

**NORTH MARIN
WATER DISTRICT**

*999 Rush Creek Place
PO Box 146
Novato, CA 94948
Phone 415.897.4133
www.nmwd.com*

**Adopted
BUDGETS**

**Novato & West Marin
Service Areas**

FISCAL YEAR

2011/12

Directors: Jack Baker * Rick Fraites * Stephen Petterle * Dennis J. Rodoni * John C. Schoonover

Officers: Chris DeGabriele, General Manager * Drew McIntyre, Chief Engineer * Renee Roberts, Secretary * David L. Bentley, Auditor-Controller

INTRODUCTION

This document contains the fiscal year 2011/12 budgets for North Marin Water District's various enterprise service districts located in Marin County. These are:

Potable Water Service:

Novato

West Marin (Point Reyes Station, Inverness Park, Olema, Bear Valley, Silver Hills & Paradise Ranch Estates)

Recycled Water Treatment, Transmission and Distribution:

Novato

Sewage Collection, Treatment & Reuse/Disposal:

Oceana Marin

Accompanying the operating budgets are improvement project expenditures for the fiscal year. Questions regarding these budgets may be directed to David L. Bentley, Auditor-Controller, at 415.897.4133 x 8310 or dbentley@nmwd.com.

MISSION STATEMENT

We provide an adequate supply of safe, reliable and high quality water and deliver reliable and continuous sewer service to our customers at reasonable cost consistent with good conservation practices and minimum environmental impact.

VISION STATEMENT

We carry out our mission with a highly motivated and competent staff empowered to conduct the District's business by placing customer needs and welfare first. We seek continual dialogue from our staff, peers, and all those we serve so that we may continually improve service to our customers.

ORGANIZATION FACT SHEET

July 2011

Organization:

- 5 Directors elected at large for 4-year terms
 - John C. Schoonover, President
 - Stephen Petterle, Vice President
 - Jack Baker
 - Rick Fraitcs
 - Dennis Rodoni
- 1 General Manager, Chris DeGabriele (serves at the pleasure of the Board of Directors)
- 4 Departments
 - Administration & Finance - David L. Bentley
 - Engineering - Drew McIntyre
 - Construction/Maintenance - Doug Moore
 - Operations/Maintenance - Robert Clark
- 52 Employees (52.5 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)

Current Service Functions:

Water Service:

Novato
West Marin

Recycled Water Service

Novato

Sewer Service:

