



**NORTH MARIN  
WATER DISTRICT**

# *North Marin Water District*

## **Budgets**

*Novato & West Marin Service Areas*

*Adopted June 22, 2021*

**Fiscal  
Year  
2021/22**

NORTH MARIN WATER DISTRICT  
NMWD.COM  
999 RUSH CREEK PLACE  
NOVATO, CALIFORNIA 94945

## **INTRODUCTION**

This document contains the fiscal year 2021/22 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 capital 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**

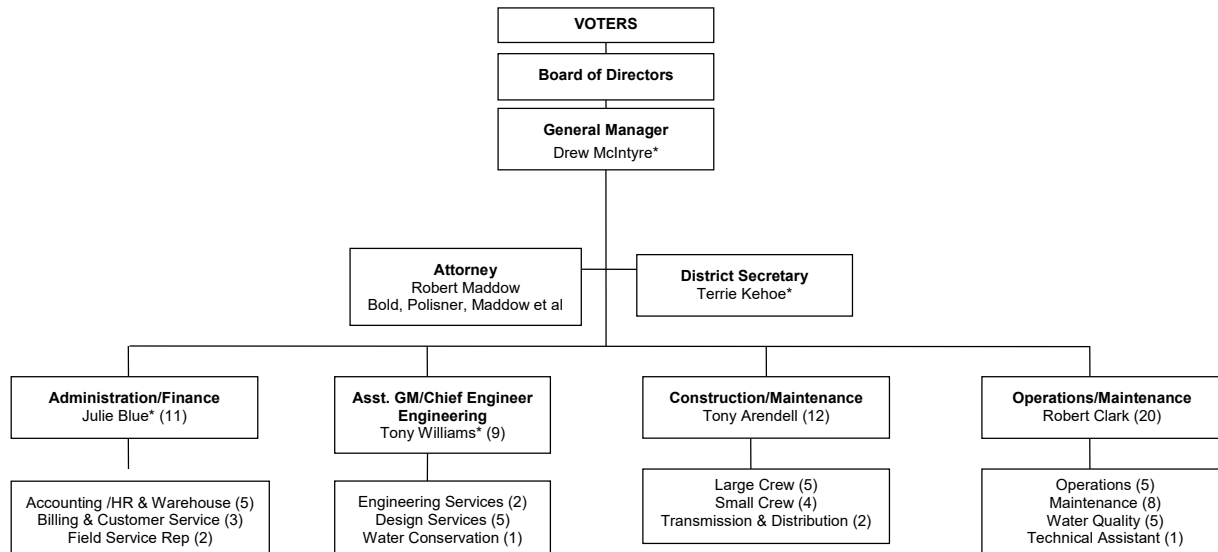
- Accountability – We work transparently and in full view of customers and take responsibility for our work.
- Integrity – Customers can count on quality and fair service from our staff and the District.
- Teamwork – We work cooperatively to accomplish our goals.
- Honesty – We always seek the truth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

## ORGANIZATION FACT SHEET

July 2021

### Organization:

- 5 Directors elected By-District (Division) for 4-year terms
  - James Grossi (Division 1), President
  - Stephen Petterle (Division 4), Vice-President
  - Jack Baker (Division 2)
  - Rick Fraites (Division 5)
  - Michael Joly (Division 3)
- 1 General Manager, Drew McIntyre (serves at the pleasure of the Board of Directors)
- 4 Departments
- 54 Employees (regular full-time-equivalent authorized)



### Authority:

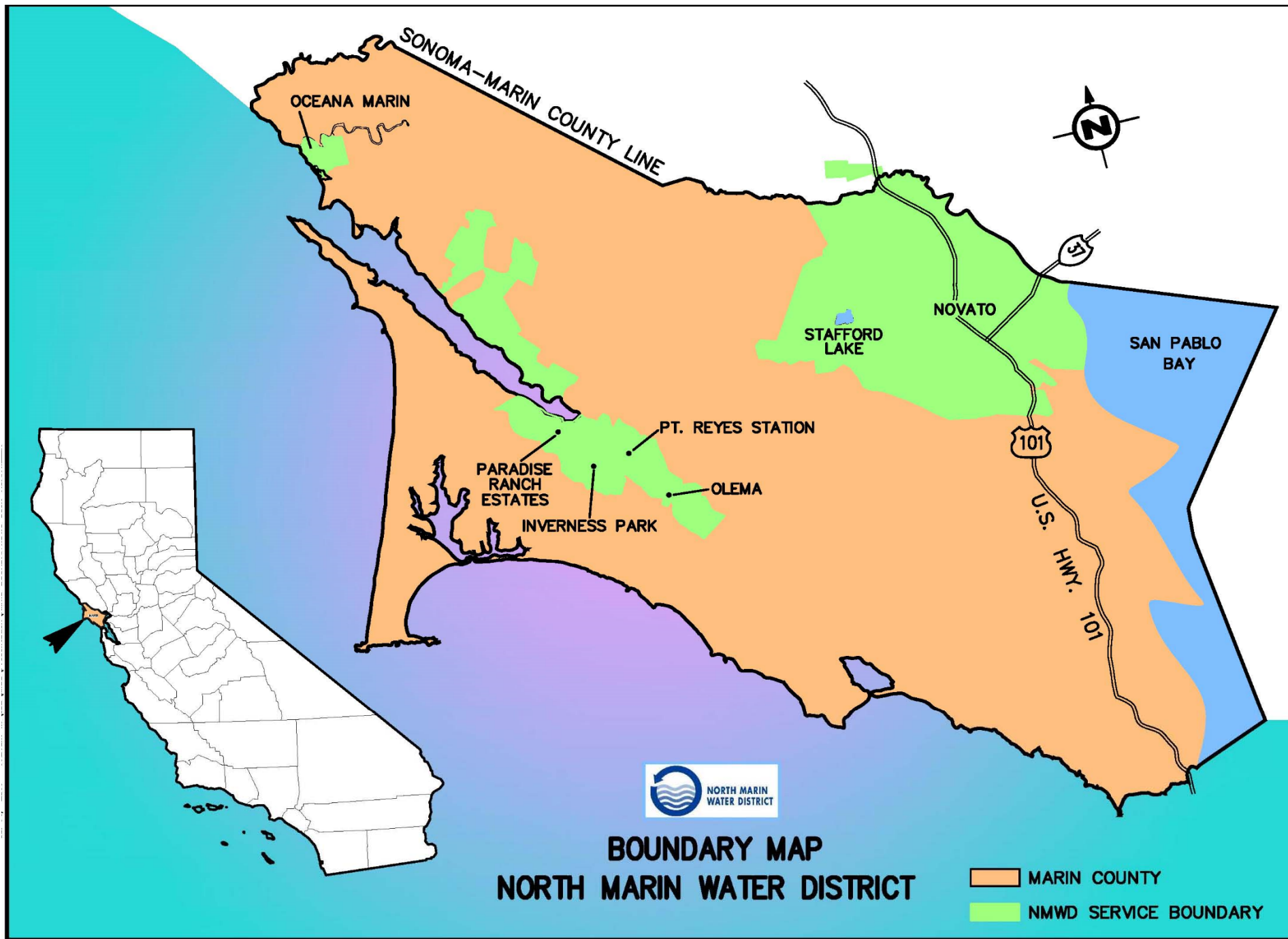
Formed by voter approval in April 1948 pursuant to provisions of the County Water District Law (refer Water Code - Division 12). A "voter-run" district.

### 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.



**BOUNDARY MAP  
NORTH MARIN WATER DISTRICT**



TABLE OF CONTENTS  
NORTH MARIN WATER DISTRICT  
FISCAL YEAR 2021/22 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 .....	6
West Marin/Ocean Marin Systems .....	7
Capital Improvement Projects.....	10
Equipment Budget .....	12
Debt Service .....	13

***Budget Schedules***

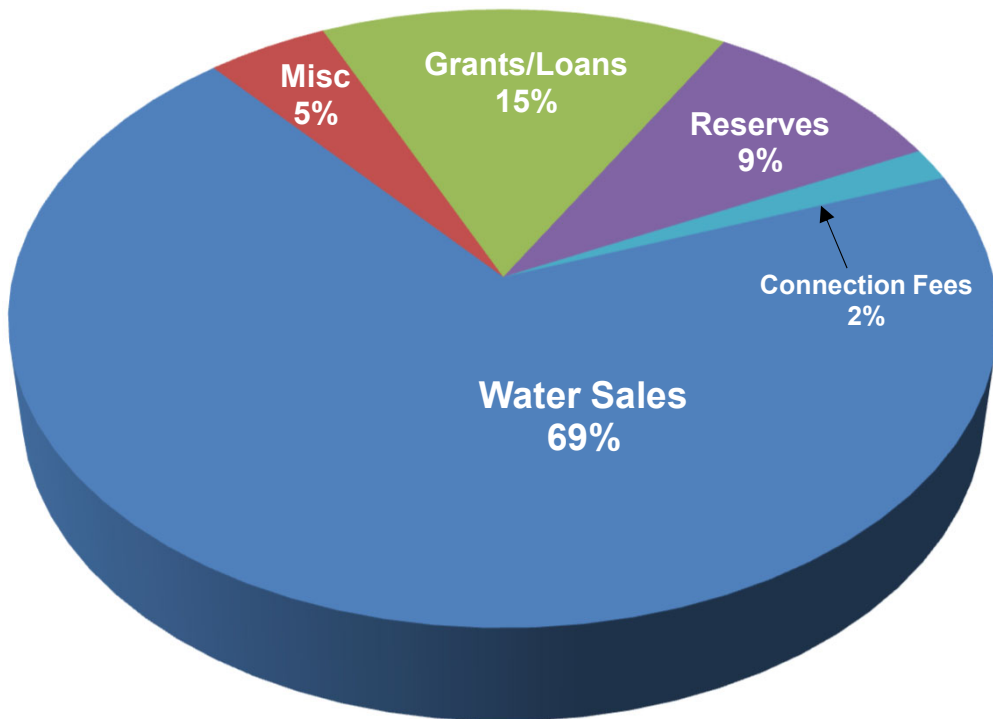
Budget Summary - All Service Areas Combined .....	14
Novato Water Budget Summary .....	15
Novato Water Five-Year Financial Forecast .....	16
Novato Water Operating Budget Detail.....	17
Novato Recycled Water Budget Summary.....	20
Novato Recycled Water Five-Year Financial Forecast.....	21
West Marin Budget Summary .....	22
West Marin Water Five-Year Financial Forecast.....	23
Oceana Marin Sewer Budget .....	24
Oceana Marin Sewer Five-Year Financial Forecast .....	25

***Capital Improvement Projects, Debt Service and Equipment***

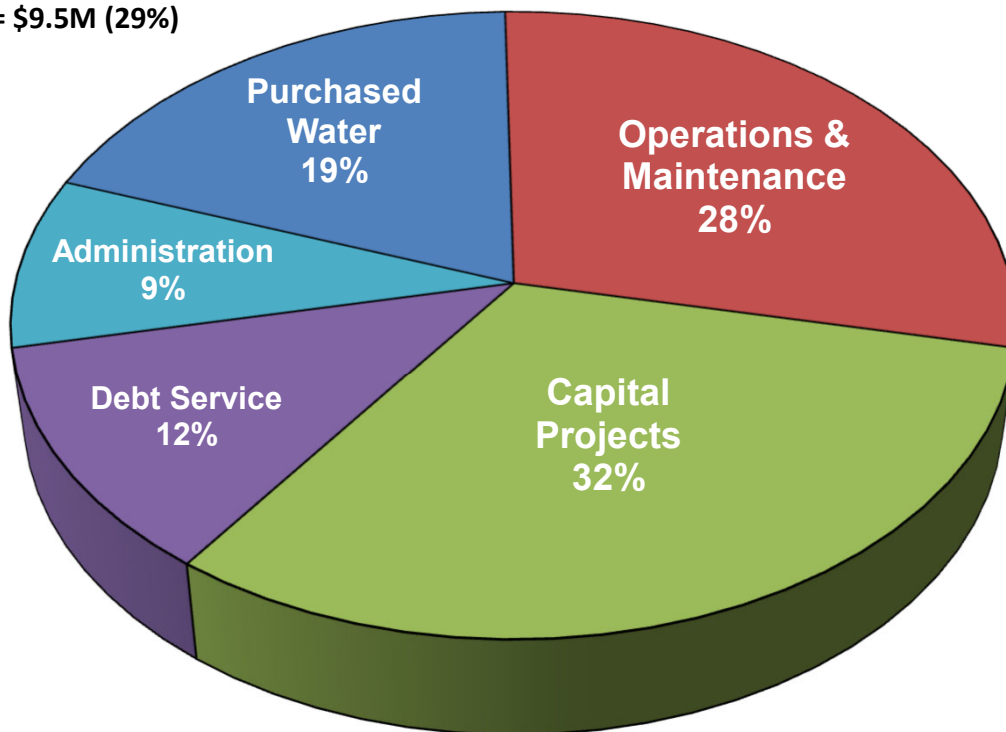
Novato Water System CIP .....	26
Recycled Water System CIP .....	28
West Marin System CIP.....	29
Oceana Marin System CIP .....	29
Project Outlay & Project Grant/Loan Funding.....	30
Debt Service Obligation Detail.....	31
Studies & Special Projects.....	32
Capital Equipment Expenditures .....	33

**NORTH MARIN WATER DISTRICT  
FY21/22 BUDGET - ALL SERVICE AREAS COMBINED**

**SOURCES = \$33,145,000**



**Labor = \$9.5M (29%)**



**USES = \$33,145,000**

Excludes Depreciation Expense & Developer Funded Costs

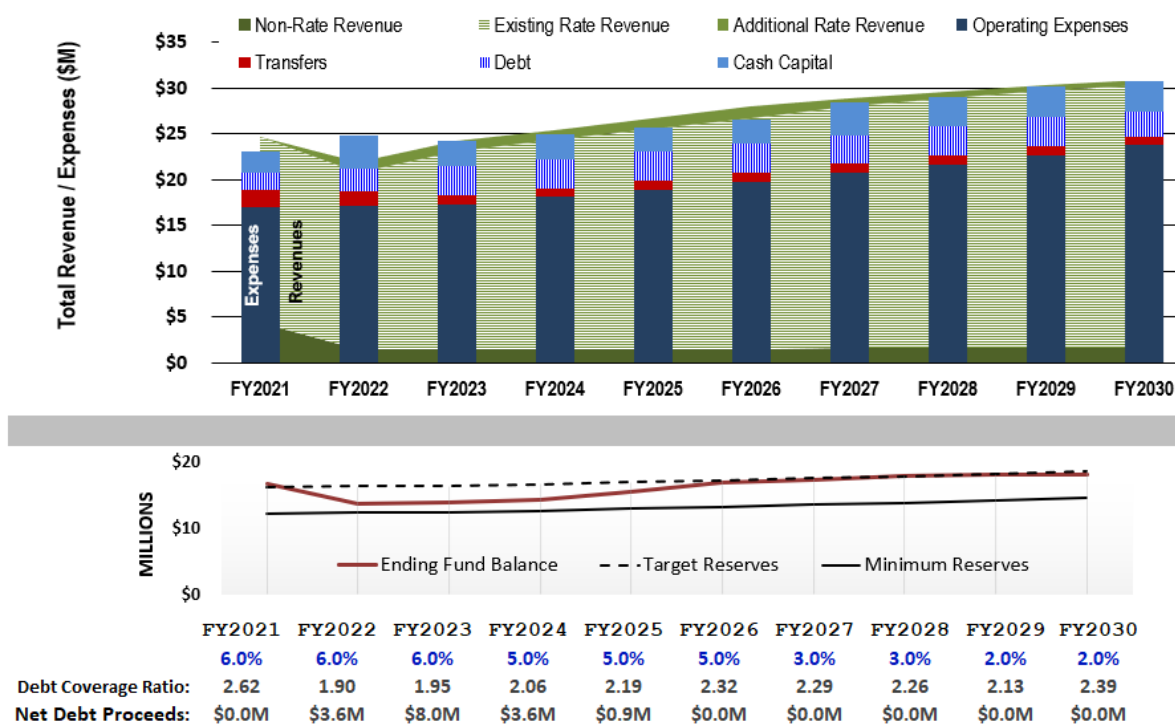
## Summary

The \$33.1 million consolidated budget projects operating revenue of \$23.7 million and a net operating income of \$1.2 million. The FY 21/22 budget incorporates \$5.7 million in internally funded capital improvement projects and \$6.3 million in water purchases. After payment of \$3.9 million in debt service, the consolidated budget projects a decrease in cash for the fiscal year of \$3 million.

