



**NORTH MARIN  
WATER DISTRICT**

# *North Marin Water District*

## **Budgets**

*Novato & West Marin Service Areas*

***Adopted June 28, 2022***

**Fiscal  
Year  
2022/23**

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

## **INTRODUCTION**

This document contains the fiscal year 2022/23 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**

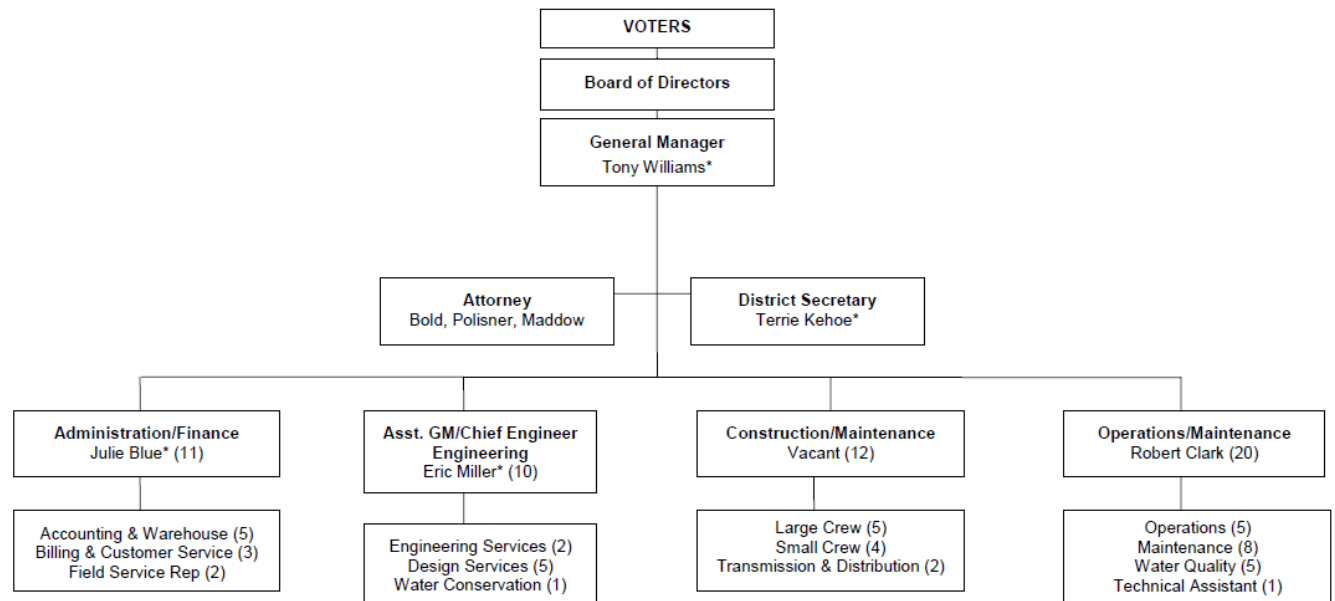
- Accountability – We work transparently and in full view of customers and take responsibility for our work.
- Integrity – Customers can count on quality and fair service from our staff and the District.
- Teamwork – We work cooperatively to accomplish our goals.
- Honesty – We always seek the truth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

## ORGANIZATION FACT SHEET

July 2022

### Organization:

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



\*Also serves as District officer

### Authority:

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

### Territory:

100 square miles (see attached map)

### Distribution System Expansion Policy:

"Pay-as-you-go." Connection fees for typical single family units vary for each improvement district and are based on the policy that new growth pays the incremental cost to expand the utility plant allocable to said service.

# North Marin Water District Boundary Map

- Marin County
- North Marin Water District Service Boundary



**NORTH MARIN  
WATER DISTRICT**

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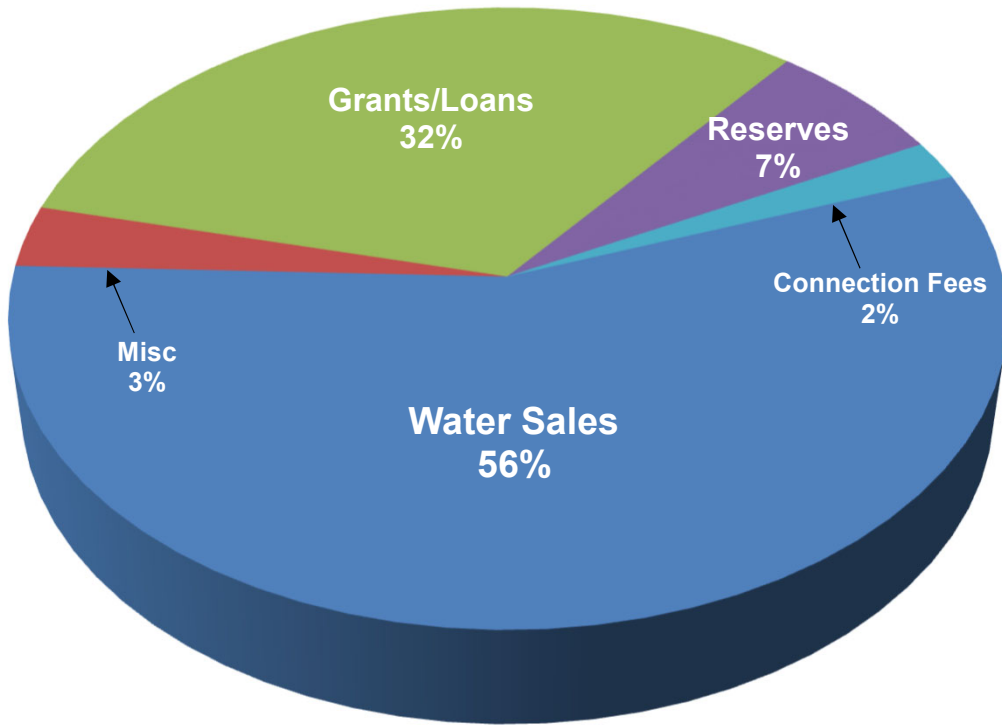
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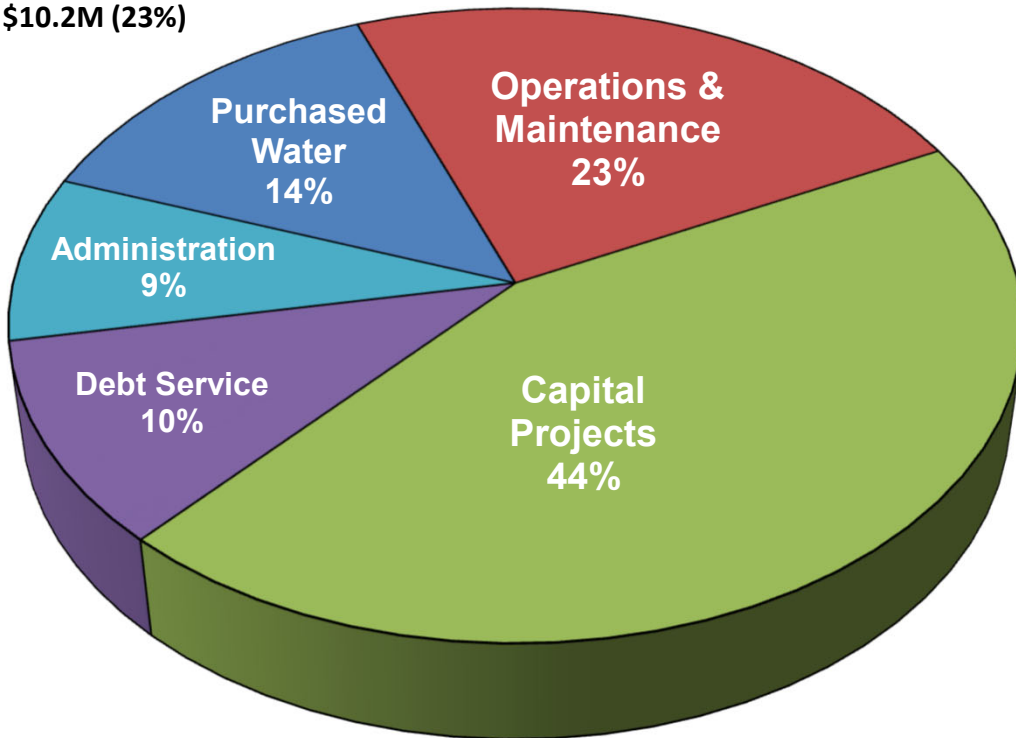
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**NORTH MARIN WATER DISTRICT**  
**FY22/23 DRAFT BUDGET - ALL SERVICE AREAS COMBINED**  
**SOURCES = \$44,089,000**



**Labor = \$10.2M (23%)**



**USES = \$44,089,000**

Excludes Depreciation Expense & Developer Funded Costs

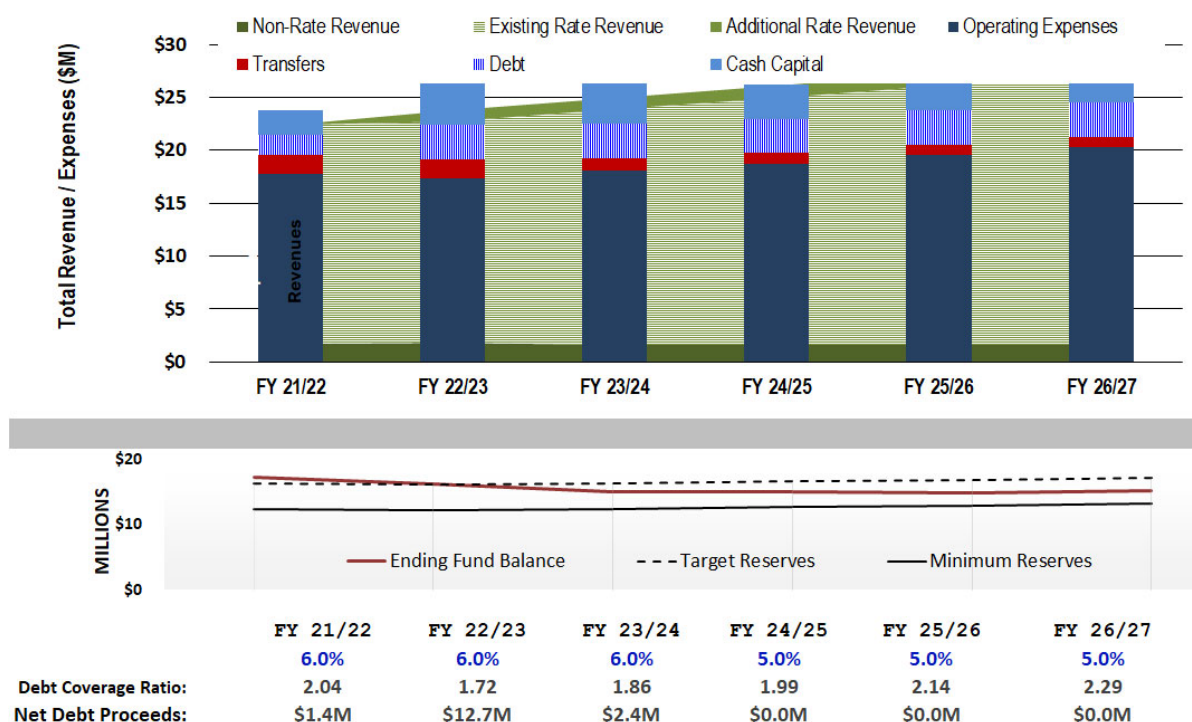
## Summary

The \$44.1 million consolidated budget projects operating revenue of \$25.6 million and a net operating income of \$2.5 million. The FY 22/23 budget incorporates \$4.5 million in internally funded capital improvement projects and \$5.7 million in water purchases. After payment of \$4.6 million in debt service, the consolidated budget projects a decrease in cash for the fiscal year of \$2.9 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, 2022, was approved by the Board of Directors at a public hearing on June 28, 2022. Total budget outlay, which includes \$3.9 million in internally funded capital improvement projects, is projected at \$26.9 million which is \$2M higher than the FY 21/22 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

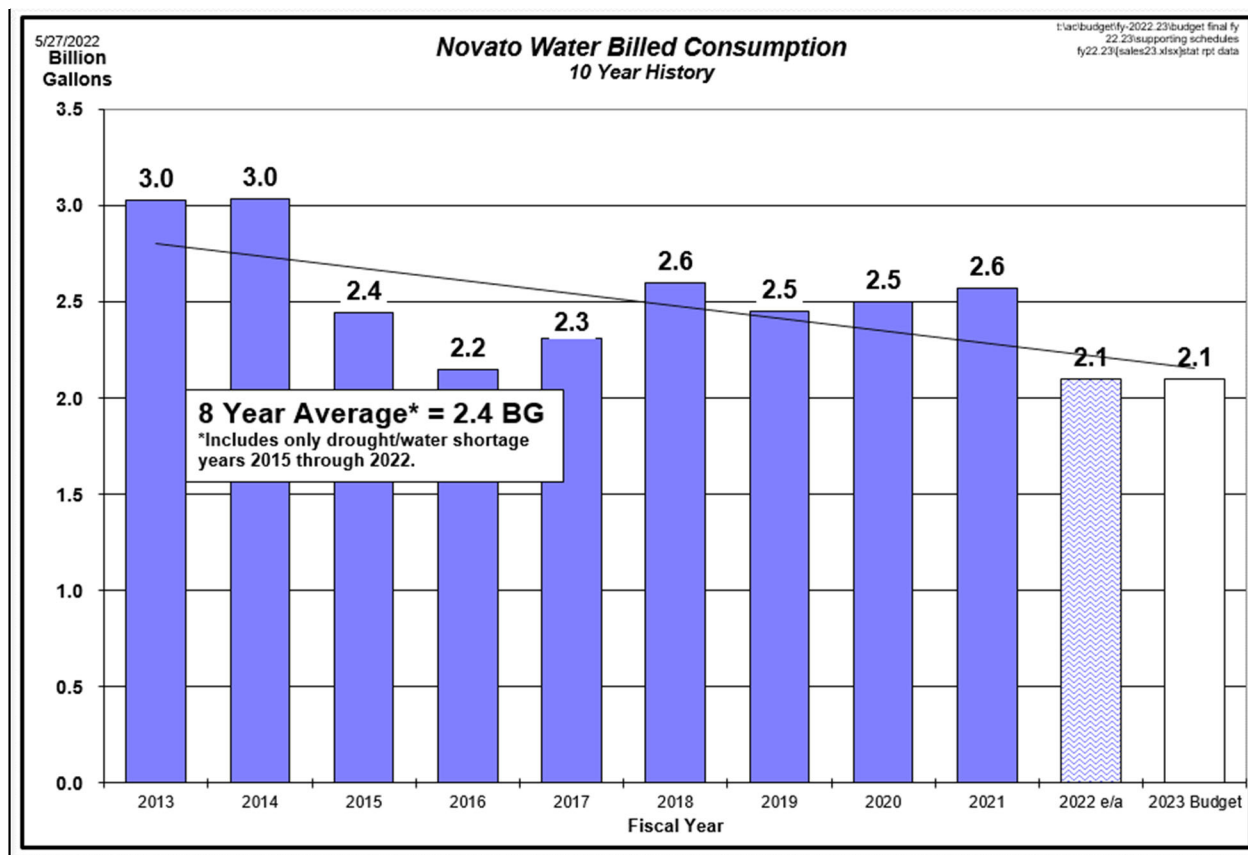


## Operating Revenue

**Water Sales** - Water sales volume is budgeted at 2.1 billion gallons (BG) which is a 12.5% decrease from the FY 21/22 budget. The decrease is primarily driven by the continuation of mandatory water conservation orders due to ongoing drought conditions and is equivalent to the estimated sales for FY 21/22. The 6% rate increase, effective July 1, 2022 is projected to increase revenues by \$1 million 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. The FY 22/23 Budget also includes a drought surcharge of 5%, assuming drought conditions (Stage 2 water shortage) to continue throughout the fiscal year.