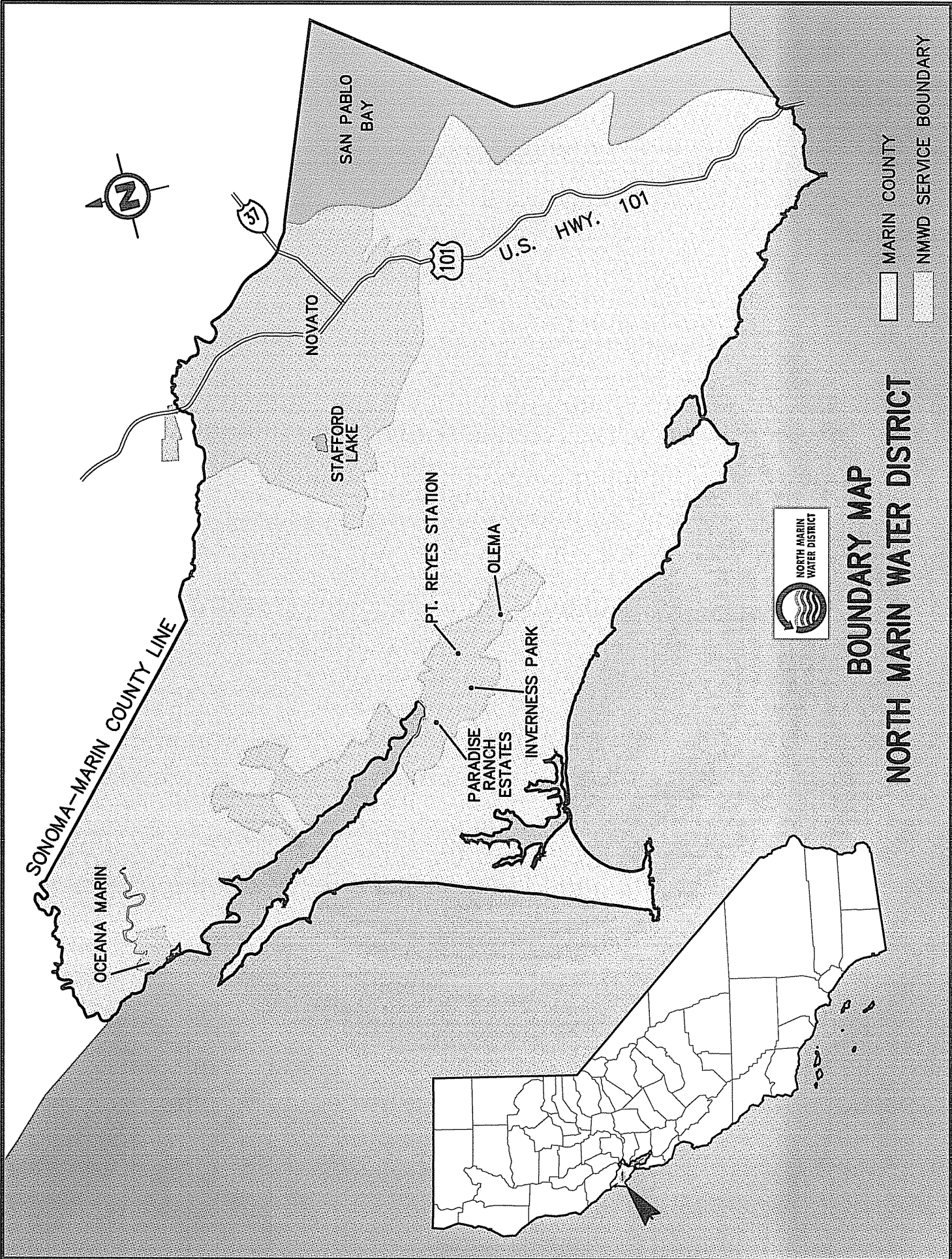
Oceana Marin

Latent (unpracticed) Service Functions:

Fire protection	Flood control
Recreational facilities	Solar energy device sales
Garbage collection/disposal	Power generation (Wind/Hydro/Solar)

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

— MARIN COUNTY
 — NMWD SERVICE BOUNDARY

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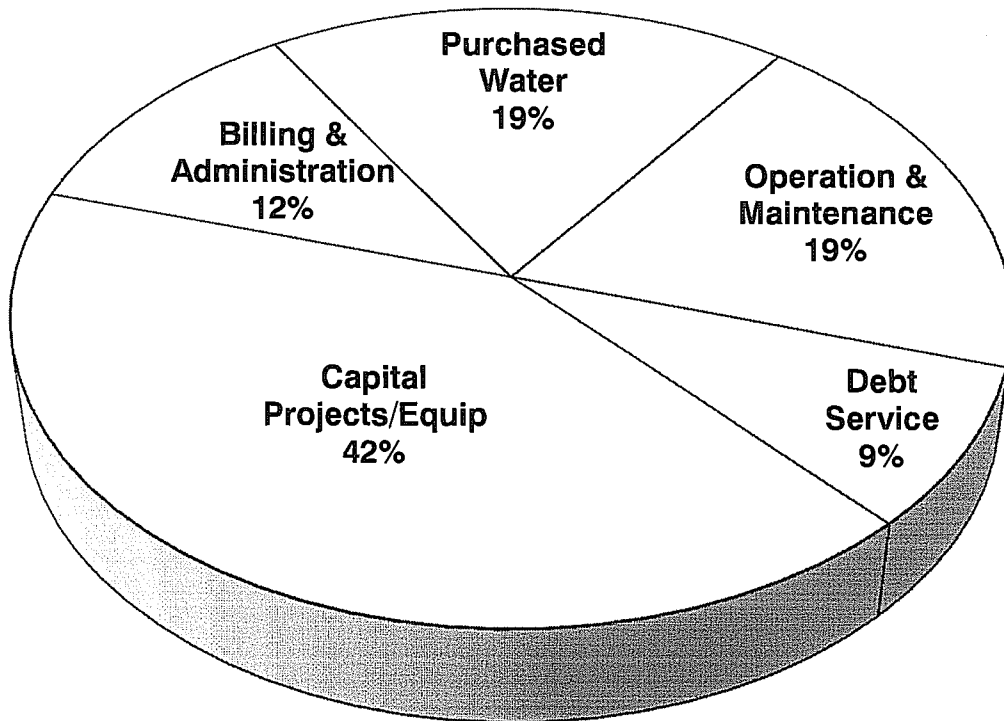
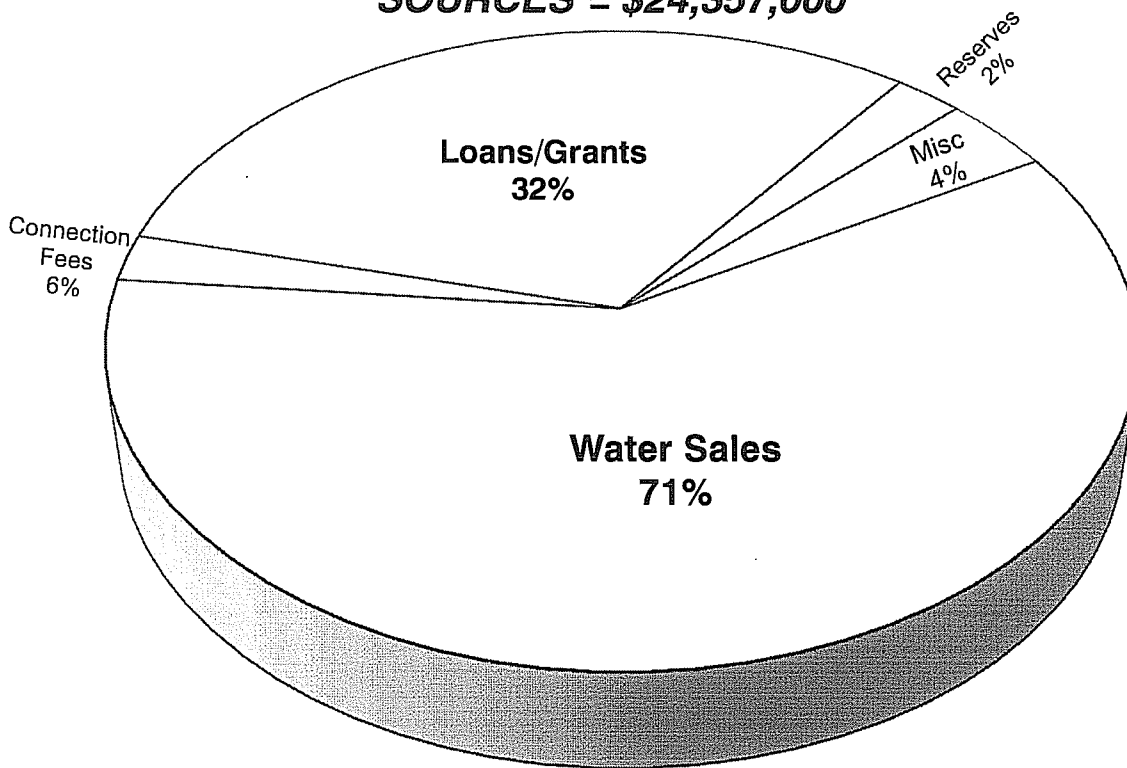
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**NORTH MARIN WATER DISTRICT
FY12 APPROVED BUDGET - ALL SERVICE AREAS COMBINED
SOURCES = \$24,357,000**