## Novato Water

The Novato Potable Water System budget projects a \$3 million cash decrease over the fiscal year. A 6% rate increase in both the commodity and service charge, effective July 1, 2021, was approved by the Board of Directors at a public hearing on June 15, 2021. Total budget outlay, which includes \$4.9 million in capital improvement projects, is projected at \$24.9 million which is \$0.3M higher than the FY 20/21 budget. The below chart shows that the Novato Water financial plan will maintain sufficient cash reserves aiming towards the designated targets and remaining above the minimum level, as established during the 2020 Novato and Recycled Water Rate Study.

**Novato Water Financial Forecast Chart**

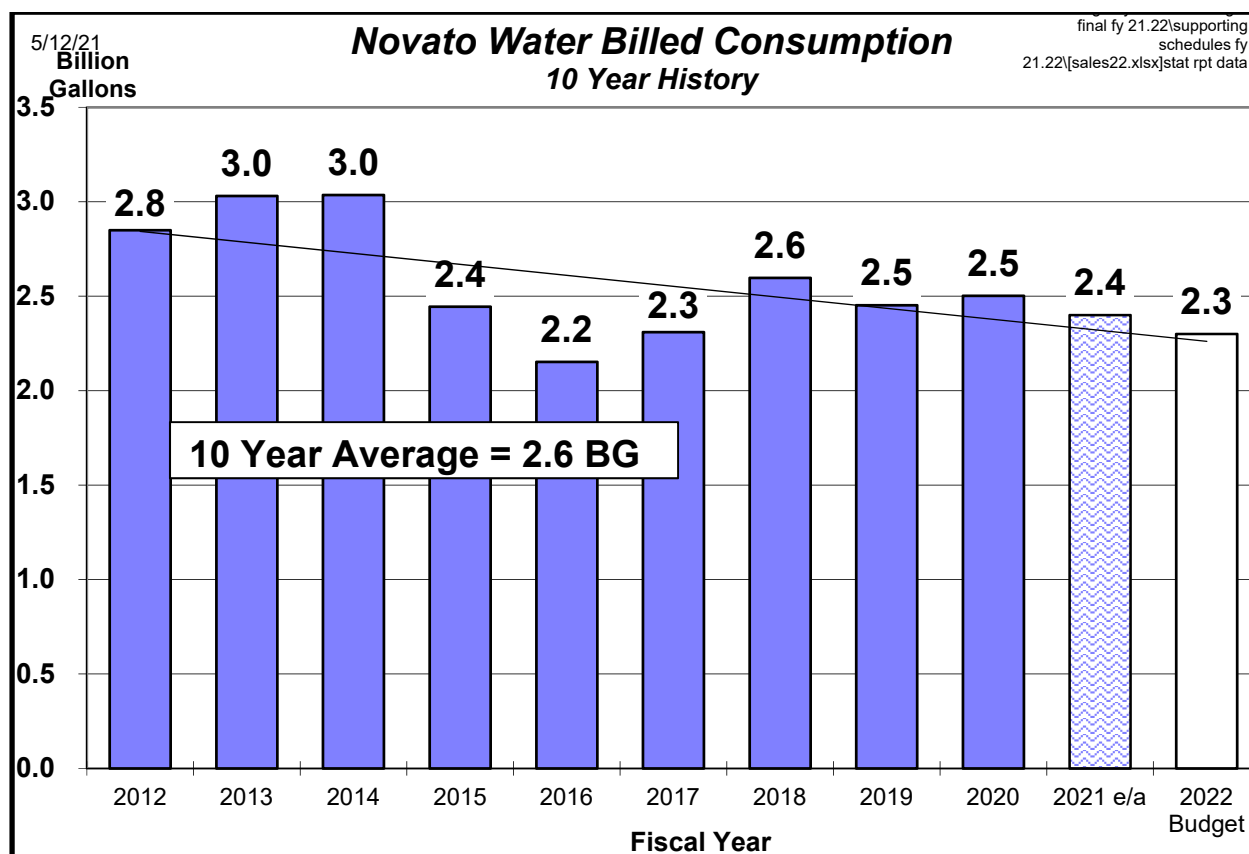


## Operating Revenue

**Water Sales** - Water sales volume is budgeted at 2.3 billion gallons (BG) which is a 4% decrease from the FY 20/21 budget. The decrease is primarily due to the voluntary call for 20% water conservation through June 30<sup>th</sup> followed by a mandatory water conservation order to reduce water consumption by 20% in the months of July 2021 through October 2021, as a result of the current two year drought condition. The projected revenue lost from the reduced consumption is budgeted at (\$1,062,000). The 6% rate increase, effective July 1, 2021 is projected to increase revenues



by \$1,223,000 but is highly dependent on water sales volume. The following chart shows a 10-year history of billed consumption for the Novato Potable Water System.



**Other Revenue** – Connection Fee revenue is budgeted at \$558,000. Connection Fee revenue of \$1.5 million for 54 Equivalent Dwelling Units (EDUs) was collected in FY 19/20. The annual average connections have been 39 EDUs (FY 15/16 through FY 19/20). Included in the projections is annual Connection Fee revenue equivalent to 20 EDUs or about half of the actual five-year average.

The wheeling charge to Marin Municipal Water District is budgeted at \$101,000. This is based on the average revenue collected in the past five years, increased for inflation. In addition, MMWD will pay the annual fixed AEEP capital contribution of \$205,000 in accord with the terms of the 2014 Interconnection Agreement. Miscellaneous Revenue includes \$94,000 in combined income from the rental of the Point Reyes home, the Little Mountain cell phone tower lease, Indian Valley Golf Club lease, three 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 increase 3.8% or \$634,000 from the FY 20/21 budget. The increase is primarily due to inflation adjustments of approximately 3%, increases in the cost to purchase water, increases in the electrical costs of pumping, insurance costs, and increases in personnel costs. Water purchases, and some operational costs are variable and dependent on the volume of water produced and purchased while other expenses



such as salaries, benefits, general liability insurance, and other administrative costs are fixed. More details are outlined in this budget report.

**Source of Supply** – The purchase price of water from Sonoma Water (SW) (AKA Sonoma County Water Agency) is projected to increase 4.63% in FY 21/22. This change will result in a cost per acre-foot of \$1,047 for FY 21/22 versus \$1,001 for the current fiscal year and is estimated to increase the cost to purchase water by \$270,000.

**Stafford Treatment Plant (STP) Water Production** – STP water production is projected at 490 MG in FY 21/22 which is lower than the 10-year average annual production of 586 MG. The decrease in expected water production is due to a lower volume of water in the lake, due to the drought, which reduces the amount of water available to treat. The cost of production at the end of FY 19/20 was \$3,338/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 budget includes a staffing level of 54 full-time equivalent (FTE), see table below. There is an increase of one FTE in the Engineering Department to address an increase in workload demands and succession planning needs. This increase is offset by a decrease of one FTE in the Consumer Services Department. The Consumer Services Department FTE reduction aligns with planned staffing changes resulting from the implementation of the Automated Meter Information (AMI) system. The temporary staffing budget remains unchanged from the prior year's budget at 7,480 hours.

<u>FTE Staffing</u>	<u>FY22</u>	<u>FY21</u>
Administration	8.0	8.0
Consumer Services	5.0	6.0
Construction/Maintenance	12.0	12.0
Engineering	9.0	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>

In accordance with the Employee Association and NMWD's Memorandum of Understanding (MOU), a 3.0% cost-of-living salary increase, has been factored into the budget effective October 1, 2021. The MOU links an annual cost-of-living adjustment (COLA) to the change in the Consumer Price Index (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 3.0% cost-of-living increase is staff's best projection at this time.

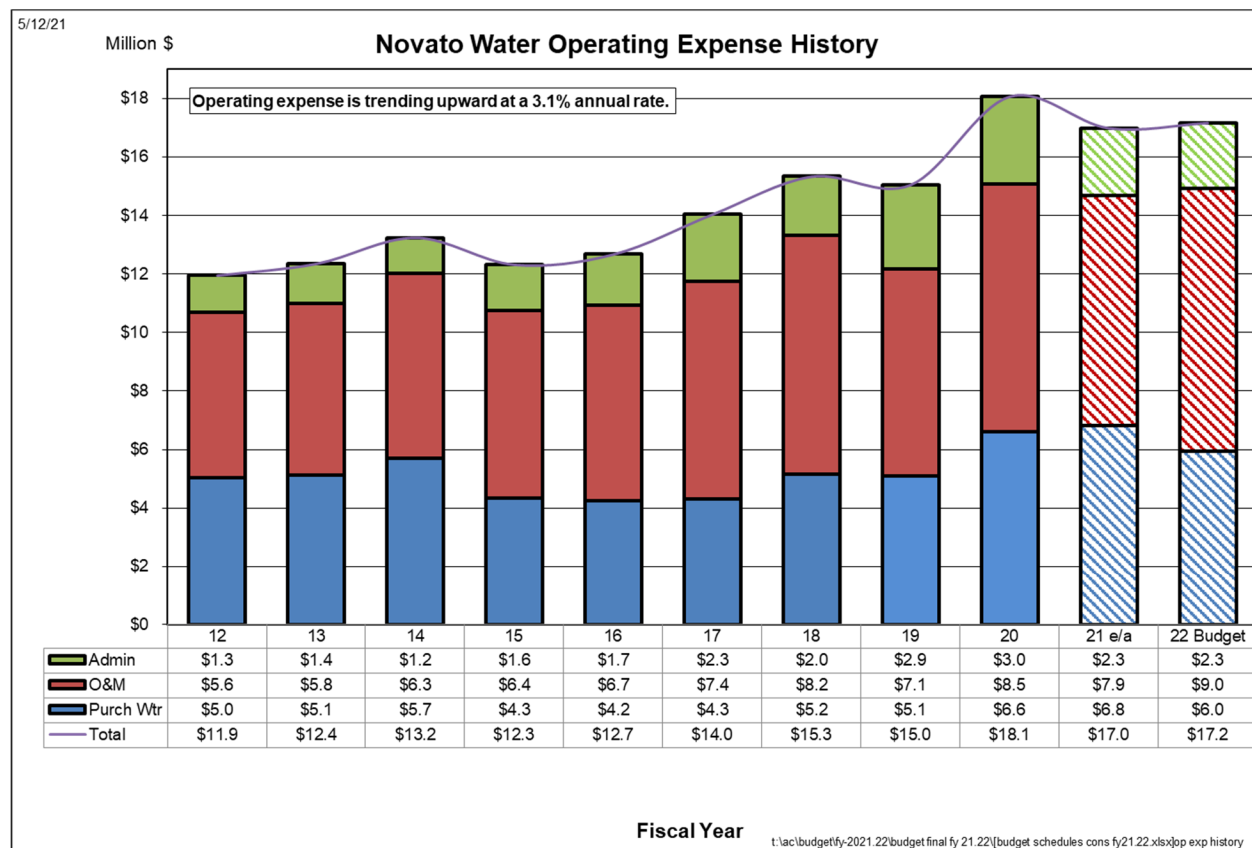
The District's average CalPERS retirement contribution rate will increase 0.6%, to 29.2% of earnings, compared to 28.6% from the rate budgeted last year. When applied to the FY 21/22 budgeted earnings this equates to an increase in pension expense of \$182,000. For context the

rate in FY 16/17 was 20.2% of earnings and any increases in pension expense has a compounding impact when tied to annual COLA increases. All employees now pay 100% of the CalPERS employee contribution. For budgeting purposes, group health insurance rates remained constant. This cost increased minimally in 2021 and in prior years.

#### Other Operations & Maintenance Expenses –

- Debt issuance costs totaling \$200,000 are included in the FY 21/22 budget. This is a one-time expense to secure funding for the NMWD Headquarter Upgrade Project.
- Electrical costs are budgeted to increase 5% over actual expected FY 20/21 costs and 22% over the prior year's budget. This is due to Pacific Gas & Electric's rate increases and time of use changes, a reduction in rebates to be received through Marin Clean Energy's Net Energy Metering Cash Out Program, and a budget correction from the prior year's budget.
- \$51,000 annual cost increase for lease of additional vehicles through the District Enterprise Fleet Management Program which were previously budgeted and purchased through the equipment budget.

The following chart shows the past 10-years of operating expense (excluding depreciation) for Novato Water. The five-year average increase to actual expenses is 8% which is influenced by a one-time payment of \$1.1M in FY 19/20 for bond issued debt service made to SCWA. The ten-year actual average increase is 4.3%.



