



**NORTH MARIN
WATER DISTRICT**

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Novato, CA 94948
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www.nmwd.com

Adopted - June 25, 2019

BUDGETS

Novato & West Marin Service Areas

FISCAL YEAR

2019/20

Directors: Jack Baker * Michael Joly * Rick Fraites * Stephen Petterle * James Grossi

Officers: Drew McIntyre, General Manager * Rocky Vogler, Chief Engineer * Terrie Kehoe, Secretary * Julie Blue, Auditor-Controller

INTRODUCTION

This document contains the fiscal year 2019/20 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 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.

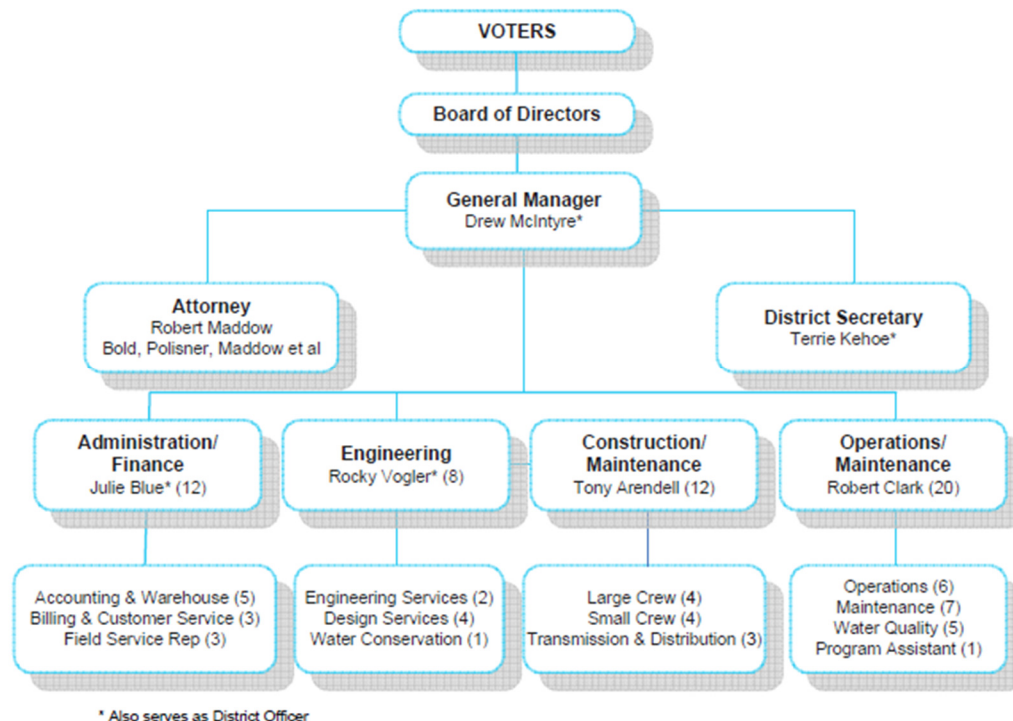
NMWD VALUES

- **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 2019

Organization:

- 5 Directors elected at large for 4-year terms
 - Jack Baker, President
 - Michael Joly, Vice-President
 - Rick Fraites
 - Stephen Petterle
 - 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.

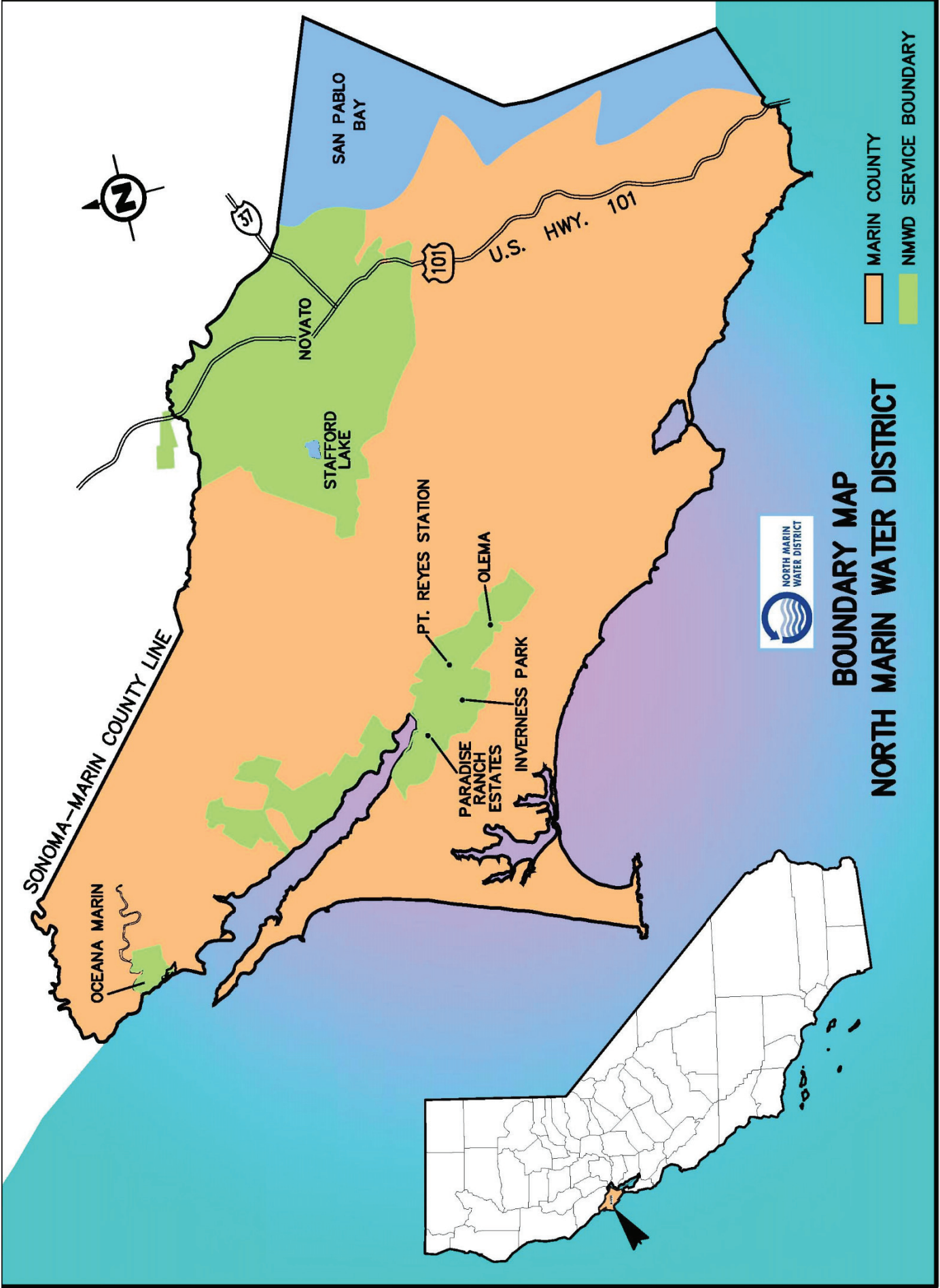


TABLE OF CONTENTS
 NORTH MARIN WATER DISTRICT
 FISCAL YEAR 2019/20 WATER AND SEWER BUDGETS

Source and Use of Funds Pie Chart – All Service Areas Combined..... 1

Budget Narrative

Novato Water System..... 2
 Recycled Water System 5
 West Marin/Ocean Marin Systems 6
 Capital Improvement Projects..... 9
 Equipment Budget 11
 Debt Service 12

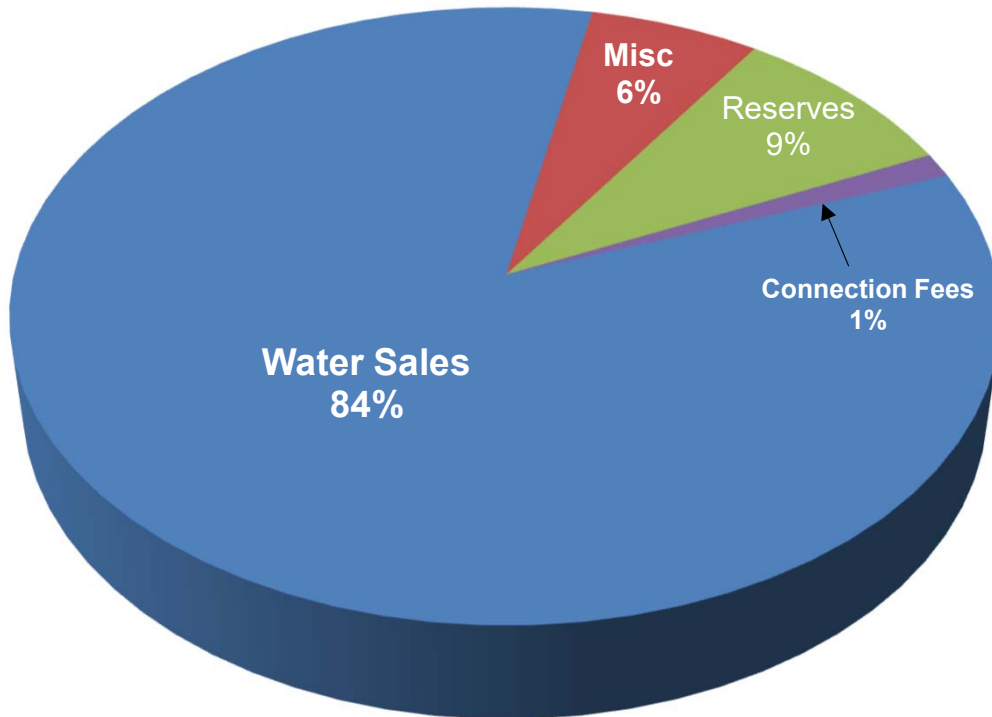
Budget Schedules

Budget Summary - All Service Areas Combined 13
 Novato Water Budget Summary 14
 Novato Water Five-Year Financial Forecast 15
 Novato Water Operating Budget Detail 16
 Novato Recycled Water Budget Summary 19
 Novato Recycled Water Five-Year Financial Forecast..... 20
 West Marin Budget Summary 21
 West Marin Water Five-Year Financial Forecast..... 22
 Oceana Marin Sewer Budget 23
 Oceana Marin Sewer Five-Year Financial Forecast 24

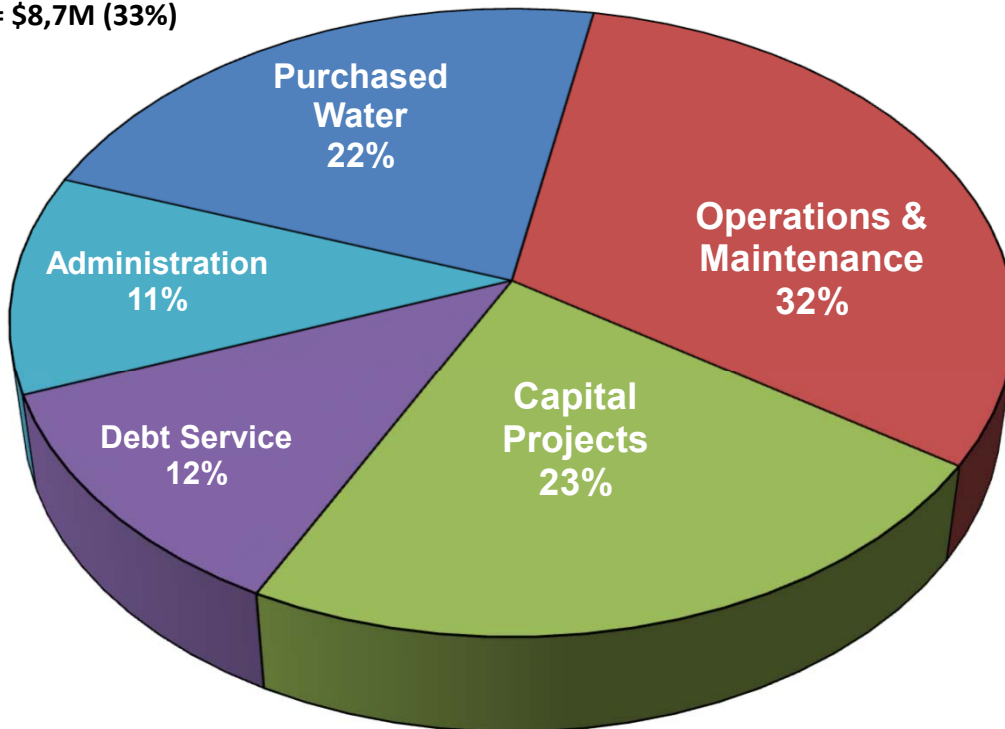
Capital Improvement Projects, Debt Service and Equipment

Novato Water System CIP 25
 Recycled Water System CIP 27
 West Marin System CIP..... 28
 Oceana Marin System CIP 28
 Project Outlay & Project Grant/Loan Funding..... 29
 Debt Service Obligation Detail..... 30
 Studies & Special Projects..... 31
 Capital Equipment Expenditures 32

**NORTH MARIN WATER DISTRICT
FY19/20 BUDGET - ALL SERVICE AREAS COMBINED
SOURCES = \$26,687,000**



Labor = \$8,7M (33%)



