,392,000   | (59%)    | 10,392,000   | 6,926,000    | (59%)     | 10,392,000   | (33%)        |  |
| <b>Total District Capital Outlay</b> | \$10,404,000 | \$7,465,000  | \$980,000   | \$1,394,000 | \$565,000 | \$19,754,000 | \$12,662,000 | (47%)    | \$12,662,000 | \$10,404,000 | (47%)     | \$12,662,000 | (18%)        |  |
| <b>Developer Funded Projects</b>     |              |              |             |             |           |              |              |          |              |              |           |              |              |  |
| 28 Salaries & Benefits               | \$232,000    | \$203,000    | \$0         | \$29,000    | \$0       | \$222,000    | \$155,000    | 5%       | \$155,000    | \$232,000    | 5%        | \$155,000    | 50%          |  |
| 29 Materials, Services & Supplies    | 138,000      | 123,000      | 0           | 14,000      | 1,000     | 130,000      | 244,000      | 6%       | 244,000      | 138,000      | 6%        | 244,000      | (43%)        |  |
| <b>Total Developer Projects</b>      | \$370,000    | \$326,000    | \$0         | \$43,000    | \$1,000   | \$352,000    | \$399,000    | 5%       | \$399,000    | \$370,000    | 5%        | \$399,000    | (7%)         |  |
| <b>Total</b>                         | \$32,831,000 | \$27,606,000 | \$2,224,000 | \$2,203,000 | \$798,000 | \$39,938,000 | \$32,086,450 | (18%)    | \$32,086,450 | \$32,831,000 | (18%)     | \$32,086,450 | 2%           |  |

**NOVATO POTABLE WATER**  
**BUDGET SUMMARY**  
**Fiscal Year 2018/19**

|  | <i>Approved<br/>Budget<br/>2018/19</i> | <i>Estimated<br/>Actual<br/>2017/18</i> | <i>Adopted<br/>Budget<br/>2017/18</i> |
|--|--|---|---------------------------------------|
| <b>OPERATING INCOME</b>                        |  |   |                                       |
| 1 Water Sales                                  | <b>\$20,144,000</b>                    | \$19,468,000                            | \$17,366,000                          |
| 2 Wheeling & Misc Service Charges              | <b>340,000</b>                         | 386,000                                 | 352,000                               |
| 3 <b>Total Operating Income</b>                | <b>\$20,484,000</b>                    | \$19,854,000                            | \$17,718,000                          |
| <b>OPERATING EXPENDITURES</b>                  |  |   |                                       |
| 4 Source of Supply                             | <b>\$6,756,000</b>                     | \$5,576,000                             | \$4,833,000                           |
| 5 Pumping                                      | <b>343,000</b>                         | 334,000                                 | 350,000                               |
| 6 Operations                                   | <b>580,000</b>                         | 790,000                                 | 695,000                               |
| 7 Water Treatment                              | <b>2,413,000</b>                       | 2,080,000                               | 2,169,000                             |
| 8 Transmission & Distribution                  | <b>3,136,000</b>                       | 2,590,000                               | 3,061,000                             |
| 9 Consumer Accounting                          | <b>618,000</b>                         | 579,000                                 | 647,000                               |
| 10 Water Conservation                          | <b>380,000</b>                         | 268,000                                 | 440,000                               |
| 11 General Administration                      | <b>2,216,000</b>                       | 1,803,000                               | 2,201,000                             |
| 12 Depreciation Expense                        | <b>2,820,000</b>                       | 2,565,000                               | 2,800,000                             |
| 13 <b>Total Operating Expenditures</b>         | <b>\$19,262,000</b>                    | \$16,585,000                            | \$17,196,000                          |
| 14 <b>NET OPERATING INCOME (LOSS)</b>          | <b>\$1,222,000</b>                     | \$3,269,000                             | \$522,000                             |
| <b>NON-OPERATING INCOME/(EXPENSE)</b>          |  |   |                                       |
| 15 Interest Revenue                            | <b>\$100,000</b>                       | 132,000                                 | 100,000                               |
| 16 Miscellaneous Revenue                       | <b>133,000</b>                         | 149,000                                 | 133,000                               |
| 17 Interest Expense                            | <b>(533,000)</b>                       | (436,000)                               | (452,000)                             |
| 18 Debt Issuance Costs                         | -                                      | (85,000)                                | -                                     |
| 19 Miscellaneous Expense                       | <b>(20,000)</b>                        | (\$2,000)                               | (20,000)                              |
| 20 <b>Total Non-Operating Income/(Expense)</b> | <b>(\$320,000)</b>                     | (\$242,000)                             | (\$239,000)                           |
| 21 <b>NET INCOME/(LOSS)</b>                    | <b>\$902,000</b>                       | \$3,027,000                             | \$283,000                             |
| <b>OTHER SOURCES/(USES) OF CASH</b>            |  |   |                                       |
| 22 Add Depreciation Expense                    | <b>\$2,820,000</b>                     | \$2,565,000                             | \$2,800,000                           |
| 23 Connection Fees                             | <b>680,000</b>                         | 922,000                                 | 780,000                               |
| 24 Caltrans AEEP Capital Contribution          | <b>1,000</b>                           | 1,000                                   | -                                     |
| 25 MMWD AEEP Capital Contribution              | <b>245,000</b>                         | 245,000                                 | 245,000                               |
| 26 SCWA Water Conservation Grant               | <b>30,000</b>                          | 45,000                                  | -                                     |
| 27 Loans                                       | <b>250,000</b>                         | 4,600,000                               | 6,200,000                             |
| 28 Capital Equipment Expenditures              | <b>(355,000)</b>                       | (63,000)                                | (210,000)                             |
| 29 Capital Improvement Projects                | <b>(5,760,000)</b>                     | (6,423,000)                             | (10,315,000)                          |
| 30 Debt Principal Payments                     | <b>(1,350,000)</b>                     | (1,090,000)                             | (1,093,000)                           |
| 31 Connection Fee Transfer from (to) RWS       | <b>1,255,000</b>                       | (5,100,000)                             | (1,751,000)                           |
| 32 Working Capital Increase/(Decrease)         | -                                      | 1,129,000                               | 2,570,000                             |
| 33 <b>Total Other Sources/(Uses)</b>           | <b>(\$2,184,000)</b>                   | (\$3,169,000)                           | (\$774,000)                           |
| 34 <b>CASH INCREASE/(DECREASE)</b>             | <b>(\$1,282,000)</b>                   | (\$142,000)                             | (\$491,000)                           |

## **NOVATO POTABLE WATER**

### **5-YEAR FINANCIAL FORECAST**

| Fiscal Year Ending June 30 >               |  | Approved<br><b>2019</b> | Projected<br><b>2020</b> | Projected<br><b>2021</b> | Projected<br><b>2022</b> | Projected<br><b>2023</b> |
|--|--|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>SERVICES</b>                            |  |                         |                          |                          |                          |                          |
| 1  | Active Meters @ Fiscal Year End  | 20,577                  | 20,587                   | 20,597                   | 20,607                   | 20,617                   |
| 2  | Increase for Year - Active Meters  | 20                      | 10                       | 10                       | 10                       | 10                       |
| <b>WATER PRODUCTION (MG)</b>               |  |                         |                          |                          |                          |                          |
| 3  | Stafford Production  | 750                     | 650                      | 650                      | 650                      | 650                      |
| 4  | Russian River Purchases  | 1,920                   | 2,050                    | 2,050                    | 2,050                    | 2,050                    |
| 5  | <b>Total Water Production</b>  | <b>2,670</b>            | <b>2,700</b>             | <b>2,700</b>             | <b>2,700</b>             | <b>2,700</b>             |
| <b>REVENUE &amp; EXPENSE (\$ in 000's)</b> |  |                         |                          |                          |                          |                          |
| <b>OPERATING REVENUE</b>                   |  |                         |                          |                          |                          |                          |
| 6  | Potable Water Sales  | \$20,144                | \$21,050                 | \$21,998                 | \$22,988                 | \$24,022                 |
| 7  | Wheeling & Other Misc Service Charges  | 340                     | 354                      | 368                      | 382                      | 398                      |
| 8  | <b>Total Operating Revenue</b>   | <b>\$20,484</b>         | <b>\$21,404</b>          | <b>\$22,365</b>          | <b>\$23,370</b>          | <b>\$24,420</b>          |
| <b>OPERATING EXPENSE</b>                   |  |                         |                          |                          |                          |                          |
| 9  | Russian River Water  | \$6,550                 | \$5,586                  | \$5,921                  | \$6,277                  | \$6,653                  |
| 10   | Overheaded Operating Labor   | 6,845                   | 7,050                    | 7,262                    | 7,480                    | 7,704                    |
| 11   | Purification Chemicals   | 455                     | 469                      | 483                      | 497                      | 512                      |
| 12   | Electric Power   | 408                     | 420                      | 433                      | 446                      | 459                      |
| 13   | Other Operating Expenses   | 2,184                   | 2,250                    | 2,317                    | 2,387                    | 2,458                    |
| 14   | Depreciation   | 2,820                   | 2,850                    | 2,880                    | 2,910                    | 2,940                    |
| 15   | <b>Total Operating Expense</b>   | <b>\$19,262</b>         | <b>\$18,625</b>          | <b>\$19,296</b>          | <b>\$19,996</b>          | <b>\$20,727</b>          |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b>     |  |                         |                          |                          |                          |                          |
| 16   | Interest Revenue   | \$100                   | \$100                    | \$100                    | \$100                    | \$100                    |
| 17   | Interest Expense   | (533)                   | (954)                    | (963)                    | (961)                    | (959)                    |
| 18   | Misc Other Revenue/(Expense)   | 113                     | 116                      | 120                      | 123                      | 127                      |
| 19   | <b>Total Non-Op Revenue/(Expense)</b>  | <b>(\$320)</b>          | <b>(\$738)</b>           | <b>(\$743)</b>           | <b>(\$738)</b>           | <b>(\$732)</b>           |
| 20   | <b>Net Income</b>  | <b>\$902</b>            | <b>\$2,042</b>           | <b>\$2,327</b>           | <b>\$2,637</b>           | <b>\$2,961</b>           |
| <b>OTHER SOURCES/(USES) OF FUNDS</b>       |  |                         |                          |                          |                          |                          |
| 21   | Add Depreciation Expense   | \$2,820                 | \$2,850                  | \$2,880                  | \$2,910                  | \$2,940                  |
| 22   | Connection Fees  | 680                     | -                        | -                        | -                        | -                        |
| 23   | MMWD AEEP Capital Contribution   | 245                     | 245                      | 245                      | 245                      | 245                      |
| 24   | Loans/Grants   | 281                     | 1,500                    | 6,000                    | 4,500                    | 0                        |
| 25   | Capital Equipment Purchases  | (355)                   | (250)                    | (250)                    | (250)                    | (250)                    |
| 26   | Capital Improvement Projects   | (5,760)                 | (4,415)                  | (6,745)                  | (5,300)                  | (2,525)                  |
| 27   | Debt Principal Payments  | (1,350)                 | (1,795)                  | (1,786)                  | (1,788)                  | (1,790)                  |
| 28   | FRC Funds Transferred to Recycled Water  | 1,255                   | (50)                     | (50)                     | (50)                     | (50)                     |
| 29   | Working Capital Increase   | -                       | -                        | -                        | -                        | -                        |
| 30   | <b>Total Other Sources/(Uses)</b>  | <b>(\$2,184)</b>        | <b>(\$1,915)</b>         | <b>\$294</b>             | <b>\$267</b>             | <b>(\$1,430)</b>         |
| 31   | <b>Cash Increase/(Decrease)</b>  | <b>(\$1,282)</b>        | <b>\$126</b>             | <b>\$2,620</b>           | <b>\$2,903</b>           | <b>\$1,531</b>           |
| 32   | <b>Ending Reserve Balance</b>  | <b>\$8,189</b>          | <b>\$8,316</b>           | <b>\$10,936</b>          | <b>\$13,840</b>          | <b>\$15,371</b>          |
| 33   | <b>Target Reserve Balance (90% Op</b>  | <b>\$14,798</b>         | <b>\$14,197</b>          | <b>\$14,774</b>          | <b>\$15,377</b>          | <b>\$16,008</b>          |
| 34   | <b>% Rate Increase<sup>1</sup></b>   | <b>4.5%</b>             | <b>4.5%</b>              | <b>4.5%</b>              | <b>4.5%</b>              | <b>4.5%</b>              |
| 35   | <b>Median Monthly Single-Family Residential Bill</b>   | <b>\$55</b>             | <b>\$57</b>              | <b>\$60</b>              | <b>\$62</b>              | <b>\$65</b>              |
| 36   | Fiscal year 2019 Rate Increase approved by Board. FY 2020 through 2023 are projections for financial forecasting purposes only - not yet considered by the Board of Directors. |                         |                          |                          |                          |                          |