**Other Revenue** – Connection Fee revenue is budgeted at \$872,000. Connection Fee revenue of \$890,000 for 31 Equivalent Dwelling Units (EDUs) is estimated to be collected in FY 21/22. The annual average connections have been 61 EDUs (FY 17/18 through FY 21/22). Included in the projections is annual Connection Fee revenue equivalent to 30.5 EDUs or about half of the actual five-year average.

The wheeling charge to Marin Municipal Water District is budgeted at \$142,000. This is based on the average revenue collected in the past three years. 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 of \$216,000, from various sources, includes rental income, backflow charges, and account turn on charges.

### **Operating Expenditures**

Operating expenses (excluding depreciation) are budgeted to increase 1% or \$171,000 from the FY 21/22 budget. The increase is primarily due to inflation adjustments, increases in the cost to purchase water, insurance costs, and personnel costs. This increase is offset by a projected decrease in water purchases due to decreased demand. 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 5.2% in FY 22/23. This change will result in a cost per acre-foot of \$1,102 for FY 22/23 versus \$1,047 for the current fiscal year and is estimated to increase the cost to purchase water by \$280,000.

**Stafford Treatment Plant (STP) Water Production** – STP water production is projected at 500 MG in FY 22/23 which is lower than the 10-year average annual production of 544 MG. This estimate could differ from actual operations and is dependent on drought conditions, statewide water restrictions, and water allocations from Sonoma Water. The cost of production at the end of FY 20/21 was \$7,819/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 55 full-time equivalent (FTE), see table below. There is an increase of a Junior Engineer, one FTE in the Engineering Department, to address an increase in workload demands due to an increase in Capital and Developer Projects. The temporary staffing budget hours are budgeted at 4,975 which is a reduction from the prior year's budget of 7,480 hours. Less temporary hours are needed due to increased efficiencies in the Consumer Services Department and the addition of the full time Junior Engineer position, decreasing the need for Engineering temporary hours.

<u>FTE Staffing</u>	<u>FY23</u>	<u>FY22</u>
Administration	8.0	8.0
Consumer Services	5.0	5.0
Construction/Maintenance	12.0	12.0
Engineering	10.0	9.0
Maintenance	9.0	9.0
Operations	6.0	6.0
Water Quality	<u>5.0</u>	<u>5.0</u>
	<u>55.00</u>	<u>54.00</u>

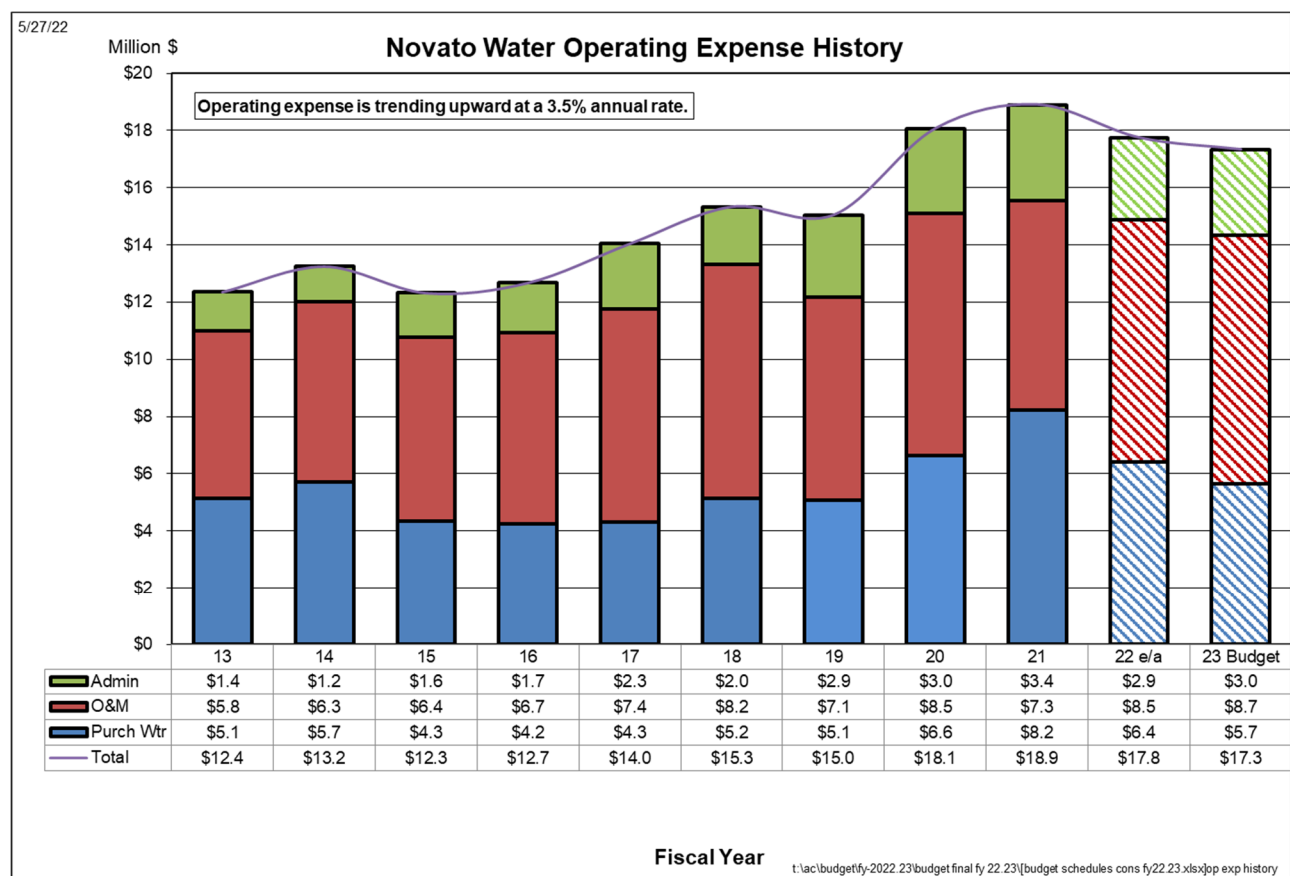
In accordance with the Employee Association and NMWD's Memorandum of Understanding (MOU), a 4.0% cost-of-living salary increase, has been factored into the budget effective October 1, 2022. The MOU links an annual cost-of-living adjustment (COLA) to the change in the Consumer Price Index (CPI). The District entered into a five-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 4.0% cost-of-living increase is staff's best projection at this time.

The District's average CalPERS retirement contribution rate will increase 1.81%, to 31.45% of earnings, compared to 29.65% from the rate budgeted last year. When applied to the FY 22/23 budgeted earnings this equates to an increase in pension expense of \$173,000. 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 2022 and in prior years.

## Other Operations & Maintenance Expenses –

- Studies and Special Projects are budgeted at \$359K which include an update to the Novato Water Master Plan and a Pipeline Condition Assessment.
- Water Conservation costs are budgeted to increase 19% over budgeted FY 21/22 costs. This is due to ongoing drought conditions and to align with the actual expenditures expected in FY 21/22.
- An addition of \$20,000 in non-recurring election costs due to the term expiration of two members of the Board of Directors.
- An increase in insurance premiums and claims of \$32,000 from the prior year's budget to align with expected premium costs.

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 8.6% which is influenced by a one-time payment of \$1.1M in FY 19/20 for bond issued debt service made to SW. Additionally, the average increase in operating expenses is impacted by the purchase of 363.5 million gallons of water from SW to backfeed Stafford Lake in FY 21/22 at the cost of \$1.1 million. The ten-year actual average increase to operating expenses is 5.6%.



## Non-Operating Expenses –

- An increase of \$406,000 for costs related to the lease of temporary office and lab space during the Administrative and Laboratory Upgrade Project.

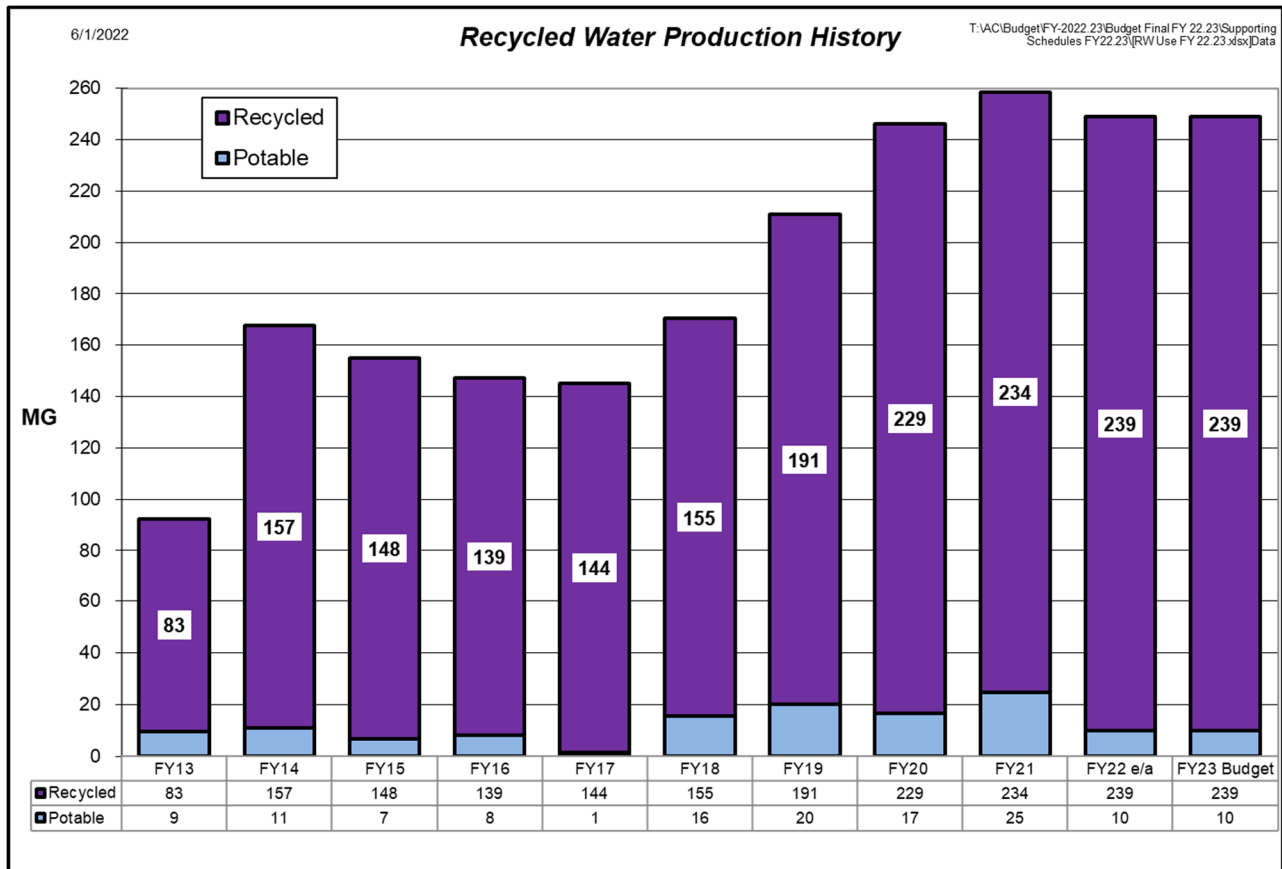
## Recycled Water

The FY 22/23 Recycled Water (RW) System Budget projects demand of 249MG which is consistent with the estimated sales volume in FY 21/22. 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 \$2,200/MG. The Deer Island Plant is budgeted to produce 5MG during the summer, to keep it operating, and to 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 occurring on June 28, 2022, effective July 1, 2022. The increase is projected to generate \$99,000 in additional revenue next fiscal year.

Operating expenses (excluding depreciation) are budgeted to increase 5% or \$36,000 from the FY 21/22 budget. This increase is primarily due to refined budget estimates to align more closely with expected actual expenses. The RW system is projected to show a net operating income of \$392,000 and an increase of cash for the year of \$396,000.