USES = \$26,687,000

Excludes Depreciation Expense & Developer Funded Costs

NMWD FINAL BUDGET FY 19/20

Summary

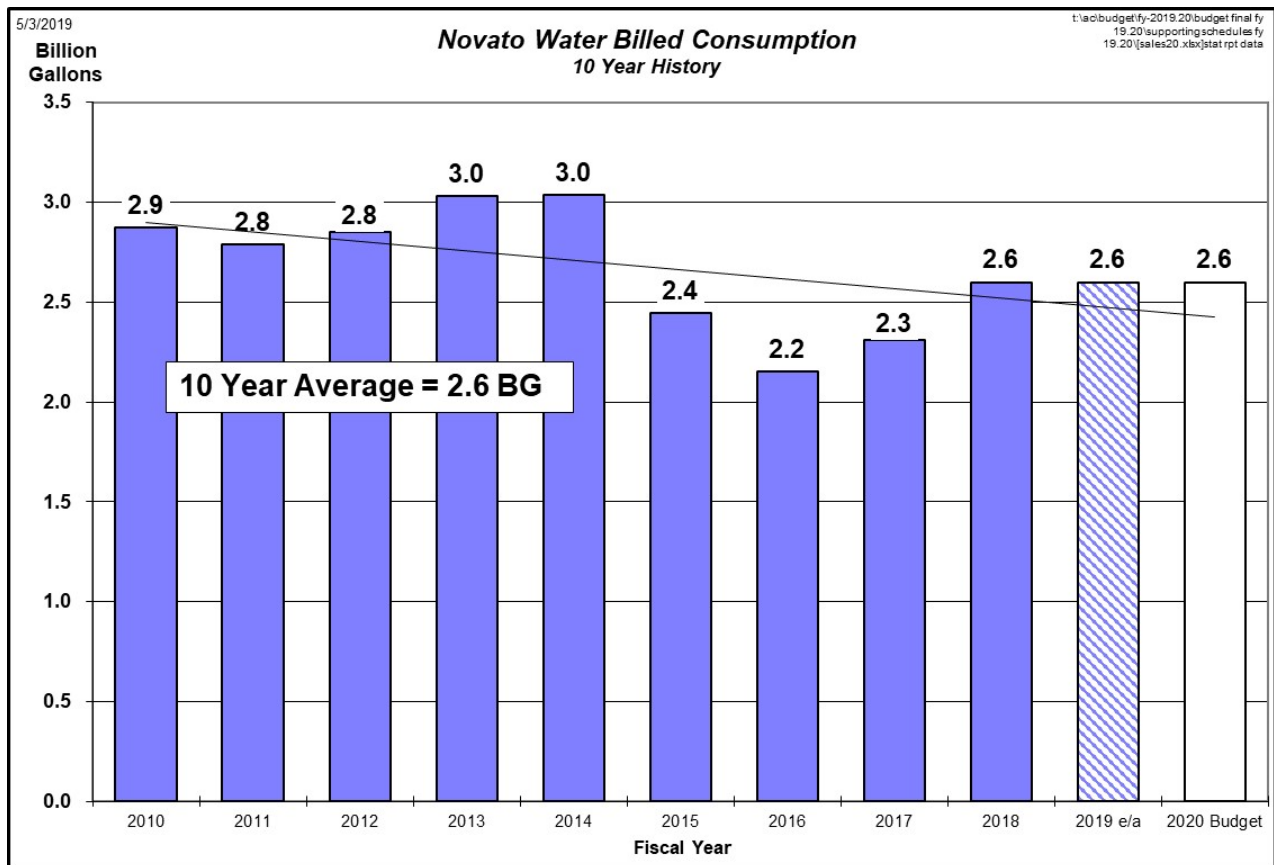
The \$26.7 million consolidated budget projects operating revenue of \$23 million and a net income of \$1.8 million. The FY 19/20 budget incorporates \$5.7 million in capital improvement projects and \$6 million in water purchases. After payment of \$3.1 million in debt service, the consolidated budget projects a decrease in cash for the fiscal year of \$2.3 million.

Novato Water

The Novato Potable Water System budget projects a \$2.3 million cash decrease over the fiscal year. A 3.5% rate increase in both the commodity and bimonthly service charge, effective June 1, 2019, was approved by the Board of Directors at a public hearing occurring on May 21, 2019. Total budget outlay, which includes \$4.3 million in capital improvement projects, is projected at \$23.7 million which is \$0.5M higher than the FY 18/19 budget.

Operating Revenue

Water Sales - Water sales volume is budgeted at 2.6 billion gallons (BG) which is slightly higher than the FY 18/19 projections and consistent with FY 17/18 actual sales. The 3.5% rate increase, effective June 1, 2019 is projected to increase revenues by \$652,000 but is highly dependent on water sales volume. The below chart shows a 10-year history of billed consumption for the Novato Potable Water System.



NMWD FINAL BUDGET FY 19/20

Other Revenue – Connection Fee revenue is budgeted at \$340,000. Connection fee revenue of \$1.4 million for 48 Equivalent Dwelling Units (EDUs) was collected in FY 17/18. The annual average connections have been 24 EDUs (FY 13/14 through FY 17/18). Included in the projections is annual revenue equivalent to 12 EDUs or half of the actual five-year average.

The wheeling charge to Marin Municipal Water District is budgeted at \$75,000. This is based on and equal to the projected revenue estimate to be received for the current fiscal year. In addition, MMWD will pay the annual fixed AEEP capital contribution in accord with the terms of the 2014 Interconnection Agreement. Miscellaneous Revenue includes \$91,000 in combined income from the rental of the Point Reyes home, the Little Mountain cell phone tower lease, Indian Valley Golf Club lease, two grazing leases, rental of the District's security apartment, and rental of the Pacheco Valle tennis courts.

Operating Expenditures

Operating expenses (excluding depreciation) are budgeted to decrease 1.9% or \$311,000 from the FY 18/19 budget. This decrease is primarily due to the one-time payment of \$1.28 million that will be made to SW in FY 18/19.

Source of Supply – The purchase of water from Sonoma Water (SW) (AKA Sonoma County Water Agency) is projected to increase 4.8% in FY 19/20. This change will result in a cost per acre-foot of \$937.37 for FY 19/20 versus \$894.17 for the current fiscal year and is estimated to increase the cost to purchase water by \$270,000.

The current year budget shows a decrease from the prior year budget due to the one-time payment of \$1.28 million that will be made to SW that was budgeted in FY 18/19.

Stafford Treatment Plant (STP) Water Production – STP water production is projected at 650 MG in FY 19/20 which is slightly lower than the average annual production of 670 MG over the past 10 years. The cost of production at the end of FY 17/18 was \$3,436/MG and varies depending on the volume and length of production.

Although the cost of STP water production is higher than purchases from SW, the benefits of having a local water supply for resiliency and emergency preparedness outweighs the additional costs in operating the plant.

Personnel Costs - The proposed budget includes a staffing level of 54 full-time equivalent (FTE) employees consistent with the current year budget (chart below).

<u>FTE Staffing</u>	<u>FY20</u>	<u>FY19</u>
Administration	8.0	8.0
Consumer Services	6.0	6.0
Construction/Maintenance	12.0	12.0
Engineering	8.0	8.0
Maintenance	9.0	9.0
Operations	6.0	6.0
Water Quality	<u>5.0</u>	<u>5.0</u>
	<u>54.00</u>	<u>54.00</u>

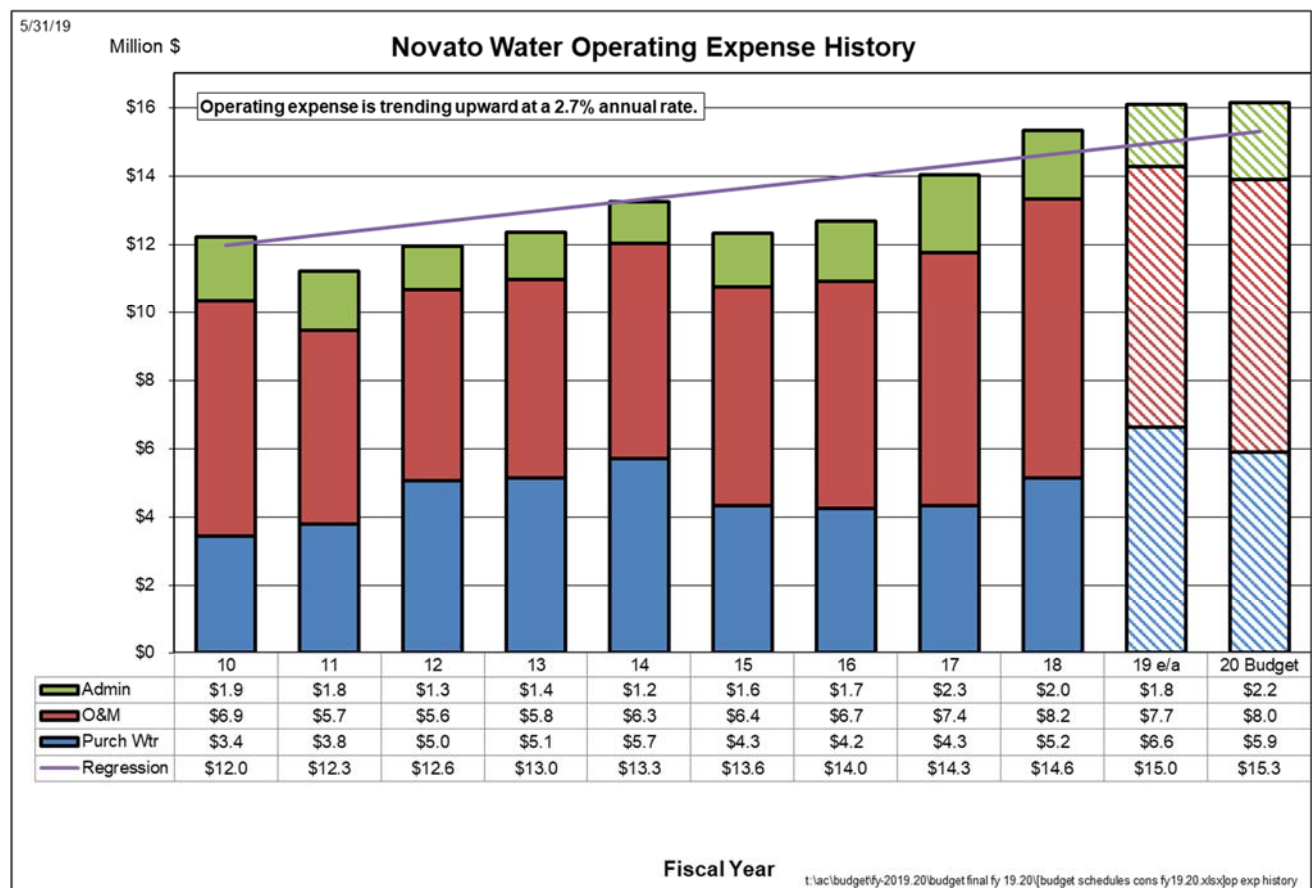
NMWD FINAL BUDGET FY 19/20

Temporary staffing budget is proposed to decrease by 931 hours from the prior year's budget to 7,905 hours. The decrease is due to a reduction in administration hours needed for assistance on special projects.

In accordance with the Employee Association and NMWD's Memorandum of Understanding (MOU), a 3.5% cost-of-living salary increase, has been factored into the budget effective October 1, 2019. The MOU links an annual cost-of-living adjustment (COLA) to the change in the CPI. The District entered into a 5-year MOU with the NMWD Employee Association beginning on October 1, 2018. The current MOU established a COLA minimum of 2.0% and a maximum of 4%. The overhead cost of labor charged to Novato operations has increased by an average of 4% annually over the past 5 years. Part of the increase is due to bringing on new employees (2 full-time equivalents) over the period to keep up with the operational demands of the District. The 3.5% cost-of-living increase is staff's best projection at this time.

The District's average CalPERS retirement contribution rate will increase 2.6% (to 26.41%) from the amount budgeted last year. All employees now pay 100% of the CalPERS employee contribution. For budgeting purposes, group health insurance rates remained constant. This cost decreased in 2019 and was a minimal increase in prior years.

The below chart shows the past 10-years of operating expense (excluding depreciation) for Novato Water.



NMWD FINAL BUDGET FY 19/20

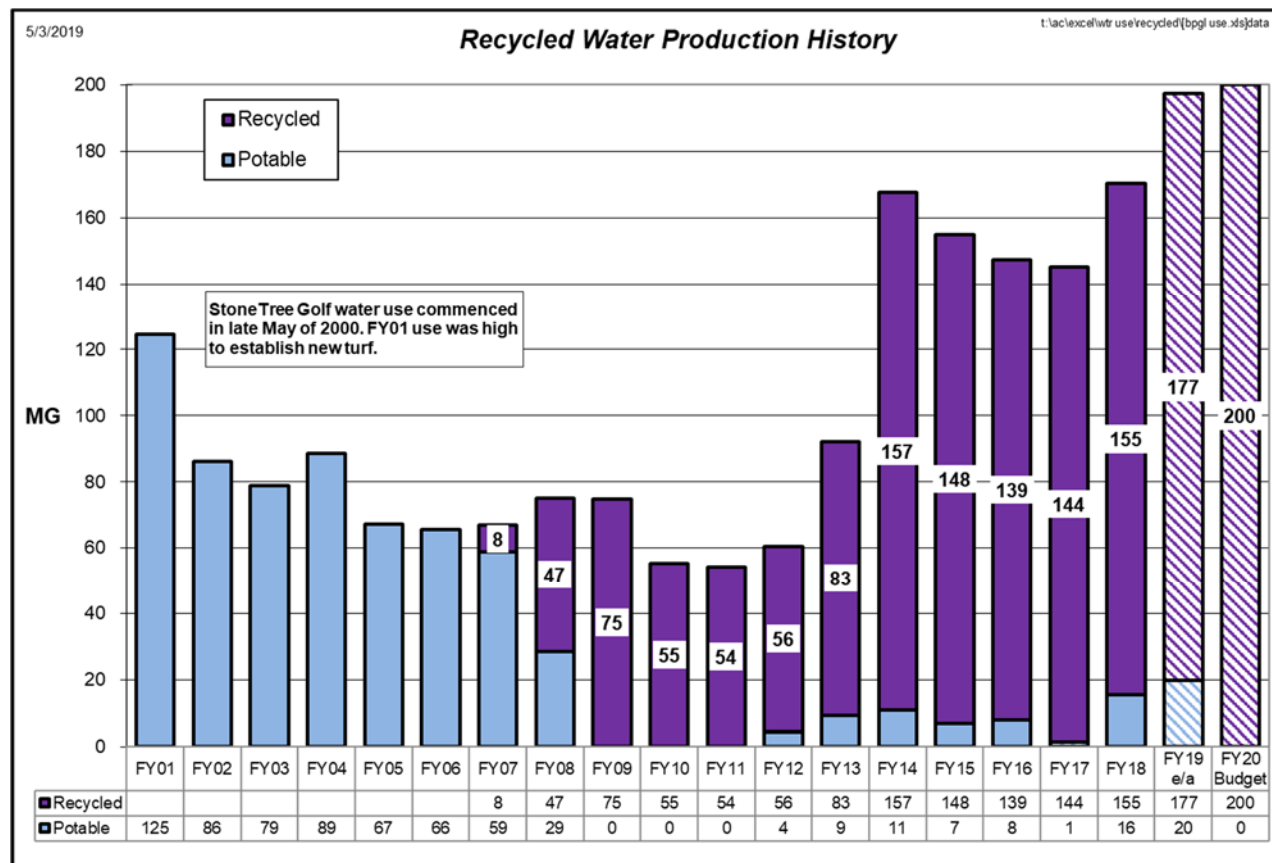
Recycled Water

The FY 19/20 Recycled Water (RW) System Budget projects demand of 200MG which is consistent with the volume budgeted in FY18/19. Sales have increased primarily due to the Central expansion project completed in FY 17/18. The budget projects purchase of 150MG of tertiary treated water from Novato Sanitary District and 45MG from La Gallinas Valley Sanitary District, at an average rate of \$1,400/MG. The Deer Island Plant is budgeted to produce 5MG during the summer, to keep it operating, and will serve as a back-up facility.