\* Dollars shown in Thousands



# NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2018/19

|                                       | Approved            | Estimated           | Adopted             | Actual              |                     |                     |                     |                     |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                       | Budget              | Actual              | Budget              | 16/17               | 15/16               | 14/15               | 13/14               | 12/13               |
|                                       | 18/19               | 17/18               | 17/18               | 16/17               | 15/16               | 14/15               | 13/14               | 12/13               |
| <b>STATISTICS</b>                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 1 Active Meters                       | 20,577              | 20,556              | 20,545              | 20,544              | 20,535              | 20,498              | 20,505              | 20,492              |
| 2 Avg Commodity Rate/1,000 Gal (Net)  | \$5.99              | \$5.73              | \$5.35              | \$5.40              | \$5.25              | \$4.87              | \$4.81              | \$4.32              |
| 3 Potable Consumption (BG)            | 2.60                | 2.60                | 2.30                | 2.31                | 2.15                | 2.44                | 2.95                | 3.02                |
| <b>OPERATING INCOME</b>               |                     |                     |                     |                     |                     |                     |                     |                     |
| 4 Water Sales                         | \$20,300,000        | \$19,628,000        | \$17,280,000        | \$16,772,060        | \$15,489,903        | \$16,101,706        | \$18,385,017        | \$16,626,526        |
| 5 Bill Adjustments                    | (156,000)           | (160,000)           | 86,000              | (130,587)           | (64,461)            | (82,790)            | (95,470)            | (104,567)           |
| 6 Sales to MMWD                       | -                   | -                   | -                   | -                   | -                   | -                   | 432,294             | -                   |
| 7 Wheeling Charges-MMWD               | 75,000              | 75,000              | 91,000              | 91,374              | 90,217              | 119,144             | 100,527             | 251,980             |
| 8 Miscellaneous Service Revenue       | 265,000             | 236,000             | 261,000             | 252,038             | 277,479             | 276,388             | 265,496             | 223,619             |
| 9 <b>TOTAL OPERATING INCOME</b>       | <b>\$20,484,000</b> | <b>\$19,854,000</b> | <b>\$17,718,000</b> | <b>\$16,984,885</b> | <b>\$15,793,138</b> | <b>\$16,414,448</b> | <b>\$19,087,864</b> | <b>\$16,997,558</b> |
| <b>OPERATING EXPENSE</b>              |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>SOURCE OF SUPPLY</b>               |                     |                     |                     |                     |                     |                     |                     |                     |
| 10 Supervision & Engineering          | \$37,000            | \$10,000            | \$20,000            | \$11,264            | \$10,586            | \$11,641            | \$9,698             | \$9,103             |
| 11 Operating Expense - Source         | 12,000              | 4,000               | 10,000              | 8,513               | 11,928              | 11,044              | 10,497              | 6,821               |
| 12 Maintenance/Monitoring of Dam      | 67,000              | 24,000              | 62,000              | 24,059              | 22,796              | 11,635              | 19,438              | 38,295              |
| 13 Maintenance of Lake & Intakes      | 18,000              | 3,000               | 17,000              | 7,575               | 6,299               | 511                 | 11,701              | 14,481              |
| 14 Maintenance of Watershed           | 50,000              | 37,000              | 49,000              | 36,218              | 17,325              | 15,151              | 17,015              | 23,405              |
| 15 Water Purchased for Resale to MMWD | -                   | -                   | -                   | -                   | -                   | -                   | 253,539             | -                   |
| 16 Water Quality Surveillance         | 22,000              | 8,000               | 25,000              | 3,513               | 3,137               | 7,467               | 13,713              | 12,776              |
| 17 Contract Water - SCWA              | 6,550,000           | 5,490,000           | 4,650,000           | 4,320,623           | 3,997,030           | 4,333,100           | 5,698,211           | 5,135,330           |
| 18 GASB 68 Adjustment                 | -                   | -                   | -                   | 5,682               | -                   | -                   | -                   | -                   |
| 19 <b>TOTAL SOURCE OF SUPPLY</b>      | <b>\$6,756,000</b>  | <b>\$5,576,000</b>  | <b>\$4,833,000</b>  | <b>\$4,417,447</b>  | <b>\$4,069,101</b>  | <b>\$4,390,549</b>  | <b>\$6,033,812</b>  | <b>\$5,240,211</b>  |
| <b>PUMPING</b>                        |                     |                     |                     |                     |                     |                     |                     |                     |
| 20 Operating Expense                  | \$3,000             | \$0                 | \$3,000             | \$0                 | \$0                 | \$237               | \$0                 | \$0                 |
| 21 Maintenance of Structures/Grounds  | 26,000              | 22,000              | 27,000              | 28,514              | 26,347              | 51,544              | 46,502              | 24,115              |
| 22 Maintenance of Pumping Equipment   | 62,000              | 35,000              | 68,000              | 30,354              | 13,507              | 51,013              | 27,696              | 35,637              |
| 23 Electric Power - Pumping           | 252,000             | 277,000             | 252,000             | 246,869             | 212,207             | 213,909             | 255,711             | 263,471             |
| 24 GASB 68 Adjustment                 | -                   | -                   | -                   | 3,496               | -                   | -                   | -                   | -                   |
| 25 <b>TOTAL PUMPING</b>               | <b>\$343,000</b>    | <b>\$334,000</b>    | <b>\$350,000</b>    | <b>\$309,233</b>    | <b>\$252,061</b>    | <b>\$316,703</b>    | <b>\$329,909</b>    | <b>\$323,223</b>    |
| <b>OPERATIONS</b>                     |                     |                     |                     |                     |                     |                     |                     |                     |
| 26 Supervision & Engineering          | \$169,000           | \$244,000           | \$169,000           | \$234,870           | \$256,231           | \$241,264           | \$219,520           | \$187,986           |
| 27 Operating Expense                  | 252,000             | 393,000             | 358,000             | 343,890             | 304,897             | 244,900             | 274,893             | 264,400             |
| 28 Maintenance Expense                | 56,000              | \$49,000            | 58,000              | 47,202              | 34,755              | 37,667              | 79,906              | 101,036             |
| 29 Telemetry Equipment/Controls Maint | 86,000              | \$88,000            | 93,000              | 101,568             | 68,674              | 86,544              | 62,223              | 44,349              |
| 30 Leased Line Expense                | 17,000              | \$16,000            | 17,000              | 17,592              | 17,704              | 17,986              | 17,675              | 17,921              |
| 31 GASB 68 Adjustment                 | -                   | -                   | -                   | 63,553              | -                   | -                   | -                   | -                   |
| 32 <b>TOTAL OPERATIONS</b>            | <b>\$580,000</b>    | <b>\$790,000</b>    | <b>\$695,000</b>    | <b>\$808,675</b>    | <b>\$682,261</b>    | <b>\$628,361</b>    | <b>\$654,217</b>    | <b>\$615,692</b>    |

# NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2018/19

|   | Approved<br>Budget<br>18/19 | Estimated<br>Actual<br>17/18 | Adopted<br>Budget<br>17/18 | Actual<br>16/17    | Actual<br>15/16    | Actual<br>14/15    | Actual<br>13/14    | Actual<br>12/13    |
|---|-----------------------------|------------------------------|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>WATER TREATMENT</b>                  |                             |                              |                            |                    |                    |                    |                    |                    |
| 33 Supervision & Engineering            | \$152,000                   | \$175,000                    | \$105,000                  | \$168,945          | \$130,358          | \$112,433          | \$111,096          | \$112,612          |
| 34 Operating Expense                    | 393,000                     | \$244,000                    | 371,000                    | 349,671            | 313,024            | 333,020            | 285,050            | 308,301            |
| 35 Purification Chemicals               | 455,000                     | \$441,000                    | 425,000                    | 247,260            | 378,562            | 358,907            | 316,762            | 400,627            |
| 36 Sludge Disposal                      | 119,000                     | \$99,000                     | 102,000                    | 107,942            | 90,043             | 72,720             | 66,085             | 103,196            |
| 37 Maintenance of Structures/Grounds    | 119,000                     | \$49,000                     | 75,000                     | 78,910             | 68,351             | 79,728             | 60,148             | 52,242             |
| 38 Purification Equipment Maintenance   | 203,000                     | \$221,000                    | 177,000                    | 186,246            | 150,989            | 104,290            | 137,838            | 137,793            |
| 39 Electric Power - Treatment           | 156,000                     | \$156,000                    | 138,000                    | 129,652            | 113,223            | 120,592            | 135,637            | 112,767            |
| 40 Laboratory Expense (net)             | 816,000                     | \$695,000                    | 776,000                    | 768,965            | 705,212            | 691,990            | 655,315            | 602,901            |
| 41 GASB 68 Adjustment                   | -                           | -                            | -                          | 150,494            | -                  | -                  | -                  | -                  |
| 42                                      | -                           | -                            | -                          | -                  | -                  | -                  | -                  | -                  |
| <b>TOTAL WATER TREATMENT</b>            | <b>\$2,413,000</b>          | <b>\$2,080,000</b>           | <b>\$2,169,000</b>         | <b>\$2,188,085</b> | <b>\$1,949,762</b> | <b>\$1,873,680</b> | <b>\$1,767,931</b> | <b>\$1,630,439</b> |
| <b>TRANSMISSION &amp; DISTRIBUTION</b>  |                             |                              |                            |                    |                    |                    |                    |                    |
| 43 Supervision & Engineering            | \$556,000                   | \$606,000                    | \$591,000                  | \$569,303          | \$559,007          | \$562,934          | \$486,544          | \$427,430          |
| 44 Maps & Records                       | 180,000                     | \$138,000                    | 171,000                    | 168,267            | 110,877            | 108,956            | 77,995             | 106,669            |
| 45 Operation of T&D System              | 636,000                     | \$524,000                    | 607,000                    | 582,483            | 509,160            | 404,243            | 511,708            | 460,489            |
| 46 Storage Facilities Expense           | 141,000                     | \$97,000                     | 175,000                    | 155,641            | 150,066            | 167,362            | 134,352            | 87,843             |
| 47 Maintenance of Valves & Regulators   | 222,000                     | \$166,000                    | 211,000                    | 196,162            | 189,372            | 151,691            | 91,709             | 117,299            |
| 48 Maintenance of Mains                 | 155,000                     | \$179,000                    | 130,000                    | 149,584            | 215,077            | 149,898            | 72,176             | 86,906             |
| 49 Backflow Prevention Program          | 234,000                     | \$182,000                    | 303,000                    | 155,536            | 150,298            | 156,590            | 147,878            | 102,338            |
| 50 Maintenance of Copper Services       | 187,000                     | \$132,000                    | 177,000                    | 159,769            | 142,083            | 202,193            | 141,987            | 175,880            |
| 51 Maintenance of PB Service Lines      | 469,000                     | \$373,000                    | 453,000                    | 473,695            | 532,436            | 432,820            | 411,357            | 483,006            |
| 52 Maintenance of Meters                | 107,000                     | \$112,000                    | 105,000                    | 66,356             | 100,402            | 100,401            | 94,418             | 93,360             |
| 53 Detector Check Assembly Maint        | 70,000                      | \$59,000                     | 63,000                     | 72,208             | 54,586             | 65,749             | 52,369             | 7,581              |
| 54 Maintenance of Hydrants              | 79,000                      | \$22,000                     | 75,000                     | 51,020             | 34,311             | 25,655             | 22,154             | 28,531             |
| 55 GASB 68 Adjustment                   | -                           | -                            | -                          | 228,385            | -                  | -                  | -                  | -                  |
| 56                                      | -                           | -                            | -                          | -                  | -                  | -                  | -                  | -                  |
| <b>TOTAL TRANSMISSION &amp; DISTRIB</b> | <b>\$3,136,000</b>          | <b>\$2,590,000</b>           | <b>\$3,061,000</b>         | <b>\$3,028,409</b> | <b>\$2,747,675</b> | <b>\$2,528,492</b> | <b>\$2,244,647</b> | <b>\$2,177,332</b> |
| <b>CONSUMER ACCOUNTING</b>              |                             |                              |                            |                    |                    |                    |                    |                    |
| 57 Meter Reading & Collection           | \$250,000                   | \$175,000                    | \$245,000                  | \$182,663          | \$189,262          | \$166,919          | \$182,216          | \$180,030          |
| 58 Billing & Accounting                 | 228,000                     | \$265,000                    | 274,000                    | 289,503            | 281,010            | 269,054            | 256,653            | 247,897            |
| 59 Contract Billing                     | 18,000                      | \$16,000                     | 18,000                     | 16,692             | 17,160             | 16,946             | 17,561             | 18,110             |
| 60 Postage & Supplies                   | 55,000                      | \$50,000                     | 55,000                     | 56,373             | 58,903             | 60,032             | 61,791             | 64,497             |
| 61 Credit Card Fees                     | 31,000                      | \$43,000                     | 31,000                     | 29,685             | 24,592             | 23,893             | 14,149             | -                  |
| 62 Lock Box Service                     | 11,000                      | \$10,000                     | 11,000                     | 10,944             | 10,944             | 10,080             | -                  | -                  |
| 63 Uncollectible Accounts               | 14,000                      | \$14,000                     | 14,000                     | 12,709             | 15,382             | 14,818             | 19,500             | 23,230             |
| 64 Office Equipment Expense             | 27,000                      | \$23,000                     | 15,000                     | 11,350             | 23,091             | 16,743             | 23,905             | 8,290              |
| 65 Distributed to Other Operations      | (16,000)                    | (\$17,000)                   | (16,000)                   | (17,161)           | (16,959)           | (16,233)           | (15,276)           | (13,961)           |
| 66 GASB 68 Adjustment                   | -                           | -                            | -                          | 49,950             | -                  | -                  | -                  | -                  |
| 67                                      | -                           | -                            | -                          | -                  | -                  | -                  | -                  | -                  |
| <b>TOTAL CONSUMER ACCOUNTING</b>        | <b>\$618,000</b>            | <b>\$579,000</b>             | <b>\$647,000</b>           | <b>\$642,708</b>   | <b>\$603,385</b>   | <b>\$562,252</b>   | <b>\$560,499</b>   | <b>\$528,093</b>   |

# NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2018/19

|  | Approved Budget 18/19 | Estimated Actual 17/18 | Adopted Budget 17/18 | Actual 16/17        | Actual 15/16        | Actual 14/15        | Actual 13/14        | Actual 12/13        |
|--|-----------------------|------------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>WATER CONSERVATION</b>                    |                       |                        |                      |                     |                     |                     |                     |                     |
| 68 Residential                               | \$299,000             | \$210,000              | \$354,000            | \$270,150           | \$320,620           | \$410,154           | \$362,499           | \$222,637           |
| 69 Commercial                                | 19,000                | 6,000                  | 19,000               | 1,702               | 3,711               | 5,352               | 2,605               | 1,169               |
| 70 Public Outreach/Information               | 39,000                | 23,000                 | 40,000               | 30,618              | 32,287              | 34,148              | 51,638              | 28,477              |
| 71 Large Landscape                           | 23,000                | 29,000                 | 27,000               | 36,818              | 24,877              | 10,747              | 12,702              | 13,966              |
| 72 GASB 68 Adjustment                        | -                     | -                      | -                    | 21,754              | -                   | -                   | -                   | -                   |
| <b>73 TOTAL WATER CONSERVATION</b>           | <b>\$380,000</b>      | <b>\$268,000</b>       | <b>\$440,000</b>     | <b>\$361,042</b>    | <b>\$381,495</b>    | <b>\$460,401</b>    | <b>\$429,444</b>    | <b>\$266,249</b>    |
| <b>GENERAL &amp; ADMINISTRATION</b>          |                       |                        |                      |                     |                     |                     |                     |                     |
| 74 Director's Expense                        | \$39,000              | \$34,000               | \$41,000             | \$34,384            | \$34,222            | \$30,400            | \$25,300            | \$14,400            |
| 75 Legal Fees                                | 19,000                | 18,000                 | 17,000               | 28,043              | 20,488              | 9,956               | 20,906              | 10,112              |
| 76 Human Resources                           | 67,000                | 60,000                 | 31,000               | 31,451              | 25,036              | 33,977              | 28,386              | 35,917              |
| 77 Auditing Services                         | 20,000                | 20,000                 | 17,000               | 16,220              | 18,770              | 18,380              | 21,050              | 20,600              |
| 78 Consulting Services/Studies               | 393,000               | 181,000                | 425,000              | 51,567              | 138,735             | 107,015             | 0                   | 53,327              |
| 79 General Office Salaries                   | 1,364,000             | 1,366,000              | 1,362,000            | 1,492,719           | 1,309,502           | 1,191,792           | 1,184,164           | 1,214,210           |
| 80 Office Supplies                           | 47,000                | 23,000                 | 47,000               | 35,048              | 37,709              | 36,877              | 46,174              | 37,232              |
| 81 Employee Events                           | 12,000                | 13,000                 | 12,000               | 9,726               | 10,143              | 7,379               | 7,227               | 6,204               |
| 82 Other Administrative Expense              | 16,000                | 11,000                 | 17,000               | 13,960              | 10,427              | 13,390              | 13,240              | 18,150              |
| 83 Election Cost                             | -                     | -                      | -                    | 2,077               | 250                 | -                   | 250                 | -                   |
| 84 Dues & Subscriptions                      | 73,000                | 66,000                 | 69,000               | 59,046              | 59,271              | 53,296              | 47,842              | 45,607              |
| 85 Vehicle Expense                           | 8,000                 | 8,000                  | 8,000                | 9,325               | 8,112               | 8,112               | 8,112               | 8,112               |
| 86 Meetings, Conf & Training                 | 230,000               | 148,000                | 237,000              | 186,436             | 139,858             | 136,863             | 117,425             | 112,402             |
| 87 Telephone, Water, Gas & Electricity       | 49,000                | 38,000                 | 49,000               | 45,355              | 42,458              | 38,580              | 33,328              | 32,995              |
| 88 Building & Grounds Maintenance            | 53,000                | 49,000                 | 55,000               | 62,856              | 63,344              | 48,891              | 35,642              | 41,194              |
| 89 Office Equipment Expense                  | 129,000               | 91,000                 | 118,000              | 95,465              | 87,141              | 97,868              | 90,231              | 82,349              |
| 90 Insurance Premiums & Claims               | 128,000               | 86,000                 | 117,000              | 87,319              | 140,366             | 102,073             | 72,192              | 76,473              |
| 91 Retiree Medical Benefits                  | 172,000               | 162,000                | 172,000              | 164,969             | 168,935             | 175,580             | 159,691             | 166,699             |
| 92 (Gain)/Loss on Overhead Charges           | (39,000)              | (106,000)              | (39,000)             | (19,931)            | (89,626)            | (85,682)            | (222,710)           | (136,354)           |
| 93 G&A Distributed to Other Operations       | (144,000)             | (150,000)              | (169,000)            | (161,036)           | (126,771)           | (113,218)           | (76,538)            | (77,443)            |
| 94 G&A Applied to Construction Projects      | (420,000)             | (315,000)              | (385,000)            | (290,813)           | (359,689)           | (353,998)           | (389,569)           | (392,205)           |
| 95 GASB45 Adjustment (OPEB)                  | -                     | -                      | -                    | 120,988             | -                   | -                   | -                   | -                   |
| 96 GASB68 Adjustment (Pension Liability)     | -                     | -                      | -                    | 207,182             | -                   | -                   | -                   | -                   |
| <b>97 TOTAL GENERAL &amp; ADMINISTRATION</b> | <b>\$2,216,000</b>    | <b>\$1,803,000</b>     | <b>\$2,201,000</b>   | <b>\$2,282,356</b>  | <b>\$1,738,681</b>  | <b>\$1,557,531</b>  | <b>\$1,222,343</b>  | <b>\$1,369,981</b>  |
| 98 Depreciation Expense                      | \$2,820,000           | 2,565,000              | \$2,800,000          | \$2,710,627         | \$2,577,081         | \$2,507,124         | \$2,445,634         | \$2,417,032         |
| <b>99 TOTAL OPERATING EXPENSE</b>            | <b>\$19,262,000</b>   | <b>\$16,585,000</b>    | <b>\$17,196,000</b>  | <b>\$16,748,582</b> | <b>\$15,001,502</b> | <b>\$14,825,093</b> | <b>\$15,688,436</b> | <b>\$14,768,252</b> |
| <b>100 NET OPERATING INCOME/(LOSS)</b>       | <b>\$1,222,000</b>    | <b>\$3,269,000</b>     | <b>\$522,000</b>     | <b>\$236,303</b>    | <b>\$791,636</b>    | <b>\$1,589,355</b>  | <b>\$3,399,428</b>  | <b>\$2,229,306</b>  |