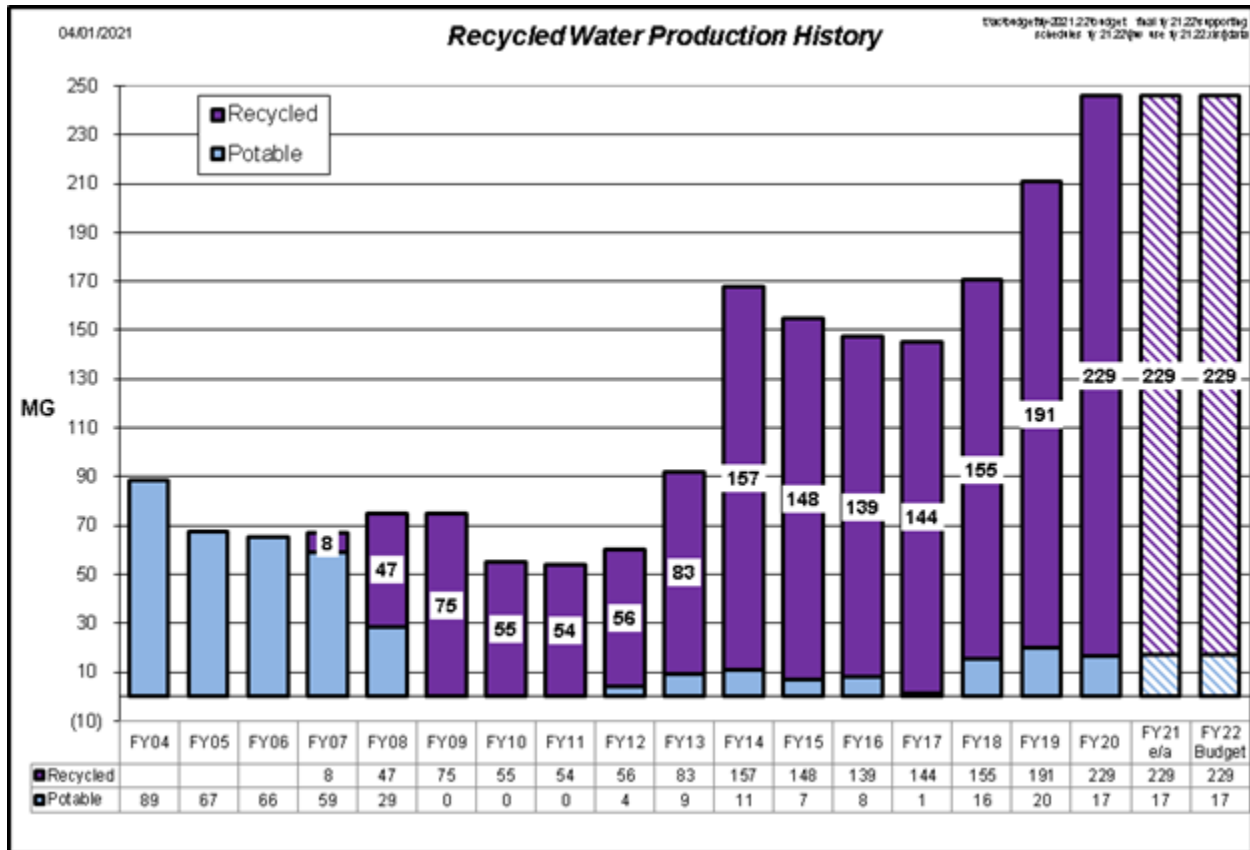
## Recycled Water

The FY 21/22 Recycled Water (RW) System Budget projects demand of 235MG which is consistent with the volume budgeted in FY 20/21. Over the past few years, sales have increased primarily due to the Central expansion project completion in FY 17/18. The budget projects purchase of 180MG of tertiary treated water from Novato Sanitary District for approximately \$1,500/MG and 50MG from Las Gallinas Valley Sanitary District, at an average rate of \$2,400/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 6% commodity rate and bimonthly service charge increase was approved by the Board of Directors at a public hearing on June 15, 2021, effective July 1, 2021. The increase is projected to generate \$88,000 in additional revenue next fiscal year.

Operating expenses (excluding depreciation) are budgeted to increase 28% or \$148,000 from the FY 20/21 budget. This increase is primarily due to a budget correction in prior years to properly reflect the cost of water from the local Sanitary Districts. The RW system is projected to show a net operating income of \$223,000 and an increase of cash for the year of \$247,000.

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

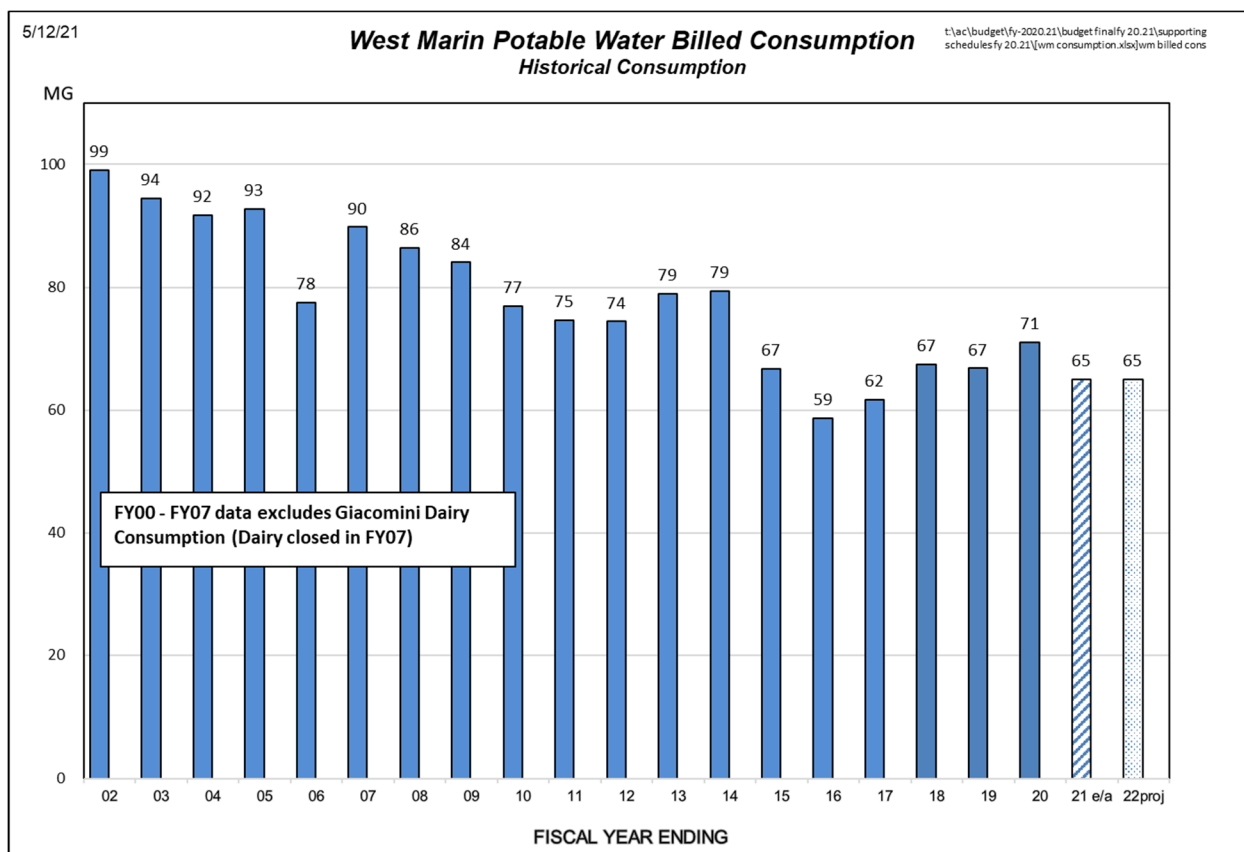


## West Marin Water

Incorporated in the West Marin Water budget are proposed structural and rate changes to the commodity and bimonthly service which will generate 6% in revenue. The proposed 6% rate changes for West Marin (WM) Water customers, effective July 1, 2021, was approved by the Board of Directors at public hearing on June 22, 2021. Growth in the past three years has remained stable. There are no connection fees budgeted for FY 21/22. Included in the 5-year financial forecast is revenue for one new connection every other year.

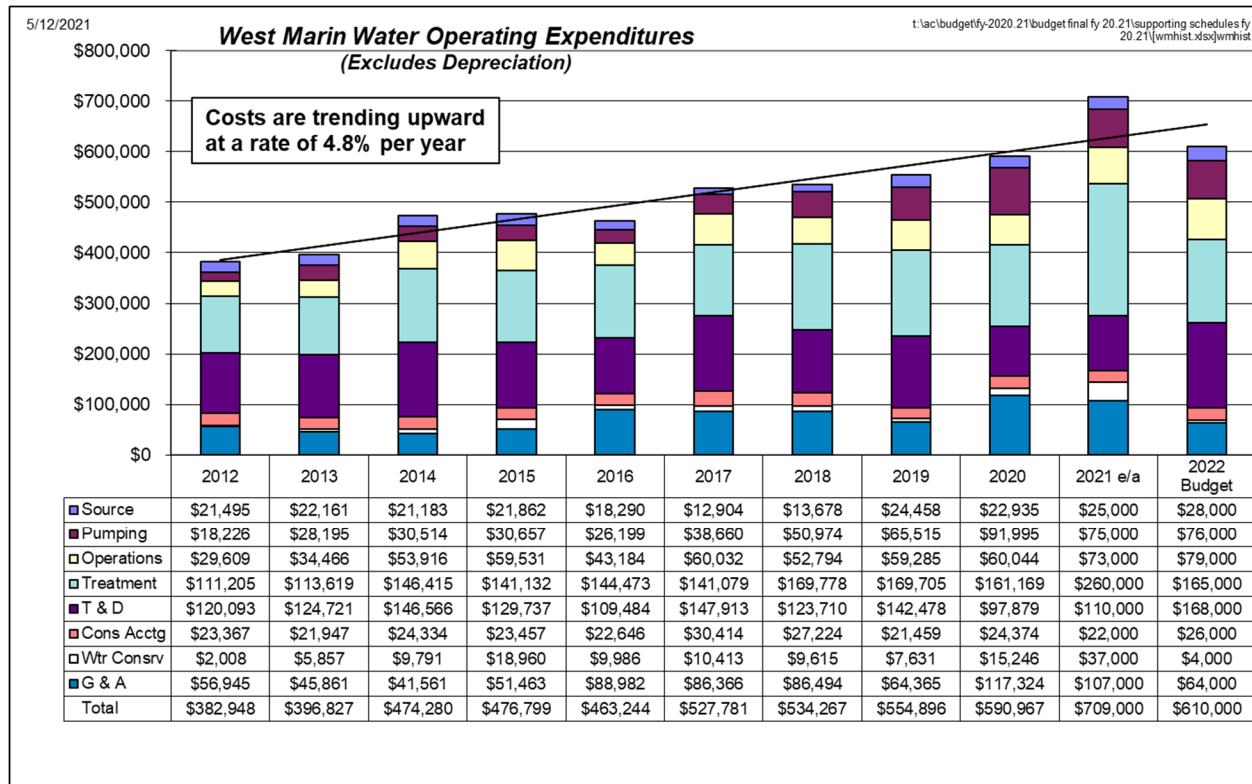
Significant Capital Improvement Projects budgeted for the year include \$400K towards the Lagunitas Creek Bridge Pipe Replacement project, and \$631K for the Gallagher Well #2 project.

FY 21/22 water sales volume is budgeted at 65MG and is based on the average of five years of actual sales (FY 15/16-FY 19/20) and is lower than the prior three years to adjust for the impact of the declaration of water shortage emergency and current drought. See the below chart for the historical consumption for the WM service area.



WM operating expenditures, before depreciation, are budgeted at \$610,000 which is an increase of \$50,000 or 9% from the FY 20/21 adopted budget of \$560,000. The increase is 3% or \$19,000 higher than the FY 19/20 actual expenditures. The budget projects a net operating income of \$133,000 and, after capital outlay and debt service, the system is projected to show a cash decrease for the year of \$242,000.

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



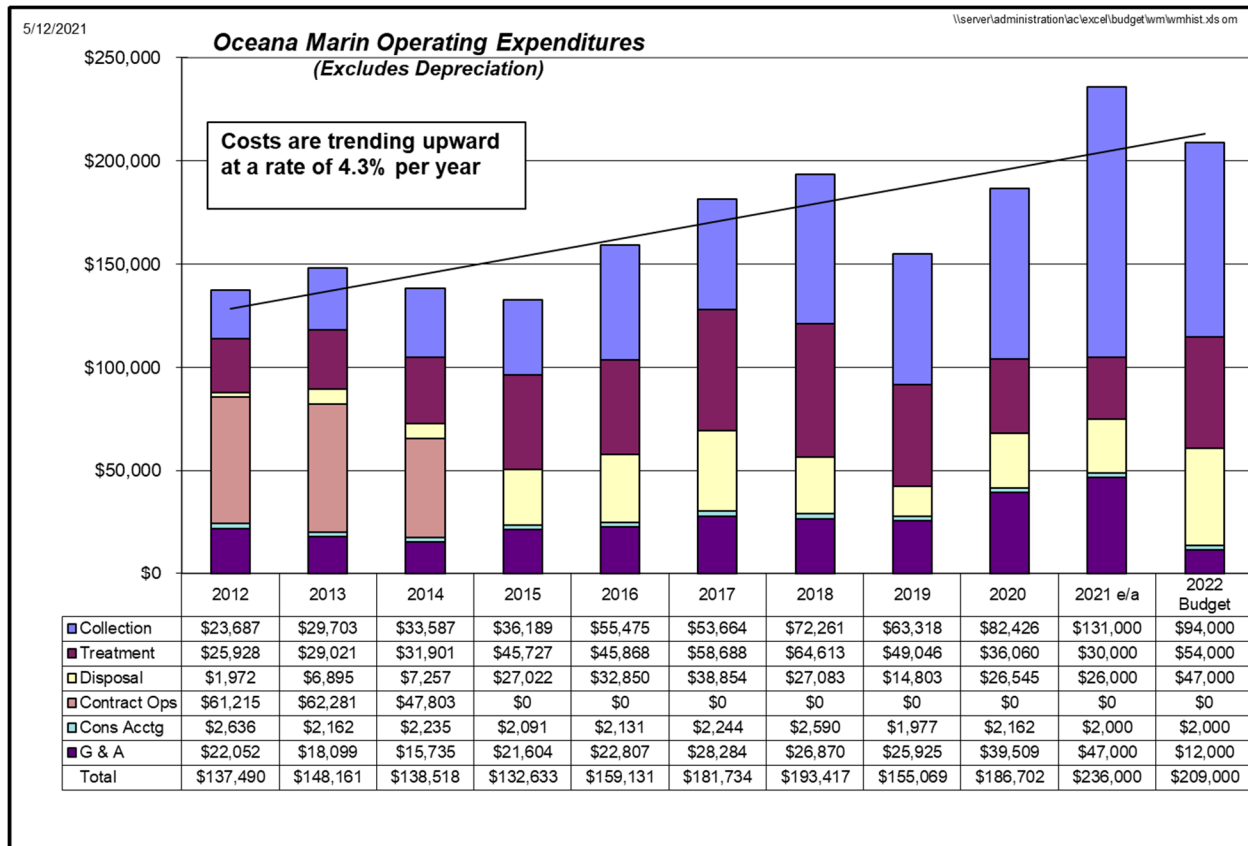
## Oceana Marin Sewer

A 5% increase (\$5/month - to \$1,236/year) in the Oceana Marin Sewer service charge effective July 1, 2021, is projected to add \$14,000 in additional annual revenue. This increase was approved by the Board of Directors at a public hearing on June 22 2021. Growth in the past three years has remained relatively stable so conservatively there is no new connection fee budgeted for FY 21/22. Included in the 5-year financial forecast is revenue for one connection every other year.