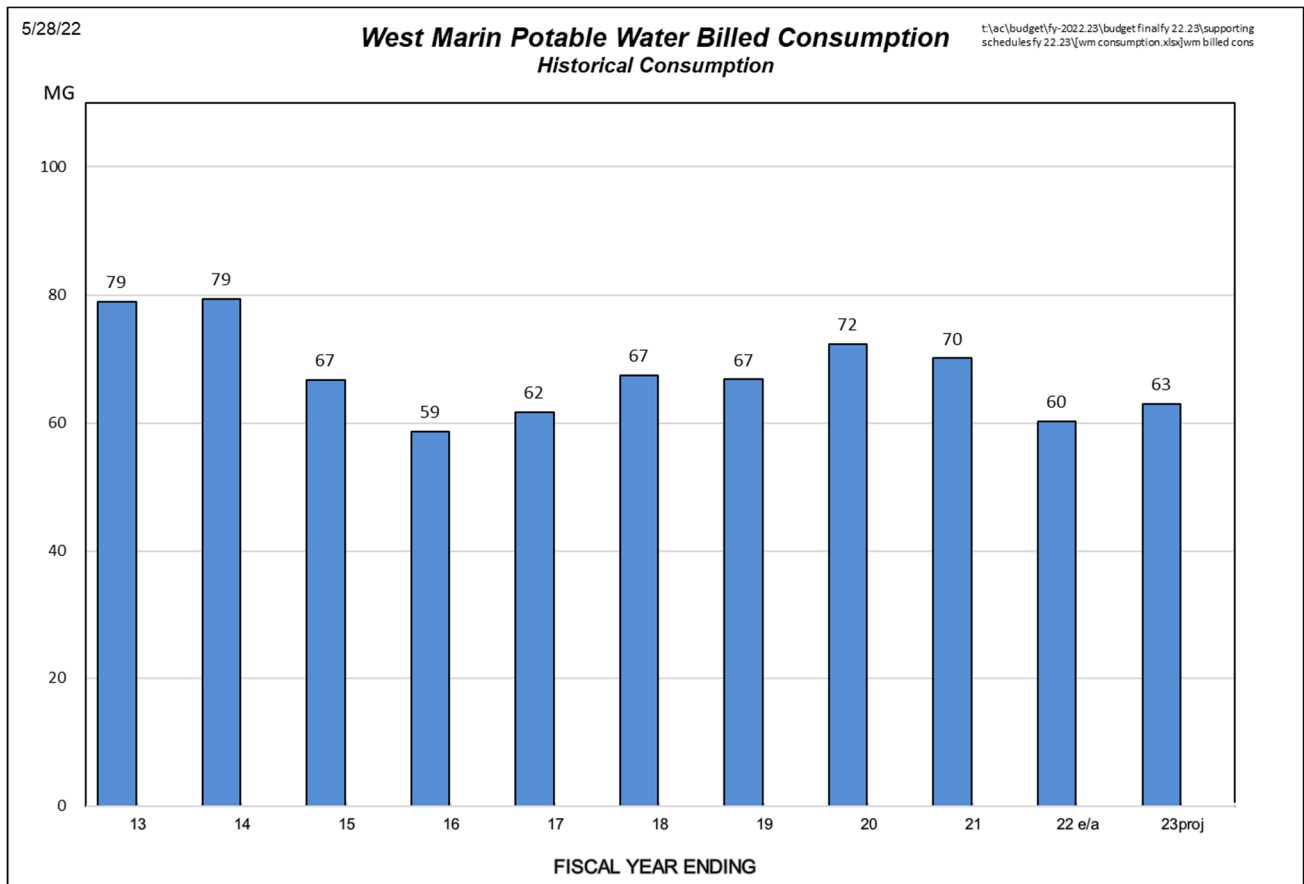
The following chart shows the historical production for the Recycled Water System.



## **West Marin Water**

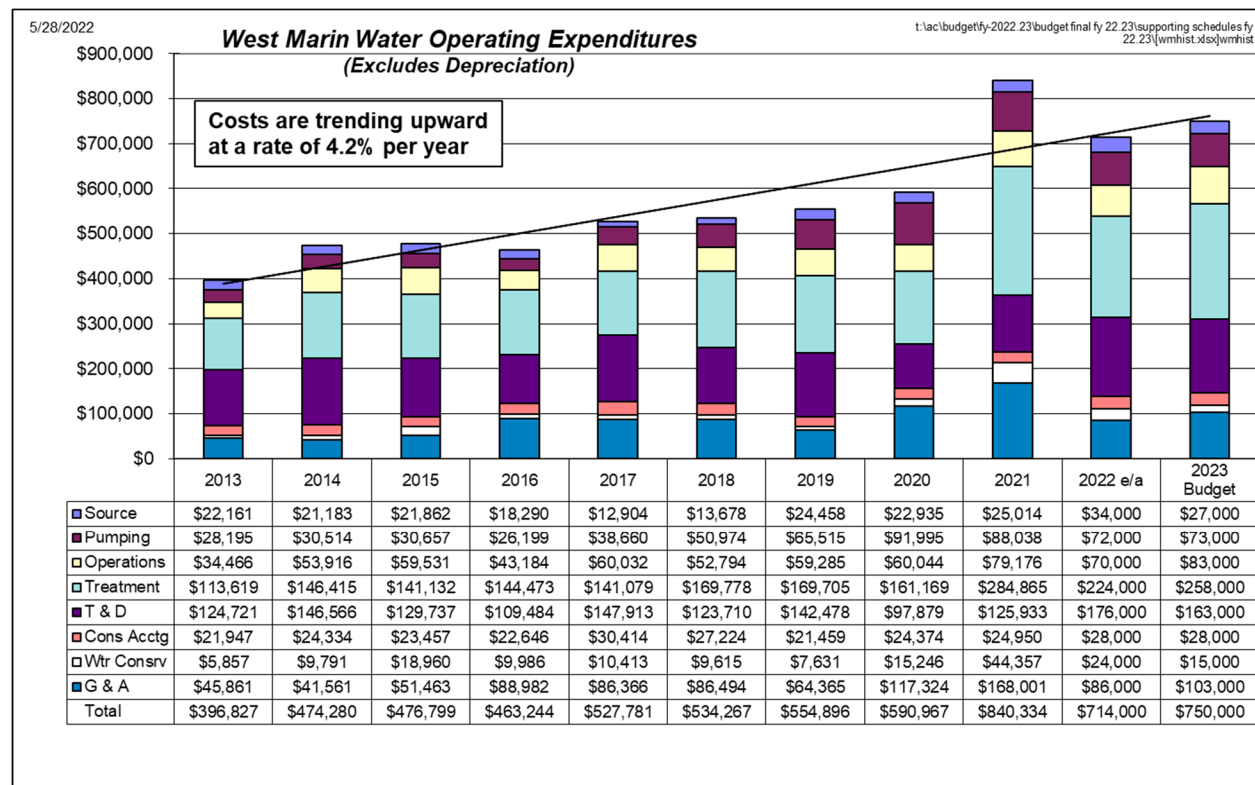
Incorporated in the West Marin Water budget is a 6% rate increase in both the commodity and service charge, effective July 1, 2022. This increase was approved by the Board of Directors at a public hearing on June 28, 2022. There are no new connection fees budgeted for FY 22/23. Included in the five-year financial forecast is revenue for one new connection every other year.

FY 22/23 water sales volume is budgeted at 63MG and is based on the estimated 60 MG in sales for FY 21/22, adjusted up by 5% for the anticipated slight rebound due to normal year water conditions in Lagunitas Creek. See the below chart for the historical consumption for the WM service area.



WM operating expenditures, before depreciation, are budgeted at \$750,000 which is \$140,000 higher or 22.3% more than the FY 21/22 adopted budget. The increase is primarily due to costs for Water Treatment which include Water Quality and Lab costs for ongoing efforts to monitor salinity intrusion in the West Marin System Source Wells. The budget projects a net operating income of \$97,000 and, after capital outlay and debt service, the system is projected to show a cash decrease for the year of \$71,000.

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

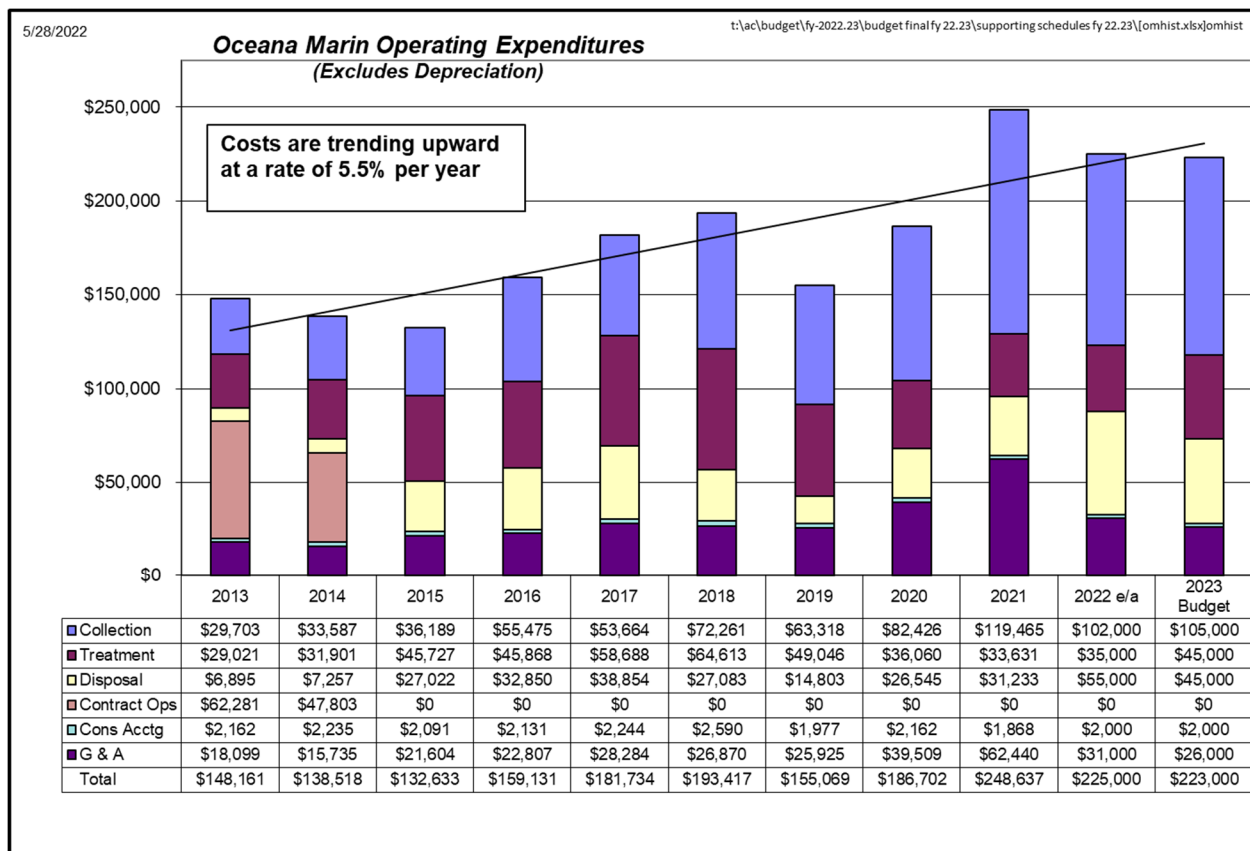


## Oceana Marin Sewer

A proposed 5% rate increase (\$5/month - to \$1,296/year) in the Oceana Marin Sewer service charge effective July 1, 2022, is projected to add \$14,000 in additional annual revenue. The increase was approved by the Board of Directors at a public hearing on June 28, 2022. Growth in the past three years has remained relatively stable so conservatively there is one new connection fee budgeted for FY 22/23. Included in the five-year financial forecast is revenue for one new connection every other year.

FY 22/23 OM operating expenditures, before depreciation, are budgeted at \$223,000 which is an increase of \$14,000 or 6.7% from the FY 21/22 adopted budget. The increase is primarily due to an increase in the annual State Water Resources Control Board permit fees for waste discharge. These fees have increased 58% over the last five years. The budget projects a net operating income of \$36,000 and, after capital outlay, the system is projected to show a cash decrease for the year of \$236,000.

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



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

The Fiscal Year 22/23 and FY 23/24 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.

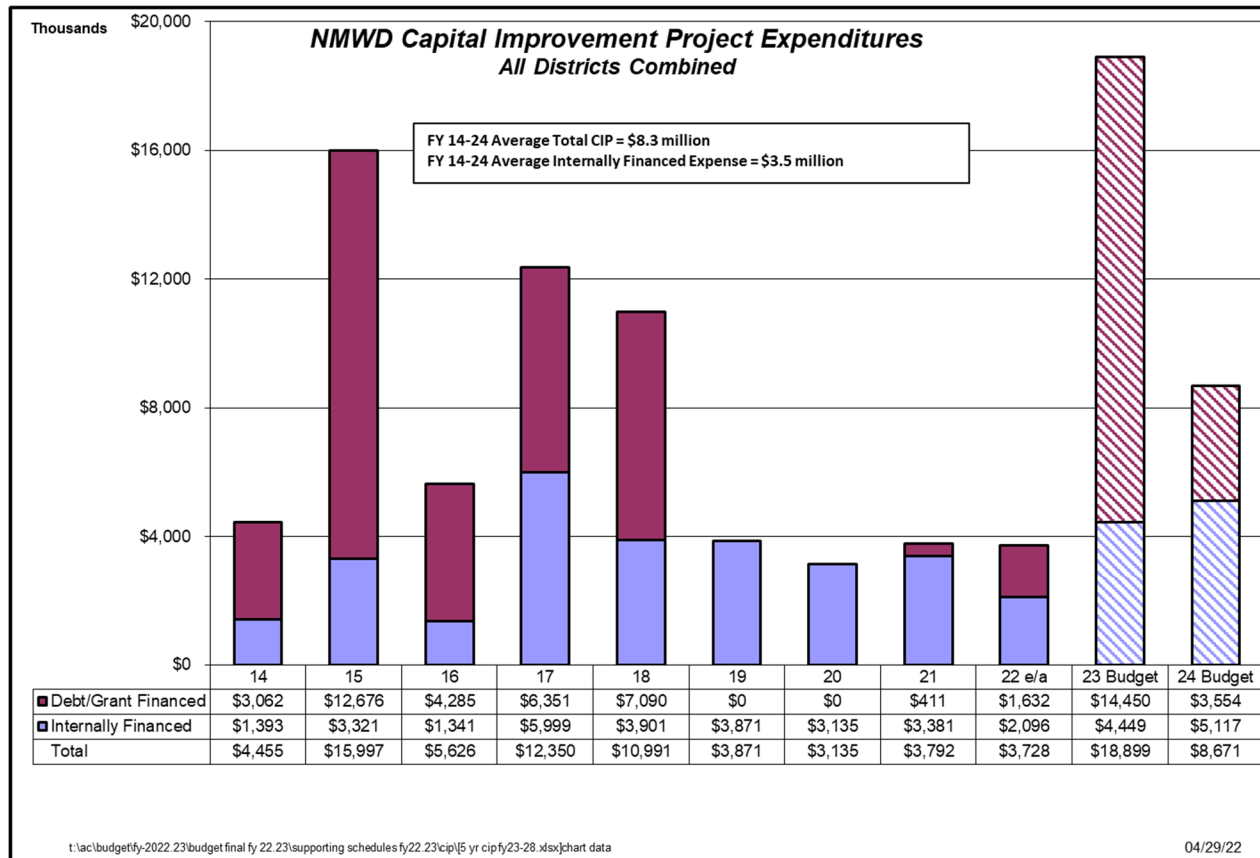
<b><u>Project</u></b>	<b><u>FY22/23</u></b>	<b><u>FY23/24</u></b>	<b><u>Total Project Costs</u></b>
Administration and Laboratory Upgrade Project	\$ 12,650,000	\$ 2,350,000	\$16,350,000
Novato Blvd Widening – Diablo to Grant (4,100')	1,000,000	1,500,000	2,500,000
Lynwood Recoat/Seismic Upgrade	1,000,000	1,000,000	2,000,000
San Mateo Tank 24" Transmission Main	-	332,000	1,328,000
Oceana Marin Treatment Pond Rehab (OM)	1,200,000	205,000	1,405,000
PRE Tank #1 & #2 Replacement (WM)	-	620,000	620,000
Other Projects	<u>3,049,000</u>	<u>2,664,000</u>	=
Gross Project Outlay	18,899,000	8,671,000	24,203,000
Less Loan/Grant Funding	<u>(14,450,000)</u>	<u>(3,554,000)</u>	<u>(18,004,000)</u>
<b>Net Project Outlay (internally funded)</b>	<b><u>\$4,449,000</u></b>	<b><u>\$5,117,000</u></b>	<b><u>\$6,199,000</u></b>

The two-year combined total project outlay, net of grant/loan funding, totals \$9.6 million, which is \$1 million less than the \$10.6 million combined two-year budget adopted last year. The CIP budget includes 38 projects in FY 22/23 and 31 projects in FY 23/24. This comprehensive plan is developed to confirm that adequate funding and staffing exists to accomplish the budgeted projects planned for FY 22/23.