Consistent with the potable water increase, a 3.5% commodity rate and bimonthly service charge increase was implemented June 1, 2019. The increase is projected to generate \$42,000 in additional revenue next fiscal year.

Operating expenses (excluding depreciation) are budgeted to increase 4% or \$21,000 from the FY 18/19 budget. This increase is primarily due the increase in employee hours for maintenance and operations.

The below chart shows historical production for the Recycled Water System.

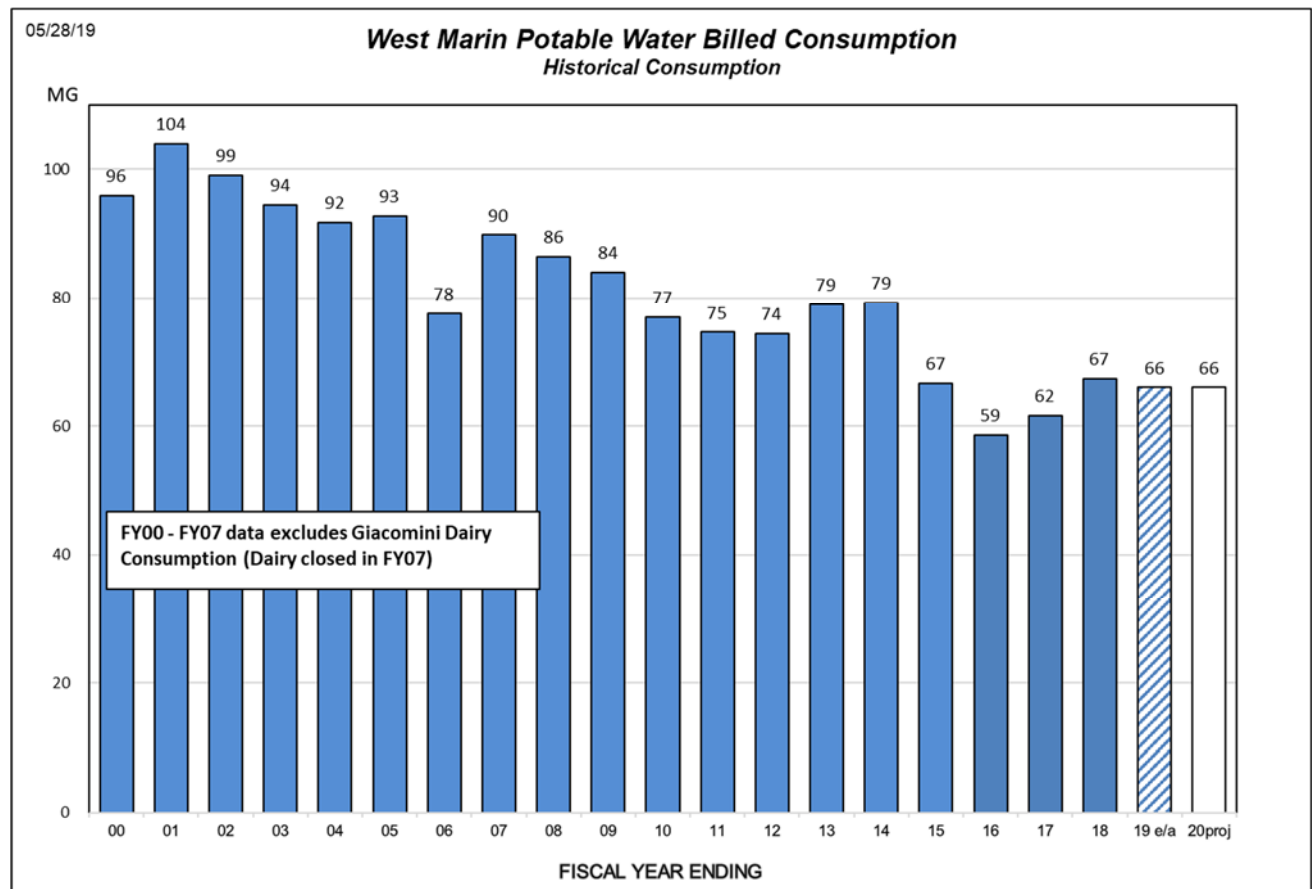


West Marin Water

A 3.5% rate increase for West Marin (WM) Water customers to be effective July 1, 2019, was approved by the Board of Directors at a public hearing occurring on June 25, 2019. The increase will add approximately \$2 per month (\$24 annually) to the typical residential customer water cost. The increase is for both the commodity rate and the bimonthly service charge and is projected to generate \$20,000 in additional revenue annually. Growth in the past three years has remained stable so conservatively there are no connection fees budgeted for FY 19/20. Included in the 5-year financial forecast is revenue for one connection every other year.

Significant Capital Improvement Projects budgeted for the year include continued work on the \$785,000 project to replace the Paradise Ranch Estates Tank 4A which is scheduled to be completed FY 19/20. Additional projects include \$200K towards the Lagunitas Creek Bridge Pipe Replacement project and \$300K for the disinfection byproduct (TTHM) removal project, WM TTHM reduction.

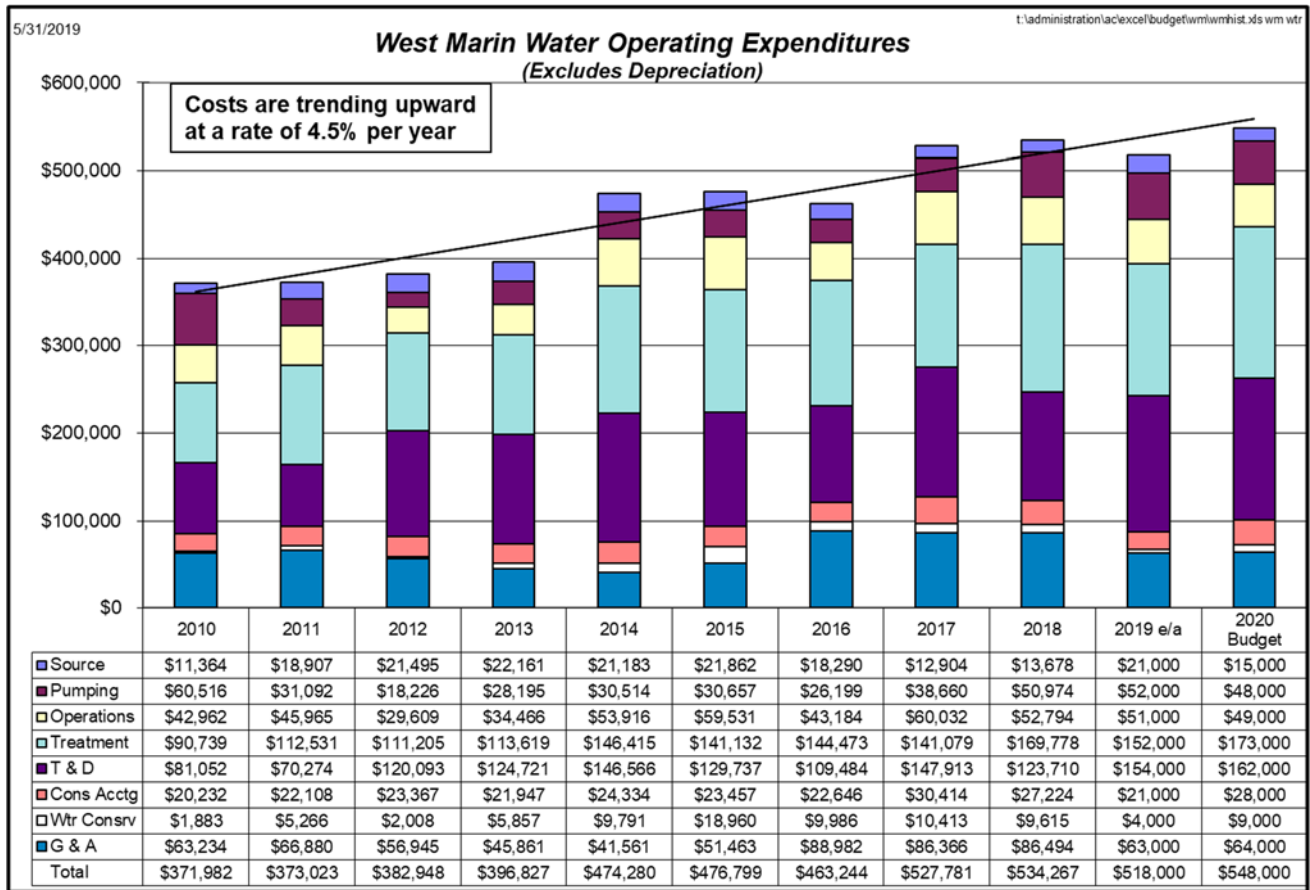
FY 19/20 water sales volume is budgeted at 66MG which is an average of the last three years of actual and projected use (FY16/17-FY18/19). See the below chart for the historical consumption for the WM service area.



NMWD FINAL BUDGET FY 19/20

WM operating expenditures, before depreciation, are budgeted at \$548,000 which is an increase of \$8,000 or 1.5% from the FY 18/19 adopted budget of \$540,000. The budget projects a net operating income of \$184,000 and, after capital outlay and debt service, the system is projected to show a cash decrease for the year of \$836,000.

The below chart shows the past 10-years of operating expense for West Marin Water.



Oceana Marin Sewer

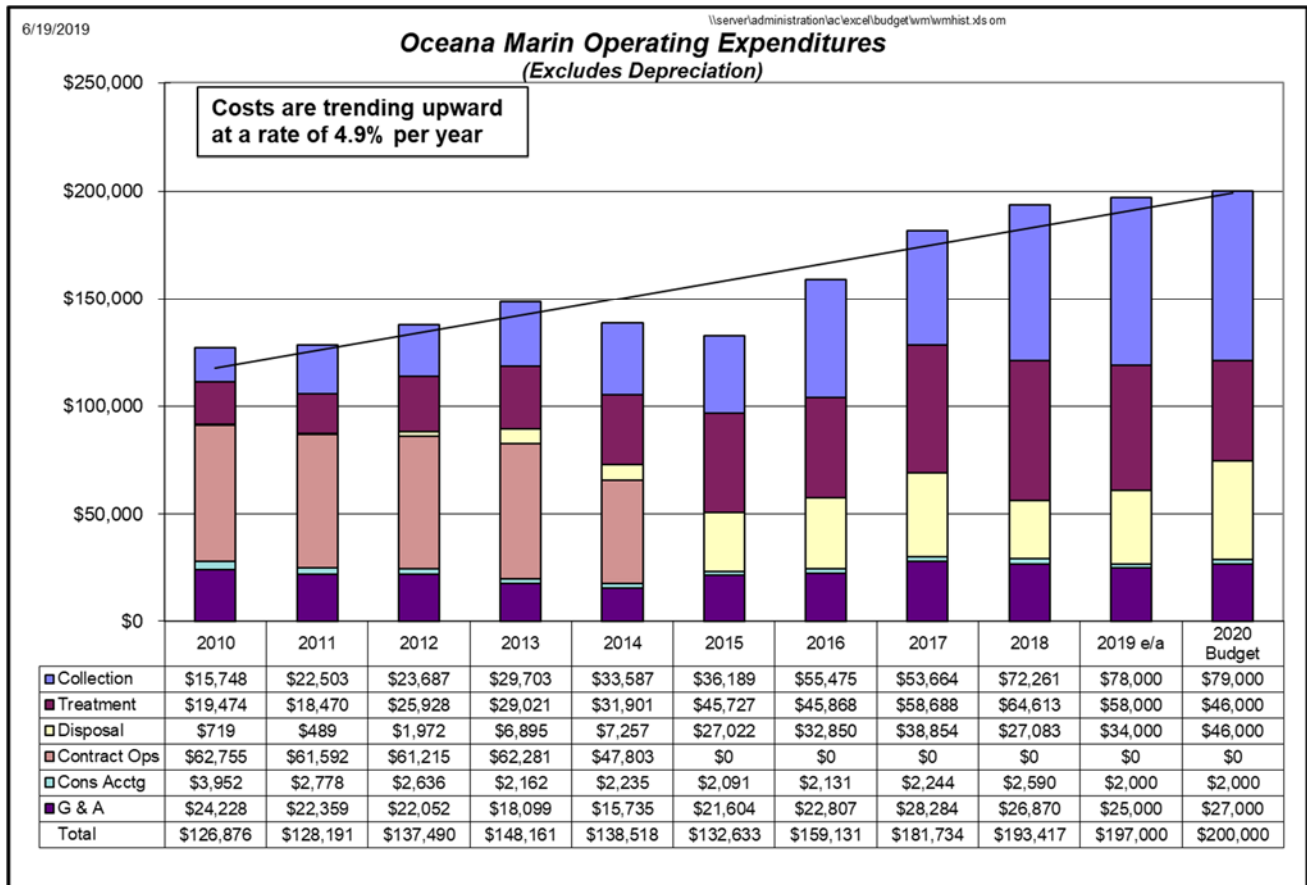
A 3.5% increase (\$3/month - to \$1,116/year) in the Oceana Marin Sewer service charge to be effective July 1, 2019, is projected to add \$8,400 in additional annual revenue. This increase was approved by the Board of Directors at a public hearing occurring on June 25, 2019. Growth in the past three years has remained relatively stable so conservatively there are no connection fees budgeted for FY 19/20. Included in the 5-year financial forecast is revenue for one connection every other year.