Capital Improvement Projects budgeted for the year include the Treatment Pond Rehab with a projected cost in FY 21/22 of \$1,450,000 and a total cost of \$1,900,000. This project is expected to be 75% grant funded. It is also planned to have the Tahiti Way Lift Pumps replaced with a projected cost in FY 21/22 of \$100,000 and a total cost of \$150,000. Additionally, \$40,000 is budgeted for the ongoing Capital work to identify and repair collection pipelines to prevent inflow and infiltration.

FY 21/22 OM operating expenditures, before depreciation, are budgeted at \$209,000 which is an increase of \$2,000 or 1% from the FY 20/21 adopted budget of \$207,000. The increase is primarily due to inflation. The budget projects a net operating income of \$32,000 and, after capital outlay and debt service, the system is projected to show a cash increase for the year of \$1,000.

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



### **Capital Improvement Project Budget (CIP)**

The Fiscal Year 21/22 and FY 22/23 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) to be undertaken over the next two fiscal years. The below table also includes the total cost of the projects which adds all costs occurring within and outside of the two-year budget period.

<b>Project</b>	<b>FY21/22</b>	<b>FY22/23</b>	<b>Total Project Costs</b>
NMWD Headquarters Upgrade <sup>1</sup>	\$3,475,000	\$7,950,000	\$16,200,000
Old Ranch Road Tank No. 2	1,600,000	-	1,900,000
Oceana Marin Treatment Pond Rehab	1,450,000	205,000	1,850,000
San Mateo 24" Inlet/Outlet Pipe (2,200')	850,000	-	925,000
New Gallagher Well #2 (WM)	631,000	-	924,000
Lagunitas Creek Bridge Pipe Replacement (WM)	400,000	52,000	477,000
Crest PS/Relocate School Rd PS	375,000	-	642,000
Novato Blvd Widening – Diablo to Grant (4,100')	200,000	1,300,000	1,520,000
Lynwood PS Motor Control Center	525,000	-	545,000
Lynwood Recoat/Seismic Upgrade	-	1,000,000	2,000,000
Replace Cast Iron Pipe – Atherton Ave. (RW)	50,000	350,000	400,000
Other Projects	<u>1,694,000</u>	<u>2,019,000</u>	=
<b>Gross Project Outlay</b>	<b>11,625,000</b>	<b>12,876,000</b>	<b>27,383,000</b>
Less Loan/Grant Funding	<u>(5,575,000)</u>	<u>(7,950,000)</u>	<u>(19,000,000)</u>
<b>Net Project Outlay (internally funded)</b>	<b><u>\$5,675,000</u></b>	<b><u>\$4,926,000</u></b>	<b><u>\$8,383,000</u></b>

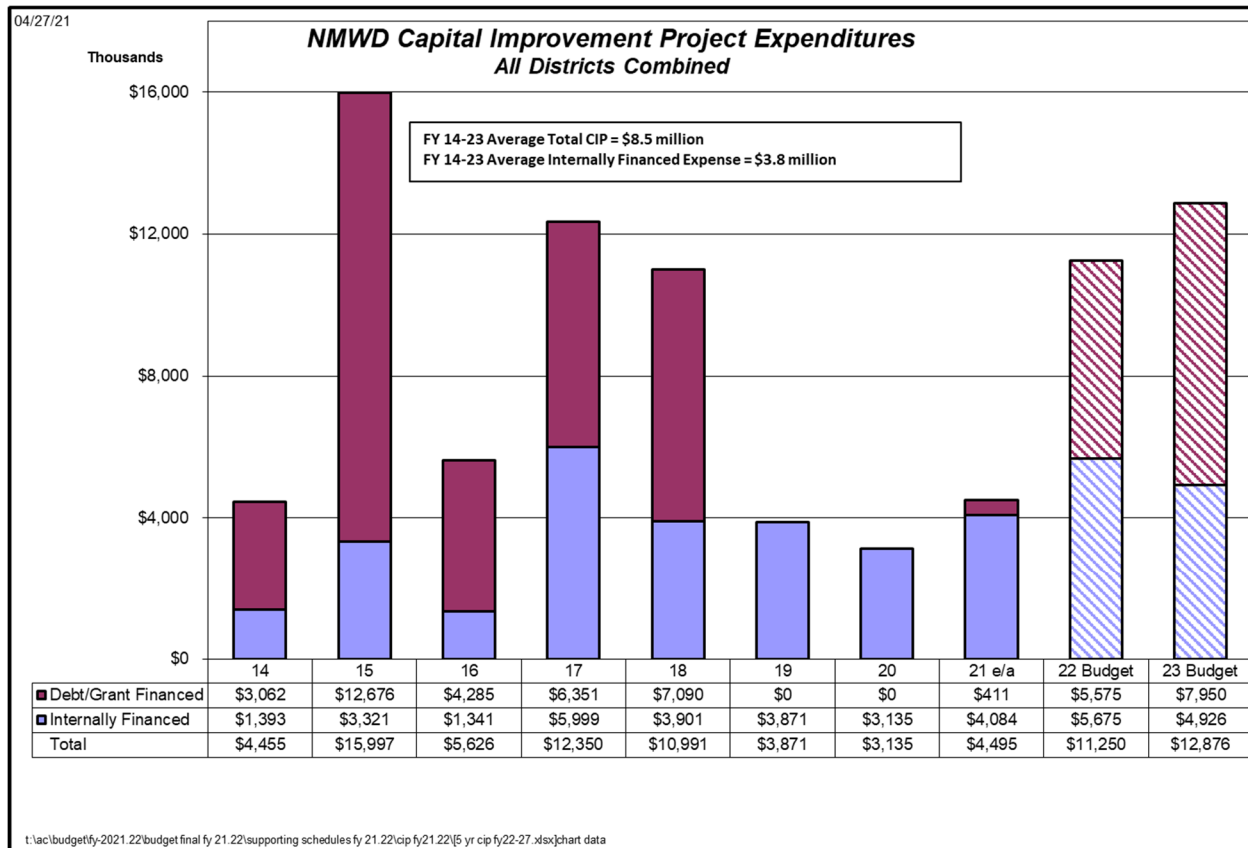
1. This project is scheduled to be completed with an additional \$3.6M budget in FY 23/24 and \$0.9M in FY 24/25

The two-year combined total project outlay, net of grant/loan funding, totals \$10.6M, which is \$1.1M more than the \$9.5M combined two-year budget adopted last year. The CIP budget includes 34 projects in FY 21/22 and 27 projects in FY 22/23. This comprehensive plan is developed to confirm that adequate funding and staffing exists to accomplish the budgeted projects planned for FY 21/22.

	<b>Net Cash Outlay (Pay-go)</b>		
<b>District</b>	<b>Adopted FY22 &amp; FY23</b>	<b>Adopted FY21 &amp; FY22</b>	<b>Increase (Decrease)</b>
Novato Water	\$8,850,000	\$7,522,000	\$1,328,000
Recycled Water	450,000	200,000	250,000
WM Water	791,000	1,440,000	(649,000)
OM Sewer	510,000	355,000	155,000
<b>Total</b>	<b><u>\$10,601,000</u></b>	<b><u>\$9,517,000</u></b>	<b><u>\$1,084,000</u></b>



The below chart shows the District wide 10-year history of capital improvement projects which averages \$8.5M per year including \$3.8M of internally (or “Pay-Go”) financed projects.

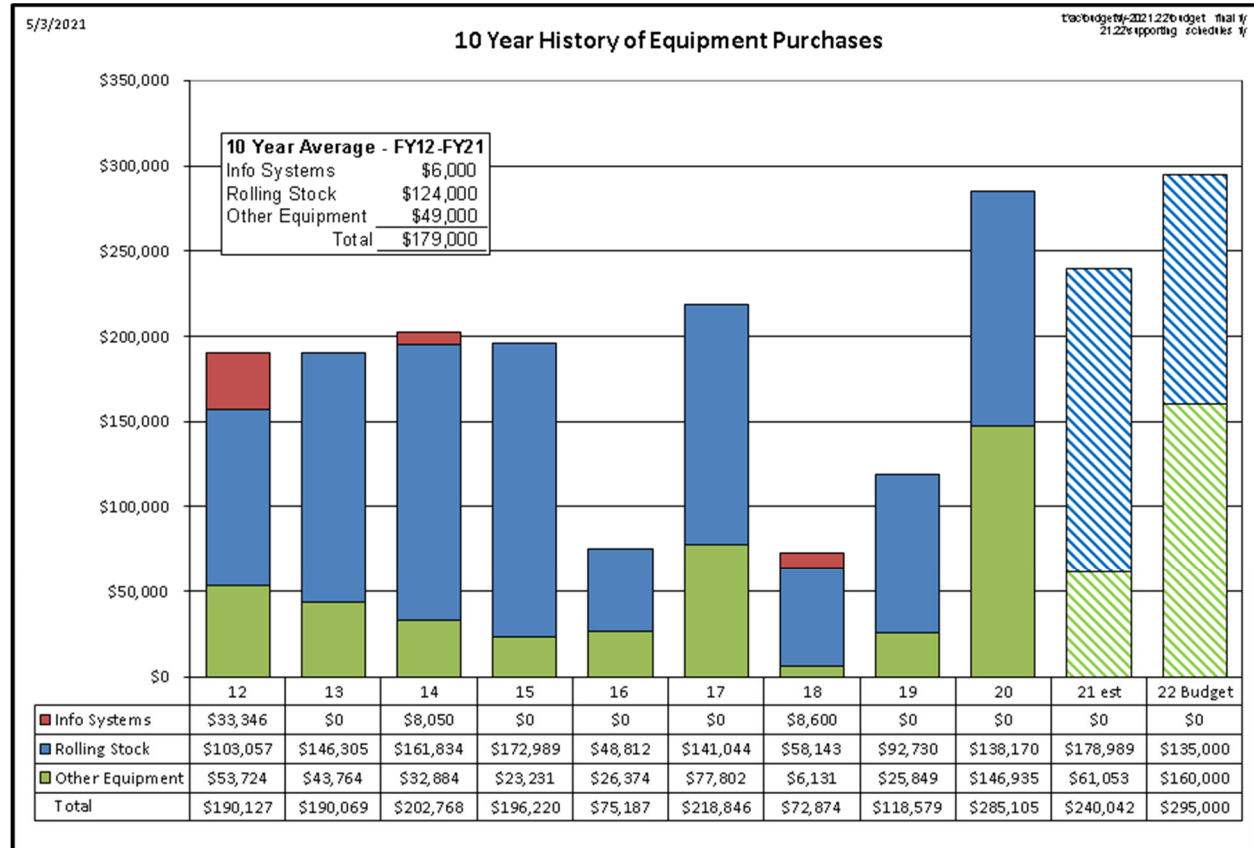


Novato Potable Water's CIP expenditure plan, when viewed over the current fiscal year and the next five years, averages \$4.1 million annually in internally funded projects, which is within the budget constraints of the five-year plan as established with the Board approved 2020 Novato and Recycled Water Rate Study.

## Equipment Budget

The FY 21/22 Equipment Budget totals \$295,000. This is \$35,000 lower than the FY 20/21 Equipment Budget of \$330,000. FY 20/21 estimated actual expenditures are forecast to come in at \$240,000 which is \$90,000 below budget.

A significant purchase included in the budget is \$135,000 to replace the cab and chassis on the Peterbilt 335 Dump Truck. Additionally, a meter testing bench and equipment for \$120,000 is included. The following chart shows the ten-year history of equipment purchases.



## **Debt Service**

Principal and interest payments totaling \$3.9 million are budgeted as the annual obligation on \$30.5 million in outstanding debt (as of June 30, 2021), comprised of:

- 1.) \$3.8 million at 2.7% for a bank loan used to fund the Advanced Meter Information (AMI) project;
- 2.) \$7.6 million at 2.4% State Revolving Fund (SRF) loan used to finance the Stafford Water Treatment Plant Rehabilitation;
- 3.) \$12.8 million in SRF loans (with interest varying from 1%-2.6%) used to finance the recycled water distribution system;
- 4.) \$4.8 million at 3.5% bank loan used to finance the Aqueduct Energy Efficiency Project and West Marin Treatment Plant Solids-Handling Facility;
- 5.) \$1.5 million at 2.4% SRF loan used to finance the Deer Island Recycled Water Facility.

The Capital Improvement schedule includes additional debt service for loans to be obtained in FY 21/22. Additional debt capacity remains available and the debt financing planned in the CIP budget will allow the District to maintain an average debt service ratio of 1.5 as required by the Board approved Debt Policy.

**NORTH MARIN WATER DISTRICT**  
**BUDGET SUMMARY - ALL SERVICE AREAS COMBINED**  
**Fiscal Year 2021/22**

	<i>Adopted Budget 2021/22</i>	<i>Estimated Actual 2020/21</i>	<i>Adopted Budget 2020/21</i>
<b>OPERATING INCOME</b>			
1 Water Sales	\$22,957,000	\$22,645,000	\$21,940,000
2 Sewer Service Charges	290,000	276,000	276,000
3 Wheeling & Misc Service Charges	470,000	417,000	430,000
4 <b>Total Operating Income</b>	<b>\$23,717,000</b>	<b>\$23,338,000</b>	<b>\$22,646,000</b>
<b>OPERATING EXPENDITURES</b>			
5 Source of Supply	\$6,559,000	\$7,283,000	\$6,286,000
6 Pumping	646,000	602,000	567,000
7 Operations	1,026,000	1,185,000	857,000
8 Water Treatment	2,794,000	2,218,000	2,628,000
9 Sewer Service	195,000	187,000	178,000
10 Transmission & Distribution	4,086,000	3,701,000	3,694,000
11 Consumer Accounting	528,000	539,000	683,000
12 Water Conservation	381,000	383,000	408,000
13 General & Administrative	2,440,000	2,520,000	2,520,000
14 Depreciation Expense	3,904,000	3,815,000	3,777,000
15 <b>Total Operating Expenditures</b>	<b>\$22,559,000</b>	<b>\$22,433,000</b>	<b>\$21,598,000</b>
16 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$1,158,000</b>	<b>\$905,000</b>	<b>\$1,048,000</b>
<b>NON-OPERATING INCOME/(EXPENSE)</b>			
17 Tax Proceeds	\$116,000	\$114,000	\$118,000
18 Interest Revenue	241,000	316,000	316,000
19 Miscellaneous Revenue	136,000	82,000	136,000
20 Interest Expense	(1,372,000)	(748,000)	(748,000)
21 Transfers Out from Capital Expansion Fund	(501,000)	-	(369,000)
22 Miscellaneous Expense	(3,000)	(3,000)	(20,000)
23 <b>Total Non-Operating Income/(Expense)</b>	<b>(\$1,383,000)</b>	<b>(\$239,000)</b>	<b>(\$567,000)</b>
<b>NET INCOME/(LOSS)</b>	<b>(\$225,000)</b>	<b>\$666,000</b>	<b>\$481,000</b>
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
24 Add Depreciation Expense	\$3,904,000	\$3,815,000	\$3,777,000
25 Connection Fees	558,000	3,515,000	509,000
26 MMWD AEEP Capital Contribution	205,000	205,000	205,000
27 Loans/Grants	5,125,000	497,000	610,000
28 Marin Country Club Principal Repayment	38,000	37,000	37,000
29 Capital Improvement Projects	(11,250,000)	(4,084,000)	(6,862,000)
30 CIP Efficiency Adjustment	1,558,000	-	-
31 Capital Equipment Expenditures	(295,000)	(240,000)	(330,000)
32 Low Income Rate Assistance	(86,000)	(20,000)	-
33 Debt Principal Payments	(2,541,000)	(2,395,000)	(2,395,000)
34 <b>Total Other Sources/(Uses)</b>	<b>(\$2,784,000)</b>	<b>\$1,330,000</b>	<b>(\$4,449,000)</b>
35 <b>CASH INCREASE/(DECREASE)</b>	<b>(\$3,009,000)</b>	<b>\$1,996,000</b>	<b>(\$3,968,000)</b>