**NOVATO RECYCLED WATER**  
**BUDGET SUMMARY**  
**Fiscal Year 2018/19**

|   | <i>Approved<br/>Budget<br/>2018/19</i> | <i>Estimated<br/>Actual<br/>2017/18</i> | <i>Adopted<br/>Budget<br/>2017/18</i> |
|---|--|---|---------------------------------------|
| <b>OPERATING INCOME</b>                         |  |   |                                       |
| 1 Recycled Water Sales                          | <b>\$1,154,000</b>                     | \$883,000                               | \$884,000                             |
| 2 Bimonthly Service Charge                      | <b>41,000</b>                          | 33,000                                  | 34,000                                |
| 3 <b>Total Operating Income</b>                 | <b>\$1,195,000</b>                     | \$916,000                               | \$918,000                             |
| <b>OPERATING EXPENDITURES</b>                   |  |   |                                       |
| 4 Purchased Water - NSD                         | <b>\$210,000</b>                       | \$98,000                                | \$154,000                             |
| 5 Purchased Water - LGVSD                       | <b>63,000</b>                          | \$37,000                                | 63,000                                |
| 6 Pumping                                       | <b>6,000</b>                           | \$3,000                                 | 6,000                                 |
| 7 Operations                                    | <b>64,000</b>                          | \$59,000                                | 62,000                                |
| 8 Water Treatment                               | <b>31,000</b>                          | \$18,000                                | 24,000                                |
| 9 Transmission & Distribution                   | <b>56,000</b>                          | \$15,000                                | 68,000                                |
| 10 Consumer Accounting                          | <b>1,000</b>                           | \$1,000                                 | 1,000                                 |
| 11 General Administration                       | <b>51,000</b>                          | \$51,000                                | 58,000                                |
| 12 Depreciation                                 | <b>474,000</b>                         | \$444,000                               | 480,000                               |
| 13 <b>Total Operating Expenditures</b>          | <b>\$956,000</b>                       | \$726,000                               | \$916,000                             |
| 14 <b>NET OPERATING INCOME (LOSS)</b>           | <b>\$239,000</b>                       | \$190,000                               | \$2,000                               |
| <b>NON-OPERATING INCOME/(EXPENSE)</b>           |  |   |                                       |
| 15 Interest Revenue                             | <b>\$10,000</b>                        | \$17,000                                | \$10,000                              |
| 16 Stone Tree Golf Interest Payments            | <b>29,000</b>                          | 34,000                                  | 34,000                                |
| 17 Deer Island SRF Loan Interest Expense        | <b>(53,000)</b>                        | (58,000)                                | (58,000)                              |
| 18 Distrib System SRF Loans Interest Exp        | <b>(235,000)</b>                       | (186,000)                               | (191,000)                             |
| 19 <b>Total Non-Operating Income/(Expense)</b>  | <b>(\$249,000)</b>                     | (\$193,000)                             | (\$205,000)                           |
| 20 <b>NET INCOME/(LOSS)</b>                     | <b>(\$10,000)</b>                      | (\$3,000)                               | (\$203,000)                           |
| <b>OTHER SOURCES/(USES) OF FUNDS</b>            |  |   |                                       |
| 21 Add Depreciation Expense                     | <b>\$474,000</b>                       | \$444,000                               | \$480,000                             |
| 22 Fed Grant/SRF Loan - Central Expansion       | <b>-</b>                               | 2,819,000                               | 5,333,000                             |
| 23 Connection Fees Transferred from (to) Novato | <b>(1,255,000)</b>                     | 5,100,000                               | 1,751,000                             |
| 24 Stone Tree Golf Principal Repayment          | <b>222,000</b>                         | 217,000                                 | 217,000                               |
| 25 Capital Improvement Projects                 | <b>(120,000)</b>                       | (3,434,000)                             | (6,545,000)                           |
| 26 Deer Island SRF Loan Principal Payments      | <b>(221,000)</b>                       | (215,000)                               | (215,000)                             |
| 27 Distrib System SRF Loan Principal Pmts       | <b>(639,000)</b>                       | (424,000)                               | (425,000)                             |
| 28 <b>Total Other Sources/(Uses)</b>            | <b>(\$1,539,000)</b>                   | \$4,507,000                             | \$596,000                             |
| 29 <b>CASH INCREASE/(DECREASE)</b>              | <b>(\$1,549,000)</b>                   | \$4,504,000                             | \$393,000                             |

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

|  | Approved<br><b>2019</b> | Projected<br><b>2020</b> | Projected<br><b>2021</b> | Projected<br><b>2022</b> | Projected<br><b>2023</b> |
|--|-------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Fiscal Year Ending June 30 >   |                         |                          |                          |                          |                          |
| 1 Active Services @ Fiscal Year End  | 76                      | 76                       | 76                       | 76                       | 76                       |
| 2 Commodity Rate/1,000 Gal   | \$5.77                  | \$6.03                   | \$6.30                   | \$6.58                   | \$6.88                   |
| 3 Consumption (MG)   | 200                     | 200                      | 200                      | 200                      | 200                      |
| <b>OPERATING REVENUE</b>   |                         |                          |                          |                          |                          |
| 4 Recycled Water Sales   | \$1,154                 | \$1,206                  | \$1,260                  | \$1,317                  | \$1,376                  |
| 5 Bimonthly Service Charge   | 41                      | 43                       | 45                       | 47                       | 49                       |
| 6 <b>Total Operating Revenue</b>   | <b>\$1,195</b>          | <b>\$1,249</b>           | <b>\$1,305</b>           | <b>\$1,364</b>           | <b>\$1,425</b>           |
| <b>OPERATING EXPENSE</b>   |                         |                          |                          |                          |                          |
| 7 Purchased Water - NSD  | \$210                   | \$216                    | \$222                    | \$229                    | \$236                    |
| 8 Purchased Water - LGVSD  | 63                      | 65                       | 67                       | 69                       | 71                       |
| 9 Overhead Operating Labor   | 97                      | 100                      | 103                      | 106                      | 109                      |
| 10 Electric Power  | 2                       | 2                        | 2                        | 2                        | 2                        |
| 11 Other Operating Expenses  | 110                     | 112                      | 114                      | 116                      | 118                      |
| 12 Depreciation  | 474                     | 474                      | 474                      | 474                      | 474                      |
| 13 <b>Total Operating Expense</b>  | <b>\$956</b>            | <b>\$969</b>             | <b>\$982</b>             | <b>\$996</b>             | <b>\$1,010</b>           |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b>   |                         |                          |                          |                          |                          |
| 14 Interest Revenue  | \$39                    | \$62                     | \$64                     | \$67                     | \$70                     |
| 15 Interest Expense  | (288)                   | (266)                    | (248)                    | (231)                    | (212)                    |
| 16 Other Revenue/(Expense)   | 0                       | 0                        | 0                        | 0                        | 0                        |
| 17 <b>Total Non-Op Revenue/(Expense)</b>   | <b>(\$249)</b>          | <b>(\$204)</b>           | <b>(\$184)</b>           | <b>(\$164)</b>           | <b>(\$142)</b>           |
| 18 <b>NET INCOME/(LOSS)</b>  | <b>(\$10,000)</b>       | <b>\$76,000</b>          | <b>\$139,000</b>         | <b>\$204,000</b>         | <b>\$273,000</b>         |
| <b>OTHER SOURCES/(USES) OF FUNDS</b>   |                         |                          |                          |                          |                          |
| 19 Add Depreciation Expense  | \$474                   | \$474                    | \$474                    | \$474                    | \$474                    |
| 21 StoneTree Principal Repayment   | 222                     | 251                      | 251                      | 251                      | 251                      |
| 22 Marin CC Principal Repayment  | 0                       | 76                       | 78                       | 79                       | 81                       |
| 23 Novato Potable FRC Fund Trsf  | (1,255)                 | 50                       | 50                       | 50                       | 50                       |
| 24 Capital Improvement Projects  | (120)                   | (120)                    | (120)                    | (120)                    | (120)                    |
| 25 Deer Island TP Loan Principal Pmt   | (221)                   | (226)                    | (232)                    | (237)                    | (243)                    |
| 26 Distrib Sys Exp Loan Principal Pmt  | (639)                   | (686)                    | (698)                    | (710)                    | (722)                    |
| 27 <b>Total Other Sources/Uses</b>   | <b>(\$1,539)</b>        | <b>(\$181)</b>           | <b>(\$197)</b>           | <b>(\$213)</b>           | <b>(\$229)</b>           |
| 28 <b>Cash Increase/(Decrease)</b>   | <b>(\$1,549)</b>        | <b>(\$105)</b>           | <b>(\$58)</b>            | <b>(\$9)</b>             | <b>\$44</b>              |
| 29 <b>Ending Reserve Balance</b>   | <b>\$1,994</b>          | <b>\$1,889</b>           | <b>\$1,831</b>           | <b>\$1,822</b>           | <b>\$1,866</b>           |
| 30 <b>% Rate Increase</b>  | <b>4.5%</b>             | <b>4.5%</b>              | <b>4.5%</b>              | <b>4.5%</b>              | <b>4.5%</b>              |
| 31 Fiscal year 2018/19 Rate Increase approved by Board. FY 2020 through 2023 are projections for financial forecasting purposes only - not yet considered by the Board of Directors. |                         |                          |                          |                          |                          |