Capital Improvement Projects budgeted for the year include the Tahiti Way Lift Pump 1 Assembly with a projected cost of \$15,000 to rebuild the pump. Additionally, \$40,000 is budgeted for the ongoing Capital work to identify and repair collection pipelines to prevent inflow and infiltration.

NMWD FINAL BUDGET FY 19/20

FY 19/20 OM operating expenditures, before depreciation, are budgeted at \$200,000 which is an increase of \$5,000 or 2.6% from the FY 18/19 adopted budget of \$195,000. The increase is primarily due to an increase in staff labor to maintain the system. The budget projects a net operating income of \$24,000 and, after capital outlay and debt service, the system is projected to show a cash increase for the year of \$143,000.

The below chart shows the past 10-years of operating expense for Oceana Marin Sewer.



NMWD FINAL BUDGET FY 19/20

Capital Improvement Project Budget (CIP)

The proposed Fiscal Year 19/20 and FY 20/21 Capital Improvement Project (CIP) budget includes projects recommended for Novato Water, Recycled Water, West Marin Water, and Oceana Marin Sewer. Also included is a debt service schedule detailing the principal and interest payment required to fund prior CIPs.

Below is a summary identifying the significant projects (totaling \$400,000 or more) proposed to be undertaken over the next two fiscal years.

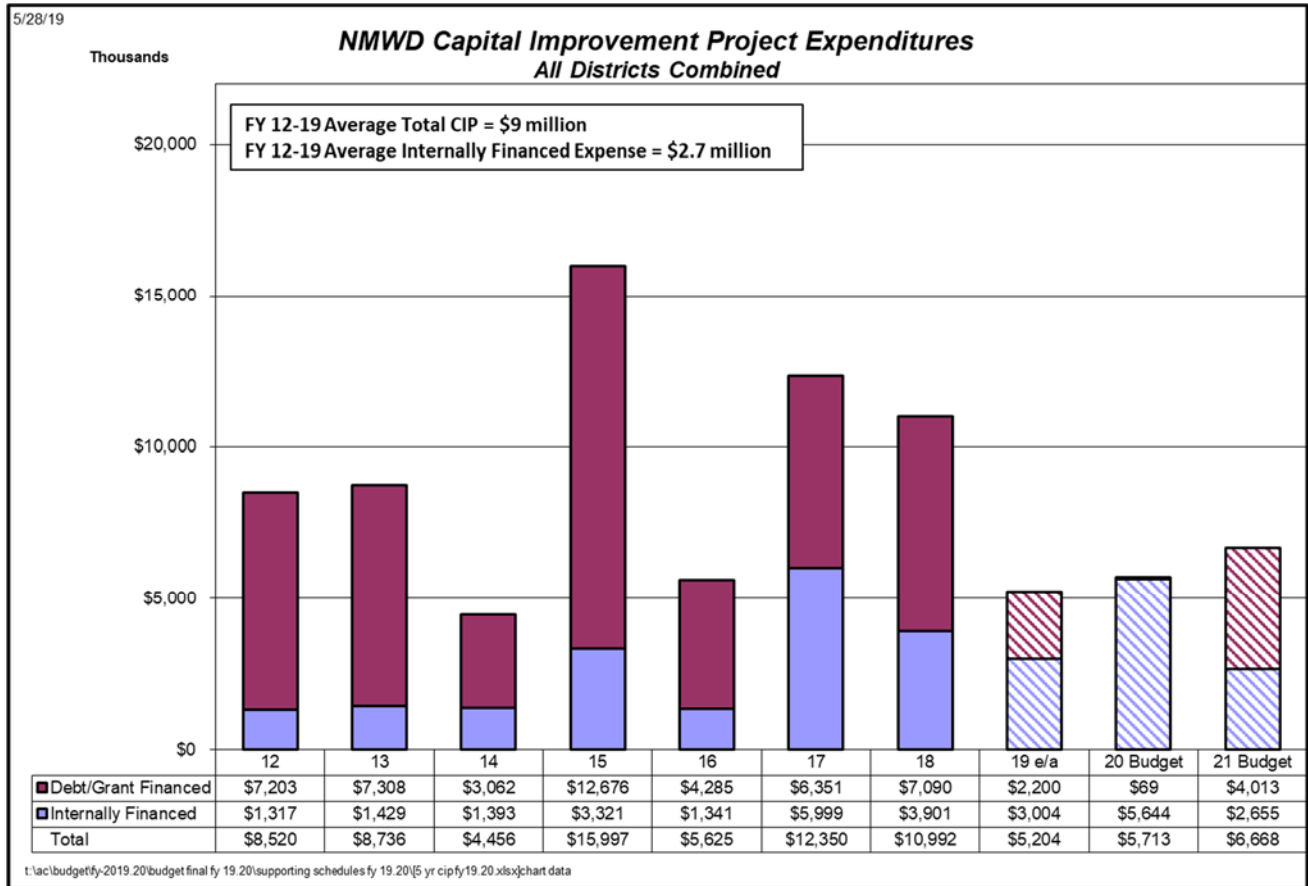
<u>Project</u>	FY 19/20	FY 20/21
Office/Yard Building Refurbish	\$900,000	\$3,000,000
Crest PS/Relocate School Rd PS	635,000	-
Replace PRE Tank 4A	550,000	-
Cherry Hill #2 Recoat	400,000	-
STP Generator	400,000	-
Lagunitas Creek Bridge Pipe Replacement	200,000	450,000
Old Ranch Rd. Tank #2	150,000	481,000
San Mateo 24" Inlet/Outlet Pipe (2,200')	50,000	742,000
New Gallagher Well #2	75,000	260,000
Other Projects	<u>2,353,000</u>	<u>1,735,000</u>
Gross Project Outlay	5,713,000	6,668,000
Less Loan/Grant Funding	(-)	(4,013,000)
Net Project Outlay (internally funded)	<u>\$5,713,000</u>	<u>\$2,655,000</u>

The proposed two-year combined total project outlay, net of grant/loan funding, totals \$8.4 million, which is slightly lower than the \$8.5 million combined two-year budget adopted last year. The proposed CIP budget includes 34 projects in FY 19/20 and 26 projects in FY 20/21. This comprehensive plan is developed to confirm that adequate funding and staffing exists to accomplish the budgeted projects planned for FY 19/20.

	Net Outlay		
<u>District</u>	Proposed FY20 & FY21	Adopted FY19 & FY20	Increase (Decrease)
Novato Water	\$6,006,000	\$5,925,000	\$81,000
Recycled Water	240,000	240,000	(0)
WM Water	1,990,000	1,775,000	215,000
OM Sewer	132,000	573,000	(441,000)
Total	<u>\$8,368,000</u>	<u>\$8,513,000</u>	<u>(\$145,000)</u>

NMWD FINAL BUDGET FY 19/20

The below chart shows the District wide 10-year history of capital improvement projects which averages \$9M per year including \$2.7M of internally (or “Pay-Go”) financed projects.



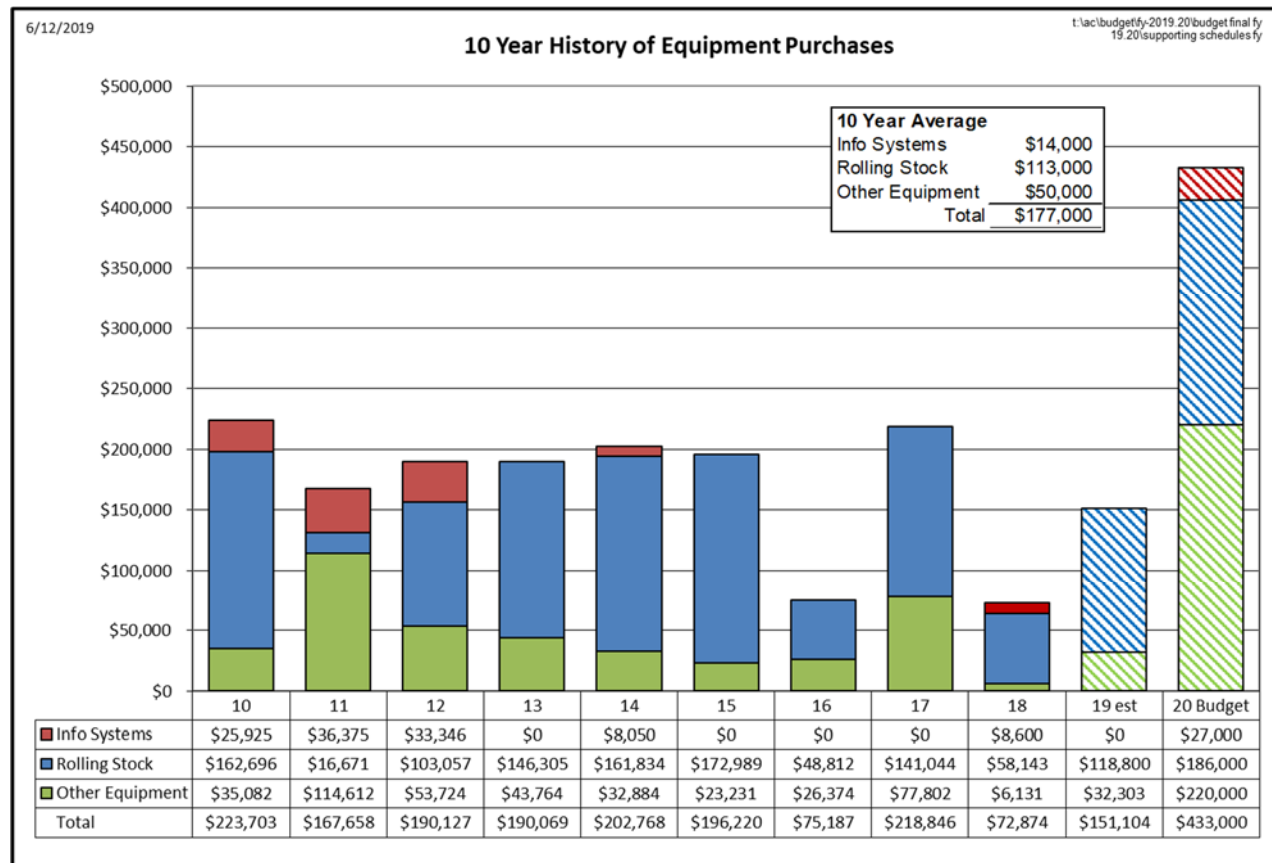
Novato Potable Water's CIP expenditure plan, when viewed over the current fiscal year and the next five years, averages \$2.6 million annually in internally funded projects, which is slightly above the \$2.5 million approved by the Board and incorporated into the 5-Year Financial Plan.

NMWD FINAL BUDGET FY 19/20

Equipment Budget

The proposed FY 19/20 Equipment Budget totals \$433,000. This is \$78,000 higher than the FY 18/19 Equipment Budget of \$355,000. FY 18/19 estimated actual expenditures are forecast to come in at \$151,000 which is \$204,000 below budget. Due to equipment needs the amount not spent in FY 18/19 has been allocated to FY 19/20.

A significant purchase included in the proposed budget is \$152,000 for additional generators needed to proactively plan for extended power outages associated with the roll out of PG&E's Public Safety Power Shutoff (PSPS) Program. There is also \$130,000 budgeted for a Vacuum Excavator. Additionally, a metals analyzer for \$68,000 is budgeted to replace a 20-year old piece of equipment for the lab. The following chart shows the ten year history of equipment purchases.