**NOVATO POTABLE WATER**  
**BUDGET SUMMARY**  
**Fiscal Year 2021/22**

	<b>Adopted Budget 2021/22</b>	<b>Estimated Actual 2020/21</b>	<b>Adopted Budget 2020/21</b>
<b>OPERATING INCOME</b>			
1 Water Sales	<b>\$20,398,000</b>	\$20,228,000	\$19,774,000
2 Wheeling & Misc Service Charges	<b>347,000</b>	340,000	365,000
3 <b>Total Operating Income</b>	<b>\$20,745,000</b>	\$20,568,000	\$20,139,000
<b>OPERATING EXPENDITURES</b>			
4 Source of Supply	<b>\$6,141,000</b>	\$6,900,000	\$5,984,000
5 Pumping	<b>561,000</b>	523,000	497,000
6 Operations	<b>850,000</b>	922,000	734,000
7 Water Treatment	<b>2,594,000</b>	1,944,000	2,432,000
8 Transmission & Distribution	<b>3,853,000</b>	3,564,000	3,466,000
9 Consumer Accounting	<b>498,000</b>	513,000	654,000
10 Water Conservation	<b>377,000</b>	346,000	399,000
11 General Administration	<b>2,294,000</b>	2,296,000	2,368,000
12 Depreciation Expense	<b>2,807,000</b>	2,785,000	2,868,000
13 <b>Total Operating Expenditures</b>	<b>\$19,975,000</b>	\$19,793,000	\$19,402,000
14 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$770,000</b>	\$775,000	\$737,000
<b>NON-OPERATING INCOME/(EXPENSE)</b>			
15 Interest Revenue	<b>\$150,000</b>	\$224,000	\$150,000
16 Miscellaneous Revenue	<b>136,000</b>	82,000	136,000
17 Interest Expense	<b>(1,088,000)</b>	(456,000)	(456,000)
18 Miscellaneous Expense	<b>(2,000)</b>	(2,000)	(20,000)
19 <b>Total Non-Operating Income/(Expense)</b>	<b>(\$804,000)</b>	(\$152,000)	(\$190,000)
20 <b>NET INCOME/(LOSS)</b>	<b>(\$34,000)</b>	\$623,000	\$547,000
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
21 Add Depreciation Expense	<b>\$2,807,000</b>	\$2,785,000	\$2,868,000
22 Connection Fees	<b>558,000</b>	3,515,000	486,000
24 MMWD AEEP Capital Contribution	<b>205,000</b>	205,000	205,000
25 Loans/Grants	<b>3,575,000</b>	-	-
26 Loan Repayment West Marin	<b>100,000</b>	-	-
27 Low Income Rate Assistance Program	<b>(86,000)</b>	(20,000)	-
28 Capital Equipment Expenditures	<b>(295,000)</b>	(240,000)	(330,000)
29 Capital Improvement Projects	<b>(8,475,000)</b>	(2,043,000)	(4,987,000)
30 CIP Efficiency Adjustment	<b>1,558,000</b>	-	-
31 Debt Principal Payments	<b>(1,488,000)</b>	(1,451,000)	(1,451,000)
32 Connection Fee Transfer from (to) RW	<b>(890,000)</b>	(894,000)	(794,000)
33 Loan Transfer to WM	<b>(550,000)</b>	(1,000,000)	-
34 <b>Total Other Sources/(Uses)</b>	<b>(\$2,981,000)</b>	\$857,000	(\$4,003,000)
33 <b>CASH INCREASE/(DECREASE)</b>	<b>(\$3,015,000)</b>	\$1,480,000	(\$3,456,000)

<b>NOVATO POTABLE WATER</b>		<b>Budget</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>FY 21/22 Five-Year Financial Forecast</b>		<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>FY2026</b>
1		<b>6.00%</b>	<b>6.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>
<b>Rate Revenue</b>						
2	<b>Water Rate Revenue</b>	\$20,294,000	\$21,532,000	\$22,840,000	\$23,999,000	\$25,216,000
3	Change due to Growth	\$15,000	\$16,000	\$17,000	\$17,000	\$18,000
4	Change due to 20% Use Reduction	(\$1,062,000)				
5	Increase due to Rate Adjustments	\$1,223,000	\$1,292,000	\$1,142,000	\$1,200,000	\$1,261,000
6	Bill Adjustments	(\$72,000)	(\$72,000)	(\$72,000)	(\$72,000)	(\$72,000)
<b>Non-Rate Revenues</b>						
7	Wholesale Rate Revenue	\$101,000	\$104,000	\$107,000	\$110,000	\$113,000
8	Other Charges	\$246,000	\$253,000	\$261,000	\$269,000	\$277,000
9	Interest Earnings	\$150,000	\$155,000	\$160,000	\$165,000	\$170,000
10	Connection Fees	\$558,000	\$558,000	\$558,000	\$558,000	\$558,000
11	Misc. Revenue	\$134,000	\$134,000	\$134,000	\$134,000	\$134,000
12	Loan Repayment WM	\$100,000	\$163,000	\$163,000	\$163,000	\$163,000
13	MMWD AEEP Contributions	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000
14	<b>Total Revenue</b>	<b>\$21,892,000</b>	<b>\$24,340,000</b>	<b>\$25,515,000</b>	<b>\$26,748,000</b>	<b>\$28,043,000</b>
<b>O&amp;M Costs</b>						
15	Source of Supply	\$6,141,000	\$5,969,000	\$6,427,000	\$6,913,000	\$7,428,000
16	Pumping	\$561,000	\$578,000	\$595,000	\$613,000	\$631,000
17	Other Operations	\$850,000	\$876,000	\$902,000	\$929,000	\$957,000
18	Water Treatment	\$2,594,000	\$2,672,000	\$2,752,000	\$2,835,000	\$2,920,000
19	Transmission & Distribution	\$3,853,000	\$3,969,000	\$4,088,000	\$4,211,000	\$4,337,000
20	Consumer Accounting	\$498,000	\$513,000	\$528,000	\$544,000	\$560,000
21	Water Conservation	\$377,000	\$388,000	\$400,000	\$412,000	\$424,000
22	General Administration	\$2,294,000	\$2,363,000	\$2,434,000	\$2,507,000	\$2,582,000
23	<b>Total Operating Expenses</b>	<b>\$17,168,000</b>	<b>\$17,328,000</b>	<b>\$18,126,000</b>	<b>\$18,964,000</b>	<b>\$19,839,000</b>
<b>Capital Costs</b>						
24	<b>Total Capital Spending</b>	<b>\$8,770,000</b>	<b>\$11,900,000</b>	<b>\$7,545,000</b>	<b>\$4,605,000</b>	<b>\$3,800,000</b>
25	<b>Debt Funded Capital</b>	<b>\$3,575,000</b>	<b>\$7,950,000</b>	<b>\$3,575,000</b>	<b>\$900,000</b>	<b>-</b>
27	Existing Debt Service	\$1,904,000	\$1,902,000	\$1,905,000	\$1,907,000	\$1,904,000
28	Cash Funded Capital Projects	\$5,195,000	\$3,950,000	\$3,970,000	\$3,705,000	\$3,800,000
29	CIP Efficiency Adjustment	(\$1,558,000)	(\$1,185,000)	(\$1,191,000)	(\$1,111,000)	(\$1,140,000)
30	New Debt Service	\$672,000	\$1,238,000	\$1,238,000	\$1,238,000	\$1,238,000
31	<b>Total Capital Expenses</b>	<b>\$6,213,000</b>	<b>\$5,905,000</b>	<b>\$5,922,000</b>	<b>\$5,739,000</b>	<b>\$5,802,000</b>
<b>Transfers</b>						
32	Transfer Out to Recycled Water	\$890,000	\$890,000	\$890,000	\$890,000	\$890,000
33	Transfer Out to WM/OM	\$550,000				
34	Funding for Affordability Program	\$86,000	\$86,000	\$86,000	\$86,000	\$86,000
35	<b>Total Revenue Requirement</b>	<b>\$24,907,000</b>	<b>\$24,209,000</b>	<b>\$25,024,000</b>	<b>\$25,679,000</b>	<b>\$26,617,000</b>
36	<b>Beginning Year Balance</b>	<b>\$16,758,000</b>	<b>\$13,743,000</b>	<b>\$13,874,000</b>	<b>\$14,365,000</b>	<b>\$15,434,000</b>
37	<b>Surplus/(Shortfall)</b>	<b>(\$3,015,000)</b>	<b>\$131,000</b>	<b>\$491,000</b>	<b>\$1,069,000</b>	<b>\$1,426,000</b>
38	<b>End of Year Balance</b>	<b>\$13,743,000</b>	<b>\$13,874,000</b>	<b>\$14,365,000</b>	<b>\$15,434,000</b>	<b>\$16,860,000</b>
39	<i>Minimum Reserves (by policy)</i>	\$12,322,667	\$12,376,000	\$12,642,000	\$12,921,333	\$13,213,000
40	<i>Available Cash</i>	\$1,420,333	\$1,498,000	\$1,723,000	\$2,512,666	\$3,647,000
41	<b>Debt Coverage Ratio</b>	<b>1.90</b>	<b>1.95</b>	<b>2.06</b>	<b>2.19</b>	<b>2.32</b>

# NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2021/22

	Adopted Budget 21/22	Estimated Actual 20/21	Adopted Budget 20/21	Actual 19/20	Actual 18/19	Actual 17/18	Actual 16/17	Actual 15/16
<b>STATISTICS</b>								
1 Active Meters	20,616	20,606	20,558	20,554	20,546	20,543	20,544	20,535
2 Avg Commodity Rate/1,000 Gal (Net)	\$6.72	\$6.34	\$6.34	\$6.37	\$6.00	\$6.00	\$5.40	\$5.25
3 Potable Consumption (BG)	2.30	2.40	2.40	2.40	2.42	2.58	2.31	2.15
<b>OPERATING INCOME</b>								
4 Water Sales	\$20,470,000	\$20,294,000	\$19,846,000	\$20,709,608	\$19,145,251	\$19,645,814	\$16,772,060	\$15,489,903
5 Bill Adjustments	(72,000)	(66,000)	(72,000)	(59,788)	(72,061)	(143,395)	(130,587)	(64,461)
6 Sales to MMWD	-	-	-	-	-	155,846	-	-
7 Wheeling Charges-MMWD	101,000	153,000	98,000	104,765	97,866	92,977	91,374	90,217
8 Miscellaneous Service Revenue	246,000	187,000	267,000	257,864	266,268	268,563	252,038	277,479
9 <b>TOTAL OPERATING INCOME</b>	<b>\$20,745,000</b>	<b>\$20,568,000</b>	<b>\$20,139,000</b>	<b>\$21,012,449</b>	<b>\$19,437,324</b>	<b>\$20,019,805</b>	<b>\$16,984,885</b>	<b>\$15,793,138</b>
<b>OPERATING EXPENSE</b>								
<b>SOURCE OF SUPPLY</b>								
10 Supervision & Engineering	\$12,000	\$9,000	\$11,000	\$13,274	\$7,564	\$9,303	\$11,264	\$10,586
11 Operating Expense - Source	15,000	7,000	14,000	8,289	9,195	6,236	8,513	11,928
12 Maintenance/Monitoring of Dam	69,000	29,000	128,000	30,588	33,686	22,203	24,059	22,796
13 Maintenance of Lake & Intakes	21,000	5,000	20,000	14,240	24,172	10,690	7,575	6,299
14 Maintenance of Watershed	46,000	9,000	45,000	19,689	4,446	29,646	36,218	17,325
15 Water Purchased for Resale to MMWD	0	-	-	-	-	111,891	-	-
16 Water Quality Surveillance	18,000	-	15,000	1,642	1,669	6,728	3,513	3,137
17 Contract Water - SCWA	5,950,000	6,830,000	5,740,000	6,623,534	5,082,987	5,151,516	4,320,623	3,997,030
18 GASB 68 Adjustment	10,000	11,000	11,000	7,592	3,690	8,535	5,682	-
19 <b>TOTAL SOURCE OF SUPPLY</b>	<b>\$6,141,000</b>	<b>\$6,900,000</b>	<b>\$5,984,000</b>	<b>\$6,718,848</b>	<b>\$5,167,409</b>	<b>\$5,356,748</b>	<b>\$4,417,447</b>	<b>\$4,069,101</b>
<b>PUMPING</b>								
20 Operating Expense	\$3,000	-	\$3,000	-	-	-	-	-
21 Maintenance of Structures/Grounds	33,000	43,000	32,000	34,416	56,801	32,611	28,514	26,347
22 Maintenance of Pumping Equipment	55,000	41,000	113,000	158,903	41,304	39,435	30,354	13,507
23 Electric Power - Pumping	450,000	430,000	340,000	341,401	285,772	293,588	246,869	212,207
24 GASB 68 Adjustment	20,000	9,000	9,000	14,298	5,272	6,967	3,496	-
25 <b>TOTAL PUMPING</b>	<b>\$561,000</b>	<b>\$523,000</b>	<b>\$497,000</b>	<b>\$549,018</b>	<b>\$389,149</b>	<b>\$372,601</b>	<b>\$309,233</b>	<b>\$252,061</b>
<b>OPERATIONS</b>								
26 Supervision & Engineering	\$171,000	\$251,000	\$163,000	\$232,895	\$215,732	\$253,594	\$234,870	\$256,231
27 Operating Expense	319,000	390,000	256,000	507,830	306,774	400,138	343,890	304,897
28 Maintenance Expense	56,000	61,000	56,000	52,959	38,570	50,339	47,202	34,755
29 Telemetry Equipment/Controls Maint	96,000	64,000	95,000	61,798	84,979	94,523	101,568	68,674
30 Leased Line Expense	20,000	17,000	20,000	16,656	16,678	17,414	17,592	17,704
31 GASB 68 Adjustment	188,000	139,000	144,000	136,794	48,442	107,728	63,553	-
32 <b>TOTAL OPERATIONS</b>	<b>\$850,000</b>	<b>\$922,000</b>	<b>\$734,000</b>	<b>\$1,008,932</b>	<b>\$711,175</b>	<b>\$923,736</b>	<b>\$808,675</b>	<b>\$682,261</b>



# NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2021/22

	Adopted Budget 21/22	Estimated Actual 20/21	Adopted Budget 20/21	Actual 19/20	Actual 18/19	Actual 17/18	Actual 16/17	Actual 15/16
<b>WATER TREATMENT</b>								
33 Supervision & Engineering	\$157,000	\$168,000	\$149,000	\$170,261	\$156,176	\$169,851	\$168,945	\$130,358
34 Operating Expense	353,000	176,000	324,000	284,929	228,878	276,795	349,671	313,024
35 <b>Purification Chemicals</b>	435,000	116,000	425,000	503,664	376,960	438,348	247,260	378,562
36 Sludge Disposal	130,000	94,000	123,000	93,987	88,352	100,305	107,942	90,043
37 Maintenance of Structures/Grounds	108,000	111,000	106,000	93,901	53,090	50,913	78,910	68,351
38 Purification Equipment Maintenance	193,000	225,000	186,000	200,107	162,714	212,385	186,246	150,989
39 Electric Power - Treatment	156,000	150,000	156,000	160,692	122,831	157,374	129,652	113,223
40 Laboratory Expense (net)	726,000	629,000	679,000	729,142	649,647	758,936	768,965	705,212
41 GASB 68 Adjustment	336,000	275,000	284,000	244,230	107,310	212,624	150,494	-
42 <b>TOTAL WATER TREATMENT</b>	<b>\$2,594,000</b>	<b>\$1,944,000</b>	<b>\$2,432,000</b>	<b>\$2,480,913</b>	<b>\$1,945,958</b>	<b>\$2,377,531</b>	<b>\$2,188,085</b>	<b>\$1,949,762</b>
<b>TRANSMISSION &amp; DISTRIBUTION</b>								
43 Supervision & Engineering	\$636,000	\$620,000	\$596,000	\$600,516	\$534,500	\$659,085	\$569,303	\$559,007
44 Maps & Records	163,000	128,000	189,000	121,602	132,053	159,512	168,267	110,877
45 Operation of T&D System	674,000	760,000	590,000	890,714	720,417	594,175	582,483	509,160
46 Storage Facilities Expense	147,000	141,000	139,000	113,029	107,033	110,077	155,641	150,066
47 Maintenance of Valves & Regulators	193,000	110,000	186,000	135,586	87,285	173,762	196,162	189,372
48 Maintenance of Mains	204,000	211,000	170,000	168,454	167,959	190,307	149,584	215,077
49 Backflow Prevention Program	243,000	235,000	216,000	187,669	231,822	186,692	155,536	150,298
50 Maintenance of Copper Services	215,000	176,000	159,000	131,389	182,789	157,337	159,769	142,083
51 Maintenance of PB Service Lines	498,000	460,000	466,000	443,334	558,788	471,527	473,695	532,436
52 Maintenance of Meters	145,000	148,000	133,000	96,608	113,810	126,985	66,356	100,402
53 Detector Check Assembly Maint	74,000	39,000	83,000	81,718	80,416	46,056	72,208	54,586
54 Maintenance of Hydrants	79,000	84,000	72,000	48,301	25,607	18,087	51,020	34,311
55 GASB 68 Adjustment	582,000	452,000	467,000	423,300	199,802	349,390	228,385	-
56 <b>TOTAL TRANSMISSION &amp; DISTRIB</b>	<b>\$3,853,000</b>	<b>\$3,564,000</b>	<b>\$3,466,000</b>	<b>\$3,442,219</b>	<b>\$3,142,281</b>	<b>\$3,242,992</b>	<b>\$3,028,409</b>	<b>\$2,747,675</b>
<b>CONSUMER ACCOUNTING</b>								
57 Meter Reading & Collection	\$142,000	\$15,000	\$141,000	\$38,348	\$99,549	\$190,554	\$182,663	\$189,262
58 Billing & Accounting	135,000	217,000	215,000	248,703	210,805	280,268	289,503	281,010
59 Contract Billing	18,000	20,000	18,000	13,742	15,484	16,395	16,692	17,160
60 Postage & Supplies	55,000	73,000	55,000	48,071	51,267	52,735	56,373	58,903
61 Credit Card Fees	65,000	60,000	60,000	64,242	55,709	46,678	29,685	24,592
62 Lock Box Service	11,000	11,000	11,000	10,998	10,944	10,944	10,944	10,944
63 Uncollectible Accounts	5,000	22,000	5,000	8,362	14,994	12,352	12,709	15,382
64 Office Equipment Expense	35,000	15,000	63,000	35,601	12,675	45,256	11,350	23,091
65 Distributed to Other Operations	(15,000)	(17,000)	(15,000)	(17,814)	(15,104)	(19,008)	(17,161)	(16,959)
66 GASB 68 Adjustment	47,000	97,000	101,000	56,438	29,463	75,257	49,950	-
67 <b>TOTAL CONSUMER ACCOUNTING</b>	<b>\$498,000</b>	<b>\$513,000</b>	<b>\$654,000</b>	<b>\$506,690</b>	<b>\$485,786</b>	<b>\$711,431</b>	<b>\$642,708</b>	<b>\$603,385</b>

# NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 2021/22

	Adopted Budget 21/22	Estimated Actual 20/21	Adopted Budget 20/21	Actual 19/20	Actual 18/19	Actual 17/18	Actual 16/17	Actual 15/16
<b>WATER CONSERVATION</b>								
68 Residential	\$252,000	\$190,000	\$243,000	\$198,881	\$246,347	\$235,438	\$270,150	\$320,620
69 Commercial	7,000	4,000	20,000	6,481	7,983	5,818	1,702	3,711
70 Public Outreach/Information	98,000	96,000	60,000	125,537	51,040	33,789	30,618	32,287
71 Large Landscape	19,000	9,000	28,000	17,317	19,839	33,662	36,818	24,877
72 GASB 68 Adjustment	1,000	47,000	48,000	34,547	16,575	36,183	21,754	-
73 <b>TOTAL WATER CONSERVATION</b>	<b>\$377,000</b>	<b>\$346,000</b>	<b>\$399,000</b>	<b>\$382,764</b>	<b>\$341,784</b>	<b>\$344,890</b>	<b>\$361,042</b>	<b>\$381,495</b>
<b>GENERAL &amp; ADMINISTRATION</b>								
74 Director's Expense	\$42,000	\$41,000	\$41,000	\$40,873	\$36,815	\$37,111	\$34,384	\$34,222
75 Legal Fees	21,000	15,000	21,000	16,569	20,853	20,173	28,043	20,488
76 Human Resources	51,000	71,000	55,000	52,870	96,677	62,348	31,451	25,036
77 Auditing Services	20,000	13,000	26,000	19,651	22,731	19,706	16,220	18,770
78 Consulting Services/Studies	351,000	86,000	318,000	142,010	304,645	223,041	51,567	138,735
79 General Office Salaries	1,158,000	1,268,000	1,250,000	1,157,428	1,083,904	1,441,496	1,492,719	1,309,502
80 Office Supplies	42,000	18,000	45,000	33,783	31,761	33,753	35,048	37,709
81 Employee Events	12,000	2,000	12,000	9,369	10,664	10,123	9,726	10,143
82 Other Administrative Expense	15,000	8,000	15,000	6,281	7,289	12,528	13,960	10,427
83 Election Cost	0	0	35,000	0	18,915	0	2,077	250
84 Dues & Subscriptions	97,000	140,000	99,000	83,386	79,986	59,362	59,046	59,271
85 Vehicle Expense	8,000	8,000	8,000	8,112	8,112	8,634	9,325	8,112
86 Meetings, Conf & Training	194,000	80,000	192,000	111,593	107,583	149,670	186,436	139,858
87 Telephone, Water, Gas & Electricity	52,000	48,000	48,000	46,251	38,758	40,595	45,355	42,458
88 Building & Grounds Maintenance	60,000	108,000	59,000	77,130	58,884	75,130	62,856	63,344
89 Office Equipment Expense	120,000	120,000	140,000	143,224	109,014	97,003	95,465	87,141
90 Insurance Premiums & Claims	163,000	180,000	155,000	109,939	99,040	92,292	87,319	140,366
91 Retiree Medical Benefits	224,000	210,000	200,000	186,221	197,855	174,528	164,969	168,935
92 (Gain)/Loss on Overhead Charges	(90,000)	(57,000)	(140,000)	(322,446)	905,403	(357,925)	(19,931)	(89,626)
93 G&A Distributed to Other Operations	(135,000)	(145,000)	(145,000)	(130,592)	(140,526)	(157,976)	(161,036)	(126,771)
94 G&A Applied to Construction Projects	(501,000)	(345,000)	(477,000)	(389,809)	(374,552)	(346,105)	(290,813)	(359,689)
95 GASB45/75 Adjustment (OPEB)	-	-	-	20,250	15,707	(35,788)	120,988	-
96 GASB68 Adjustment (Pension Liability)	390,000	427,000	411,000	1,558,480	124,583	342,715	207,182	-
97 <b>TOTAL GENERAL &amp; ADMINISTRATION</b>	<b>\$2,294,000</b>	<b>\$2,296,000</b>	<b>\$2,368,000</b>	<b>\$2,980,572</b>	<b>\$2,864,101</b>	<b>\$2,002,414</b>	<b>\$2,282,356</b>	<b>\$1,738,681</b>
98 Depreciation Expense	\$2,807,000	\$2,785,000	\$2,868,000	\$2,660,688	2,752,212	\$2,730,867	\$2,710,627	\$2,577,081
99 <b>TOTAL OPERATING EXPENSE</b>	<b>\$19,975,000</b>	<b>\$19,793,000</b>	<b>\$19,402,000</b>	<b>\$20,730,643</b>	<b>\$17,799,855</b>	<b>\$18,063,210</b>	<b>\$16,748,582</b>	<b>\$15,001,502</b>
100 <b>NET OPERATING INCOME/(LOSS)</b>	<b>\$770,000</b>	<b>\$775,000</b>	<b>\$737,000</b>	<b>\$281,805</b>	<b>\$1,637,470</b>	<b>\$1,956,595</b>	<b>\$236,303</b>	<b>\$791,636</b>

**NOVATO RECYCLED WATER**  
**BUDGET SUMMARY**  
**Fiscal Year 2021/22**

	<b>Adopted Budget 2021/22</b>	<b>Estimated Actual 2020/21</b>	<b>Adopted Budget 2020/21</b>
<b>OPERATING INCOME</b>			
1 Recycled Water Sales	<b>\$1,554,000</b>	\$1,466,000	\$1,234,000
2 Bimonthly Service Charge	<b>116,000</b>	70,000	58,000
3 <b>Total Operating Income</b>	<b>\$1,670,000</b>	\$1,536,000	\$1,292,000
<b>OPERATING EXPENDITURES</b>			
4 Purchased Water - NSD	<b>270,000</b>	\$262,000	\$213,000
5 Purchased Water - LGVSD	<b>120,000</b>	96,000	71,000
6 Pumping	<b>9,000</b>	4,000	7,000
7 Operations	<b>97,000</b>	190,000	74,000
8 Water Treatment	<b>35,000</b>	14,000	31,000
9 Transmission & Distribution	<b>65,000</b>	27,000	62,000
10 Consumer Accounting	<b>2,000</b>	2,000	1,000
11 General Administration	<b>70,000</b>	70,000	61,000
12 Depreciation	<b>779,000</b>	786,000	673,000
13 <b>Total Operating Expenditures</b>	<b>\$1,447,000</b>	\$1,451,000	\$1,193,000
14 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$223,000</b>	\$85,000	\$99,000
<b>NON-OPERATING INCOME/(EXPENSE)</b>			
15 Interest Revenue	<b>\$70,000</b>	62,000	\$140,000
16 MCC Interest Payments	<b>11,000</b>	12,000	12,000
17 Transfers Out from Capital Expansion Fund	<b>(501,000)</b>	-	(369,000)
18 Deer Island SRF Loan Interest Expense	<b>(36,000)</b>	(42,000)	(42,000)
19 Distrib System SRF Loans Interest Exp	<b>(215,000)</b>	(228,000)	(228,000)
20 <b>Total Non-Operating Income/(Expense)</b>	<b>(\$671,000)</b>	(\$196,000)	(\$487,000)
21 <b>NET INCOME/(LOSS)</b>	<b>(\$448,000)</b>	(\$111,000)	(\$388,000)
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
22 Add Depreciation Expense	<b>\$779,000</b>	\$786,000	\$673,000
23 Connection Fees Transferred from (to) Novato	<b>890,000</b>	894,000	794,000
24 MCC Principal Repayment	<b>38,000</b>	37,000	37,000
25 Capital Improvement Projects	<b>(100,000)</b>	(100,000)	(100,000)
26 Deer Island SRF Loan Principal Payments	<b>(237,000)</b>	(232,000)	(232,000)
27 Distrib System SRF Loan Principal Pmts	<b>(675,000)</b>	(663,000)	(663,000)
28 <b>Total Other Sources/(Uses)</b>	<b>\$695,000</b>	\$722,000	\$509,000
29 <b>CASH INCREASE/(DECREASE)</b>	<b>\$247,000</b>	\$611,000	\$121,000