**WEST MARIN WATER**  
**BUDGET SUMMARY**  
**Fiscal Year 2018/19**

|  | <i>Approved<br/>Budget<br/>2018/19</i> | <i>Estimated<br/>Actual<br/>2017/18</i> | <i>Adopted<br/>Budget<br/>2017/18</i> |
|--|--|---|---------------------------------------|
| <b>OPERATING INCOME</b>                |  |   |                                       |
| 1                                      | <b>\$868,000</b>                       | \$855,000                               | \$810,000                             |
| 2                                      | <b>7,000</b>                           | 7,000                                   | 7,000                                 |
| 3                                      | <b>\$875,000</b>                       | \$862,000                               | \$817,000                             |
| <b>OPERATING EXPENDITURES</b>          |  |   |                                       |
| 4                                      | <b>\$15,000</b>                        | \$16,000                                | \$15,000                              |
| 5                                      | <b>42,000</b>                          | 52,000                                  | 45,000                                |
| 6                                      | <b>52,000</b>                          | 49,000                                  | 53,000                                |
| 7                                      | <b>159,000</b>                         | 164,000                                 | 147,000                               |
| 8                                      | <b>139,000</b>                         | 129,000                                 | 131,000                               |
| 9                                      | <b>27,000</b>                          | 24,000                                  | 27,000                                |
| 10                                     | <b>10,000</b>                          | 6,000                                   | 10,000                                |
| 11                                     | <b>95,000</b>                          | 82,000                                  | 95,000                                |
| 12                                     | <b>197,000</b>                         | 193,000                                 | 195,000                               |
| 13                                     | <b>\$736,000</b>                       | \$715,000                               | \$718,000                             |
| 14                                     | <b>\$139,000</b>                       | \$147,000                               | \$99,000                              |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b> |  |   |                                       |
| 15                                     | <b>\$55,000</b>                        | \$53,000                                | \$53,000                              |
| 16                                     | <b>4,000</b>                           | 4,000                                   | 4,000                                 |
| 17                                     | <b>14,000</b>                          | 20,000                                  | 13,000                                |
| 18                                     | <b>(29,000)</b>                        | (31,000)                                | (31,000)                              |
| 19                                     | <b>\$44,000</b>                        | \$46,000                                | \$39,000                              |
| 20                                     | <b>\$183,000</b>                       | \$193,000                               | \$138,000                             |
| <b>OTHER SOURCES/(USES) OF FUNDS</b>   |  |   |                                       |
| 21                                     | <b>\$197,000</b>                       | \$193,000                               | \$195,000                             |
| 22                                     | <b>23,000</b>                          | 46,000                                  | 23,000                                |
| 23                                     | <b>(1,325,000)</b>                     | (250,000)                               | (675,000)                             |
| 24                                     | <b>(69,000)</b>                        | (69,000)                                | (69,000)                              |
| 25                                     | <b>(\$1,174,000)</b>                   | (\$80,000)                              | (\$526,000)                           |
| 26                                     | <b>(\$991,000)</b>                     | \$113,000                               | (\$388,000)                           |

## WEST MARIN WATER 5-Year Financial Forecast

| #                                      | BASIC DATA                            | Actual<br>2015/16  | Actual<br>2016/17  | Est Actual<br>2017/18 | Budget<br>2018/19    | Projected<br>2019/20 | Projected<br>2020/21 | Projected<br>2021/22 | Projected<br>2022/23 |
|--|---------------------------------------|--------------------|--------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 1                                      | Active Meters                         | 780                | 780                | 781                   | 782                  | 783                  | 784                  | 785                  | 786                  |
| 2                                      | Avg Commodity Rate/1,000 Gal          | \$9.62             | \$9.70             | \$10.21               | \$10.67              | \$11.16              | \$11.68              | \$12.21              | \$12.77              |
| 3                                      | Potable Consumption (MG)              | 56.6               | 61.6               | 66.4                  | 64.0                 | 64.0                 | 64.0                 | 64.0                 | 64.0                 |
| <b>OPERATING REVENUE</b>               |                                       |                    |                    |                       |                      |                      |                      |                      |                      |
| 4                                      | Commodity Charge                      | \$544,743          | \$597,855          | \$678,000             | \$683,000            | \$714,000            | \$747,000            | \$782,000            | \$817,000            |
| 5                                      | Bimonthly Service Charge              | 168,775            | 168,775            | 177,000               | 185,000              | 193,000              | 202,000              | 211,000              | 221,000              |
| 6                                      | Miscellaneous Service Charges         | 11,377             | 6,838              | 7,000                 | 7,000                | 7,000                | 7,000                | 7,000                | 7,000                |
| 7                                      | <b>Total Operating Revenue</b>        | <b>\$724,895</b>   | <b>\$773,468</b>   | <b>\$862,000</b>      | <b>\$875,000</b>     | <b>\$914,000</b>     | <b>\$956,000</b>     | <b>\$1,000,000</b>   | <b>\$1,045,000</b>   |
| 8                                      | Operating Expenditures                | \$462,242          | \$527,780          | \$522,000             | \$540,000            | \$556,000            | \$573,000            | \$590,000            | \$608,000            |
| 9                                      | Depreciation Expense                  | 189,039            | 192,151            | 193,000               | 197,000              | 219,000              | 235,000              | 244,000              | 247,000              |
| 10                                     | <b>Total Operating Expense</b>        | <b>\$651,281</b>   | <b>\$719,931</b>   | <b>\$715,000</b>      | <b>\$737,000</b>     | <b>\$775,000</b>     | <b>\$808,000</b>     | <b>\$834,000</b>     | <b>\$855,000</b>     |
| 11                                     | <b>NET OPERATING INCOME</b>           | <b>\$73,614</b>    | <b>\$53,537</b>    | <b>\$147,000</b>      | <b>\$138,000</b>     | <b>\$139,000</b>     | <b>\$148,000</b>     | <b>\$166,000</b>     | <b>\$190,000</b>     |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b> |                                       |                    |                    |                       |                      |                      |                      |                      |                      |
| 12                                     | Interest Revenue                      | \$10,025           | \$20,564           | \$20,000              | \$14,000             | \$4,000              | \$3,000              | \$2,000              | \$4,000              |
| 13                                     | Interest Expense                      | (23,232)           | (33,407)           | (31,000)              | (29,000)             | (27,000)             | (40,000)             | (37,000)             | (34,000)             |
| 14                                     | PR-2 County Tax Allocation            | 49,365             | 51,841             | 53,000                | 55,000               | 57,000               | 59,000               | 61,000               | 63,000               |
| 15                                     | Miscellaneous                         | 596                | (13,330)           | 4,000                 | 4,000                | 4,000                | 4,000                | 4,000                | 4,000                |
| 16                                     | <b>Total Non-Op Revenue/(Expense)</b> | <b>36,754</b>      | <b>25,668</b>      | <b>46,000</b>         | <b>44,000</b>        | <b>38,000</b>        | <b>26,000</b>        | <b>30,000</b>        | <b>37,000</b>        |
| 17                                     | <b>Net Income</b>                     | <b>\$110,368</b>   | <b>\$79,205</b>    | <b>\$193,000</b>      | <b>\$182,000</b>     | <b>\$177,000</b>     | <b>\$174,000</b>     | <b>\$196,000</b>     | <b>\$227,000</b>     |
| <b>OTHER SOURCES/(USES)</b>            |                                       |                    |                    |                       |                      |                      |                      |                      |                      |
| 18                                     | Add Depreciation Expense              | \$189,039          | \$192,151          | \$193,000             | \$197,000            | \$219,000            | \$235,000            | \$244,000            | \$247,000            |
| 19                                     | Connection Fees                       | 0                  | 30,800             | 46,000                | 23,000               | 23,000               | 23,000               | 23,000               | 23,000               |
| 20                                     | Capital Improvement Projects          | (\$215,749)        | (79,064)           | (250,000)             | (1,325,000)          | (950,000)            | (525,000)            | (175,000)            | (550,000)            |
| 21                                     | Loan Proceeds                         | -                  | -                  | -                     | -                    | 500,000              | -                    | -                    | -                    |
| 22                                     | Debt Principal Payments               | (63,455)           | (67,081)           | (69,000)              | (69,000)             | (70,000)             | (79,000)             | (81,000)             | (72,000)             |
| 23                                     | Net Change in Working Capital         | (9,894)            | 10,290             | -                     | -                    | -                    | -                    | -                    | -                    |
| 24                                     | <b>Total Other Sources/(Uses)</b>     | <b>(\$100,059)</b> | <b>\$87,096</b>    | <b>(\$80,000)</b>     | <b>(\$1,174,000)</b> | <b>(\$278,000)</b>   | <b>(\$346,000)</b>   | <b>\$11,000</b>      | <b>(\$352,000)</b>   |
| 25                                     | <b>Cash Increase/(Decrease)</b>       | <b>\$10,309</b>    | <b>\$166,301</b>   | <b>\$113,000</b>      | <b>(\$992,000)</b>   | <b>(\$101,000)</b>   | <b>(\$172,000)</b>   | <b>\$207,000</b>     | <b>(\$125,000)</b>   |
| 26                                     | Operating Reserve                     | \$245,289          | \$401,012          | \$718,000             | \$295,000            | \$194,000            | \$37,000             | \$259,000            | \$134,000            |
| 27                                     | System Expansion Reserve              | 762,422            | 773,000            | 569,000               | -                    | -                    | -                    | -                    | -                    |
| 28                                     | Liability Contingency Reserve         | 99,000             | 99,000             | 99,000                | 99,000               | 99,000               | 99,000               | 99,000               | 99,000               |
| 29                                     | Bond Redemption Reserve               | 30,000             | 30,000             | 30,000                | 30,000               | 30,000               | 15,000               | -                    | -                    |
| 30                                     | <b>ENDING CASH BALANCE</b>            | <b>\$1,136,711</b> | <b>\$1,303,012</b> | <b>\$1,416,000</b>    | <b>\$424,000</b>     | <b>\$323,000</b>     | <b>\$151,000</b>     | <b>\$358,000</b>     | <b>\$233,000</b>     |