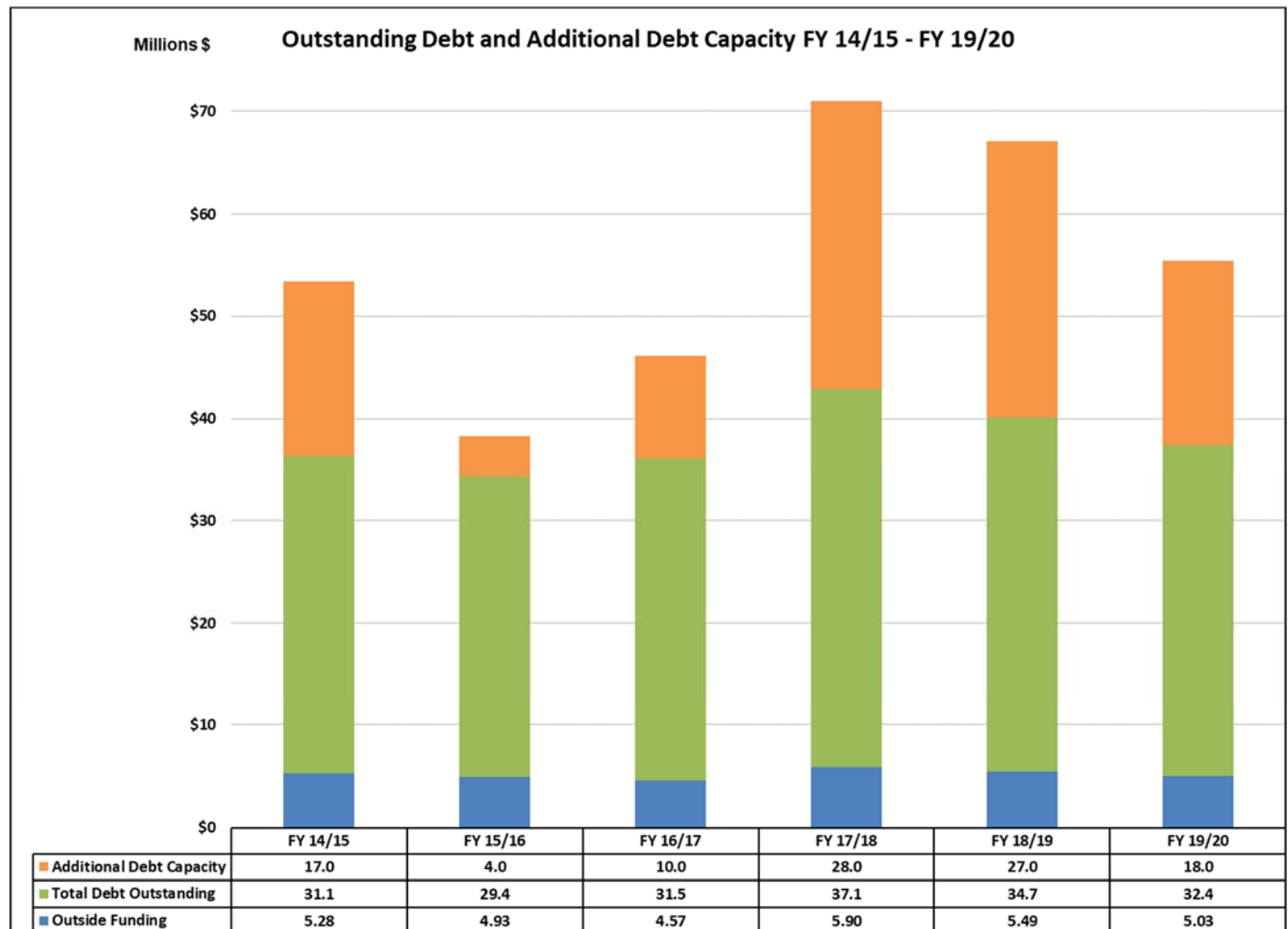
NMWD FINAL BUDGET FY 19/20

Debt Service

Principal and interest payments totaling \$3.2 million are budgeted as the annual obligation on \$35.3 million in outstanding debt (as of June 30, 2019), comprised of:

- 1.) \$4.4 million at 2.7% for a bank loan used to fund the Advanced Meter Information (AMI) project;
- 2.) \$9.2 million at 2.4% State Revolving Fund (SRF) loan used to finance the Stafford Water Treatment Plant Rehabilitation;
- 3.) \$14.1 million in SRF loans (with interest varying from 1%-2.6%) used to finance the recycled water distribution system;
- 4.) \$5.6 million at 3.5% bank loan used to finance the Aqueduct Energy Efficiency Project and West Marin Treatment Plant Solids-Handling Facility;
- 5.) \$2 million at 2.4% SRF loan used to finance the Deer Island Recycled Water Facility.

The below chart outlines the District's total outstanding debt and additional debt capacity for the budget year FY 19/20 and five-years prior. The additional debt capacity keeps the District below the debt service ratio of 1.5 as included in the Board approved Debt Policy. As shown below the total debt is partially funded by outside entities related to partnered projects.



NORTH MARIN WATER DISTRICT
BUDGET SUMMARY - ALL SERVICE AREAS COMBINED
Fiscal Year 2019/20

	<i>Adopted Budget 2019/20</i>	<i>Estimated Actual 2018/19</i>	<i>Adopted Budget 2018/19</i>
OPERATING INCOME			
1 Water Sales	\$22,345,000	\$21,274,000	\$22,207,000
2 Sewer Service Charges	261,000	252,000	252,000
3 Wheeling & Misc Service Charges	392,000	386,000	347,000
4 Total Operating Income	\$22,998,000	\$21,912,000	\$22,806,000
OPERATING EXPENDITURES			
5 Source of Supply	6,186,000	6,922,000	7,044,000
6 Pumping	438,000	452,000	391,000
7 Operations	808,000	1,161,000	696,000
8 Water Treatment	2,697,000	2,463,000	2,603,000
9 Sewer Service	171,000	170,000	164,000
10 Transmission & Distribution	3,656,000	3,456,000	3,331,000
11 Consumer Accounting	644,000	551,000	648,000
12 Water Conservation	399,000	348,000	390,000
13 General & Administrative	2,383,000	1,932,000	2,392,000
14 Depreciation Expense	3,486,000	3,440,000	3,528,000
15 Total Operating Expenditures	\$20,868,000	\$20,895,000	\$21,187,000
16 NET OPERATING INCOME (LOSS)	\$2,130,000	\$1,017,000	\$1,619,000
NON-OPERATING INCOME/(EXPENSE)			
17 Tax Proceeds	\$116,000	\$114,000	\$114,000
18 Interest Revenue	277,000	355,000	159,000
19 Miscellaneous Revenue	133,000	179,000	137,000
20 Interest Expense	(806,000)	(840,000)	(850,000)
21 Miscellaneous Expense	(20,000)	(3,000)	(20,000)
22 Total Non-Operating Income/(Expense)	(\$300,000)	(\$195,000)	(\$460,000)
	NET INCOME/(LOSS)	\$822,000	\$1,159,000
OTHER SOURCES/(USES) OF FUNDS			
23 Add Depreciation Expense	\$3,486,000	\$3,440,000	\$3,528,000
24 Connection Fees	340,000	2,322,000	733,000
25 Caltrans AEEP Reimbursement	1,000	1,000	1,000
26 MMWD AEEP Capital Contribution	205,000	245,000	245,000
27 Loans/Grants	69,000	20,000	349,000
28 Stone Tree Golf Principal Repayment	227,000	222,000	222,000
29 Capital Equipment Expenditures	(433,000)	(250,000)	(355,000)
30 Capital Improvement Projects	(5,713,000)	(5,141,000)	(7,770,000)
31 Debt Principal Payments	(2,333,000)	(2,336,000)	(2,279,000)
33 Total Other Sources/(Uses)	(\$4,151,000)	(\$1,477,000)	(\$5,326,000)
34 CASH INCREASE/(DECREASE)	(\$2,321,000)	(\$655,000)	(\$4,167,000)

NOVATO POTABLE WATER
BUDGET SUMMARY
Fiscal Year 2019/20

	<i>Adopted Budget 2019/20</i>	<i>Estimated Actual 2018/19</i>	<i>Adopted Budget 2018/19</i>
OPERATING INCOME			
1 Water Sales	\$20,239,000	\$19,225,000	\$20,144,000
2 Wheeling & Misc Service Charges	342,000	337,000	340,000
3 Total Operating Income	\$20,581,000	\$19,562,000	\$20,484,000
OPERATING EXPENDITURES			
4 Source of Supply	\$5,896,000	\$6,638,000	\$6,756,000
5 Pumping	384,000	395,000	343,000
6 Operations	685,000	800,000	580,000
7 Water Treatment	2,494,000	2,295,000	2,413,000
8 Transmission & Distribution	3,432,000	3,291,000	3,136,000
9 Consumer Accounting	613,000	527,000	618,000
10 Water Conservation	390,000	344,000	380,000
11 General Administration	2,237,000	1,792,000	2,216,000
12 Depreciation Expense	2,788,000	2,742,000	2,820,000
13 Total Operating Expenditures	\$18,919,000	\$18,824,000	\$19,262,000
14 NET OPERATING INCOME (LOSS)	\$1,662,000	\$738,000	\$1,222,000
NON-OPERATING INCOME/(EXPENSE)			
15 Interest Revenue	\$150,000	230,000	100,000
16 Miscellaneous Revenue	133,000	179,000	133,000
17 Interest Expense	(495,000)	(524,000)	(533,000)
19 Miscellaneous Expense	(20,000)	(\$2,000)	(20,000)
20 Total Non-Operating Income/(Expense)	(\$232,000)	(\$117,000)	(\$320,000)
21 NET INCOME/(LOSS)	\$1,430,000	\$621,000	\$902,000
OTHER SOURCES/(USES) OF CASH			
22 Add Depreciation Expense	\$2,788,000	\$2,742,000	\$2,820,000
23 Connection Fees	340,000	2,314,000	680,000
24 Caltrans AEEP Capital Contribution	1,000	1,000	1,000.00
25 MMWD AEEP Capital Contribution	205,000	245,000	245,000
26 SCWA Water Conservation Grant	-	20,000	30,000
27 Loans	-	-	250,000
28 Capital Equipment Expenditures	(433,000)	(250,000)	(355,000)
29 Capital Improvement Projects	(4,308,000)	(4,323,000)	(5,760,000)
30 Debt Principal Payments	(1,410,000)	(1,360,000)	(1,350,000)
31 Connection Fee Transfer from (to) RWS	(910,000)	1,370,000	1,255,000
32 Working Capital Increase/(Decrease)	-	-	-
33 Total Other Sources/(Uses)	(\$3,727,000)	\$759,000	(\$2,184,000)
34 CASH INCREASE/(DECREASE)	(\$2,297,000)	\$1,380,000	(\$1,282,000)

NOVATO POTABLE WATER

FY 19/20 Five-Year Financial Forecast

Fiscal Year Ending June 30 >		Budget 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024
SERVICES						
1	Active Meters @ Fiscal Year End	20,553	20,563	20,573	20,583	20,593
2	Increase for Year - Active Meters	10	10	10	10	10
WATER PRODUCTION (MG)						
3	Stafford Production	650	650	650	650	650
4	Russian River Purchases	2,080	2,080	2,080	2,080	2,080
5	Total Water Production	2,730	2,730	2,730	2,730	2,730
REVENUE & EXPENSE (\$ in 000's)						
OPERATING REVENUE						
6	Potable Water Sales	\$20,239	\$21,150	\$22,101	\$23,096	\$24,135
7	Wheeling & Other Misc Service Charges	342	356	370	385	400
8	Total Operating Revenue	\$20,581	\$21,505	\$22,471	\$23,481	\$24,535
OPERATING EXPENSE						
9	Russian River Water	\$5,710	\$6,053	\$6,416	\$6,801	\$7,209
10	Overheaded Operating Labor	7,059	7,271	7,489	7,714	7,945
11	Purification Chemicals	455	469	483	497	512
12	Electric Power	444	457	471	485	500
13	Other Operating Expenses	2,463	2,537	2,613	2,691	2,772
14	Depreciation	2,788	2,820	2,850	2,880	2,910
15	Total Operating Expense	\$18,919	\$19,606	\$20,321	\$21,068	\$21,848
NON-OPERATING REVENUE/(EXPENSE)						
16	Interest Revenue	\$150	\$150	\$150	\$150	\$150
17	Interest Expense	(495)	(963)	(961)	(959)	(959)
18	Misc Other Revenue/(Expense)	113	116	120	123	127
19	Total Non-Op Revenue/(Expense)	(\$232)	(\$697)	(\$691)	(\$686)	(\$682)
20	Net Income	\$1,430	\$1,203	\$1,459	\$1,727	\$2,006
OTHER SOURCES/(USES) OF FUNDS						
21	Add Depreciation Expense	\$2,788	\$2,820	\$2,850	\$2,880	\$2,910
22	Connection Fees	340	340	340	340	340
23	MMWD AEEP Capital Contribution	206	206	206	206	206
24	Loans/Grants	-	12,000	-	-	-
25	Capital Equipment Purchases	(433)	(250)	(250)	(250)	(250)
26	Capital Improvement Projects	(4,308)	0	0	0	0
27	Debt Principal Payments	(1,410)	(1,786)	(1,788)	(1,790)	959
28	FRC Funds Transferred to Recycled Water	(910)	(50)	(50)	(50)	(50)
29	Working Capital Increase	-	-	-	-	-
30	Total Other Sources/(Uses)	(\$3,727)	\$13,280	\$1,308	\$1,336	\$4,115
31	Cash Increase/(Decrease)	(\$2,297)	\$14,482	\$2,767	\$3,063	\$6,121
32	Ending Reserve Balance	\$5,892	\$20,375	\$23,141	\$26,204	\$32,325
33	Target Reserve Balance (90% Op Exp)	\$14,518	\$15,108	\$15,724	\$16,369	\$17,044
34	% Rate Increase¹	3.5%	4.5%	4.5%	4.5%	4.5%
35	Median Monthly Single-Family Residential Bill	\$57	\$59	\$62	\$65	\$67

36 Fiscal year 2020 Rate increase approved by the Board on May 21, 2019. FY 2021 through 2024 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2019/20