**NOVATO RECYCLED WATER**  
**FY 21/22-Five-Year Financial Forecast**

Fiscal Year Ending June 30 >		Budget <b>2022</b>	Forecast <b>2023</b>	Forecast <b>2024</b>	Forecast <b>2025</b>	Forecast <b>2026</b>
1	Active Services @ Fiscal Year End	96	96	96	96	96
2	Commodity Rate/1,000 Gal	\$6.61	\$7.01	\$7.36	\$7.73	\$8.12
3	Consumption (MG)	235	235	235	235	235
<b>OPERATING REVENUE</b>						
4	Recycled Water Sales	1,554,000	1,648,000	1,730,000	1,817,000	1,907,000
5	Bimonthly Service Charge	116,000	123,000	129,000	135,000	142,000
6	<b>Total Operating Revenue</b>	<b>1,670,000</b>	<b>1,771,000</b>	<b>1,859,000</b>	<b>1,952,000</b>	<b>2,049,000</b>
<b>OPERATING EXPENSE</b>						
7	Purchased Water - NSD	270,000	278,000	286,000	295,000	304,000
8	Purchased Water - LGVSD	120,000	124,000	128,000	132,000	136,000
9	<b>OPERATING EXPENSE</b>					
10	Other Operating Expenses	278,000	292,000	307,000	322,000	338,000
11	Depreciation	779,000	779,000	779,000	779,000	779,000
12	<b>Total Operating Expense</b>	<b>1,447,000</b>	<b>1,473,000</b>	<b>1,500,000</b>	<b>1,528,000</b>	<b>1,557,000</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>						
13	Interest Revenue	70,000	70,000	70,000	70,000	70,000
14	Interest Expense	(251,000)	(210,000)	(195,000)	(192,000)	(190,000)
15	Transfers Out from Capital Expansion Fund	(501,000)	(538,000)	(569,000)	(601,000)	(635,000)
16	Other Revenue/(Expense)	11,000	11,000	11,000	11,000	11,000
17	<b>Total Non-Op Revenue/(Expense)</b>	<b>(671,000)</b>	<b>(667,000)</b>	<b>(683,000)</b>	<b>(712,000)</b>	<b>(744,000)</b>
18	<b>NET INCOME/(LOSS)</b>	<b>(448,000)</b>	<b>(369,000)</b>	<b>(324,000)</b>	<b>(288,000)</b>	<b>(252,000)</b>
<b>OTHER SOURCES/(USES) OF FUNDS</b>						
19	Add Depreciation Expense	779,000	779,000	779,000	779,000	779,000
20	Loan Principal Repayment Received	38,000	39,000	40,000	41,000	42,000
21	Novato Potable FRC Fund Trsf	890,000	714,000	687,000	665,000	665,000
22	Capital Improvement Projects	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
23	Deer Island TP Loan Principal Pmt	(237,000)	(243,000)	(246,000)	(249,000)	(251,000)
24	Distrib Sys Exp Loan Principal Pmt	(675,000)	(710,000)	(722,000)	(722,000)	(722,000)
25	<b>Total Other Sources/Uses</b>	<b>695,000</b>	<b>479,000</b>	<b>438,000</b>	<b>414,000</b>	<b>413,000</b>
26	<b>Cash Increase/(Decrease)</b>	<b>247,000</b>	<b>110,000</b>	<b>114,000</b>	<b>126,000</b>	<b>161,000</b>
27	<b>Ending Reserve Balance</b>	<b>4,930,000</b>	<b>5,040,000</b>	<b>5,154,000</b>	<b>5,280,000</b>	<b>5,441,000</b>
28	<b>% Rate Increase<sup>1</sup></b>	<b>6.0%</b>	<b>6.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>

<sup>1</sup>Fiscal year 2022 Rate increase to be reviewed for approval by the Board of Directors on June 15, 2021. FY 2023 through 2026 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

**WEST MARIN WATER**  
**BUDGET SUMMARY**  
**Fiscal Year 2021/22**

	<b><i>Adopted Budget 2021/22</i></b>	<b><i>Estimated Actual 2020/21</i></b>	<b><i>Adopted Budget 2020/21</i></b>
<b>OPERATING INCOME</b>			
1 Water Sales	<b>\$1,005,000</b>	\$951,000	\$932,000
2 Misc Service Charges	<b>7,000</b>	7,000	7,000
3 <b>Total Operating Income</b>	<b>\$1,012,000</b>	\$958,000	\$939,000
<b>OPERATING EXPENDITURES</b>			
4 Source of Supply	<b>\$28,000</b>	\$25,000	\$18,000
5 Pumping	<b>76,000</b>	75,000	63,000
6 Operations	<b>79,000</b>	73,000	49,000
7 Water Treatment	<b>165,000</b>	260,000	165,000
8 Transmission & Distribution	<b>168,000</b>	110,000	166,000
9 Consumer Accounting	<b>26,000</b>	22,000	26,000
10 Water Conservation	<b>4,000</b>	37,000	9,000
11 General Administration	<b>64,000</b>	107,000	64,000
12 Depreciation Expense	<b>269,000</b>	200,000	188,000
13 <b>Total Operating Expenditures</b>	<b>\$879,000</b>	\$909,000	\$748,000
14 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$133,000</b>	\$49,000	\$191,000
<b>NON-OPERATING REVENUE/(EXPENSE)</b>			
15 PR-2 County Tax Allocation	<b>\$56,000</b>	\$55,000	\$57,000
16 Interest Revenue	<b>6,000</b>	12,000	11,000
17 Loan Interest Expense	<b>(30,000)</b>	(22,000)	(22,000)
18 <b>Total Non-Operating Income/(Expense)</b>	<b>\$32,000</b>	\$45,000	\$46,000
19 <b>NET INCOME/(LOSS)</b>	<b>\$165,000</b>	\$94,000	\$237,000
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
20 Add Depreciation Expense	<b>\$269,000</b>	\$200,000	\$188,000
21 Connection Fees	<b>-</b>	-	23,000
22 Grant/Loan Proceeds	<b>550,000</b>	1,411,000	385,000
23 Capital Improvement Projects	<b>(1,085,000)</b>	(1,831,000)	(1,485,000)
24 Loan Principal Payments	<b>(141,000)</b>	(49,000)	(49,000)
25 <b>Total Other Sources/(Uses)</b>	<b>(\$407,000)</b>	(\$269,000)	(\$938,000)
26 <b>CASH INCREASE/(DECREASE)</b>	<b>(\$242,000)</b>	(\$175,000)	(\$701,000)

**WEST MARIN WATER**  
**FY 21/22-Five-Year Financial Forecast**

	Budget 2021/22	Projected 2022/23	Projected 2023/24	Projected 2024/25	Projected 2025/26
<b>BASIC DATA</b>					
1 Active Meters	785	786	786	787	787
2 Avg Commodity Rate/1,000 Gal	\$12.21	\$12.94	\$13.72	\$14.54	\$15.42
3 Potable Consumption (MG)	65.0	67.0	67.0	67.0	67.0
<b>OPERATING REVENUE</b>					
4 Commodity Charge	\$794,000	\$867,000	\$919,000	\$974,000	\$1,033,000
5 Bimonthly Service Charge	211,000	224,000	237,000	251,000	251,000
6 Miscellaneous Service Charges	7,000	7,000	7,000	7,000	7,000
7 <b>Total Operating Revenue</b>	<b>\$1,012,000</b>	<b>\$1,098,000</b>	<b>\$1,163,000</b>	<b>\$1,232,000</b>	<b>\$1,291,000</b>
8 Operating Expenditures	\$610,000	\$628,000	\$647,000	\$666,000	\$686,000
9 Depreciation Expense	269,000	287,000	291,000	296,000	306,000
10 <b>Total Operating Expense</b>	<b>\$879,000</b>	<b>\$915,000</b>	<b>\$938,000</b>	<b>\$962,000</b>	<b>\$992,000</b>
11 <b>NET OPERATING INCOME</b>	<b>\$133,000</b>	<b>\$183,000</b>	<b>\$225,000</b>	<b>\$270,000</b>	<b>\$299,000</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>					
12 Interest Revenue	\$6,000	\$4,000	\$5,000	\$5,000	\$3,000
13 Interest Expense	(30,000)	(48,000)	(42,000)	(38,000)	(32,000)
14 PR-2 County Tax Allocation	56,000	57,000	58,000	59,000	60,000
15 <b>Total Non-Op Revenue/(Expense)</b>	<b>32,000</b>	<b>13,000</b>	<b>21,000</b>	<b>26,000</b>	<b>31,000</b>
16 <b>Net Income</b>	<b>\$165,000</b>	<b>\$196,000</b>	<b>\$246,000</b>	<b>\$296,000</b>	<b>\$330,000</b>
<b>OTHER SOURCES/(USES)</b>					
17 Add Depreciation Expense	\$269,000	\$287,000	\$291,000	\$296,000	\$306,000
18 Connection Fees	-	23,000	-	23,000	-
19 Capital Improvement Projects	(1,085,000)	(256,000)	(311,000)	(624,000)	(504,000)
20 Grant/Loan Proceeds	-	-	-	-	-
21 Loan from Novato Water	550,000	(134,000)	(130,000)	(140,000)	(146,000)
22 Debt Principal Payments	(141,000)	(52,000)	(54,000)	(56,000)	(56,000)
23 Net Change in Working Capital	-	-	-	-	-
24 <b>Total Other Sources/(Uses)</b>	<b>(\$407,000)</b>	<b>(\$132,000)</b>	<b>(\$204,000)</b>	<b>(\$501,000)</b>	<b>(\$400,000)</b>
25 <b>Cash Increase/(Decrease)</b>	<b>(\$242,000)</b>	<b>\$64,000</b>	<b>\$42,000</b>	<b>(\$205,000)</b>	<b>(\$70,000)</b>
26 Operating Reserve	\$203,300	\$209,300	\$215,700	\$190,300	\$197,000
27 System Expansion Reserve	92,700	150,700	186,300	(25,000)	(101,700)
28 Liability Contingency Reserve	99,000	99,000	99,000	99,000	99,000
29 <b>ENDING CASH BALANCE</b>	<b>\$395,000</b>	<b>\$459,000</b>	<b>\$501,000</b>	<b>\$296,000</b>	<b>\$226,000</b>
<b>% Rate Increase<sup>1</sup></b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>

<sup>1</sup>Fiscal year 2022 Rate increase to be reviewed for approval by the Board of Directors on June 22, 2021. FY 2023 through 2026 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

**OCEANA MARIN SEWER**  
**BUDGET SUMMARY**  
**Fiscal Year 2021/22**

	<b><i>Adopted Budget 2021/22</i></b>	<b><i>Estimated Actual 2020/21</i></b>	<b><i>Adopted Budget 2020/21</i></b>
<b>OPERATING INCOME</b>			
1 Monthly Sewer Service Charge	<b>\$290,000</b>	\$276,000	\$276,000
2 Misc Service Charges	-	-	-
3 <b>Total Operating Income</b>	<b>\$290,000</b>	\$276,000	\$276,000
<b>OPERATING EXPENDITURES</b>			
4 Sewage Collection	<b>\$94,000</b>	\$131,000	\$88,000
5 Sewage Treatment	<b>54,000</b>	30,000	45,000
6 Sewage Disposal	<b>47,000</b>	26,000	45,000
7 Consumer Accounting	<b>2,000</b>	2,000	2,000
8 General Administration	<b>12,000</b>	47,000	27,000
9 Depreciation Expense	<b>49,000</b>	44,000	48,000
10 <b>Total Operating Expenditures</b>	<b>\$258,000</b>	\$280,000	\$255,000
11 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$32,000</b>	(\$4,000)	\$21,000
<b>NON-OPERATING REVENUE/(EXPENSE)</b>			
12 OM-1/OM-3 Tax Allocation	<b>\$60,000</b>	\$59,000	\$61,000
13 Interest Revenue	<b>4,000</b>	6,000	3,000
14 Interest Expense	<b>(3,000)</b>	-	-
15 Miscellaneous Expense	<b>(1,000)</b>	(1,000)	-
16 <b>Total Non-Op Income/(Expense)</b>	<b>\$60,000</b>	\$64,000	\$64,000
<b>NET INCOME/(LOSS)</b>	<b>\$92,000</b>	\$60,000	\$85,000
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
17 Add Depreciation Expense	<b>\$49,000</b>	\$44,000	\$48,000
18 Connection Fees	-	-	-
19 Grant/Loan Proceeds	<b>1,450,000</b>	86,000	225,000
20 Capital Improvement Projects	<b>(1,590,000)</b>	(110,000)	(\$290,000)
21 <b>Total Other Souces/(Uses)</b>	<b>(\$91,000)</b>	\$20,000	(\$17,000)
22 <b>CASH INCREASE/(DECREASE)</b>	<b>\$1,000</b>	\$80,000	\$68,000



**OCEANA MARIN SEWER**  
**FY 21/22-Five-Year Financial Forecast**

	<b>Budget 2021/22</b>	<b>Projected 2022/23</b>	<b>Projected 2023/24</b>	<b>Projected 2024/25</b>	<b>Projected 2025/26</b>
<b>BASIC DATA</b>					
1 Number of Connections	235	236	236	237	237
2 Monthly Service Charge	\$103.00	\$108.00	\$113.00	\$119.00	\$125.00
<b>OPERATING REVENUE</b>					
3 Monthly Service Charge	\$290,000	\$306,000	\$320,000	\$338,000	\$356,000
4 Miscellaneous Service Charges	-	-	-	-	-
5 <b>Total Operating Revenue</b>	<b>\$290,000</b>	<b>\$306,000</b>	<b>\$320,000</b>	<b>\$338,000</b>	<b>\$356,000</b>
<b>OPERATING EXPENSE</b>					
6 Operating Expenditures	\$209,000	\$215,000	\$221,000	\$227,000	\$233,000
7 Depreciation Expense	49,000	76,000	82,000	88,000	96,000
8 <b>Total Operating Expense</b>	<b>\$258,000</b>	<b>\$291,000</b>	<b>\$303,000</b>	<b>\$315,000</b>	<b>\$329,000</b>
9 <b>NET OPERATING INCOME</b>	<b>\$32,000</b>	<b>\$15,000</b>	<b>\$17,000</b>	<b>\$23,000</b>	<b>\$27,000</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>					
10 Interest Revenue	\$4,000	\$4,000	\$4,000	\$2,000	\$3,000
11 Interest Expense	(3,000)	(3,000)	(2,800)	(2,500)	(6,500)
12 OM-1/OM-3 Tax Allocation	60,000	61,000	62,000	63,000	64,000
13 Miscellaneous Expense	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
14 <b>Total Non-Op Revenue/(Expense)</b>	<b>\$60,000</b>	<b>\$61,000</b>	<b>\$62,200</b>	<b>\$61,500</b>	<b>\$59,500</b>
15 <b>Net Income</b>	<b>\$92,000</b>	<b>\$76,000</b>	<b>\$79,200</b>	<b>\$84,500</b>	<b>\$86,500</b>
<b>OTHER SOURCES/(USES)</b>					
16 Add Depreciation Expense	\$49,000	\$76,000	\$82,000	\$88,000	\$96,000
17 Connection Fees	-	30,000	-	30,000	-
18 Capital Improvement Projects	(1,590,000)	(370,000)	(350,000)	(452,000)	(282,000)
19 Grant/Loan Proceeds	1,450,000	250,000	-	400,000	-
20 Debt Principal Payments	-	(30,000)	(30,200)	(30,500)	(72,000)
21 <b>Total Other Sources/(Uses)</b>	<b>(\$91,000)</b>	<b>(\$44,000)</b>	<b>(\$298,200)</b>	<b>\$35,500</b>	<b>(\$258,000)</b>
22 <b>Cash Increase/(Decrease)</b>	<b>\$1,000</b>	<b>\$32,000</b>	<b>(\$219,000)</b>	<b>\$120,000</b>	<b>(\$171,500)</b>
23 <b>ENDING CASH BALANCE</b>	<b>\$382,000</b>	<b>\$414,000</b>	<b>\$195,000</b>	<b>\$315,000</b>	<b>\$144,000</b>
<b>% Rate Increase<sup>1</sup></b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>

<sup>1</sup>Fiscal year 2022 Rate increase to be reviewed for approval by the Board of Directors on June 22, 2021. FY 2023 through 2026 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