**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 and Bimonthly Service Charge increased 4.5% 7/1/18. Annual 4.5% increases shown thereafter for financial forecasting purposes only not yet - considered by the Board of Directors. Note that the FY2015/16 Average Commodity Rate included a drought surcharge.
  - 3 Consumption projection assumes 64MG in FY19 and 64MG annually thereafter.
  - 4 Average Commodity Rate multiplied by Potable Consumption.
  - 5 Bimonthly service charge shown to increase 4.5% annually after FY19. Details of the rate increase structure to be determined at annual budget hearings.
  - 8 Operating Expense projected to increase 3% per year.
  - 12 Projected available funds invested at 1.00%
- 14/22 Interest and principal payments comprised of two 40-year 5% bonds all purchased by the Farmers Home Administration:  
1) 1980 PRE-1 \$240,000 revenue bond fully amortized in 2020; 2) 1981 PR-6 \$217,800 revenue bond fully amortized in 2021; plus an Economic Development Administration \$46,000 5% 40-year loan paid off in 2017.  
FY20 includes debt service on \$500K loan to finance completion of Solids Handling Facility.
- 19 The connection fee was set at \$22,800 per equivalent dwelling unit effective August 1, 2010.
  - 20 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
  - 26 FY20 \$500,000 loan to complete the Solids Handling and PRE Storage projects.
  - 27 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors.
  - 27 System Expansion Reserve is composed of connection fee revenue and unexpended Bank of Marin loan funds.
  - 28 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.
  - 29 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 2018/19**

|   | <i>Approved<br/>Budget<br/>2018/19</i> | <i>Estimated<br/>Actual<br/>2017/18</i> | <i>Adopted<br/>Budget<br/>2017/18</i> |
|---|--|---|---------------------------------------|
| <b>OPERATING INCOME</b>                 |  |   |                                       |
| 1 Monthly Sewer Service Charge          | <b>\$252,000</b>                       | \$239,000                               | \$239,000                             |
| 2 Misc Service Charges                  | -                                      | 500                                     | -                                     |
| 3 <b>Total Operating Income</b>         | <b>\$252,000</b>                       | \$239,500                               | \$239,000                             |
| <b>OPERATING EXPENDITURES</b>           |  |   |                                       |
| 4 Sewage Collection                     | <b>\$78,000</b>                        | \$54,000                                | \$54,000                              |
| 5 Sewage Treatment                      | <b>47,000</b>                          | 61,000                                  | 57,000                                |
| 6 Sewage Disposal                       | <b>39,000</b>                          | 18,000                                  | 32,000                                |
| 7 Consumer Accounting                   | <b>2,000</b>                           | 2,000                                   | 2,000                                 |
| 8 General Administration                | <b>29,000</b>                          | 27,000                                  | 54,000                                |
| 9 Depreciation Expense                  | <b>37,000</b>                          | 37,450                                  | 51,000                                |
| 10 <b>Total Operating Expenditures</b>  | <b>\$232,000</b>                       | \$199,450                               | \$250,000                             |
| 11 <b>NET OPERATING INCOME (LOSS)</b>   | <b>\$20,000</b>                        | \$40,050                                | (\$11,000)                            |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b>  |  |   |                                       |
| 12 OM-1/OM-3 Tax Allocation             | <b>\$59,000</b>                        | \$57,000                                | \$56,000                              |
| 13 Interest Revenue                     | <b>6,000</b>                           | 5,000                                   | 4,000                                 |
| 14 Miscellaneous Revenue                | -                                      | 500                                     | -                                     |
| 15 Miscellaneous Expense                | -                                      | 400                                     | -                                     |
| 16 <b>Total Non-Op Income/(Expense)</b> | <b>\$65,000</b>                        | \$62,900                                | \$60,000                              |
|   | <b>NET INCOME/(LOSS)</b>               | <b>\$102,950</b>                        | <b>\$49,000</b>                       |
| <b>OTHER SOURCES/(USES) OF FUNDS</b>    |  |   |                                       |
| 17 Add Depreciation Expense             | <b>\$37,000</b>                        | \$37,450                                | \$51,000                              |
| 18 Connection Fees                      | <b>30,000</b>                          | 30,000                                  | 30,000                                |
| 19 Grant/Loan Proceeds                  | <b>69,000</b>                          | 26,000                                  | -                                     |
| 20 Capital Improvement Projects         | <b>(565,000)</b>                       | (41,000)                                | (210,000)                             |
| 21 <b>Total Other Sources/(Uses)</b>    | <b>(\$429,000)</b>                     | \$52,450                                | (\$129,000)                           |
| 22 <b>CASH INCREASE/(DECREASE)</b>      | <b>(\$344,000)</b>                     | \$155,400                               | (\$80,000)                            |

# OCEANA MARIN SEWER

## 5-Year Financial Forecast

| #                                      | BASIC DATA                            | Actual<br>2015/16 | Actual<br>2016/17 | Est Actual<br>2017/18 | Budget<br>2018/19  | Projected<br>2019/20 | Projected<br>2020/21 | Projected<br>2021/22 | Projected<br>2022/23 |
|--|---------------------------------------|-------------------|-------------------|-----------------------|--------------------|----------------------|----------------------|----------------------|----------------------|
| 1                                      | Number of Connections                 | 230               | 231               | 232                   | 233                | 234                  | 235                  | 236                  | 237                  |
| 2                                      | Monthly Service Charge                | \$71.00           | \$78.00           | \$86.00               | \$90.00            | \$95.00              | \$100.00             | \$105.00             | \$110.00             |
| <b>OPERATING REVENUE</b>               |                                       |                   |                   |                       |                    |                      |                      |                      |                      |
| 3                                      | Monthly Service Charge                | \$195,461         | \$215,989         | \$239,000             | \$252,000          | \$267,000            | \$282,000            | \$297,000            | \$313,000            |
| 4                                      | Miscellaneous Service Charges         | 460               | 600               | 500                   | -                  | -                    | -                    | -                    | -                    |
| 5                                      | <b>Total Operating Revenue</b>        | <b>\$195,921</b>  | <b>\$216,589</b>  | <b>\$239,500</b>      | <b>\$252,000</b>   | <b>\$267,000</b>     | <b>\$282,000</b>     | <b>\$297,000</b>     | <b>\$313,000</b>     |
| <b>OPERATING EXPENSE</b>               |                                       |                   |                   |                       |                    |                      |                      |                      |                      |
| 6                                      | Operating Expenditures                | \$159,131         | \$181,734         | \$162,000             | \$195,000          | \$200,000            | \$206,000            | \$212,000            | \$218,000            |
| 7                                      | Depreciation Expense                  | 48,193            | 41,616            | 37,450                | 37,000             | 37,000               | 37,000               | 37,000               | 40,000               |
| 8                                      | <b>Total Operating Expense</b>        | <b>\$207,324</b>  | <b>\$223,350</b>  | <b>\$199,450</b>      | <b>\$232,000</b>   | <b>\$237,000</b>     | <b>\$243,000</b>     | <b>\$249,000</b>     | <b>\$258,000</b>     |
| 9                                      | <b>NET OPERATING INCOME</b>           | <b>(\$11,403)</b> | <b>(\$6,761)</b>  | <b>\$40,050</b>       | <b>\$20,000</b>    | <b>\$30,000</b>      | <b>\$39,000</b>      | <b>\$48,000</b>      | <b>\$55,000</b>      |
| <b>NON-OPERATING REVENUE/(EXPENSE)</b> |                                       |                   |                   |                       |                    |                      |                      |                      |                      |
| 10                                     | Interest Revenue                      | \$3,638           | \$5,749           | \$5,000               | \$6,000            | \$2,000              | \$3,000              | \$4,000              | \$4,000              |
| 11                                     | Interest Expense                      | -                 | -                 | -                     | -                  | -                    | (9,000)              | (8,000)              | (22,000)             |
| 12                                     | OM-1/OM-3 Tax Allocation              | 52,609            | 55,247            | 57,000                | 59,000             | 61,000               | 63,000               | 65,000               | 67,000               |
| 13                                     | Miscellaneous Revenue                 | 9,054             | 500               | 500                   | -                  | -                    | -                    | -                    | -                    |
| 14                                     | Miscellaneous Expense                 | (636)             | (789)             | 400                   | -                  | -                    | -                    | -                    | -                    |
| 15                                     | <b>Total Non-Op Revenue/(Expense)</b> | <b>\$64,665</b>   | <b>\$60,707</b>   | <b>\$62,900</b>       | <b>\$65,000</b>    | <b>\$63,000</b>      | <b>\$57,000</b>      | <b>\$61,000</b>      | <b>\$49,000</b>      |
| <b>Net Income</b>                      |                                       | <b>\$53,262</b>   | <b>\$53,946</b>   | <b>\$102,950</b>      | <b>\$85,000</b>    | <b>\$93,000</b>      | <b>\$96,000</b>      | <b>\$109,000</b>     | <b>\$104,000</b>     |
| <b>OTHER SOURCES/(USES)</b>            |                                       |                   |                   |                       |                    |                      |                      |                      |                      |
| 16                                     | Add Depreciation Expense              | \$48,193          | \$41,616          | \$37,450              | \$37,000           | \$37,000             | \$37,000             | \$37,000             | \$40,000             |
| 17                                     | Connection Fees                       | 23,690            | 30,400            | 30,000                | 30,000             | 30,000               | 30,000               | 30,000               | 30,000               |
| 18                                     | Capital Improvement Projects          | (7,547)           | (154,815)         | (\$41,000)            | (\$565,000)        | (\$190,000)          | (\$1,090,000)        | (\$210,000)          | (\$710,000)          |
| 19                                     | Grant/Loan Proceeds                   | -                 | -                 | 26,000                | 69,000             | 113,000              | 1,038,000            | -                    | \$400,000            |
| 20                                     | Debt Principal Payments               | -                 | -                 | -                     | -                  | -                    | (9,000)              | (9,000)              | (24,000)             |
| 21                                     | Net Change in Working Capital         | 1,864             | (10,630)          | -                     | -                  | -                    | -                    | -                    | -                    |
| 22                                     | <b>Total Other Sources/(Uses)</b>     | <b>\$66,200</b>   | <b>(\$93,429)</b> | <b>\$52,450</b>       | <b>(\$429,000)</b> | <b>(\$10,000)</b>    | <b>\$6,000</b>       | <b>(\$152,000)</b>   | <b>(\$264,000)</b>   |
| 23                                     | <b>Cash Increase/(Decrease)</b>       | <b>\$119,462</b>  | <b>(\$39,483)</b> | <b>\$155,400</b>      | <b>(\$344,000)</b> | <b>\$83,000</b>      | <b>\$102,000</b>     | <b>(\$43,000)</b>    | <b>(\$160,000)</b>   |
| 24                                     | <b>ENDING CASH BALANCE</b>            | <b>\$463,664</b>  | <b>\$424,181</b>  | <b>\$580,000</b>      | <b>\$236,000</b>   | <b>\$319,000</b>     | <b>\$421,000</b>     | <b>\$378,000</b>     | <b>\$218,000</b>     |