	<b>Net Cash Outlay (Pay-go)</b>		
<b><u>District</u></b>	<b><u>Proposed FY23 &amp; FY23</u></b>	<b><u>Adopted FY21 &amp; FY22</u></b>	<b><u>Increase (Decrease)</u></b>
Novato Water	\$8,457,000	\$8,850,000	\$ (393,000)
Recycled Water	-	450,000	(450,000)
WM Water	434,000	791,000	(357,000)
OM Sewer	675,000	510,000	165,000
<b>Total</b>	<b><u>\$9,566,000</u></b>	<b><u>\$10,601,000</u></b>	<b><u>\$ (1,035,000)</u></b>



The below chart shows the District wide 10-year history of capital improvement projects which averages \$8.3M per year including \$3.5M of internally (or “Pay-Go”) financed projects.



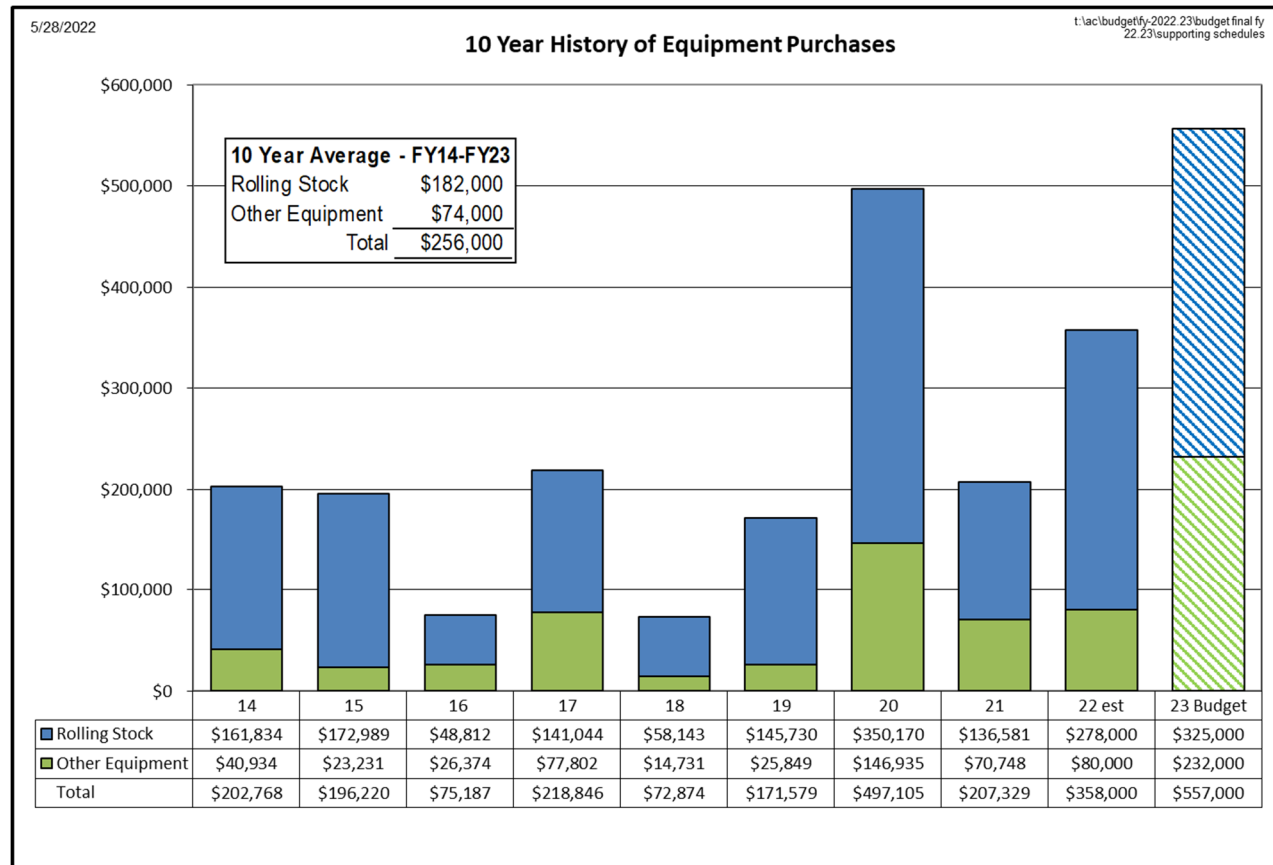
Novato Potable Water's CIP expenditure plan, when viewed over the current fiscal year and the next five years, averages \$4.1 million annually in internally funded projects, which is within the budget constraints of the five-year plan as established with the Board approved 2020 Novato and Recycled Water Rate Study. West Marin Water's CIP expenditure plan, when viewed over the next five years, averages \$280,000 annually in internally funded projects, which is within the budget constraints of the five-year plan as established with the Board approved 2021 West Marin Water Rate Study.

## Equipment Budget

The FY 22/23 Equipment Budget totals \$557,000. This is \$262,000 higher than the FY 21/22 Equipment Budget of \$295,000. FY 21/22 estimated actual expenditures are forecast to come in at \$358,000 which is \$63,000 above budget.

In FY 18/19 the District entered into a leasing agreement with Enterprise Fleet Management (EFM) with a plan to lease 27 vehicles, phased in over five years. The prior year budget did not include the leased vehicles due to a change in accounting treatment, effective June 30, 2021. There are currently 15 leased vehicles in the District's fleet. Included in the FY 22/23 budget is \$205,000 for leased vehicles for the replacement of six additional vehicles, ranging from 6 to 10 years old.

Another significant purchase included in the equipment budget is \$150,000 for a meter testing bench and equipment. The following chart shows the ten-year history of equipment purchases.



## **Debt Service**

Principal and interest payments totaling \$4.6 million are budgeted as the annual obligation on \$48.1 million in outstanding debt (as of June 30, 2022), comprised of:

- 1.) \$3.6 million with a 2.69% interest rate for a bank loan used to finance the Advanced Meter Information (AMI) project;
- 2.) \$6.7 million with a 2.39% interest rate for a State Revolving Fund (SRF) loan used to finance the Stafford Water Treatment Plant Rehabilitation;
- 3.) \$12.1 million in SRF loans (with interest varying from 1%-2.6%) used to finance the recycled water distribution system;
- 4.) \$4.4 million with a 3.54% interest rate for a bank loan used to finance the Aqueduct Energy Efficiency Project and West Marin Treatment Plant Solids-Handling Facility;
- 5.) \$1.3 million with a 2.4% interest rate for a SRF loan used to finance the Deer Island Recycled Water Facility;
- 6.) \$20 million with a 3.11% for a bank loan used to finance the Administration and Laboratory Upgrade Project other capital improvement projects in Novato & West Marin.

The Capital Improvement schedule includes additional debt service of \$1,348,000 for the Administration and Laboratory Upgrade Project. The loan was obtained on May 31, 2022 and semi-annual repayments commence in September 2022. Additional debt capacity remains available and the debt financing planned in the CIP budget will allow the District to maintain an average debt service coverage ratio of 1.5 as required by the Board approved Debt Policy. The estimated FY 22/23 consolidated debt service coverage ratio is 1.67.

**NORTH MARIN WATER DISTRICT**  
**BUDGET SUMMARY - ALL SERVICE AREAS COMBINED**  
**Fiscal Year 22/23**

	<b>Adopted Budget 2022/23</b>	<b>Estimated Actual 2021/22</b>	<b>Adopted Budget 2021/22</b>
<b>OPERATING INCOME</b>			
1 Water Sales	\$24,865,000	\$23,382,000	\$22,957,000
2 Sewer Service Charges	306,000	290,000	290,000
3 Wheeling & Misc Service Charges	381,000	494,000	470,000
4 <b>Total Operating Income</b>	<b>\$25,552,000</b>	<b>\$24,166,000</b>	<b>\$23,717,000</b>
<b>OPERATING EXPENDITURES</b>			
5 Source of Supply	\$6,182,000	\$6,860,000	\$6,559,000
6 Pumping	627,000	487,000	646,000
7 Operations	1,120,000	1,235,000	1,026,000
8 Water Treatment	2,802,000	2,418,000	2,794,000
9 Sewer Service	195,000	192,000	195,000
10 Transmission & Distribution	3,898,000	4,079,000	4,086,000
11 Consumer Accounting	508,000	480,000	528,000
12 Water Conservation	462,000	489,000	381,000
13 General & Administrative	3,222,000	3,102,000	2,440,000
14 Depreciation Expense	4,077,000	3,934,000	3,904,000
15 <b>Total Operating Expenditures</b>	<b>\$23,093,000</b>	<b>\$23,276,000</b>	<b>\$22,559,000</b>
16 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$2,459,000</b>	<b>\$890,000</b>	<b>\$1,158,000</b>
<b>NON-OPERATING INCOME/(EXPENSE)</b>			
17 Tax Proceeds	\$123,000	\$120,000	\$116,000
18 Interest Revenue	332,000	217,000	241,000
19 Miscellaneous Revenue	142,000	69,000	136,000
20 Interest Expense	(1,119,000)	(687,000)	(1,372,000)
21 Transfers Out from Capital Expansion Fund	(590,000)	-	(501,000)
22 Miscellaneous Expense	(407,000)	(284,000)	(3,000)
23 <b>Total Non-Operating Income/(Expense)</b>	<b>(\$1,519,000)</b>	<b>(\$565,000)</b>	<b>(\$1,383,000)</b>
<b>NET INCOME/(LOSS)</b>	<b>\$940,000</b>	<b>\$325,000</b>	<b>(\$225,000)</b>
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
24 Add Depreciation Expense	\$4,077,000	\$3,934,000	\$3,904,000
25 Connection Fees	902,000	929,000	558,000
26 MMWD AEEP Capital Contribution	205,000	205,000	205,000
27 Loans/Grants	13,450,000	1,581,000	5,125,000
28 Marin Country Club Principal Repayment	39,000	38,000	38,000
29 West Marin Loan Principal Repayment	69,000	-	-
30 Capital Improvement Projects	(18,899,000)	(3,730,000)	(11,250,000)
31 CIP Efficiency Adjustment	-	-	1,558,000
32 Transfers In from Capital Expansion Fund	350,000	-	-
33 Capital Equipment Expenditures	(557,000)	(358,000)	(295,000)
34 Low Income Rate Assistance	(42,000)	(21,000)	(86,000)
35 Debt Principal Payments	(3,459,000)	(2,450,000)	(2,541,000)
36 <b>Total Other Sources/(Uses)</b>	<b>(\$3,865,000)</b>	<b>\$128,000</b>	<b>(\$2,784,000)</b>
37 <b>CASH INCREASE/(DECREASE)</b>	<b>(\$2,925,000)</b>	<b>\$453,000</b>	<b>(\$3,009,000)</b>

**NOVATO POTABLE WATER**  
**BUDGET SUMMARY**  
**Fiscal Year 22/23**

	<b><i>Adopted Budget 2022/23</i></b>	<b><i>Estimated Actual 2021/22</i></b>	<b><i>Adopted Budget 2021/22</i></b>
<b>OPERATING INCOME</b>			
1 Water Sales	<b>\$21,927,000</b>	\$20,713,000	\$20,398,000
2 Wheeling & Misc Service Charges	<b>358,000</b>	356,000	347,000
3 <b>Total Operating Income</b>	<b>\$22,285,000</b>	\$21,069,000	\$20,745,000
<b>OPERATING EXPENDITURES</b>			
4 Source of Supply	<b>\$5,775,000</b>	\$6,452,000	\$6,141,000
5 Pumping	<b>547,000</b>	412,000	561,000
6 Operations	<b>933,000</b>	1,061,000	850,000
7 Water Treatment	<b>2,511,000</b>	2,166,000	2,594,000
8 Transmission & Distribution	<b>3,661,000</b>	3,866,000	3,853,000
9 Consumer Accounting	<b>476,000</b>	448,000	498,000
10 Water Conservation	<b>447,000</b>	465,000	377,000
11 General Administration	<b>2,989,000</b>	2,881,000	2,294,000
12 Depreciation Expense	<b>3,012,000</b>	2,918,000	2,807,000
13 <b>Total Operating Expenditures</b>	<b>\$20,351,000</b>	\$20,669,000	\$19,975,000
14 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$1,934,000</b>	\$400,000	\$770,000
<b>NON-OPERATING INCOME/(EXPENSE)</b>			
15 Interest Revenue	<b>\$280,000</b>	\$172,000	\$150,000
16 Miscellaneous Revenue	<b>136,000</b>	\$64,000	136,000
17 Interest Expense	<b>(846,000)</b>	(416,000)	(1,088,000)
18 Miscellaneous Expense	<b>(406,000)</b>	(283,000)	(2,000)
19 <b>Total Non-Operating Income/(Expense)</b>	<b>(\$836,000)</b>	(\$463,000)	(\$804,000)
20 <b>NET INCOME/(LOSS)</b>	<b>\$1,098,000</b>	(\$63,000)	(\$34,000)
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
21 Add Depreciation Expense	<b>\$3,012,000</b>	\$2,918,000	\$2,807,000
22 Connection Fees	<b>872,000</b>	890,000	558,000
24 MMWD AEEP Capital Contribution	<b>205,000</b>	205,000	205,000
25 West Marin Loan Principal Repayment	<b>69,000</b>	-	100,000
26 Loans/Grants	<b>12,650,000</b>	1,350,000	3,575,000
27 Low Income Rate Assistance Program	<b>(42,000)</b>	(21,000)	(86,000)
28 Capital Equipment Expenditures	<b>(557,000)</b>	(358,000)	(295,000)
29 Capital Improvement Projects	<b>(16,527,000)</b>	(3,220,000)	(8,475,000)
30 CIP Efficiency Adjustment	<b>-</b>	-	1,558,000
31 Debt Principal Payments	<b>(2,404,000)</b>	(1,487,000)	(1,488,000)
32 Connection Fee Transfer from (to) RW	<b>(890,000)</b>	(743,000)	(890,000)
33 Loan Transfer WM/OM - Less WM Repay	<b>(500,000)</b>	(800,000)	(550,000)
34 <b>Total Other Sources/(Uses)</b>	<b>(\$4,112,000)</b>	(\$1,266,000)	(\$2,981,000)
33 <b>CASH INCREASE/(DECREASE)</b>	<b>(\$3,014,000)</b>	(\$1,329,000)	(\$3,015,000)