	Adopted Budget 19/20	Estimated Actual 18/19	Adopted Budget 18/19	Actual 17/18	Actual 16/17	Actual 15/16	Actual 14/15	Actual 13/14
STATISTICS								
1 Active Meters	20,553	20,543	20,577	20,543	20,544	20,535	20,498	20,505
2 Avg Commodity Rate/1,000 Gal (Net)	\$6.25	\$6.00	\$5.99	\$6.00	\$5.40	\$5.25	\$4.87	\$4.81
3 Potable Consumption (BG)	2.60	2.54	2.60	2.52	2.31	2.15	2.44	2.95
OPERATING INCOME								
4 Water Sales	\$20,320,000	\$19,308,000	\$20,300,000	\$19,645,814	\$16,772,060	\$15,489,903	\$16,101,706	\$18,385,017
5 Bill Adjustments	(81,000)	(83,000)	(156,000)	(143,395)	(130,587)	(64,461)	(82,790)	(95,470)
6 Sales to MMWD	-	-	-	155,846	-	-	-	432,294
7 Wheeling Charges-MMWD	75,000	75,000	75,000	92,977	91,374	90,217	119,144	100,527
8 Miscellaneous Service Revenue	267,000	262,000	265,000	268,563	252,038	277,479	276,388	265,496
9 TOTAL OPERATING INCOME	\$20,581,000	\$19,562,000	\$20,484,000	\$20,019,805	\$16,984,885	\$15,793,138	\$16,414,448	\$19,087,864
OPERATING EXPENSE								
SOURCE OF SUPPLY								
10 Supervision & Engineering	\$11,000	\$7,000	\$37,000	\$9,303	\$11,264	\$10,586	\$11,641	\$9,698
11 Operating Expense - Source	14,000	9,000	12,000	6,236	8,513	11,928	11,044	10,497
12 Maintenance/Monitoring of Dam	67,000	33,000	67,000	22,203	24,059	22,796	11,635	19,438
13 Maintenance of Lake & Intakes	20,000	24,000	18,000	10,690	7,575	6,299	511	11,701
14 Maintenance of Watershed	50,000	6,000	50,000	29,646	36,218	17,325	15,151	17,015
15 Water Purchased for Resale to MMWD	-	-	-	111,891	-	-	-	253,539
16 Water Quality Surveillance	14,000	1,000	22,000	6,728	3,513	3,137	7,467	13,713
17 Contract Water - SCWA	5,710,000	6,550,000	6,550,000	5,151,516	4,320,623	3,997,030	4,333,100	5,698,211
18 GASB 68 Adjustment	10,000	8,000	-	8,535	5,682	-	-	-
19 TOTAL SOURCE OF SUPPLY	\$5,896,000	\$6,638,000	\$6,756,000	\$5,356,748	\$4,417,447	\$4,069,101	\$4,390,549	\$6,033,812
PUMPING								
20 Operating Expense	\$3,000	\$0	\$3,000	\$0	\$0	\$0	\$237	\$0
21 Maintenance of Structures/Grounds	32,000	61,000	26,000	32,611	28,514	26,347	51,544	46,502
22 Maintenance of Pumping Equipment	53,000	39,000	62,000	39,435	30,354	13,507	51,013	27,696
23 Electric Power - Pumping	288,000	288,000	252,000	293,588	246,869	212,207	213,909	255,711
24 GASB 68 Adjustment	8,000	7,000	-	6,967	3,496	-	-	-
25 TOTAL PUMPING	\$384,000	\$395,000	\$343,000	\$372,601	\$309,233	\$252,061	\$316,703	\$329,909
OPERATIONS								
26 Supervision & Engineering	\$158,000	\$209,000	\$169,000	\$253,594	\$234,870	\$256,231	\$241,264	\$219,520
27 Operating Expense	238,000	324,000	252,000	400,138	343,890	304,897	244,900	274,893
28 Maintenance Expense	57,000	38,000	56,000	50,339	47,202	34,755	37,667	79,906
29 Telemetry Equipment/Controls Maint	87,000	105,000	86,000	94,523	101,568	68,674	86,544	62,223
30 Leased Line Expense	17,000	17,000	17,000	17,414	17,592	17,704	17,986	17,675
31 GASB 68 Adjustment	128,000	107,000	-	107,728	63,553	-	-	-
32 TOTAL OPERATIONS	\$685,000	\$800,000	\$580,000	\$923,736	\$808,675	\$682,261	\$628,361	\$654,217

NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2019/20

	Adopted Budget 19/20	Estimated Actual 18/19	Adopted Budget 18/19	Actual 17/18	Actual 16/17	Actual 15/16	Actual 14/15	Actual 13/14
WATER TREATMENT								
33 Supervision & Engineering	\$143,000	\$166,000	\$152,000	\$169,851	\$168,945	\$130,358	\$112,433	\$111,096
34 Operating Expense	322,000	281,000	393,000	276,795	349,671	313,024	333,020	285,050
35 Purification Chemicals	475,000	389,000	455,000	438,348	247,260	378,562	358,907	316,762
36 Sludge Disposal	124,000	101,000	119,000	100,305	107,942	90,043	72,720	66,085
37 Maintenance of Structures/Grounds	122,000	108,000	119,000	50,913	78,910	68,351	79,728	60,148
38 Purification Equipment Maintenance	191,000	200,000	203,000	212,385	186,246	150,989	104,290	137,838
39 Electric Power - Treatment	156,000	153,000	156,000	157,374	129,652	113,223	120,592	135,637
40 Laboratory Expense (net)	707,000	686,000	816,000	758,936	768,965	705,212	691,990	655,315
41 GASB 68 Adjustment	254,000	211,000	-	212,624	150,494	-	-	-
42 TOTAL WATER TREATMENT	\$2,494,000	\$2,295,000	\$2,413,000	\$2,377,531	\$2,188,085	\$1,949,762	\$1,873,680	\$1,767,931
		3,553	3,735	3,351				
TRANSMISSION & DISTRIBUTION								
43 Supervision & Engineering	\$591,000	\$521,000	\$656,000	\$659,085	\$569,303	\$559,007	\$562,934	\$486,544
44 Maps & Records	160,000	238,000	180,000	159,512	168,267	110,877	108,956	77,995
45 Operation of T&D System	607,000	683,000	636,000	594,175	582,483	509,160	404,243	511,708
46 Storage Facilities Expense	143,000	105,000	141,000	110,077	155,641	150,066	167,362	134,352
47 Maintenance of Valves & Regulators	192,000	80,000	222,000	173,762	196,162	189,372	151,691	91,709
48 Maintenance of Mains	177,000	173,000	155,000	190,307	149,584	215,077	149,898	72,176
49 Backflow Prevention Program	220,000	181,000	234,000	186,692	155,536	150,298	156,590	147,878
50 Maintenance of Copper Services	146,000	187,000	187,000	157,337	159,769	142,083	202,193	141,987
51 Maintenance of PB Service Lines	481,000	561,000	469,000	471,527	473,695	532,436	432,820	411,357
52 Maintenance of Meters	141,000	105,000	107,000	126,985	66,356	100,402	100,401	94,418
53 Detector Check Assembly Maint	84,000	94,000	70,000	46,056	72,208	54,586	65,749	52,369
54 Maintenance of Hydrants	73,000	17,000	79,000	18,087	51,020	34,311	25,655	22,154
55 GASB 68 Adjustment	417,000	346,000	-	349,390	228,385	-	-	-
56 TOTAL TRANSMISSION & DISTRIB	\$3,432,000	\$3,291,000	\$3,136,000	\$3,242,992	\$3,028,409	\$2,747,675	\$2,528,492	\$2,244,647
CONSUMER ACCOUNTING								
57 Meter Reading & Collection	\$142,000	\$85,000	\$250,000	\$190,554	\$182,663	\$189,262	\$166,919	\$182,216
58 Billing & Accounting	213,000	200,000	228,000	280,268	289,503	281,010	269,054	256,653
59 Contract Billing	18,000	16,000	18,000	16,395	16,692	17,160	16,946	17,561
60 Postage & Supplies	55,000	52,000	55,000	52,735	56,373	58,903	60,032	61,791
61 Credit Card Fees	60,000	55,000	31,000	46,678	29,685	24,592	23,893	14,149
62 Lock Box Service	11,000	11,000	11,000	10,944	10,944	10,944	10,080	
63 Uncollectible Accounts	5,000	14,000	14,000	12,352	12,709	15,382	14,818	19,500
64 Office Equipment Expense	35,000	33,000	27,000	45,256	11,350	23,091	16,743	23,905
65 Distributed to Other Operations	(16,000)	(14,000)	(16,000)	(19,008)	(17,161)	(16,959)	(16,233)	(15,276)
66 GASB 68 Adjustment	90,000	75,000	-	75,257	49,950	-	-	-
67 TOTAL CONSUMER ACCOUNTING	\$613,000	\$527,000	\$618,000	\$711,431	\$642,708	\$603,385	\$562,252	\$560,499

NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2019/20

	Adopted Budget 19/20	Estimated Actual 18/19	Adopted Budget 18/19	Actual 17/18	Actual 16/17	Actual 15/16	Actual 14/15	Actual 13/14
WATER CONSERVATION								
68 Residential	\$255,000	\$239,000	\$299,000	\$235,438	\$270,150	\$320,620	\$410,154	\$362,499
69 Commercial	20,000	8,000	19,000	5,818	1,702	3,711	5,352	2,605
70 Public Outreach/Information	44,000	39,000	39,000	33,789	30,618	32,287	34,148	51,638
71 Large Landscape	28,000	22,000	23,000	33,662	36,818	24,877	10,747	12,702
72 GASB 68 Adjustment	43,000	36,000	-	36,183	21,754	-	-	-
73 TOTAL WATER CONSERVATION	\$390,000	\$344,000	\$380,000	\$344,890	\$361,042	\$381,495	\$460,401	\$429,444
GENERAL & ADMINISTRATION								
74 Director's Expense	\$41,000	\$34,000	\$39,000	\$37,111	\$34,384	\$34,222	\$30,400	\$25,300
75 Legal Fees	21,000	21,000	19,000	20,173	28,043	20,488	9,956	20,906
76 Human Resources	52,000	88,000	67,000	62,348	31,451	25,036	33,977	28,386
77 Auditing Services	21,000	22,000	20,000	19,706	16,220	18,770	18,380	21,050
78 Consulting Services/Studies	195,000	231,000	393,000	223,041	51,567	138,735	107,015	0
79 General Office Salaries	1,211,000	1,131,000	1,364,000	1,441,496	1,492,719	1,309,502	1,191,792	1,184,164
80 Office Supplies	47,000	26,000	47,000	33,753	35,048	37,709	36,877	46,174
81 Employee Events	12,000	13,000	12,000	10,123	9,726	10,143	7,379	7,227
82 Other Administrative Expense	15,000	7,000	16,000	12,528	13,960	10,427	13,390	13,240
83 Election Cost	-	18,915	-	0	2,077	250	-	250
84 Dues & Subscriptions	95,000	89,000	73,000	59,362	59,046	59,271	53,296	47,842
85 Vehicle Expense	8,000	8,000	8,000	8,634	9,325	8,112	8,112	8,112
86 Meetings, Conf & Training	189,000	116,000	230,000	149,670	186,436	139,858	136,863	117,425
87 Telephone, Water, Gas & Electricity	49,000	38,000	49,000	40,595	45,355	42,458	38,580	33,328
88 Building & Grounds Maintenance	60,000	57,000	53,000	75,130	62,856	63,344	48,891	35,642
89 Office Equipment Expense	129,000	110,000	129,000	97,003	95,465	87,141	97,868	90,231
90 Insurance Premiums & Claims	146,000	102,000	128,000	92,292	87,319	140,366	102,073	72,192
91 Retiree Medical Benefits	172,000	197,000	172,000	174,528	164,969	168,935	175,580	159,691
92 (Gain)/Loss on Overhead Charges	(120,000)	(318,915)	(39,000)	(357,925)	(19,931)	(89,626)	(85,682)	(222,710)
93 G&A Distributed to Other Operations	(146,000)	(142,000)	(144,000)	(157,976)	(161,036)	(126,771)	(113,218)	(76,538)
94 G&A Applied to Construction Projects	(326,000)	(360,000)	(420,000)	(346,105)	(290,813)	(359,689)	(353,998)	(389,569)
95 GASB45/75 Adjustment (OPEB)	-	-	-	(35,788)	120,988	-	-	-
96 GASB68 Adjustment (Pension Liability)	366,000	304,000	-	342,715	207,182	-	-	-
97 TOTAL GENERAL & ADMINISTRATION	\$2,237,000	\$1,792,000	\$2,216,000	\$2,002,414	\$2,282,356	\$1,738,681	\$1,557,531	\$1,222,343
98 Depreciation Expense	\$2,788,000	2,742,000	\$2,820,000	\$2,730,867	\$2,710,627	\$2,577,081	\$2,507,124	\$2,445,634
99 TOTAL OPERATING EXPENSE	\$18,919,000	\$18,824,000	\$19,262,000	\$18,063,210	\$16,748,582	\$15,001,502	\$14,825,093	\$15,688,436
100 NET OPERATING INCOME/(LOSS)	\$1,662,000	\$738,000	\$1,222,000	\$1,956,595	\$236,303	\$791,636	\$1,589,355	\$3,399,428

**NOVATO RECYCLED WATER
BUDGET SUMMARY
Fiscal Year 2019/20**

	<i>Adopted Budget 2019/20</i>	<i>Estimated Actual 2018/19</i>	<i>Adopted Budget 2018/19</i>
OPERATING INCOME			
1 Recycled Water Sales	\$1,194,000	\$1,136,000	\$1,154,000
2 Bimonthly Service Charge	43,000	41,000	41,000
3 Total Operating Income	\$1,237,000	\$1,177,000	\$1,195,000
OPERATING EXPENDITURES			
4 Purchased Water - NSD	\$212,000	\$231,000	\$210,000
5 Purchased Water - LGVSD	63,000	32,000	63,000
6 Pumping	6,000	5,000	6,000
7 Operations	74,000	310,000	64,000
8 Water Treatment	30,000	16,000	31,000
9 Transmission & Distribution	62,000	11,000	56,000
10 Consumer Accounting	1,000	1,000	1,000
11 General Administration	55,000	52,000	51,000
12 Depreciation	474,000	474,000	474,000
13 Total Operating Expenditures	\$977,000	\$1,132,000	\$956,000
14 NET OPERATING INCOME (LOSS)	\$260,000	\$45,000	\$239,000
NON-OPERATING INCOME/(EXPENSE)			
15 Interest Revenue	\$45,000	\$45,000	\$10,000
16 Stone Tree Golf/MCC Interest Payments	36,000	34,000	29,000
17 Deer Island SRF Loan Interest Expense	(47,000)	(53,000)	(53,000)
18 Distrib System SRF Loans Interest Exp	(240,000)	(235,000)	(235,000)
19 Total Non-Operating Income/(Expense)	(\$206,000)	(\$209,000)	(\$249,000)
20 NET INCOME/(LOSS)	\$54,000	(\$164,000)	(\$10,000)
OTHER SOURCES/(USES) OF FUNDS			
21 Add Depreciation Expense	\$474,000	\$474,000	\$474,000
23 Connection Fees Transferred from (to) Novato	910,000	(1,370,000)	(1,255,000)
24 Stone Tree Golf Principal Repayment	227,000	222,000	222,000
25 Capital Improvement Projects	(120,000)	(131,000)	(120,000)
26 Deer Island SRF Loan Principal Payments	(226,000)	(221,000)	(221,000)
27 Distrib System SRF Loan Principal Pmts	(650,000)	(639,000)	(639,000)
28 Total Other Sources/(Uses)	\$615,000	(\$1,665,000)	(\$1,539,000)
29 CASH INCREASE/(DECREASE)	\$669,000	(\$1,829,000)	(\$1,549,000)