USES = \$24,357,000

NORTH MARIN WATER DISTRICT
BUDGET SUMMARY - ALL SERVICE AREAS COMBINED
Fiscal Year 2011/12

	<i>Approved Budget 2011/12</i>	<i>Estimated Actual 2010/11</i>	<i>Adopted Budget 2010/11</i>
OPERATING INCOME			
1 Water Sales	\$14,551,000	\$13,246,000	\$14,829,000
2 Sewer Service Charges	157,000	150,000	150,000
3 Wheeling & Misc Service Charges	241,000	219,000	220,000
4 Total Operating Income	\$14,949,000	\$13,615,000	\$15,199,000
OPERATING EXPENDITURES			
5 Source of Supply	\$3,925,000	\$3,657,000	\$4,557,000
6 Pumping	382,000	282,000	387,000
7 Operations	543,000	641,000	615,000
8 Water Treatment	2,096,000	1,917,000	1,829,000
9 Sewer Service	103,000	105,000	108,000
10 Transmission & Distribution	2,388,000	2,416,000	2,564,000
11 Consumer Accounting	582,000	564,000	559,000
12 Water Conservation	404,000	369,000	506,000
13 General & Administrative	2,240,000	1,907,000	2,054,000
14 Other Operating Expense	(490,000)	(333,000)	(285,000)
15 Total Operating Expenditures	\$12,173,000	\$11,525,000	\$12,894,000
16 NET OPERATING INCOME (LOSS)	\$2,776,000	\$2,090,000	\$2,305,000
OTHER SOURCES OF FUNDS			
16 Tax Proceeds	\$98,000	\$96,000	\$109,000
17 Interest Revenue	52,000	75,000	122,000
18 Connection Fees	570,000	386,000	1,216,000
19 Loans/Grants	7,700,000	1,566,000	3,375,000
20 Stone Tree Golf Debt Service	251,000	251,000	251,000
21 Miscellaneous	148,000	93,000	153,000
22 Total Other Sources	\$8,819,000	\$2,467,000	\$5,226,000
OTHER USES OF FUNDS			
23 Equipment Expenditures	\$182,000	\$133,000	\$155,000
24 Capital Improvement Projects	9,942,000	3,299,000	5,983,000
25 Bond & Loan Debt Service	2,040,000	1,764,000	1,912,000
26 Miscellaneous	20,000	10,000	20,000
27 Total Other Uses	\$12,184,000	\$5,206,000	\$8,070,000
28 NET SURPLUS/(DEFICIT)*	(\$589,000)	(\$649,000)	(\$539,000)
29 Depreciation (not included above)	\$2,465,000	\$2,483,000	\$2,565,000