# NOVATO POTABLE WATER

## Fiscal Year 22/23 Five-Year Financial Forecast

	Adopted Budget FY 22/23	Forecast FY 23/24	Forecast FY 24/25	Forecast FY 25/26	Forecast FY 26/27	
1	6.00%	5.00%	5.00%	5.00%	5.00%	
<b>Rate Revenue</b>						
2	<b>Water Rate Revenue</b>	\$20,143,000	\$22,178,000	\$23,287,000	\$24,451,000	\$25,674,000
3	Drought Surcharge	750,000	-	-	-	-
4	Change due to growth	15,000	16,000	17,000	18,000	19,000
5	Increase due to rate adjustment	1,019,000	1,109,000	1,164,000	1,223,000	1,284,000
<b>Non-Rate Revenues</b>						
6	Wholesale Rate Revenue	\$142,000	\$142,000	\$142,000	\$142,000	\$142,000
7	Other Charges	216,000	182,000	182,000	182,000	182,000
8	Interest Earnings	255,000	173,000	173,000	173,000	173,000
9	Connection Fees	872,000	872,000	872,000	872,000	872,000
10	Miscellaneous Revenue	136,000	75,000	75,000	75,000	75,000
11	Loan Repayment WM	94,000	94,000	94,000	94,000	94,000
12	MMWD AEEP Contributions	205,000	205,000	205,000	205,000	205,000
13	<b>Total Revenue</b>	<b>\$23,847,000</b>	<b>\$25,046,000</b>	<b>\$26,211,000</b>	<b>\$27,435,000</b>	<b>\$28,720,000</b>
<b>O&amp;M Costs</b>						
14	Source of Supply	\$5,775,000	\$6,122,000	\$6,489,000	\$6,878,000	\$7,291,000
15	Pumping	547,000	563,000	580,000	597,000	615,000
16	Other Operations	933,000	961,000	990,000	1,020,000	1,051,000
17	Water Treatment	2,511,000	2,586,000	2,664,000	2,744,000	2,826,000
18	Transmission & Distribution	3,661,000	3,771,000	3,884,000	4,001,000	4,121,000
19	Consumer Accounting	476,000	490,000	505,000	520,000	536,000
20	Water Conservation	447,000	460,000	474,000	488,000	503,000
21	General Administration	2,989,000	3,079,000	3,171,000	3,266,000	3,364,000
22	<b>Total Operating Expenses</b>	<b>\$17,339,000</b>	<b>\$18,032,000</b>	<b>\$18,757,000</b>	<b>\$19,514,000</b>	<b>\$20,307,000</b>
<b>Capital Costs</b>						
23	<b>Total Capital Spending</b>	<b>\$17,084,000</b>	<b>\$6,461,000</b>	<b>\$4,707,000</b>	<b>\$3,739,500</b>	<b>\$3,852,000</b>
24	<b>Debt/Grant Funded Capital</b>	<b>12,650,000</b>	<b>2,350,000</b>	-	-	-
25	<b>Grant Funded Capital</b>	-	<b>249,000</b>	<b>1,505,000</b>	-	-
26	Existing Debt Service	\$1,902,000	\$3,250,000	\$3,250,000	\$3,250,000	\$3,250,000
27	Cash Funded Capital Projects	4,434,000	3,862,000	3,202,000	3,739,500	3,852,000
28	New Debt Service	1,348,000	-	-	-	-
29	<b>Total Capital Expenses</b>	<b>\$7,684,000</b>	<b>\$7,112,000</b>	<b>\$6,452,000</b>	<b>\$6,989,500</b>	<b>\$7,102,000</b>
<b>Transfers/Other</b>						
30	Transfer Out to Recycled Water	\$890,000	\$890,000	\$890,000	\$890,000	\$890,000
31	Transfer Out to WM/OM	500,000	-	-	-	-
32	Funding for Affordability Program	42,000	84,000	84,000	84,000	84,000
33	Other Expenses	406,000	283,000	-	-	-
34	<b>Total Revenue Requirement</b>	<b>\$26,861,000</b>	<b>\$26,401,000</b>	<b>\$26,183,000</b>	<b>\$27,477,500</b>	<b>\$28,383,000</b>
35	<b>Beginning Year Balance</b>	<b>\$19,333,000</b>	<b>\$16,319,000</b>	<b>\$14,964,000</b>	<b>\$14,992,000</b>	<b>\$14,950,000</b>
36	<b>Surplus/(Shortfall)</b>	<b>(\$3,014,000)</b>	<b>(\$1,355,000)</b>	<b>\$28,000</b>	<b>(\$42,500)</b>	<b>\$337,000</b>
37	Restricted Reserves	\$1,045,000	\$1,045,000	\$1,045,000	\$1,045,000	\$1,045,000
38	<b>End of Year Balance</b>	<b>\$16,319,000</b>	<b>\$14,964,000</b>	<b>\$14,992,000</b>	<b>\$14,949,500</b>	<b>\$15,287,000</b>
39	<i>Minimum Reserves (by policy)</i>	\$12,180,000	\$12,411,000	\$12,652,000	\$12,905,000	\$13,169,000
40	<i>Available Cash (Unrestricted)</i>	\$3,094,000	\$1,508,000	\$1,295,000	\$999,500	\$1,073,000
41	<b>Debt Coverage Ratio</b>	<b>1.72</b>	<b>1.86</b>	<b>1.99</b>	<b>2.14</b>	<b>2.29</b>

# NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 22/23

	Adopted Budget 22/23	Estimated Actual 21/22	Adopted Budget 21/22	Actual 20/21	Actual 19/20	Actual 18/19	Actual 17/18	Actual 16/17
<b>STATISTICS</b>								
1 Active Meters	20,704	20,694	20,616	20,607	20,554	20,546	20,543	20,544
2 Avg Commodity Rate/1,000 Gal (Net)	\$7.37	\$6.89	\$6.72	\$6.68	\$6.37	\$6.00	\$6.00	\$5.40
3 Potable Consumption (BG)	2.10	2.10	2.40	2.57	2.40	2.42	2.58	2.31
<b>OPERATING INCOME</b>								
4 Water Sales	\$21,987,000	\$20,779,000	\$20,470,000	\$22,141,460	\$20,709,608	\$19,145,251	\$19,645,814	\$16,772,060
5 Bill Adjustments	(60,000)	(66,000)	(72,000)	(61,290)	(59,788)	(72,061)	(143,395)	(130,587)
6 Sales to MMWD	-	-	-	-	-	-	155,846	-
7 Wheeling Charges-MMWD	142,000	165,000	101,000	155,436	104,765	97,866	92,977	91,374
8 Miscellaneous Service Revenue	216,000	191,000	246,000	198,474	257,864	266,268	268,563	252,038
9 <b>TOTAL OPERATING INCOME</b>	<b>\$22,285,000</b>	<b>\$21,069,000</b>	<b>\$20,745,000</b>	<b>\$22,434,080</b>	<b>\$21,012,449</b>	<b>\$19,437,324</b>	<b>\$20,019,805</b>	<b>\$16,984,885</b>
<b>OPERATING EXPENSE</b>								
<b>SOURCE OF SUPPLY</b>								
10 Supervision & Engineering	\$9,000	\$8,000	\$12,000	\$9,002	\$13,274	\$7,564	\$9,303	\$11,264
11 Operating Expense - Source	15,000	7,000	15,000	7,517	8,289	9,195	6,236	8,513
12 Maintenance/Monitoring of Dam	38,000	21,000	69,000	23,927	30,588	33,686	22,203	24,059
13 Maintenance of Lake & Intakes	14,000	-	21,000	5,790	14,240	24,172	10,690	7,575
14 Maintenance of Watershed	39,000	4,000	46,000	10,378	19,689	4,446	29,646	36,218
15 Water Purchased for Resale to MMWD	-	-	-	-	-	-	111,891	-
16 Water Quality Surveillance	2,000	1,000	18,000	722	1,642	1,669	6,728	3,513
17 Contract Water - SCWA	5,650,000	6,360,000	5,950,000	7,131,008	6,623,534	5,082,987	5,151,516	4,320,623
18 Contract Water - SCWA Backfeed	0	41,000	-	1,098,109	-	-	-	-
19 GASB 68 & 75 Adjustment	8,000	10,000	10,000	3,403	7,592	3,690	8,535	5,682
20 <b>TOTAL SOURCE OF SUPPLY</b>	<b>\$5,775,000</b>	<b>\$6,452,000</b>	<b>\$6,141,000</b>	<b>\$8,289,856</b>	<b>\$6,718,848</b>	<b>\$5,167,409</b>	<b>\$5,356,748</b>	<b>\$4,417,447</b>
<b>PUMPING</b>								
21 Operating Expense	\$0	\$3,000	\$3,000	-	-	-	-	-
22 Maintenance of Structures/Grounds	32,000	30,000	33,000	41,581	34,416	56,801	32,611	28,514
23 Maintenance of Pumping Equipment	49,000	47,000	55,000	28,068	158,903	41,304	39,435	30,354
24 Electric Power - Pumping	450,000	312,000	450,000	473,378	341,401	285,772	293,588	246,869
25 GASB 68 & 75 Adjustment	16,000	20,000	20,000	6,887	14,298	5,272	6,967	3,496
26 <b>TOTAL PUMPING</b>	<b>\$547,000</b>	<b>\$412,000</b>	<b>\$561,000</b>	<b>\$549,914</b>	<b>\$549,018</b>	<b>\$389,149</b>	<b>\$372,601</b>	<b>\$309,233</b>
<b>OPERATIONS</b>								
26 Supervision & Engineering	\$211,000	\$264,000	\$171,000	\$263,382	\$232,895	\$215,732	\$253,594	\$234,870
27 Operating Expense	380,000	472,000	319,000	414,387	507,830	306,774	400,138	343,890
28 Maintenance Expense	64,000	65,000	56,000	58,439	52,959	38,570	50,339	47,202
29 Telemetry Equipment/Controls Maint	61,000	53,000	96,000	55,401	61,798	84,979	94,523	101,568
30 Leased Line Expense	20,000	19,000	20,000	18,506	16,656	16,678	17,414	17,592
31 GASB 68 & 75 Adjustment	197,000	188,000	188,000	82,878	136,794	48,442	107,728	63,553
32 <b>TOTAL OPERATIONS</b>	<b>\$933,000</b>	<b>\$1,061,000</b>	<b>\$850,000</b>	<b>\$892,993</b>	<b>\$1,008,932</b>	<b>\$711,175</b>	<b>\$923,736</b>	<b>\$808,675</b>



# NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 22/23

	Adopted Budget 22/23	Estimated Actual 21/22	Adopted Budget 21/22	Actual 20/21	Actual 19/20	Actual 18/19	Actual 17/18	Actual 16/17
<b>WATER TREATMENT</b>								
33 Supervision & Engineering	\$187,000	\$173,000	\$157,000	\$130,881	\$170,261	\$156,176	\$169,851	\$168,945
34 Operating Expense	250,000	184,000	353,000	144,628	284,929	228,878	276,795	349,671
35 Purification Chemicals	435,000	145,000	435,000	91,248	503,664	376,960	438,348	247,260
36 Sludge Disposal	111,000	81,000	130,000	72,767	93,987	88,352	100,305	107,942
37 Maintenance of Structures/Grounds	83,000	126,000	108,000	99,063	93,901	53,090	50,913	78,910
38 Purification Equipment Maintenance	221,000	326,000	193,000	199,629	200,107	162,714	212,385	186,246
39 Electric Power - Treatment	157,000	142,000	156,000	134,502	160,692	122,831	157,374	129,652
40 Laboratory Expense (net)	768,000	653,000	726,000	619,178	729,142	649,647	758,936	768,965
41 GASB 68 & 75 Adjustment	299,000	336,000	336,000	125,575	244,230	107,310	212,624	150,494
42 <b>TOTAL WATER TREATMENT</b>	<b>\$2,511,000</b>	<b>\$2,166,000</b>	<b>\$2,594,000</b>	<b>\$1,617,471</b>	<b>\$2,480,913</b>	<b>\$1,945,958</b>	<b>\$2,377,531</b>	<b>\$2,188,085</b>
<b>TRANSMISSION &amp; DISTRIBUTION</b>								
43 Supervision & Engineering	\$677,000	\$840,000	\$636,000	\$633,781	\$600,516	\$534,500	\$659,085	\$569,303
44 Maps & Records	146,000	162,000	163,000	132,140	121,602	132,053	159,512	168,267
45 Operation of T&D System	586,000	640,000	674,000	739,662	890,714	720,417	594,175	582,483
46 Storage Facilities Expense	117,000	87,000	147,000	141,484	113,029	107,033	110,077	155,641
47 Maintenance of Valves & Regulators	153,000	183,000	193,000	113,317	135,586	87,285	173,762	196,162
48 Maintenance of Mains	191,000	218,000	204,000	223,073	168,454	167,959	190,307	149,584
49 Backflow Prevention Program	237,000	238,000	243,000	231,595	187,669	231,822	186,692	155,536
50 Maintenance of Copper Services	214,000	194,000	215,000	189,641	131,389	182,789	157,337	159,769
51 Maintenance of PB Service Lines	425,000	424,000	498,000	482,542	443,334	558,788	471,527	473,695
52 Maintenance of Meters	107,000	134,000	145,000	135,771	96,608	113,810	126,985	66,356
53 Detector Check Assembly Maint	83,000	94,000	74,000	40,072	81,718	80,416	46,056	72,208
54 Maintenance of Hydrants	79,000	70,000	79,000	68,567	48,301	25,607	18,087	51,020
55 GASB 68 & 75 Adjustment	646,000	582,000	582,000	271,727	423,300	199,802	349,390	228,385
56 <b>TOTAL TRANSMISSION &amp; DISTRIB</b>	<b>\$3,661,000</b>	<b>\$3,866,000</b>	<b>\$3,853,000</b>	<b>\$3,403,372</b>	<b>\$3,442,219</b>	<b>\$3,142,281</b>	<b>\$3,242,992</b>	<b>\$3,028,409</b>
<b>CONSUMER ACCOUNTING</b>								
57 Meter Reading & Collection	\$53,000	\$25,000	\$142,000	\$23,359	\$38,348	\$99,549	\$190,554	\$182,663
58 Billing & Accounting	153,000	141,000	135,000	197,175	248,703	210,805	280,268	289,503
59 Contract Billing	15,000	16,000	18,000	18,752	13,742	15,484	16,395	16,692
60 Postage & Supplies	60,000	64,000	55,000	69,038	48,071	51,267	52,735	56,373
61 Credit Card Fees	60,000	57,000	65,000	59,613	64,242	55,709	46,678	29,685
62 Lock Box Service	11,000	11,000	11,000	10,998	10,998	10,944	10,944	10,944
63 Uncollectible Accounts	10,000	17,000	5,000	23,681	8,362	14,994	12,352	12,709
64 Office Equipment Expense	64,000	86,000	35,000	28,205	35,601	12,675	45,256	11,350
65 Distributed to Other Operations	(16,000)	(16,000)	(15,000)	(16,454)	(17,814)	(15,104)	(19,008)	(17,161)
66 GASB 68 & 75 Adjustment	66,000	47,000	47,000	27,626	56,438	29,463	75,257	49,950
67 <b>TOTAL CONSUMER ACCOUNTING</b>	<b>\$476,000</b>	<b>\$448,000</b>	<b>\$498,000</b>	<b>\$441,993</b>	<b>\$506,690</b>	<b>\$485,786</b>	<b>\$711,431</b>	<b>\$642,708</b>

# NOVATO POTABLE WATER OPERATING BUDGET DETAIL

Fiscal Year 22/23

	Adopted Budget 22/23	Estimated Actual 21/22	Adopted Budget 21/22	Actual 20/21	Actual 19/20	Actual 18/19	Actual 17/18	Actual 16/17
<b>WATER CONSERVATION</b>								
68 Residential	\$266,000	\$279,000	\$252,000	\$203,188	\$198,881	\$246,347	\$235,438	\$270,150
69 Commercial	5,000	4,000	7,000	3,579	6,481	7,983	5,818	1,702
70 Public Outreach/Information	111,000	146,000	98,000	111,992	125,537	51,040	33,789	30,618
71 Large Landscape	10,000	13,000	19,000	10,128	17,317	19,839	33,662	36,818
72 GASB 68 & 75 Adjustment	55,000	23,000	1,000	23,170	34,547	16,575	36,183	21,754
73 <b>TOTAL WATER CONSERVATION</b>	<b>\$447,000</b>	<b>\$465,000</b>	<b>\$377,000</b>	<b>\$352,057</b>	<b>\$382,764</b>	<b>\$341,784</b>	<b>\$344,890</b>	<b>\$361,042</b>
<b>GENERAL &amp; ADMINISTRATION</b>								
74 Director's Expense	\$46,000	\$45,000	\$42,000	\$41,450	\$40,873	\$36,815	\$37,111	\$34,384
75 Legal Fees	31,000	37,000	21,000	28,892	16,569	20,853	20,173	28,043
76 Human Resources	197,000	184,000	51,000	93,557	52,870	96,677	62,348	31,451
77 Auditing Services	25,000	20,000	20,000	16,008	19,651	22,731	19,706	16,220
78 Consulting Services/Studies	324,000	357,000	351,000	115,503	142,010	304,645	223,041	51,567
79 General Office Salaries	1,254,000	1,313,000	1,158,000	1,271,279	1,157,428	1,083,904	1,441,496	1,492,719
80 Office Supplies	36,000	16,000	42,000	31,434	33,783	31,761	33,753	35,048
81 Employee Events	12,000	4,000	12,000	1,186	9,369	10,664	10,123	9,726
82 Other Administrative Expense	56,000	9,000	15,000	8,508	6,281	7,289	12,528	13,960
83 Election Cost	20,000	0	-	250	0	18,915	0	2,077
84 Dues & Subscriptions	98,000	125,000	97,000	106,192	83,386	79,986	59,362	59,046
85 Vehicle Expense	8,000	8,000	8,000	8,112	8,112	8,112	8,634	9,325
86 Meetings, Conf & Training	156,000	125,000	194,000	79,640	111,593	107,583	149,670	186,436
87 Telephone, Water, Gas & Electricity	58,000	47,000	52,000	48,474	46,251	38,758	40,595	45,355
88 Building & Grounds Maintenance	32,000	73,000	60,000	97,509	77,130	58,884	75,130	62,856
89 Office Equipment Expense	128,000	123,000	120,000	112,374	143,224	109,014	97,003	95,465
90 Insurance Premiums & Claims	195,000	192,000	163,000	145,870	109,939	99,040	92,292	87,319
91 Retiree Medical Benefits	221,000	210,000	224,000	209,174	186,221	197,855	174,528	164,969
92 (Gain)/Loss on Overhead Charges	159,000	153,000	(90,000)	(107,012)	(322,446)	905,403	(357,925)	(19,931)
93 G&A Distributed to Other Operations	(169,000)	(202,000)	(135,000)	(147,885)	(130,592)	(140,526)	(157,976)	(161,036)
94 G&A Applied to Construction Projects	(363,000)	(348,000)	(501,000)	(351,489)	(389,809)	(374,552)	(346,105)	(290,813)
95 GASB 68 & 75 Adjustment	465,000	390,000	390,000	1,547,510	1,578,730	140,290	306,927	328,170
96 <b>TOTAL GENERAL &amp; ADMINISTRATION</b>	<b>\$2,989,000</b>	<b>\$2,881,000</b>	<b>\$2,294,000</b>	<b>\$3,356,536</b>	<b>\$2,980,572</b>	<b>\$2,864,101</b>	<b>\$2,002,414</b>	<b>\$2,282,356</b>
97 Depreciation Expense	\$3,012,000	\$2,918,000	\$2,807,000	\$2,857,337	\$2,660,688	2,752,212	\$2,730,867	\$2,710,627
98 <b>TOTAL OPERATING EXPENSE</b>	<b>\$20,351,000</b>	<b>\$20,669,000</b>	<b>\$19,975,000</b>	<b>\$21,761,528</b>	<b>\$20,730,643</b>	<b>\$17,799,855</b>	<b>\$18,063,210</b>	<b>\$16,748,582</b>
100 <b>NET OPERATING INCOME/(LOSS)</b>	<b>\$1,934,000</b>	<b>\$400,000</b>	<b>\$770,000</b>	<b>\$672,551</b>	<b>\$281,805</b>	<b>\$1,637,470</b>	<b>\$1,956,595</b>	<b>\$236,303</b>

**NOVATO RECYCLED WATER**  
**BUDGET SUMMARY**  
**Fiscal Year 22/23**

	<b>Adopted Budget 2022/23</b>	<b>Estimated Actual 2021/22</b>	<b>Adopted Budget 2021/22</b>
<b>OPERATING INCOME</b>			
1 Recycled Water Sales	\$1,746,000	\$1,647,000	\$1,554,000
2 Bimonthly Service Charge	123,000	116,000	116,000
3 Miscellaneous Service Charges	15,000	15,000	-
3 <b>Total Operating Income</b>	<b>\$1,884,000</b>	<b>\$1,778,000</b>	<b>\$1,670,000</b>
<b>OPERATING EXPENDITURES</b>			
4 Purchased Water - NSD	\$270,000	\$264,000	\$270,000
5 Purchased Water - LGVSD	110,000	110,000	120,000
6 Pumping	7,000	3,000	9,000
7 Operations	104,000	104,000	97,000
8 Water Treatment	33,000	28,000	35,000
9 Transmission & Distribution	74,000	37,000	65,000
10 Consumer Accounting	2,000	2,000	2,000
11 General Administration	104,000	104,000	70,000
12 Depreciation	788,000	768,000	779,000
13 <b>Total Operating Expenditures</b>	<b>\$1,492,000</b>	<b>\$1,420,000</b>	<b>\$1,447,000</b>
14 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$392,000</b>	<b>\$358,000</b>	<b>\$223,000</b>
<b>NON-OPERATING INCOME/(EXPENSE)</b>			
15 Interest Revenue	\$30,000	26,000	\$70,000
16 MCC Interest Payments	10,000	11,000	11,000
17 Transfers Out from Capital Expansion Fund	(590,000)	-	(501,000)
18 Deer Island SRF Loan Interest Expense	(30,000)	(36,000)	(36,000)
19 Distrib System SRF Loans Interest Exp	(201,000)	(215,000)	(215,000)
20 <b>Total Non-Operating Income/(Expense)</b>	<b>(\$781,000)</b>	<b>(\$214,000)</b>	<b>(\$671,000)</b>
21 <b>NET INCOME/(LOSS)</b>	<b>(\$389,000)</b>	<b>\$144,000</b>	<b>(\$448,000)</b>
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
22 Add Depreciation Expense	\$788,000	\$768,000	\$779,000
23 Connection Fees Transferred from (to) Novato	890,000	743,000	890,000
24 RW Central Area Expansion Grant	-	147,000	0
25 Marin Country Club Principal Repayment	39,000	38,000	38,000
26 Capital Improvement Projects	(350,000)	(30,000)	(100,000)
27 Transfers In from Capital Expansion Fund	350,000	0	0
28 Deer Island SRF Loan Principal Payments	(243,000)	(237,000)	(237,000)
29 Distrib System SRF Loan Principal Pmts	(689,000)	(675,000)	(675,000)
30 <b>Total Other Sources/(Uses)</b>	<b>\$785,000</b>	<b>\$754,000</b>	<b>\$695,000</b>
31 <b>CASH INCREASE/(DECREASE)</b>	<b>\$396,000</b>	<b>\$898,000</b>	<b>\$247,000</b>

# NOVATO RECYCLED WATER

## Fiscal Year 22/23 Five-Year Financial Forecast

Fiscal Year Ending June 30 >		Adopted Budget FY 22/23	Forecast FY 23/24	Forecast FY 24/25	Forecast FY 25/26	Forecast FY 26/27
1	Active Services @ Fiscal Year End	96	96	96	96	96
2	Commodity Rate/1,000 Gal	\$7.01	\$7.36	\$7.73	\$8.12	\$8.52
3	Consumption (MG)	249	224	224	224	224
<b>OPERATING REVENUE</b>						
4	Recycled Water Sales	\$1,746,000	\$1,650,000	\$1,732,000	\$1,819,000	\$1,910,000
5	Bi-monthly Service Charge	123,000	129,000	135,000	142,000	149,000
6	Water Loads & Turn on Charges	15,000	15,000	15,000	15,000	15,000
7	<b>Total Operating Revenue</b>	<b>\$1,884,000</b>	<b>\$1,794,000</b>	<b>\$1,882,000</b>	<b>\$1,976,000</b>	<b>\$2,074,000</b>
<b>OPERATING EXPENSE</b>						
8	Purchased Water - NSD	\$270,000	\$278,000	\$286,000	\$295,000	\$304,000
9	Purchased Water - LGVSD	110,000	110,000	110,000	110,000	110,000
10	Other Operating Expenses	324,000	334,000	344,000	354,000	365,000
11	Depreciation	788,000	788,000	788,000	788,000	788,000
12	<b>Total Operating Expense</b>	<b>\$1,492,000</b>	<b>\$1,510,000</b>	<b>\$1,528,000</b>	<b>\$1,547,000</b>	<b>\$1,567,000</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>						
13	Interest Revenue	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
14	Interest Expense	(231,000)	(213,000)	(193,000)	(190,000)	(185,000)
15	Transfers Out from Capital Expansion Fun	(590,000)	(536,000)	(571,000)	(609,000)	(648,000)
16	Other Revenue/(Expense)	-	-	-	-	-
17	<b>Total Non-Op Revenue/(Expense)</b>	<b>(\$781,000)</b>	<b>(\$709,000)</b>	<b>(\$724,000)</b>	<b>(\$759,000)</b>	<b>(\$793,000)</b>
18	<b>NET INCOME/(LOSS)</b>	<b>(\$389,000)</b>	<b>(\$425,000)</b>	<b>(\$370,000)</b>	<b>(\$330,000)</b>	<b>(\$286,000)</b>
<b>OTHER SOURCES/(USES) OF FUNDS</b>						
19	Add Depreciation Expense	\$788,000	\$788,000	\$788,000	\$788,000	\$788,000
20	Loan Principal Repayment Received	39,000	39,000	39,000	39,000	39,000
21	Grants	-	-	-	-	-
22	Novato Potable FRC Fund Trsf	890,000	890,000	890,000	890,000	890,000
23	Capital Improvement Projects	(350,000)	(200,000)	(100,000)	(100,000)	(100,000)
24	Transfers In from Capital Expansion Fund	350,000	200,000	100,000	100,000	100,000
25	Deer Island TP Loan Principal	(243,000)	(246,000)	(249,000)	(251,000)	(253,000)
26	SRF Loan Principal - System Expansion	(689,000)	(704,000)	(721,000)	(722,000)	(725,000)
27	Other Sources/(Uses)	-	-	-	-	-
28	<b>Total Other Sources/Uses</b>	<b>\$785,000</b>	<b>\$767,000</b>	<b>\$747,000</b>	<b>\$744,000</b>	<b>\$739,000</b>
29	<b>Cash Increase/(Decrease)</b>	<b>\$396,000</b>	<b>\$342,000</b>	<b>\$377,000</b>	<b>\$414,000</b>	<b>\$453,000</b>
30	<b>Ending Reserve Balance</b>	<b>\$6,574,000</b>	<b>\$6,916,000</b>	<b>\$7,293,000</b>	<b>\$7,707,000</b>	<b>\$8,160,000</b>
31	<b>% Rate Increase<sup>1</sup></b>	<b>6.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>