**OCEANA MARIN SEWER**

**NOTES**

# KEY

- 1 Assumes 1 connection per year, which is the average over the last 5 years. Capacity is estimated at 294 dwelling units.
- 2 Proposed 5% annual increases to build cash to fund the \$400,000 Pond Dredging and Solids Disposal project commencing in FY19 and phase 1 of the \$500,000 Parallel Force Main project commencing in FY22.
- 6 Operating expenditures projected to increase 3% annually after FY18. Excludes depreciation expense.
- 10 Projected available funds invested at 1.00%
- 12 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.
- 17 Connection fee increased to \$30,000 on 7/1/17. Assumes connections occur in OM-3 Units 1 or 5 which are subject to the connection fee.
- 18 Capital Improvement Projects. See 5-year Capital Improvement Projects Plan.
- 19 Grant/Loan - Pond Treatment Rehab capital projects to be funded at 75% by grants. Includes loans for capital projects of \$250K in FY21 and \$400K in FY23. Loans are budgeted with an interest rate of 3.5% for 20 years.
- 24 Cash available for operation, maintenance and improvements.

**EQUIPMENT EXPENDITURES**  
**Fiscal Year 2018/2019 Budget**

|   |    | <b>Approved</b>         | <b>Description</b>  |
|---|----|-------------------------|---|
| <b>1 ADMINISTRATION</b>                               |    |                         |   |
| 12101.01.00   | a. | \$10,000                | Modernize website to a current design making it more mobile and multiple browser friendly.                      |
| 12101.01.00   | b. | \$10,000                | Upgrade timekeeping system from slow outdated unsupported software.   |
|   |    | <u><u>\$20,000</u></u>  |   |
| <b>2 CONSTRUCTION/MAINTENANCE</b>                     |    |                         |   |
| 12106.01.00   | a. | \$8,000                 | Replace of pipe locator purchased in 2005.  |
| 12106.01.00   | b. | \$6,000                 | Additional fittings & 500' of 1" hose for Hose Trailer.   |
|   |    | <u><u>\$14,000</u></u>  |   |
| <b>3 OPERATIONS/MAINTENANCE</b>                       |    |                         |   |
| 12108.01.00   | a. | \$105,000               | Replace 20-year-old metals analyzer as it is no longer supported and repair components are not available.       |
| 12108.01.00   | b. | \$27,000                | Replace 25-year old autoclave. Parts availability is limited on this.   |
| 12108.01.00   | c. | \$8,000                 | Equipment needed for mechanic shop.   |
| 12108.01.00   | d. | \$6,000                 | Replacement of 25-HP trash pump.  |
|   |    | <u><u>\$146,000</u></u> |   |
| <b>4 VEHICLE &amp; ROLLING EQUIPMENT EXPENDITURES</b> |    |                         |   |
| 12104.01.00   | a. | \$120,000               | <u>Rolling Stock to be Transferred &amp; Auctioned or Description</u><br>Replace '99 F550 3yd Dump w/90K miles. |
| 12104.01.00   | b. | \$40,000                | 03 Dodge Dakota transfer to Electrical/Mechanical crew.   |
| 12104.01.00   | c. | \$15,000                | Equipment cart to transport tools and equipment at STP site.  |
|   |    | <u><u>\$175,000</u></u> |   |
|   |    | <b>Total</b>            |   |
|   |    | <u><u>\$355,000</u></u> |   |

|               | Adopted<br>Budget<br>2017/18 | Estimated<br>Actual<br>2017/18 | Proposed<br>Budget<br>2018/19 |
|---------------|------------------------------|--------------------------------|-------------------------------|
| <b>RECAP</b>  |                              |                                |                               |
| Equipment     | \$147,000                    | \$47,000                       | \$180,000                     |
| Rolling Stock | \$63,000                     | \$63,000                       | \$175,000                     |
|               | <u><u>\$210,000</u></u>      | <u><u>\$110,000</u></u>        | <u><u>\$355,000</u></u>       |

Note 1: Replacement

**CAPITAL IMPROVEMENT PROJECTS**

|           |   | FY19               | FY20             | FY19 Project Description   |
|-----------|---|--------------------|------------------|--|
| <b>1.</b> | <b>PIPELINE REPLACEMENTS/ADDITIONS</b>                |                    |                  |  |
|           | <b>a. Main/Pipeline Replacements</b>                  |                    |                  |  |
| 1,7161.00 | 1 Ridge Road 6" ACP (8"@1,400')                       | \$140,000          |                  | 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.                      |
| 1,7176.00 | 2 Replace Shady Ln Service Saddles                    | \$100,000          | \$190,000        | Replace approximately 22 failing service saddles.  |
| 1,7177.00 | 3 Rush Creek Pipe Protection                          |                    | \$120,000        |  |
|           | 4 Leveroni Creek Repair                               |                    | \$160,000        | Unplanned repairs/replacements for failing mains.  |
|           | 5 Other Main Replacements (60+ years old)             | \$400,000          | \$470,000        |  |
|           | <b>b. Main/Pipeline Additions</b>                     |                    |                  |  |
| 1,7150.00 | 1 San Mateo 24" Inlet/Outlet Pipe (2,200')            | \$500,000          | \$190,000        | Multyear project to install 1,600 feet of 24-inch pipe from San Mateo Tank to the end of San Mateo Way to improve northern Zone 2 fire flow. |
|           |   | \$500,000          | \$190,000        |  |
|           | <b>c. Polybutylene Service Line Replacements</b>      |                    |                  |  |
| 1,7169.00 | 1 Country Lane 2" Plastic                             | \$150,000          | \$70,000         | Replace approximately 340 lf of failing 2" main with 4".   |
| 1,7139.xx | 2 Replace PB in Sync w/City Paving (30 Srvcs)         |                    | \$80,000         |  |
| 1,7123.xx | 3 Other PB Replacements (80 Services)                 | \$150,000          | \$150,000        |  |
|           | <b>d. Relocations to Sync w/City &amp; County CIP</b> |                    |                  |  |
| 1,8737.xx | 1 Other Relocations                                   | \$70,000           | \$70,000         | Relocate facilities for yet to be identified City/County Projects.   |
|           |   | \$70,000           | \$70,000         |  |
|           | <b>TOTAL PIPELINE REPLACEMENTS/ADDITIONS</b>          | <b>\$1,120,000</b> | <b>\$880,000</b> |  |
| <b>2.</b> | <b>SYSTEM IMPROVEMENTS</b>                            |                    |                  |  |
| 1,7007.11 | a. DCA Repair/Replace (~14/yr)                        | \$60,000           | \$100,000        | Detector Check Assembly replacements.  |
| 1,7090.04 | b. Anode Installations (150/yr)                       | \$30,000           | \$10,000         | Place anodes on copper laterals for corrosion protection.  |
| 1,7157.00 | c. 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 | d. Advanced Meter Information Retrofit (Note 1)       | \$2,500,000        |                  | Complete installation of the AMI System.   |
| 1,7178.00 | e. Asset Management Software Procure/Implement        | \$75,000           | \$75,000         | Software to eliminate paper records and improve efficiencies for ranking capital expenditures.   |
| 1,7136.00 | f. Facilities Security Enhancements                   | \$25,000           |                  | Tanks & PS security improvements.  |
|           | <b>TOTAL SYSTEM IMPROVEMENTS</b>                      | <b>\$2,790,000</b> | <b>\$185,000</b> |  |