NOVATO RECYCLED WATER
FY 19/20 Five-Year Financial Forecast

Fiscal Year Ending June 30 >		Budget	Projected	Projected	Projected	Projected
		2020	2021	2022	2023	2024
1	Active Services @ Fiscal Year End	95	95	95	95	95
2	Commodity Rate/1,000 Gal	\$5.97	\$6.24	\$6.52	\$6.81	\$7.12
3	Consumption (MG)	200	200	200	200	200
OPERATING REVENUE						
4	Recycled Water Sales	\$1,194	\$1,248	\$1,304	\$1,363	\$1,424
5	Bimonthly Service Charge	43	45	47	49	51
6	Total Operating Revenue	\$1,237	\$1,293	\$1,351	\$1,412	\$1,475
OPERATING EXPENSE						
7	Purchased Water - NSD	\$212	\$218	\$225	\$232	\$239
8	Purchased Water - LGVSD	\$63	65	67	69	71
9	Overheaded Operating Labor	98	101	104	107	110
10	Electric Power	5	5	5	5	5
11	Other Operating Expenses	125	127	130	133	136
12	Depreciation	474	474	474	474	474
13	Total Operating Expense	\$977	\$990	\$1,005	\$1,020	\$1,035
NON-OPERATING REVENUE/(EXPENSE)						
14	Interest Revenue	\$81	\$64	\$67	\$70	\$70
15	Interest Expense	(287)	(248)	(231)	(212)	(212)
16	Other Revenue/(Expense)	-	-	-	-	-
17	Total Non-Op Revenue/(Expense)	(\$206)	(\$184)	(\$164)	(\$142)	(\$142)
18	NET INCOME/(LOSS)	\$54	\$119	\$182	\$250	\$298
OTHER SOURCES/(USES) OF FUNDS						
19	Add Depreciation Expense	\$474	\$474	\$474	\$474	\$474
21	StoneTree Principal Repayment	227	251	251	251	251
22	Marin CC Principal Repayment	-	78	79	81	81
23	Novato Potable FRC Fund Trsf	910	50	50	50	50
24	Capital Improvement Projects	(120)	(120)	(120)	(120)	(120,000)
25	Deer Island TP Loan Principal Pmt	(226)	(232)	(237)	(243)	(243)
26	Distrib Sys Exp Loan Principal Pmt	(650)	(698)	(710)	(722)	(722)
27	Total Other Sources/Uses	\$615	(\$197)	(\$213)	(\$229)	(\$229)
28	Cash Increase/(Decrease)	\$669	(\$78)	(\$31)	\$21	\$69
29	Ending Reserve Balance	\$4,821	\$4,743	\$4,712	\$4,733	\$4,802
30	% Rate Increase	3.5%	4.5%	4.5%	4.5%	4.5%

31 Fiscal year 2020 Rate Increase approved by the Board on May 21, 2019. FY 2021 through 2024 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 2019/20

	<i>Adopted Budget 2019/20</i>	<i>Estimated Actual 2018/19</i>	<i>Adopted Budget 2018/19</i>
OPERATING INCOME			
1 Water Sales	\$912,000	\$913,000	\$868,000
2 Misc Service Charges	7,000	8,000	7,000
3 Total Operating Income	\$919,000	\$921,000	\$875,000
OPERATING EXPENDITURES			
4 Source of Supply	\$15,000	\$21,000	\$15,000
5 Pumping	48,000	52,000	42,000
6 Operations	49,000	51,000	52,000
7 Water Treatment	173,000	152,000	159,000
8 Transmission & Distribution	162,000	154,000	139,000
9 Consumer Accounting	28,000	21,000	27,000
10 Water Conservation	9,000	4,000	10,000
11 General Administration	64,000	63,000	96,000
12 Depreciation Expense	187,000	187,000	197,000
13 Total Operating Expenditures	\$735,000	\$705,000	\$737,000
14 NET OPERATING INCOME (LOSS)	\$184,000	\$216,000	\$138,000
NON-OPERATING REVENUE/(EXPENSE)			
15 PR-2 County Tax Allocation	\$56,000	\$55,000	\$55,000
16 Miscellaneous Revenue	-	-	4,000
17 Interest Revenue	38,000	38,000	14,000
18 Bond & Loan Interest Expense	(24,000)	(28,000)	(29,000)
19 Total Non-Operating Income/(Expense)	\$70,000	\$65,000	\$44,000
20 NET INCOME/(LOSS)	\$254,000	\$281,000	\$182,000
OTHER SOURCES/(USES) OF FUNDS			
21 Add Depreciation Expense	\$187,000	187,000	\$197,000
22 Connection Fees	-	8,000	23,000
23 Capital Improvement Projects	(1,230,000)	(246,000)	(1,325,000)
24 Bond & Loan Principal Payments	(47,000)	(116,000)	(69,000)
25 Total Other Sources/(Uses)	(\$1,090,000)	(\$167,000)	(\$1,174,000)
26 CASH INCREASE/(DECREASE)	(\$836,000)	\$114,000	(\$992,000)

WEST MARIN WATER

FY 19/20 Five-Year Financial Forecast

#	BASIC DATA	Budget 2019/20	Projected 2020/21	Projected 2021/22	Projected 2022/23	Projected 2023/24
1	Active Meters	783	784	784	785	785
2	Avg Commodity Rate/1,000 Gal	\$11.01	\$11.51	\$12.03	\$12.57	\$13.13
3	Potable Consumption (MG)	66.0	66.0	66.0	66.0	66.0
OPERATING REVENUE						
4	Commodity Charge	\$727,000	\$760,000	\$794,000	\$829,000	\$867,000
5	Bimonthly Service Charge	185,000	192,000	199,000	206,000	213,000
6	Miscellaneous Service Charges	7,000	7,000	7,000	7,000	7,000
7	Total Operating Revenue	\$919,000	\$959,000	\$1,000,000	\$1,042,000	\$1,087,000
8	Operating Expenditures	\$548,000	\$564,000	\$581,000	\$598,000	\$616,000
9	Depreciation Expense	187,000	208,000	221,000	226,000	229,000
10	Total Operating Expense	\$735,000	\$772,000	\$802,000	\$824,000	\$845,000
11	NET OPERATING INCOME	\$184,000	\$187,000	\$198,000	\$218,000	\$242,000
NON-OPERATING REVENUE/(EXPENSE)						
12	Interest Revenue	\$38,000	\$8,000	\$4,000	\$5,000	\$8,000
13	Interest Expense	(24,000)	(23,000)	(20,000)	(18,000)	(38,000)
14	PR-2 County Tax Allocation	56,000	56,000	57,000	58,000	59,000
15	Miscellaneous	-	-	-	-	-
16	Total Non-Op Revenue/(Expense)	70,000	41,000	41,000	45,000	29,000
17	Net Income	\$254,000	\$228,000	\$239,000	\$263,000	\$271,000
OTHER SOURCES/(USES)						
18	Add Depreciation Expense	\$187,000	\$208,000	\$221,000	\$226,000	\$229,000
19	Connection Fees	-	23,000	-	23,000	-
20	Capital Improvement Projects	(1,230,000)	(760,000)	(275,000)	(150,000)	(1,077,000)
21	Loan Proceeds	-	-	-	-	500,000
22	Debt Principal Payments	(47,000)	(70,000)	(79,000)	(81,000)	(72,000)
23	Net Change in Working Capital	-	-	-	-	-
24	Total Other Sources/(Uses)	(\$1,090,000)	(\$599,000)	(\$133,000)	\$18,000	(\$420,000)
25	Cash Increase/(Decrease)	(\$836,000)	(\$371,000)	\$106,000	\$281,000	(\$149,000)
26	Operating Reserve	\$188,000	\$193,700	\$199,300	\$205,300	\$205,300
27	System Expansion Reserve	437,000	60,300	175,700	465,700	316,700
28	Liability Contingency Reserve	99,000	99,000	99,000	99,000	99,000
29	Bond Redemption Reserve	30,000	15,000	-	-	-
30	ENDING CASH BALANCE	\$754,000	\$383,000	\$489,000	\$770,000	\$621,000

Fiscal year 2020 Rate Increase to be reviewed for approval by the Board on June 25, 2019. FY 2021 through 2024 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

OCEANA MARIN SEWER
BUDGET SUMMARY
Fiscal Year 2019/20

	<i>Adopted Budget 2019/20</i>	<i>Estimated Actual 2018/19</i>	<i>Adopted Budget 2018/19</i>
OPERATING INCOME			
1 Monthly Sewer Service Charge	\$261,000	\$252,000	\$252,000
2 Misc Service Charges	-	-	-
3 Total Operating Income	\$261,000	\$252,000	\$252,000
OPERATING EXPENDITURES			
4 Sewage Collection	\$79,000	\$78,000	\$78,000
5 Sewage Treatment	46,000	58,000	47,000
6 Sewage Disposal	46,000	34,000	39,000
7 Consumer Accounting	2,000	2,000	2,000
8 General Administration	27,000	25,000	29,000
9 Depreciation Expense	37,000	37,000	37,000
10 Total Operating Expenditures	\$237,000	\$234,000	\$232,000
11 NET OPERATING INCOME (LOSS)	\$24,000	\$18,000	\$20,000
NON-OPERATING REVENUE/(EXPENSE)			
12 OM-1/OM-3 Tax Allocation	\$60,000	\$59,000	\$59,000
13 Interest Revenue	8,000	8,000	6,000
14 Miscellaneous Revenue	-	-	-
15 Miscellaneous Expense	-	(1,000)	-
16 Total Non-Op Income/(Expense)	\$68,000	\$66,000	\$65,000
	NET INCOME/(LOSS)	\$84,000	\$85,000
OTHER SOURCES/(USES) OF FUNDS			
17 Add Depreciation Expense	\$37,000	37,000	\$37,000
18 Connection Fees	-	-	30,000
19 Grant/Loan Proceeds	69,000	-	69,000
20 Capital Improvement Projects	(55,000)	(441,000)	(565,000)
21 Total Other Sources/(Uses)	\$51,000	(\$404,000)	(\$429,000)
22 CASH INCREASE/(DECREASE)	\$143,000	(\$320,000)	(\$344,000)

OCEANA MARIN SEWER

FY 19/20 Five-Year Financial Forecast

	Budget	Projected	Projected	Projected	Projected
# BASIC DATA	2019/20	2020/21	2021/22	2022/23	2023/24
1 Number of Connections	234	234	235	235	236
2 Monthly Service Charge	\$93.00	\$98.00	\$102.00	\$107.00	\$112.00
OPERATING REVENUE					
3 Monthly Service Charge	\$261,000	\$275,000	\$288,000	\$302,000	\$317,000
4 Miscellaneous Service Charges	-	-	-	-	-
5 Total Operating Revenue	\$261,000	\$275,000	\$288,000	\$302,000	\$317,000
OPERATING EXPENSE					
6 Operating Expenditures	\$200,000	\$206,000	\$212,000	\$218,000	\$224,000
7 Depreciation Expense	37,000	37,000	38,000	39,000	40,000
8 Total Operating Expense	\$237,000	\$243,000	\$250,000	\$257,000	\$264,000
9 NET OPERATING INCOME	\$24,000	\$32,000	\$38,000	\$45,000	\$53,000
NON-OPERATING REVENUE/(EXPENSE)					
10 Interest Revenue	\$8,000	\$4,000	\$3,000	\$4,000	\$2,000
11 Interest Expense	-	-	(9,000)	(8,000)	(8,000)
12 OM-1/OM-3 Tax Allocation	60,000	62,000	64,000	66,000	68,000
13 Miscellaneous Revenue	-	-	-	-	-
14 Miscellaneous Expense	-	-	-	-	-
15 Total Non-Op Revenue/(Expense)	\$68,000	\$66,000	\$58,000	\$62,000	\$62,000
Net Income	\$92,000	\$98,000	\$96,000	\$107,000	\$115,000
OTHER SOURCES/(USES)					
16 Add Depreciation Expense	\$37,000	\$37,000	\$38,000	\$39,000	\$40,000
17 Connection Fees	-	-	30,000	-	30,000
18 Capital Improvement Projects	(55,000)	(190,000)	(1,110,000)	(320,000)	(140,000)
19 Grant/Loan Proceeds	69,000	0	1,038,000	-	-
20 Debt Principal Payments	-	-	(9,000)	(9,000)	(24,000)
21 Net Change in Working Capital	-	-	-	-	-
22 Total Other Sources/(Uses)	\$51,000	(\$153,000)	(\$13,000)	(\$290,000)	(\$94,000)
23 Cash Increase/(Decrease)	\$143,000	(\$55,000)	\$83,000	(\$183,000)	\$21,000
24 ENDING CASH BALANCE	\$384,000	\$329,000	\$412,000	\$229,000	\$250,000