<sup>1</sup>Fiscal year 2023 Rate increase approved by the Board of Directors on June 28, 2022. FY 2024

through 2027 are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

**WEST MARIN WATER**  
**BUDGET SUMMARY**  
**Fiscal Year 22/23**

	<b>Adopted Budget 2022/23</b>	<b>Estimated Actual 2021/22</b>	<b>Adopted Budget 2021/22</b>
<b>OPERATING INCOME</b>			
1 Water Sales	<b>\$1,069,000</b>	\$1,022,000	\$1,005,000
2 Misc Service Charges	<b>8,000</b>	7,000	7,000
3 <b>Total Operating Income</b>	<b>\$1,077,000</b>	\$1,029,000	\$1,012,000
<b>OPERATING EXPENDITURES</b>			
4 Source of Supply	<b>\$27,000</b>	\$34,000	\$28,000
5 Pumping	<b>73,000</b>	72,000	76,000
6 Operations	<b>83,000</b>	70,000	79,000
7 Water Treatment	<b>258,000</b>	224,000	165,000
8 Transmission & Distribution	<b>163,000</b>	176,000	168,000
9 Consumer Accounting	<b>28,000</b>	28,000	26,000
10 Water Conservation	<b>15,000</b>	24,000	4,000
11 General Administration	<b>103,000</b>	86,000	64,000
12 Depreciation Expense	<b>230,000</b>	201,000	269,000
13 <b>Total Operating Expenditures</b>	<b>\$980,000</b>	\$915,000	\$879,000
14 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$97,000</b>	\$114,000	\$133,000
<b>NON-OPERATING REVENUE/(EXPENSE)</b>			
15 Tax Proceeds - PR-2 Tax Allocation	<b>\$60,000</b>	\$58,000	\$56,000
16 Miscellaneous Revenue	<b>6,000</b>	5,000	-
17 Interest Revenue	<b>8,000</b>	2,000	6,000
18 Loan Interest Expense	<b>(42,000)</b>	(20,000)	(30,000)
19 <b>Total Non-Operating Income/(Expense)</b>	<b>\$32,000</b>	\$45,000	\$32,000
20 <b>NET INCOME/(LOSS)</b>	<b>\$129,000</b>	\$159,000	\$165,000
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
21 Add Depreciation Expense	<b>\$230,000</b>	\$201,000	\$269,000
22 Connection Fees	-	39,000	-
23 Grant/Loan Proceeds	<b>340,000</b>	884,000	550,000
24 Capital Improvement Projects	<b>(647,000)</b>	(438,000)	(1,085,000)
25 Debt Principal Payments	<b>(123,000)</b>	(51,000)	(141,000)
26 <b>Total Other Sources/(Uses)</b>	<b>(\$200,000)</b>	\$635,000	(\$407,000)
27 <b>CASH INCREASE/(DECREASE)</b>	<b>(\$71,000)</b>	\$794,000	(\$242,000)

# WEST MARIN WATER

## Fiscal Year 22/23 Five-Year Financial Forecast

	Adopted Budget FY 22/23	Forecast FY 23/24	Forecast FY 24/25	Forecast FY 25/26	Forecast FY 26/27
<b>BASIC DATA</b>					
1 Active Meters	789	790	790	791	791
2 Avg Commodity Rate/1,000 Gal	\$12.94	\$13.72	\$14.54	\$15.41	\$15.88
3 Potable Consumption (MG)	63.0	65.0	65.0	65.0	65.0
<b>OPERATING REVENUE</b>					
4 Commodity Charge	\$815,000	\$892,000	\$945,000	\$1,002,000	\$1,032,000
5 Bimonthly Service Charge	254,000	269,000	285,000	285,000	285,000
6 Miscellaneous Service Charges	8,000	8,000	8,000	8,000	8,000
7 <b>Total Operating Revenue</b>	<b>\$1,077,000</b>	<b>\$1,169,000</b>	<b>\$1,238,000</b>	<b>\$1,295,000</b>	<b>\$1,325,000</b>
8 Operating Expenditures	\$750,000	\$773,000	\$796,000	\$820,000	\$845,000
9 Depreciation Expense	230,000	241,000	253,000	279,000	287,000
10 <b>Total Operating Expense</b>	<b>\$980,000</b>	<b>\$1,014,000</b>	<b>\$1,049,000</b>	<b>\$1,099,000</b>	<b>\$1,132,000</b>
11 <b>NET OPERATING INCOME</b>	<b>\$97,000</b>	<b>\$155,000</b>	<b>\$189,000</b>	<b>\$196,000</b>	<b>\$193,000</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>					
12 Interest Revenue	\$8,000	\$7,000	\$6,000	\$5,000	\$4,000
13 Interest Expense	(42,000)	(38,000)	(34,000)	(30,000)	(26,000)
14 PR-2 County Tax Allocation	60,000	61,000	62,000	63,000	64,000
15 Miscellaneous	6,000	6,000	6,000	6,000	6,000
16 <b>Total Non-Op Revenue/(Expense)</b>	<b>32,000</b>	<b>36,000</b>	<b>40,000</b>	<b>44,000</b>	<b>48,000</b>
17 <b>Net Income</b>	<b>\$129,000</b>	<b>\$191,000</b>	<b>\$229,000</b>	<b>\$240,000</b>	<b>\$241,000</b>
<b>OTHER SOURCES/(USES)</b>					
18 Add Depreciation Expense	\$230,000	\$241,000	\$253,000	\$279,000	\$287,000
19 Connection Fees	-	23,000	-	23,000	-
20 Capital Improvement Projects	(647,000)	(727,000)	(1,560,000)	(501,000)	(647,000)
21 Grant/Loan Proceeds	340,000	100,000	1,100,000	-	-
22 Loan from Novato Water Principal	(69,000)	(72,000)	(74,000)	(76,000)	(78,000)
23 Debt Principal Payments	(54,000)	(55,000)	(57,000)	(59,000)	(61,000)
24 <b>Total Other Sources/(Uses)</b>	<b>(\$200,000)</b>	<b>(\$490,000)</b>	<b>(\$338,000)</b>	<b>(\$334,000)</b>	<b>(\$499,000)</b>
25 <b>Cash Increase/(Decrease)</b>	<b>(\$71,000)</b>	<b>(\$299,000)</b>	<b>(\$109,000)</b>	<b>(\$94,000)</b>	<b>(\$258,000)</b>
26 Operating Reserve	\$250,000	\$258,000	\$265,000	\$273,000	\$174,000
27 System Expansion Reserve	585,000	278,000	162,000	60,000	-
28 Liability Contingency Reserve	99,000	99,000	99,000	99,000	-
29 <b>ENDING CASH BALANCE</b>	<b>\$934,000</b>	<b>\$635,000</b>	<b>\$526,000</b>	<b>\$432,000</b>	<b>\$174,000</b>
30 <b>% Rate Increase<sup>1</sup></b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>3.0%</b>

<sup>1</sup>Fiscal year 2023 Rate increase approved by the Board of Directors on June 28, 2022. FY 2024 through FY 2027

are projections for financial forecasting purposes only - not yet approved by the Board of Directors.

**OCEANA MARIN SEWER**  
**BUDGET SUMMARY**  
**Fiscal Year 22/23**

	<b><i>Adopted Budget 2022/23</i></b>	<b><i>Estimated Actual 2021/22</i></b>	<b><i>Adopted Budget 2021/22</i></b>
<b>OPERATING INCOME</b>			
1 Monthly Sewer Service Charge	<b>\$306,000</b>	\$290,000	\$290,000
2 Misc Service Charges	-	-	-
3 <b>Total Operating Income</b>	<b>\$306,000</b>	\$290,000	\$290,000
<b>OPERATING EXPENDITURES</b>			
4 Sewage Collection	<b>\$105,000</b>	\$102,000	\$94,000
5 Sewage Treatment	<b>45,000</b>	35,000	54,000
6 Sewage Disposal	<b>45,000</b>	55,000	47,000
7 Consumer Accounting	<b>2,000</b>	2,000	2,000
8 General Administration	<b>26,000</b>	31,000	12,000
9 Depreciation Expense	<b>47,000</b>	47,000	49,000
10 <b>Total Operating Expenditures</b>	<b>\$270,000</b>	\$272,000	\$258,000
11 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$36,000</b>	\$18,000	\$32,000
<b>NON-OPERATING REVENUE/(EXPENSE)</b>			
12 OM-1/OM-3 Tax Allocation	<b>\$63,000</b>	\$62,000	\$60,000
13 Interest Revenue	<b>4,000</b>	6,000	4,000
14 Interest Expense	-	-	(3,000)
15 Miscellaneous Expense	<b>(1,000)</b>	(1,000)	(1,000)
16 <b>Total Non-Op Income/(Expense)</b>	<b>\$66,000</b>	\$67,000	\$60,000
<b>NET INCOME/(LOSS)</b>	<b>\$102,000</b>	\$85,000	\$92,000
<b>OTHER SOURCES/(USES) OF FUNDS</b>			
17 Add Depreciation Expense	<b>\$47,000</b>	\$47,000	\$49,000
18 Connection Fees	<b>30,000</b>	-	-
19 Grant/Loan Proceeds	<b>960,000</b>	-	1,450,000
20 Capital Improvement Projects	<b>(1,375,000)</b>	(42,000)	(\$1,590,000)
21 <b>Total Other Souces/(Uses)</b>	<b>(\$338,000)</b>	\$5,000	(\$91,000)
22 <b>CASH INCREASE/(DECREASE)</b>	<b>(\$236,000)</b>	\$90,000	\$1,000



# OCEANA MARIN SEWER

## Fiscal Year 22/23 Five-Year Financial Forecast

	Adopted				
	Budget	Forecast	Forecast	Forecast	Forecast
	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
1 Number of Connections	236	236	237	237	237
2 Monthly Service Charge	\$108.00	\$113.00	\$119.00	\$125.00	\$131.00
<b>OPERATING REVENUE</b>					
3 Monthly Service Charge	\$306,000	\$320,000	\$338,000	\$356,000	\$373,000
4 <b>Total Operating Revenue</b>	<b>\$306,000</b>	<b>\$320,000</b>	<b>\$338,000</b>	<b>\$356,000</b>	<b>\$373,000</b>
<b>OPERATING EXPENSE</b>					
5 Operating Expenditures	\$223,000	\$229,000	\$235,000	\$242,000	\$249,000
6 Depreciation Expense	47,000	70,000	79,000	87,000	92,000
7 <b>Total Operating Expense</b>	<b>\$270,000</b>	<b>\$299,000</b>	<b>\$314,000</b>	<b>\$329,000</b>	<b>\$341,000</b>
8 <b>NET OPERATING INCOME</b>	<b>\$36,000</b>	<b>\$21,000</b>	<b>\$24,000</b>	<b>\$27,000</b>	<b>\$32,000</b>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>					
9 Interest Revenue	\$4,000	\$3,000	\$1,000	\$6,000	\$4,000
10 Interest Expense	-	(16,000)	(14,000)	(25,000)	(23,000)
11 OM-1/OM-3 Tax Allocation	63,000	64,000	65,000	66,000	67,000
12 Miscellaneous Expense	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
13 <b>Total Non-Op Revenue/(Expense)</b>	<b>\$66,000</b>	<b>\$50,000</b>	<b>\$51,000</b>	<b>\$46,000</b>	<b>\$47,000</b>
14 <b>Net Income</b>	<b>\$102,000</b>	<b>\$71,000</b>	<b>\$75,000</b>	<b>\$73,000</b>	<b>\$79,000</b>
<b>OTHER SOURCES/(USES)</b>					
15 Add Depreciation Expense	\$47,000	\$70,000	\$79,000	\$87,000	\$92,000
16 Connection Fees	30,000	-	30,000	-	-
17 Capital Improvement Projects	(1,375,000)	(565,000)	(452,000)	(282,000)	(312,000)
18 Grant/Loan Proceeds	960,000	305,000	800,000	-	-
19 Debt Principal Payments	-	(43,000)	(45,000)	(81,000)	(86,000)
20 <b>Total Other Sources/(Uses)</b>	<b>(\$338,000)</b>	<b>(\$233,000)</b>	<b>\$412,000</b>	<b>(\$276,000)</b>	<b>(\$306,000)</b>
21 <b>Cash Increase/(Decrease)</b>	<b>(\$236,000)</b>	<b>(\$162,000)</b>	<b>\$487,000</b>	<b>(\$203,000)</b>	<b>(\$227,000)</b>
22 <b>ENDING CASH BALANCE</b>	<b>\$297,000</b>	<b>\$135,000</b>	<b>\$622,000</b>	<b>\$419,000</b>	<b>\$192,000</b>
23 <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 2023 Rate increase approved by the Board of Directors on June 28, 2022. FY 2024 through FY 2027

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## CAPITAL IMPROVEMENT PROJECTS

		FY23	FY24	FY23 & FY24 Project Description
1.	PIPELINE REPLACEMENTS/ADDITIONS			
	a. Main/Pipeline Replacements			
1.7189.00	1 Replace 12" Pipe S. Novato Blvd (785LF)	\$50,000	\$200,000	Replace 60 year old pipe near or at its end of useful life/in conjunction with City paving
1.7183.xx	2 Replace Plastic Thin Walled Pipe < 4-inch	\$150,000	\$150,000	Ongoing systematic replacement of all plastic thin walled pipe < 4-inch.
1.7195.00	3 Novato Blvd Widening - Diablo to Grant (4100LF)	\$1,000,000	1,500,000	Replaces 60 year old cast iron pipe and replaces 50+ old ACP with 12" PVC; Joint project with City and Novato Sanitary District
	Subtotal	\$1,200,000	\$1,850,000	
	b. Main/Pipeline Additions			
1.7150.00	1 San Mateo Tank 24" Transmission Main	\$20,000	\$332,000	Grant Project combined with Crest Pump Station
	2 Loop Los Robles Rd and Posada Del Sol (230LF)	-	\$125,000	Master Plan Project 1b-11, Correlated with item No. 1b. 6 below (2025)
1.7206.00	3 Loop Zone Mall Area Near Nave Ct/ S. Novato	\$275,000	-	Master Plan Project 1b-09, Correlated with item No. 1b. 6 below (2030)
	Subtotal	\$295,000	\$457,000	
	c. Polybutylene (PB) Service Line Replacements			
1.7139.xx	1 Replace PB in Sync w/City Paving (30 Services)	\$60,000	-	Ongoing sys replacement of PB services in advance of City paving projects
1.7123.xx	2 Other PB Replacements (40 Services)	\$80,000	-	
	Subtotal	\$140,000	-	
	d. Relocations to Sync w/City & County CIP			
1.8737.xx	1 Other Relocations	\$25,000	\$70,000	Relocate facilities for yet to be identified City/County Projects
	Subtotal	\$25,000	\$70,000	
	e. Aqueduct Replacements & Enhancements			
1.7118.02	1 MSN B2-Utility Agreement Costs	\$12,000	-	Finalize pipeline easements and agreements
	Subtotal	\$12,000	-	
	TOTAL PIPELINE REPLACEMENTS/ADDITIONS	\$1,672,000	\$2,377,000	