**CAPITAL IMPROVEMENT PROJECTS**

|           |  |  | FY19        | FY20        | FY19 Project Description   |
|-----------|--|--|-------------|-------------|--|
| 3.        |  |  |             |             | <b>BUILDING, YARD, STP IMPROVEMENTS</b>  |
|           |  |  |             |             | a. Administration Building   |
| 1.6501.43 |  |  | \$140,000   |             | 1 Electronic Document Management System Manage digital document creation, storage, retrieval & expiration.   |
| 1.6501.44 |  |  | \$250,000   | \$1,500,000 | 2 Office/Yard Building Renovation (Note 2) 50-year-old building requires significant upgrading.  |
|           |  |  | \$390,000   | \$1,500,000 |  |
|           |  |  |             | \$50,000    | b. Stafford Treatment Plant  |
|           |  |  |             |             | 1 Dam Concrete Repair (Apron) Existing concrete walls in STP Actifloc and finished water clear wells are showing signs of exposed aggregate due to low pH treated water. New protective coating will stop the deterioration. |
| 1.6600.89 |  |  | \$590,000   |             | 2 Coat Concrete Clearwells (Both Units)  |
|           |  |  |             | \$600,000   | 3 Replace Sludge Line to Center Road (4'@ 4,400')  |
| 1.6600.92 |  |  | \$50,000    | \$50,000    | 4 Other Treatment Plant Improvements Miscellaneous plant improvements  |
|           |  |  | \$640,000   | \$700,000   |  |
|           |  |  | \$1,030,000 | \$2,200,000 | <b>TOTAL BUILDING, YARD, STP IMPROVEMENTS</b>  |
| 4.        |  |  |             |             | <b>STORAGE TANKS/PUMP STATIONS</b>   |
|           |  |  |             |             | a. Tank Construction   |
| 1.6207.20 |  |  | \$60,000    | \$260,000   | 1 Old Ranch Rd Tank Replace (50,000 gal) (Note 3) Replace and upsize existing redwood tank due to the current tank approaching end of useful life.   |
|           |  |  | \$60,000    | \$260,000   | b. Tank Rehabilitation   |
| 1.7170.00 |  |  | \$30,000    | \$30,000    | 1 Hydro pneumatic Tank Repairs Ongoing program to inspect/Repair the 7 tanks in compliance with State Code.  |
| 1.6205.22 |  |  | \$250,000   | \$250,000   | 2 Cherry Hill #2 Recoat (0.2 MG) Remove and replace coating system to extend tank life.  |
|           |  |  | \$280,000   | \$280,000   |  |
| 1.6112.24 |  |  | \$280,000   | \$90,000    | c. Lynwood P.S. Motor Control Center Move motor controls above-ground.   |
| 1.6141.00 |  |  | \$200,000   | \$520,000   | d. Crest PS (Design/Const)/Reloc School Rd PS Replace School Rd PS with new facility on Bahia Drive.   |
|           |  |  | \$820,000   | \$1,150,000 | <b>TOTAL STORAGE TANKS/PUMP STATIONS</b>   |
| 5.        |  |  |             |             | <b>RECYCLED WATER</b>  |
| 5.7127.00 |  |  | \$20,000    | \$20,000    | a. NBWRA Grant Program Administration Continued support of NBWRA to obtain/administer recycled water project Federal/State grants for the Central Project.   |
| 5.7162.xx |  |  | \$100,000   | \$100,000   | b. Other Recycled Water Expenditures Retrofit existing potable irrigation customers to RW.   |
|           |  |  | \$120,000   | \$120,000   |  |

**CAPITAL IMPROVEMENT PROJECTS**

|           |   | FY19               | FY20                 | FY19 Project Description  |
|-----------|---|--------------------|----------------------|---|
| 6.        | WEST MARIN WATER SYSTEM                         |                    |                      |   |
| 2.6263.20 | a. Replace PRE Tank #4A (25K gal w/82K gal)     | \$625,000          |                      | Replace and upsize redwood tank destroyed in Vision Fire with concrete tank.                                |
| 2.6609.20 | b. New Gallagher Well #2                        | \$90,000           | \$200,000            | Permit and construct 2nd well at Gallagher Ranch.   |
| 2.8829.00 | c. PB Replace in Sync w/ County Paving          | \$50,000           | \$50,000             | For 25 replacements.  |
| 2.6601.32 | d. TP Solids Handling (Note 4)                  | \$550,000          | \$700,000            | Solids removal from treatment plant filtrate.   |
|           | e. Relocation of Production Meter               | \$10,000           |                      |   |
|           |   | <u>\$1,325,000</u> | <u>\$950,000</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. |
| 8.7171.00 | b. Pond Dredging & Solids Disposal              | \$400,000          |                      | Dredge large buildup of solids. This will be the first pond dredging since 1970 startup.                    |
| 8.7173.00 | c. OM Treatment Pond Rehab-(Note 5)             |                    | \$150,000            |   |
| 86607.22  | d. OM Treatment Pond-Storm Damage (Note 6)      | \$125,000          |                      | Effect pond repairs related to 16/17 storm damage.  |
|           |   | <u>\$565,000</u>   | <u>\$190,000</u>     |   |
|           | <b>SUMMARY - GROSS PROJECT OUTLAY</b>           |                    |                      |   |
|           | Novato Water                                    | \$5,760,000        | \$4,415,000          |   |
|           | Recycled Water                                  | \$120,000          | \$120,000            |   |
|           | West Marin Water                                | \$1,325,000        | \$950,000            |   |
|           | Oceana Marin Sewer                              | \$565,000          | \$190,000            |   |
|           | <b>GROSS PROJECT OUTLAY</b>                     | <u>\$7,770,000</u> | <u>\$5,675,000</u>   |   |
|           | LESS FUNDED BY LOANS/GRANTS/OTHER               |                    |                      |   |
|           | a. Advanced Meter Information Retrofit (Note 1) |                    | (\$2,500,000)        |   |
|           | b. Office/Yard Building Refurbish (Note 2)      |                    | (\$250,000)          | (\$1,500,000)   |
|           | c. WM Treatment Plant Solids Handling (Note 4)  |                    |                      | (\$500,000)   |
|           | d. OM Treatment Pond Rehab (Note 5)             |                    |                      | (\$113,000)   |
|           | e. OM Treatment Pond-Storm Damage (Note 6)      |                    | (\$69,000)           |   |
|           | <b>TOTAL LOAN/GRANT FUNDS</b>                   |                    | <u>(\$2,819,000)</u> | <u>(\$2,113,000)</u>  |

**CAPITAL IMPROVEMENT PROJECTS**

|  | FY19   | FY20               | FY19 Project Description |
|--|--|--------------------|--------------------------|
| <b><u>SUMMARY - NET PROJECT OUTLAY</u></b> |  |                    |                          |
|  | West Marin Water                                 | \$1,325,000        | \$450,000                |
|  | Oceana Marin Sewer                               | \$496,000          | \$77,000                 |
|  | <b>NET PROJECT OUTLAY</b>                        | <b>\$1,821,000</b> | <b>\$527,000</b>         |
|  | Total Number of District Projects                | 31                 | 26                       |
| <b>STUDIES &amp; SPECIAL PROJECTS</b>      |  |                    |                          |
| 1.4057.00                                  | a. Local Water Supply Enhancement Study          | \$150,000          |                          |
| 1.4058.00                                  | b. Cost of Service Study Peer Review             | \$30,000           |                          |
| 1.4059.00                                  | c. Stafford Lake Water Rights Update             | \$50,000           | \$50,000                 |
| 1.4060.00                                  | d. STP Efficiency Improvements                   | \$75,000           |                          |
| 1.7039.02                                  | e. Novato Water Master Plan Update (every 5 yrs) | \$30,000           |                          |
|  | f. Urban Water Management Plan (every 5 yrs)     |                    | \$20,000                 |
|  |  | <b>\$335,000</b>   | <b>\$70,000</b>          |



**CAPITAL IMPROVEMENT PROJECTS**

|  | FY19   | FY20               | FY19 Project Description |
|--|--|--------------------|--------------------------|
| <b>NOVATO POTABLE WATER DEBT SERVICE</b>         |  |                    |                          |
| a. STP SRF Loan                                  | \$1,044,000                                  | \$1,044,000        |                          |
| b. AEEP Bank Loan                                | \$482,000                                    | \$482,000          |                          |
| c. Advanced Meter Info Retrofit Loan (Note 1)    | \$357,000                                    | \$377,000          |                          |
| d. Admin Building Renovation Loan (Note 2)       | \$3,000                                      | \$844,000          |                          |
|  | <u>\$1,886,000</u>                           | <u>\$2,747,000</u> |                          |
| <b>NOVATO RECYCLED WATER DEBT SERVICE</b>        |  |                    |                          |
| e. Deer Island Facility SRF Loan                 | \$273,000                                    | \$273,000          |                          |
| f. RW North Expansion SRF Loan                   | \$282,000                                    | \$282,000          |                          |
| g. RW South Expansion SRF Loan                   | \$332,000                                    | \$332,000          |                          |
| h. RW Central Exp SRF Loan (Note 3 - Net of MCC) | \$259,000                                    | \$256,000          |                          |
|  | <u>\$1,146,000</u>                           | <u>\$1,143,000</u> |                          |
| <b>WEST MARIN WATER DEBT SERVICE</b>             |  |                    |                          |
| i. PRE-1 Revenue Bond                            | \$14,000                                     | \$14,000           |                          |
| j. PR-6 Revenue Bond                             | \$12,000                                     | \$12,000           |                          |
| k. TP Solids Handling Bank Loan                  | \$71,000                                     | \$71,000           |                          |
|  | <u>\$97,000</u>                              | <u>\$97,000</u>    |                          |
|  | <b>TOTAL DEBT SERVICE</b>                    | <b>\$3,129,000</b> | <b>\$3,987,000</b>       |
|  | <b>NET PROJECT OUTLAY &amp; DEBT SERVICE</b> | <b>\$4,950,000</b> | <b>\$4,514,000</b>       |

Note 1 - \$5.5M Advanced Meter Info Retrofit is partially funded by Bank Loan of \$4.6M. Prior to securing bank loan the project was internally financed.  
 Note 2 - \$12M Office/Yard Renovation is proposed to be funded by 20 year 3.5% Bank Loan  
 Note 3 - Assumes property acquisition, survey, site plan provided to District at no charge via 405 Gage Lane project.  
 Note 4 - \$1.25M WM Water Solids Handling Facility partially funded by bank loan (\$600,000 remaining). Additional \$500K to be borrowed in FY20 to complete project.  
 Note 5 - If CalOES grant application is successful NMWD cost share = 25% of total \$1.2M project cost. \$250K borrowed in FY21 at 3.5% for 20 years.  
 Note 6 - If CalOES grant application is successful \$69,000 of the \$125,000 project will be grant funded.