Fiscal year 2020 Rate Increase to be reviewed for approval by the Board on June 25, 2019. FY 2021 through 2024 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

NORTH MARIN WATER DISTRICT

CAPITAL IMPROVEMENT PROJECTS

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		FY20	FY21	FY20 Project Description
1.	PIPELINE REPLACEMENTS/ADDITIONS			
	a. Main/Pipeline Replacements			
	1 Replace 12" CI Pipe (785LF) S. Novato Bl (btwn Rowland/Adele)	-	\$100,000	
1.7183.00	2 Replace Plastic Thin Walled Pipe < 4-inch	\$150,000	\$150,000	Ongoing systematic replacement of all plastic TW pipe < 4-inch.
	3 Other Main Replacements (60+ years old)	\$200,000	\$200,000	Unplanned repairs/replacements for failing mains.
		\$350,000	\$450,000	
	b. Main/Pipeline Additions			
1.7150.00	1 San Mateo 24" Inlet/Outlet Pipe (2,200')	\$50,000	\$742,000	Multiyear 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.
	2 Other Main/Pipeline Additions	-	\$150,000	
		\$50,000	\$892,000	
	c. Polybutylene Service Line Replacements			
1.7139.xx	1 Replace PB in Sync w/City Paving (30 Services)	\$70,000	\$70,000	Ongoing systematic replacement of PB services in advance of City paving projects.
1.7123.xx	2 Other PB Replacements (80 Services)	\$80,000	\$80,000	Ongoing systematic replacement of PB services.
		\$150,000	\$150,000	
	d. Relocations to Sync w/City & County CIP			
1.8737.xx	1 Other Relocations	\$70,000	\$70,000	Relocate facilities for yet to be identified City/County Projects.
		\$70,000	\$70,000	
	TOTAL PIPELINE REPLACEMENTS/ADDITIONS	\$620,000	\$1,562,000	

NORTH MARIN WATER DISTRICT

CAPITAL IMPROVEMENT PROJECTS

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		FY20	FY21	FY20 Project Description
2.	SYSTEM IMPROVEMENTS			
1.7007.13	a. DCA Repair/Replace-FY20 (~14/yr)	\$100,000	\$60,000	Detector Check Assembly replacements.
1.7090.05	b. Anode Installations-FY20 (150/yr)	\$10,000	\$10,000	Place anodes on copper laterals for corrosion protection.
1.7178.00	c. Asset Management Software Procure/Implement	\$163,000	-	Software to eliminate paper records and improve efficiencies for ranking capital expenditures .
1.7136.00	d. Facilities Security Enhancements	\$25,000	\$25,000	Tanks & PS security improvements.
	e. San Marin Aqueduct Valve Pit (STP to Zone 2)	-	\$110,000	
	TOTAL SYSTEM IMPROVEMENTS	\$298,000	\$205,000	
3.	BUILDING, YARD, STP IMPROVEMENTS			
	a. Administration Building			
1.6501.43	1 Electronic Document Management System	\$70,000	\$70,000	Manage digital document creation, storage, retrieval & expiration.
1.6501.44	2 Office/Yard Building Renovation (Note 1)	\$900,000	\$3,000,000	50-year-old building requires significant upgrading.
1.6502.47	3 Yard Roof Repairs	-	\$100,000	
		\$970,000	\$3,170,000	
	b. Corp Yard/Warehouse/Construction Office			
1.6502.xx	1 Other Yard Improvements	\$30,000	-	Ongoing building repairs that arise unexpectedly. Ex - Roof leaks, HVAC replacements, etc.
		\$30,000	-	
	c. Stafford Treatment Plant			
1.6600.69	1 Dam Concrete Repair (Apron)	\$50,000	-	Ongoing periodic repair of Lake Stafford dam face (apron).
1.6600.96	2 Leveroni Creek Embankment Repair	\$191,000	-	Repair/stabilize culvert embankment under access road to STP/IVGC.
1.6600.xx	3 Other Treatment Plant Improvements	\$114,000	\$50,000	Miscellaneous plant improvements
1.6600.97	4 Efficiency Improvements	\$100,000	\$100,000	Improvement of sludge treatment process as suggested in the Efficiency Study.
1.6600.98	5 STP Generator	\$400,000	-	Installation of a 300KW emergency power generator.
		\$855,000	\$150,000	
	TOTAL BUILDING, YARD, STP IMPROVEMENTS	\$1,855,000	\$3,320,000	

NORTH MARIN WATER DISTRICT

CAPITAL IMPROVEMENT PROJECTS

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		FY20	FY21	FY20 Project Description
4.	STORAGE TANKS/PUMP STATIONS			
	a. Tank Construction			
1.6207.20	1 Old Ranch Rd Tank No. 2 (100k gal)	\$150,000	\$481,000	Replace and upsize existing redwood tank due to the current tank approaching end of useful life.
		<u>\$150,000</u>	<u>\$481,000</u>	
	b. Tank Rehabilitation			
1.7170.00	1 Hydropneumatic Tank Repairs	\$30,000	\$30,000	Ongoing program to inspect/Repair the 7 tanks in compliance with State Code.
1.6205.22	2 Cherry Hill #2 Recoat (0.2 MG)	\$400,000	-	Remove and replace coating system to extend tank life.
		<u>\$430,000</u>	<u>\$30,000</u>	
1.6112.24	c. Lynwood P.S. Motor Control Center	\$320,000	-	Move motor controls above-ground.
1.6141.00	d. Crest PS (Design/Const)/Reloc School Rd PS	\$635,000	-	Replace School Rd PS with new facility on Bahia Drive.
		<u>\$955,000</u>	<u>-</u>	
	TOTAL STORAGE TANKS/PUMP STATIONS	<u>\$1,535,000</u>	<u>\$511,000</u>	
5.	RECYCLED WATER			
5.7127.00	a. NBWRA Grant Program Administration	\$20,000	\$20,000	Continued support of NBWRA to obtain/administer recycled water project Federal/State grants for the Central Project.
5.7162.xx	b. Other Recycled Water Expenditures	\$100,000	\$100,000	Retrofit existing potable irrigation customers to RW.
		<u>\$120,000</u>	<u>\$120,000</u>	

NORTH MARIN WATER DISTRICT

CAPITAL IMPROVEMENT PROJECTS

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		FY20	FY21	FY20 Project Description
6.	WEST MARIN WATER SYSTEM			
2.6263.20	a. Replace PRE Tank #4A (25K gal w/125K gal)	\$550,000	-	Replace and upsize redwood tank destroyed in Vision Fire with concrete tank.
2.6609.20	b. New Gallagher Well #2	\$75,000	\$260,000	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.
2.7182.00	d. WM Brominated - TTHM Reduction	\$300,000		Disinfection byproduct removal
2.8912.00	e. Lagunitas Creek Bridge Pipe Replacement (Caltrans)	\$200,000	\$450,000	Relocate/replace 36-inch water main across Lagunitas Creek Bridge (bridge project 2021)
2.8737.07	f. Olema Creek Bridge Pipe Replacement (County)	\$35,000	-	Relocate/replace 36-inch water main across Olema Creek Bridge (bridge project 2022)
2.6130.23	g. Olema PS Wireless to Tank	\$20,000	-	Installation of radio communications link.
		<u>\$1,230,000</u>	<u>\$760,000</u>	
7.	OCEANA MARIN SEWER SYSTEM			
8.8672.28	a. Infiltration Repair (Manhole Relining)	\$40,000	\$40,000	Ongoing work to identify and repair collection pipelines to prevent rainwater from leaking into the system.
8.7173.00	b. OM Treatment Pond Rehab (Note 2)	-	\$150,000	
	c. Tahiti Way Lift Pump 1 Assembly	\$15,000	-	Rebuild of lift pump.
		<u>\$55,000</u>	<u>\$190,000</u>	

NORTH MARIN WATER DISTRICT

CAPITAL IMPROVEMENT PROJECTS

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	FY20	FY21	FY20 Project Description
<u>SUMMARY - GROSS PROJECT OUTLAY</u>			
Novato Water	\$4,308,000	\$5,598,000	
Recycled Water	\$120,000	\$120,000	
West Marin Water	\$1,230,000	\$760,000	
Oceana Marin Sewer	\$55,000	\$190,000	
GROSS PROJECT OUTLAY	\$5,713,000	\$6,668,000	
4. LESS FUNDED BY LOANS/GRANTS/OTHER			
a. Advanced Meter Information Retrofit (Note 1)			
a. Office/Yard Building Refurbish (Note 1)		- (\$3,900,000)	
c. RW Sys Expansion (Note 4)			
d. WM Treatment Plant Solids Handling (Note 4)			
c. WM TP Modific Design/Construct (Note 5)			
b. OM Treatment Pond Rehab (Note 2)		- (\$113,000)	
e. OM Treatment Pond-Storm Damage (Note 6)	(\$69,000)		
f. OM Parallel Force Main (Note 8)			
TOTAL LOAN/GRANT FUNDS	(69,000)	(\$4,013,000)	
<u>SUMMARY - NET PROJECT OUTLAY</u>			
Novato Capital Improvement Net Project Outlay	\$4,308,000	\$1,698,000	
Recycled Water	\$120,000	\$120,000	
West Marin Water	\$1,230,000	\$760,000	
Oceana Marin Sewer	\$55,000	\$77,000	
NET PROJECT OUTLAY	\$5,713,000	\$2,655,000	
Total Number of District Projects	34	26	

NORTH MARIN WATER DISTRICT

CAPITAL IMPROVEMENT PROJECTS

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	FY20	FY21	FY20 Project Description
NOVATO POTABLE WATER DEBT SERVICE			
a. STP SRF Loan	\$1,044,000	\$1,044,000	
b. AEEP Bank Loan	\$483,000	\$483,000	
c. Advanced Meter Info Retrofit Loan	\$377,000	\$377,000	
d. Admin Building Renovation Loan (Note 1)	\$0	\$844,000	
	<u>\$1,904,000</u>	<u>\$2,748,000</u>	
NOVATO RECYCLED WATER DEBT SERVICE			
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 (Net of MCC)	\$276,000	\$276,000	
	<u>\$1,163,000</u>	<u>\$1,163,000</u>	
WEST MARIN WATER DEBT SERVICE			
i. TP Solids Handling Bank Loan	\$71,000	\$71,000	
	<u>\$71,000</u>	<u>\$71,000</u>	
OCEANA MARIN SEWER DEBT SERVICE			
j. CIP Financing	-	\$18,000	
	<u>-</u>	<u>\$18,000</u>	
TOTAL DEBT SERVICE	<u>\$3,138,000</u>	<u>\$4,000,000</u>	
NET PROJECT OUTLAY & DEBT SERVICE	<u>\$8,851,000</u>	<u>\$6,655,000</u>	

NORTH MARIN WATER DISTRICT

CAPITAL IMPROVEMENT PROJECTS

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		FY20	FY21	FY20 Project Description
STUDIES & SPECIAL PROJECTS				
1.4057.00	a. Local Water Supply Enhancement Study	\$25,000	\$100,000	
1.4076.00	b. CVRA - Transition from At-Large Elections	\$15,000	-	
1.4077.00	c. PG&E Potter Valley FERC Relicensing	\$10,000	-	
1.4059.00	d. Stafford Lake Water Rights Update	\$50,000	-	
1.4058.20	e. Water Rate Study	\$50,000	-	
	f. Stafford Dam Emergency Action Plan Update	\$10,000	-	
	g. Stafford Lake Sediment Survey (every 10 yrs)	-	\$50,000	
	h. Stafford Lake Sanitary Survey	15,000	-	
1.4050.00	i. Urban Water Management Plan (every 5 yrs)	\$20,000	\$30,000	
		<u>\$195,000</u>	<u>\$180,000</u>	

Note 1 - \$12M Office/Yard Renovation is proposed to be funded by 20 year 3.5% Bank Loan.

Note 2 - \$1.2M OM Treatment Project funded by debt and /or grant funds.

NORTH MARIN WATER DISTRICT

EQUIPMENT EXPENDITURES

Fiscal Year 19/20 Budget

		Approved	Description
1 ADMINISTRATION			
12101.01.00	a.	Website Upgrade	\$10,000 Modernize website to a current design making it more mobile and multiple browser
12101.01.00	b.	Exchange Server Upgrade	\$7,000 Required Microsoft Exchange server upgrade to receive ongoing support.
12101.01.00	c.	Timekeeping Software Upgrade	\$10,000 Upgrade timekeeping system from slow outdated unsupported software.
			\$27,000
2 OPERATIONS/MAINTENANCE			
12106.01.00	a.	Metals Analyzer	\$68,000 Replace 20-year old metals analyzer as its repair components are no longer available.
12109.01.00	b.	100 KW Towable Generator	\$90,000 Generator for PG&E Public Safety Power Shutoff (PSPS)
12109.01.00	c.	45 KW Towable Generator	\$50,000 Generator for PG&E Public Safety Power Shutoff (PSPS)
12109.01.00	d.	Portable Light Generator	\$12,000 Generator for PG&E Public Safety Power Shutoff (PSPS)
			\$220,000
4 VEHICLE & ROLLING EQUIPMENT EXPENDITURES			<u>Rolling Stock to be Transferred & Auctioned or Description</u>
12104.01.00	a.	1/2 ton 2WD Pick-Up w/Tool Box & Radio	\$28,000 Replace #47 2000 Chevy K1500.
12104.01.00	b.	Vacuum Excavator	\$130,000 Replace #44 2002 International.
12104.01.00	c.	Hybrid SUV w/Radio	\$28,000 Replace #56 2005 Honda Civic.
			\$186,000
		Total	\$433,000
		Adopted Budget	Estimated Actual
		2018/19	2018/19
		Adopted Budget	Adopted Budget
		2019/20	
RECAP	Equipment	\$180,000	\$32,000
	Rolling Stock	\$175,000	\$119,000
		\$355,000	\$151,000
			\$433,000