## CAPITAL IMPROVEMENT PROJECTS

t:\ac\budget\fy-2021.22\budget final fy 21.22\supporting schedules fy 21.22\cip fy21.22\5 yr cip fy22-27.xlsx\5 yr cip

		FY22	FY23	FY22 & FY23 Project Description
1.	PIPELINE REPLACEMENTS/ADDITIONS			
	a. Main/Pipeline Replacements			
1.7189.00	1 Replace 12" CI Pipe Novato Blvd (785LF)	-	\$50,000	Replace 60 year old Cast-Iron-Pipe that has a high frequency of breaks and is at the end of its useful life.
1.7183.xx	2 Replace Plastic Thin Walled Pipe < 4-inch	\$150,000	\$150,000	Ongoing systematic replacement of all plastic TW pipe < 4-inch.
1.7195.00	3 Novato Blvd Widening - Diablo to Grant (4100LF)	\$200,000	\$1,300,000	Replaces 60 year old cast iron pipe and replaces 50+ old ACP with 12" PVC; Joint project with City and Novato Sanitary District.
	4 Other Main Replacements (60+ years old)	\$200,000	-	Unplanned repairs/replacements for failing mains.
		\$550,000	\$1,500,000	
	b. Main/Pipeline Additions			
1.7150.00	1 San Mateo 24" Inlet/Outlet Pipe (2,200')	\$850,000	-	
	2 Loop Los Robles Rd and Posada Del Sol	-	\$125,000	
	3 Other Main/Pipeline Additions	\$150,000	\$150,000	Misc. Projects to loop dead end mains
		\$1,000,000	\$275,000	
	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 (40 Services)	-	\$80,000	Ongoing systematic replacement of PB services.
		\$70,000	\$150,000	
	d. Relocations to Sync w/City & County CIP			
1.8737.xx	1 Other Relocations	\$70,000	\$25,000	Relocate facilities for yet to be identified City/County Projects.
		\$70,000	\$25,000	
	TOTAL PIPELINE REPLACEMENTS/ADDITIONS	\$1,690,000	\$1,950,000	

## CAPITAL IMPROVEMENT PROJECTS

t:\ac\budget\fy-2021.22\budget final fy 21.22\supporting schedules fy 21.22\cip fy21.22\5 yr cip fy22-27.xlsx\5 yr cip

		FY22	FY23	FY22 & FY23 Project Description
2.	SYSTEM IMPROVEMENTS			
1.7007.14	a. DCA Repair/Replace-FY21 (~14/yr)	\$100,000	\$100,000	Ongoing program to replace old assemblies
1.7090.04	b. Anode Installations-FY21 (150/yr)	\$10,000	\$10,000	Place anodes on copper laterals for corrosion protection. Prioritize bad sand sites
1.6313.20	c. Pressure Reducing Station - Harbor Drive	\$25,000	-	
1.6302.21	d. Pressure Reducing Station - Blackpoint	\$25,000	-	
1.7136.00	e. Facilities Security Enhancements	-	\$25,000	
1.7190.00	f. San Marin Aqueduct Valve Pit (STP to Zone 2)	\$150,000	-	Piping/Valve modifications to allow downtown Zone 1 water (from STP) to supply San Marin pump station.
	g. Other System Improvements	-	\$200,000	
	TOTAL SYSTEM IMPROVEMENTS	<u>\$310,000</u>	<u>\$335,000</u>	
3.	BUILDING, YARD, STP IMPROVEMENTS			
	a. Administration Building			
1.6501.44	1 NMWD Headquarters Upgrade (Note 1)	\$3,475,000	\$7,950,000	50-year-old building requires significant upgrading; Phases 1 - 2 shown
		<u>\$3,475,000</u>	<u>\$7,950,000</u>	
	b. Stafford Treatment Plant			
1.6600.69	1 Dam Concrete Repair (Apron)	\$50,000	-	Ongoing patch repairs as needed.
1.6600.96	2 Leveroni Creek Embankment Repair (Note 2)	\$175,000	-	Repair/stabilize culvert embankment under access road to STP/IVGC.
	3 Concrete Apron Overlay	-	\$100,000	
1.6600.xx	4 Other Treatment Plant Improvements	\$50,000	\$50,000	Miscellaneous plant improvements.
1.6600.92	5 STP - Chemical System Upgrades (Tank R&R)	\$75,000	\$75,000	Ongoing replacement of original chemical storage tanks (circa 2006) that are at the end of their useful life.
1.6600.83	6 Filter Underdrain/Media R&R	\$20,000	\$20,000	Filter underdrain inspection and media replacement for each filter unit (one per year).
		<u>\$370,000</u>	<u>\$245,000</u>	
	TOTAL BUILDING, YARD, STP IMPROVEMENTS	<u>\$3,845,000</u>	<u>\$8,195,000</u>	

## CAPITAL IMPROVEMENT PROJECTS

t:\ac\budget\fy-2021.22\budget final fy 21.22\supporting schedules fy 21.22\cip fy21.22\5 yr cip fy22-27.xlsx\5 yr cip

		FY22	FY23	FY22 & FY23 Project Description
4.	STORAGE TANKS/PUMP STATIONS			
	a. Tank Construction			
1.6207.20	1 Old Ranch Rd Tank No. 2 (100k gal)	\$1,600,000	-	Award construction in FY21, construction complete FY22
		\$1,600,000	-	
	b. Tank Rehabilitation			
1.7170.00	1 Hydropneumatic Tank Repairs	\$130,000	-	Ongoing program to inspect/Repair the 7 tanks in compliance with State Code.
	2 Garner Tank Recoat (0.1 MG)	-	\$170,000	
	3 Lynwood Recoat/Seismic Upgrade (0.85MG & 0.5MG)	-	\$1,000,000	
		\$130,000	\$1,170,000	
1.6112.24	c. Lynwood P.S. Motor Control Center	\$525,000	-	Move motor controls above-ground.
1.6141.00	d. Crest PS (Design/Const) /Reloc School Rd PS	\$375,000	-	Replace School Rd PS with new facility on Bahia Drive.
	e. Davies PS Upgrade	-	\$50,000	
	f. Fire Flow Backfeed Valve Nunes Tank	-	\$200,000	
		\$900,000	\$250,000	
	TOTAL STORAGE TANKS/PUMP STATIONS	\$2,630,000	\$1,420,000	
	TOTAL NOVATO SERVICE AREA	\$8,475,000	\$11,900,000	
5.	RECYCLED WATER			
5.7162.xx	a. Replace CI in Atherton Avenue (1320LF)	\$50,000	\$350,000	1950's era cast iron pipe re-purposed for RW. Sliplining maybe used.
5.7162.xx	b. Other Recycled Water Expenditures	\$50,000	-	Retrofit existing potable irrigation customers to RW.
	TOTAL RECYCLED WATER PROJECTS	\$100,000	\$350,000	

## CAPITAL IMPROVEMENT PROJECTS

t:\ac\budget\fy-2021.22\budget final fy 21.22\supporting schedules fy 21.22\cip fy21.22\5 yr cip fy22-27.xlsx\5 yr cip

		FY22	FY23	FY22 & FY23 Project Description
6.	WEST MARIN WATER SYSTEM			
2.6263.20	a. Replace PRE Tank #4A (25K gal w/125K gal)	-	-	Replace and upsize redwood tank destroyed in Vision Fire with concrete tank.
2.6609.20	b. New Gallagher Well #2	\$631,000	-	Permit and construct 2nd well at Gallagher Ranch.
2.8829.xx	c. PB Replace in Sync w/ County Paving	\$50,000	-	For 25 replacements.
2-7185-00	d. Gallagher Ranch Streambank Stabilization (Note 3)	\$4,000	\$4,000	Monitoring costs over 5 years.
2.8912.00	e. Lagunitas Creek Bridge Pipe Replacement (Caltrans)	\$400,000	\$52,000	Relocate/replace 8-inch water main across Lagunitas Creek Bridge.
	f. Miscellaneous Water System Improvements	-	\$200,000	
	TOTAL WEST MARIN WATER SYSTEM PROJECTS	<u>\$1,085,000</u>	<u>\$256,000</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.
8.7085.05	b. Tahiti Way Lift Pumps Replacement	\$100,000	-	Replacement of Lift Pumps
8.7173.00	c. OM Treatment Pond Rehab (Note 5)	\$1,450,000	\$205,000	Hazard mitigation project to armor the existing earthen treatment pond berms to minimize storm erosion and damage due to earthquakes.
	d. North St. Lift Station Bypass	-	-	
	e. Sewer Force Main Improvements	-	\$125,000	adding isolation valves or other appurtenances in the 3,000+ LF FM to allow for repairs in the system
	TOTAL OCEANA MARIN SEWER SYSTEM PROJECTS	<u>\$1,590,000</u>	<u>\$370,000</u>	

## CAPITAL IMPROVEMENT PROJECTS

t:\ac\budget\fy-2021.22\budget final fy 21.22\supporting schedules fy 21.22\cip fy21.22\5 yr cip fy22-27.xlsx\5 yr cip

	FY22	FY23	FY22 & FY23 Project Description
<b><u>SUMMARY - GROSS PROJECT OUTLAY</u></b>			
Novato Water	\$8,475,000	\$11,900,000	
Recycled Water	\$100,000	\$350,000	
West Marin Water	\$1,085,000	\$256,000	
Oceana Marin Sewer	\$1,590,000	\$370,000	
GROSS PROJECT OUTLAY	<u>\$11,250,000</u>	<u>\$12,876,000</u>	
LESS FUNDED BY LOANS/GRANTS/OTHER			
a. Office/Yard Building Refurbish (Note 1)	(\$3,575,000)	(\$7,950,000)	
b. WM Novato Water Loan to WM (Note 3)	(\$550,000)	-	
c. OM Treatment Pond Rehab (Note 4)	(\$1,450,000)	-	
TOTAL LOAN/GRANT FUNDS	<u>(\$5,575,000)</u>	<u>(\$7,950,000)</u>	
<b><u>SUMMARY - NET PROJECT OUTLAY</u></b>			
Novato Capital Improvement Net Project Outlay	\$4,900,000	\$3,950,000	
Recycled Water	\$100,000	\$350,000	
West Marin Water	\$535,000	\$256,000	
Oceana Marin Sewer	\$140,000	\$370,000	
NET PROJECT OUTLAY	<u>\$5,675,000</u>	<u>\$4,926,000</u>	
Total Number of District Projects	34	27	
Novato 5-Year Average of Internally Funded Projects FY21/22-FY25/26	<b>\$4,070,000</b>		
RW 5-Year Average of Internally Funded Projects FY21/22-FY25/26	<b>\$150,000</b>		
West Marin 5-Year Average of Internally Funded Projects FY21/22-FY25/26	<b>\$450,000</b>		
Oceana Marin 5-Year Average of Internally Funded Projects FY21/22-FY25/26	<b>\$240,000</b>		

## CAPITAL IMPROVEMENT PROJECTS

t:\ac\budget\fy-2021.22\budget final fy 21.22\supporting schedules fy 21.22\cip fy21.22\5 yr cip fy22-27.xlsx\5 yr cip

	FY22	FY23	FY22 & FY23 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	\$378,000	\$376,000	
d. Admin Building Renovation Loan (Note 1)	672,000	1,238,000	
	<u>\$2,576,000</u>	<u>\$3,140,000</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 (Net of MCC)	\$276,000	\$276,000	
	<u>\$1,163,000</u>	<u>\$1,163,000</u>	
<b>WEST MARIN WATER DEBT SERVICE</b>			
i. WM Novato Water Loan Payback	\$100,000	\$163,000	
j. TP Solids Handling Bank Loan	\$71,000	\$71,000	
	<u>\$171,000</u>	<u>\$234,000</u>	
<b>OCEANA MARIN SEWER DEBT SERVICE</b>			
k. CIP Financing	\$3,000	\$33,000	
	<u>\$3,000</u>	<u>\$33,000</u>	
<b>TOTAL DEBT SERVICE</b>			
	<u>\$3,913,000</u>	<u>\$4,570,000</u>	
<b>NET PROJECT OUTLAY &amp; DEBT SERVICE</b>			
	<u>\$9,588,000</u>	<u>\$9,496,000</u>	



## CAPITAL IMPROVEMENT PROJECTS

t:\ac\budget\fy-2021.22\budget final fy 21.22\supporting schedules fy 21.22\cip fy21.22\5 yr cip fy22-27.xlsx\5 yr cip

		FY22	FY23	FY22 & FY23 Project Description
<b>STUDIES &amp; SPECIAL PROJECTS</b>				
1.4057.00	a	Local Water Supply Enhancement Study	\$150,000	-
1.7039.02	b	Novato Water Master Plan Update	-	\$95,000
1.4077.00	d.	Potter Valley FERC Relicensing	\$5,000	-
1.6501.43	c.	Electronic Document Management System	\$60,000	-
	d.	District Boundary Election Map Review and Redraw e.	\$40,000	-
		Lynwood/San Marin Zone 2 Pumping Study	-	\$30,000
	f.	Cathodic Protection Master Plan	\$20,000	-
	g.	Pump Efficiency/Hydraulic Study	\$30,000	-
	h.	Crest/Black Point Zone Modification Eval.	-	\$27,000
			<u>\$305,000</u>	<u>\$152,000</u>

Note 1 - \$16.2M NMWD Headquarters Upgrade is proposed to be funded by 20 year 3.5% Bank Loan.

Note 2 - Project developed as part of October 2017 Feasibility Assessment prepared by Prunuske Chatham, Inc.

Note 3 - Loan from Novato Water - As included in the 2021 WM Water rate study - to be paid back with interest. Loan to occur in FY21 & FY22.

The timing of the loan will be dependent on the progress of construction of PRE Tank#4A which is uncertain due to a current appeal.

Note 4 - Project to be funded at 75% by grants. Eligible project costs are budgeted at \$2.2M (75%=\$1.425M). Also includes loans for capital projects of \$250K in FY22.

## EQUIPMENT EXPENDITURES

### Fiscal Year 21/22 Budget

		Approved	Description
<b>1 OPERATIONS/MAINTENANCE</b>			
12106.01.00	a. Meter Maintenance Program	\$120,000	
		<b>\$120,000</b>	
<b>2 Engineering</b>			
12106.01.00	a. File Management System	\$40,000	Replace flat filing system
		<b>\$40,000</b>	
<b>3 VEHICLE &amp; ROLLING EQUIPMENT EXPENDITURES</b>			
			<u>Rolling Stock to be Transferred &amp; Auctioned or Description</u>
12104.01.00	a. Peterbilt 335 (#508) cab and chassis	\$135,000	Replace Peterbilt 335 (#508) cab and chassis
		<b>\$135,000</b>	
<b>Total</b>		<b>\$295,000</b>	

	Adopted Budget 2020/21	Estimated Actual 2020/21	Adopted Budget 2021/22
<b>RECAP</b>			
Equipment	\$142,000	\$61,000	\$160,000
Rolling Stock	\$188,000	\$179,000	\$135,000
	<b>\$330,000</b>	<b>\$240,000</b>	<b>\$295,000</b>