## CAPITAL IMPROVEMENT PROJECTS

		FY23	FY24	FY23 & FY24 Project Description
2.	SYSTEM IMPROVEMENTS			
1.7007.16	a. DCDA Repair/Replace-FY23 (~8/yr)	\$100,000	\$100,000	Master Plan Project 2-01
1.7090.04	b. Anode Installations-FY23 (150/yr)	\$10,000	\$10,000	Master Plan Project 2-03
1.6313.20	c. Pressure Reducing Station - Harbor Drive	-	\$25,000	Upgrades and improvements to valves and vaults
1.6302.21	d. Rehab Black Point Pressure Regulating Station	-	\$175,000	Upgrades and improvements to valves and vaults
1.7136.00	e. Facilities Security Enhancements	\$25,000	-	
	f. Other System Improvements	\$200,000	-	
	TOTAL SYSTEM IMPROVEMENTS	\$335,000	\$310,000	
3.	BUILDING, YARD, STP IMPROVEMENTS			
	a. Administration Building			
1.6501.44	1 NMWD Headquarters Upgrade (Note 1)	\$12,650,000	\$2,350,000	50-year-old building requires significant upgrading; Phases 1 - 2 shown
	Subtotal	\$12,650,000	\$2,350,000	
	b. Yard Upgrade			
	1 Program Assessment for Site Improvements	-	\$75,000	Re-confirm previous site program study and phase projects as required
	Subtotal	-	\$75,000	
	c. Stafford Treatment Plant			
1.6610.22	1 Replace Sludge Line to Center Road (4"@ 4,400')	\$25,000	-	
1.6610.xx	2 Other Treatment Plant Improvements	\$50,000	\$100,000	Miscellaneous plant improvements, include roll up door
1.6600.97	3 Efficiency Improvements	\$50,000	-	Improvement of sludge treatment process as suggested in the Efficiency Study and HSPS
1.6610.23	4 Water Supply Enhancement - STP Modifications	\$50,000	-	Based on outcome of Local Water Supply Enhancement Study
	Subtotal	\$175,000	\$100,000	
	d. Stafford Dam / Watershed			
1.6600.69	1 Dam Concrete Repair (Apron)	-	\$150,000	Ongoing patch repairs as needed until full replacement FY27
1.6600.96	2 Leveroni Creek Embankment Repair (Note 2)	-	\$175,000	Repair/stabilize culvert embankment under access road to STP/IVGC
1.6610.24	3 Water Supply Enhancements - Dam	\$50,000	-	Based on outcome of Local Water Supply Enhancement Study
	Subtotal	\$50,000	\$325,000	
	TOTAL BUILDING, YARD, STP IMPROVEMENTS	\$12,875,000	\$2,850,000	

## CAPITAL IMPROVEMENT PROJECTS

		FY23	FY24	FY23 & FY24 Project Description
4.	STORAGE TANKS/PUMP STATIONS			
	a. Clear Tank Sites			
	1 Woodland Heights (120,000 gal, 1974)	-	\$100,000	Consider for future Recycled Water Opportunities
1.6207.20	2 Old Ranch Rd Tank (removal post install Tank No. 2)	\$100,000	-	
	Subtotal	\$100,000	\$100,000	
	b. Tank Rehabilitation			
1.6216.20	1 Fire Flow Backfeed Valve Nunes Tank	\$200,000	-	Master Plan Project 4-03
	2 Recoating of Other Tanks (Garner in FY23)	\$170,000	\$17,000	
1.6213.24&1.6214.20	3 Lynwood Seismic Upgrade/Coating	\$1,000,000	\$1,000,000	Master Plan Project 4-04
	Subtotal	\$1,370,000	\$1,017,000	
	c. Pump Station Rehabilitation and Replacement			
1.6141.00	1 Crest PS	\$10,000	-	See 1.b.1 San Mateo Tank 24" Main
1.6112.26	2 Lynwood PS Upgrade	\$40,000	\$200,000	Upgrades tied to Study
	Subtotal	50,000	\$200,000	
	d. Hydropneumatic Systems			
1.7170.00	1 Hydropneumatic Upgrades, Phase 1	\$50,000	\$250,000	Specific project to be confirmed by Hydraulic Pneumatic Study
	Subtotal	\$50,000	\$250,000	
	e. 1 Other Tank & PS Improvements	\$75,000	\$75,000	Master Plan Project 4-07. Includes SS discharge, tank cleaning system, etc
	Subtotal	\$75,000	\$75,000	
	TOTAL STORAGE TANKS/PUMP STATIONS	\$1,645,000	\$1,642,000	
	TOTAL NOVATO SERVICE AREA	\$16,527,000	\$7,179,000	
5.	RECYCLED WATER			
5.7162.04	a. Replace CI in Atherton Avenue (1320LF)	\$350,000	-	Evaluate 1950's era cast iron pipe re-purposed for RW, potential slip lining
5.7162.xx	b. Other Recycled Water Expenditures	-	\$100,000	Retrofit existing potable irrigation customers to RW
	c. Reservoir Hill Tank Leak Repair	-	\$100,000	Small leak detected in FY22; needs repair
	TOTAL RECYCLED WATER PROJECTS	\$350,000	\$200,000	

## CAPITAL IMPROVEMENT PROJECTS

		FY23	FY24	FY23 & FY24 Project Description
6.	WEST MARIN WATER SYSTEM			
2.6609.20	a. New Gallagher Well #2	\$380,000	-	West Marin Master Plan Project 3-02
2.8829.xx	b. PB Replace in Sync w/ County Paving	-	\$52,000	West Marin Master Plan Project 1c-01 For 25 replacements
2-7185-00	c. Gallagher Ranch Streambank Stabilization	\$5,000	\$5,000	Monitoring costs over 5 years.
	d. PRE Tank #1 & #2 Replacement	-	\$620,000	West Marin Master Plan Project 4-04 & 4-05
2.8912.00	e. Lagunitas Creek Bridge Pipe Replacement (Caltrans)	\$52,000	\$50,000	Relocate/replace 8-inch water main across Lagunitas Creek Bridge
	f. Miscellaneous Water System Improvements	\$150,000	-	West Marin Master Plan Project 4-12
2.7192.xx	g. PRE Replace 2-inch Galvanized Pipe	\$45,000	-	Replacement of aging galvanized pipe
2.7203.00	h. Raise Valves for HWY 1 Paving	\$15,000	-	Relocation of water facilities in conjunction with Caltrans Paving
	TOTAL WEST MARIN WATER SYSTEM PROJECTS	<u>\$647,000</u>	<u>\$727,000</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-404 Grant-FEMA	\$1,200,000	\$205,000	Hazard mitigation project to armor the existing earthen treatment pond berms to minimize storm erosion and damage due to earthquakes
8.7173.01	c. OM Treatment Pond Rehab-Grant Management	\$10,000	\$10,000	
	d. North St. Lift Station Bypass	-	\$310,000	
8.7208.00	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. Commence Design and wait for funding
	TOTAL OCEANA MARIN SEWER SYSTEM PROJECTS	<u>\$1,375,000</u>	<u>\$565,000</u>	

## CAPITAL IMPROVEMENT PROJECTS

	FY23	FY24	FY23 & FY24 Project Description
<b><u>SUMMARY - GROSS PROJECT OUTLAY</u></b>			
Novato Water	\$16,527,000	\$7,179,000	
Recycled Water	\$350,000	\$200,000	
West Marin Water	\$647,000	\$727,000	
Oceana Marin Sewer	\$1,375,000	\$565,000	
GROSS PROJECT OUTLAY	<u>\$18,899,000</u>	<u>\$8,671,000</u>	
LESS FUNDED BY LOANS/GRANTS/OTHER			
a. Office/Yard Building Refurbish (Note 1)	(\$12,650,000)	(\$2,350,000)	
b. Crest PS/San Mateo Tank Pipeline Grant	-	(\$249,000)	
c. RW Capital Replacement Expansion Fund	(\$350,000)	(\$200,000)	
d. WM Novato Water Loan to WM (Note 3)	(\$150,000)	(\$350,000)	
e. OM Novato Water Loan to WM (Note 4)	(\$500,000)	-	
f. WM CA DWR Drought Relief Grant	(\$340,000)	-	
g. WM Lagunitas Ck Bridge Pipeline Grant	-	(\$100,000)	
h. OM Treatment Pond Rehab Grant (Note 5)	(\$460,000)	(\$305,000)	
TOTAL LOAN/GRANT FUNDS	<u>(\$14,450,000)</u>	<u>(\$3,554,000)</u>	
<b><u>SUMMARY - NET PROJECT OUTLAY</u></b>			
Novato Capital Improvement Net Project Outlay	\$3,877,000	\$4,580,000	
Recycled Water	\$0	\$0	
West Marin Water	\$157,000	\$277,000	
Oceana Marin Sewer	\$415,000	\$260,000	
NET PROJECT OUTLAY	<u>\$4,449,000</u>	<u>\$5,117,000</u>	
Total Number of District Projects	38	31	
Novato 5-Year Average of Internally Funded Projects FY23-FY27	<b>\$4,120,000</b>		
RW 5-Year Average of Internally Funded Projects FY23-FY27	<b>\$60,000</b>		
West Marin 5-Year Average of Internally Funded Projects FY23-FY27	<b>\$280,000</b>		
Oceana Marin 5-Year Average of Internally Funded Projects FY23-FY27	<b>\$260,000</b>		

## CAPITAL IMPROVEMENT PROJECTS

	FY23	FY24	FY23 & FY24 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	\$376,000	\$376,000	
d. Admin Building Renovation Loan (Note 1)	\$1,348,000	\$1,348,000	
	<u>\$3,250,000</u>	<u>\$3,250,000</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 Loan Payback	\$94,000	\$94,000	
j. TP Solids Handling Bank Loan	\$71,000	\$71,000	
	<u>\$165,000</u>	<u>\$165,000</u>	
<b>OCEANA MARIN SEWER DEBT SERVICE</b>			
k. OM Novato Loan Payback	-	\$59,000	
	<u>\$0</u>	<u>\$59,000</u>	
TOTAL DEBT SERVICE	<u>\$4,578,000</u>	<u>\$4,637,000</u>	
NET PROJECT OUTLAY & DEBT SERVICE	<u><u>\$9,027,000</u></u>	<u><u>\$9,754,000</u></u>	



## CAPITAL IMPROVEMENT PROJECTS

	FY23	FY24	FY23 & FY24 Project Description
<b>STUDIES &amp; SPECIAL PROJECTS</b>			
a. Novato Water Rate Study	-	\$60,000	
b. Novato Water Master Plan Update (Note 6)	\$175,000	-	
c. Novato Connection Fee Study	\$20,000	-	
d. Compensation Survey & Review	\$15,000	-	
e. Lynwood /San Marin Zone 2 Modification Evaluation	\$30,000	-	
f. Stafford Lake Sediment Survey (every 10 yrs.)	-	\$60,000	
g. Cathodic Protection Master Plan (Note 7)	-	\$40,000	
h. Drought Contingency Plan - NBWRA	\$9,000	-	
i. West Marin Connection Fee Study	\$10,000	-	
j. West Marin Water Master Plan (every 10 years)	-	\$65,000	
k. Coast Guard Housing-PRTP Study	\$25,000	-	
l. Stafford Dam Master Plan	\$25,000	-	
m. Tank & Pipeline Easement	-	\$25,000	
n. Pipeline Condition Assessment (Note 8)	\$50,000	-	
Total studies undertaken by the District	<u>\$359,000</u>	<u>\$250,000</u>	

Note 1 - \$16.3M NMWD Headquarters Upgrade is funded by a 20 year 3.11% interest 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 FY22 & FY23.

Note 4 - Loan from Novato Water - As included in the five-year financial forecast.

Note 5 - Project to be funded 60% by grants. Eligible project costs are budgeted at \$1.5M (60%=\$914K). Also includes loans for capital projects of \$250K in FY23.

Note 6 - Novato Master Plan Update will be enhanced to include hydraulics, vulnerabilities (seismic, flooding, etc.), Frosty Lane pit, San Marin pit and NMA

Note 7 - Cathodic Protection Master Plan to Include an inventory and assessment of critical pipelines, casings, and highway crossings.

Note 8 - Perform pipeline condition assessment including large diameter pipelines to prioritize master plan designated improvements. Incl pipelines in narrow R/W and creek crossings.

## EQUIPMENT EXPENDITURES

### Fiscal Year 22/23 Budget

		Approved	Description
<b>1 OPERATIONS/MAINTENANCE</b>			
12107.01.00	a.	\$150,000	Testing Bench for Meters up to 2"
12105.01.00	b.	\$42,000	
		<b>\$192,000</b>	
<b>2 Engineering &amp; Construction</b>			
12106.01.00	a.	\$40,000	Field GPS unit for locating new and exist. pipes, valves, etc.
		<b>\$40,000</b>	
<b>3 VEHICLE &amp; ROLLING EQUIPMENT EXPENDITURES</b>			
12108.01.00	a.	\$60,000	
12104.01.00	b.	\$60,000	
12104.01.00	c.	\$205,000	Replace 6 Vehicles #515, 516, 518, 520, 521 & 522
		<b>\$325,000</b>	
<b>Total</b>		<b>\$557,000</b>	

	Adopted Budget 2021/22	Estimated Actual 2021/22	Proposed Budget 2022/23
<b>RECAP</b>			
Equipment	\$160,000	\$80,000	\$232,000
Rolling Stock	\$135,000	\$278,000	\$325,000
	<b>\$295,000</b>	<b>\$358,000</b>	<b>\$557,000</b>