* Line 16+22-27

NOVATO WATER
BUDGET SUMMARY
Fiscal Year 2011/12

	Approved Budget 2011/12	Estimated Actual 2010/11	Adopted Budget 2010/11
OPERATING INCOME			
1	Water Sales	\$12,470,000	\$13,940,000
2	Wheeling & Misc Service Charges	216,000	217,000
3	Total Operating Income	\$13,898,000	\$14,157,000
OPERATING EXPENDITURES			
4	Source of Supply	\$3,642,000	\$4,544,000
5	Pumping	249,000	347,000
6	Operations	569,000	571,000
7	Water Treatment	1,739,000	1,640,000
8	Transmission & Distribution	2,338,000	2,425,000
9	Consumer Accounting	540,000	530,000
10	Water Conservation	364,000	500,000
11	General Administration	1,802,000	1,932,000
12	Other Operating Expense	(343,000)	(295,000)
13	Total Operating Expenditures	\$10,900,000	\$12,194,000
14	NET OPERATING INCOME (LOSS)	\$1,786,000	\$1,963,000
OTHER SOURCES OF FUNDS			
15	Interest Revenue	\$71,000	\$118,000
16	Connection Fees	370,000	1,140,000
17	Loan Funds - AEEP	550,000	2,522,000
18	Loan (To) Repayment From WM Water	90,000	66,000
19	Miscellaneous	76,000	148,000
20	Total Other Sources	\$1,157,000	\$3,994,000
OTHER USES OF FUNDS			
21	Capital Equipment Expenditures	\$133,000	\$155,000
22	Capital Improvement Projects	2,326,000	4,931,000
23	Bond & Loan Debt Service	1,392,000	1,527,000
24	Connection Fees Transferred to RWS	150,000	0
25	Miscellaneous	10,000	20,000
26	Total Other Uses	\$4,011,000	\$6,633,000
27	NET SURPLUS/(DEFICIT)*	(\$1,068,000)	(\$676,000)
28	Depreciation (not included above)	\$2,320,000	\$2,400,000

* Line 14+20-26

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2011/12

	Approved Budget 11/12	Estimated Actual 10/11	Adopted Budget 10/11	Actual 09/10	Actual 08/09	Actual 07/08	Actual 06/07	Actual 05/06
STATISTICS								
1 Total Meters	20,590	20,750	20,760	20,709	20,693	20,638	20,571	20,485
2 Active Meters	20,520	20,470	20,500	20,438	20,416	20,366	20,325	20,193
3 Active Dwelling Units	20,920	20,860	23,920	23,871	23,848	23,702	23,698	23,522
OPERATING INCOME								
4 Water Sales	\$13,660,000	\$12,470,000	\$13,940,000	\$11,251,832	\$11,067,484	\$10,384,740	\$10,601,455	\$9,351,911
5 Sales to MMWD	0	0	0	0	351,154	0	0	0
6 Wheeling Charges-MMWD	70,000	70,000	75,000	67,180	75,090	76,588	74,962	71,292
7 SCWA Water Conservation Reimb	0	0	0	21,450	0	359,748	283,242	198,976
8 Miscellaneous Service Revenue	168,000	146,000	142,000	140,796	145,663	161,238	234,539	103,104
9 TOTAL OPERATING INCOME	\$13,898,000	\$12,686,000	\$14,157,000	\$11,481,258	\$11,639,391	\$10,982,314	\$11,194,198	\$9,725,283
OPERATING EXPENSE								
SOURCE OF SUPPLY								
10 Supervision & Engineering	\$6,000	\$6,000	\$5,000	\$2,007	\$2,120	\$2,391	\$15,420	\$20,736
11 Operating Expense - Source	6,000	7,000	4,000	5,745	4,702	3,109	6,709	11,695
12 Maintenance/Monitoring of Dam	28,000	11,000	20,000	8,741	7,583	6,078	5,768	7,816
13 Maintenance of Lake & Intakes	16,000	11,000	14,000	8,072	7,990	0	28	975
14 Maintenance of Watershed	38,000	1,000	42,000	7,352	28,126	9,177	12,506	12,213
15 Water Purchased for Resale to MMWD	0	0	0	0	171,447	0	0	0
16 Water Quality Surveillance	13,000	11,000	16,000	13,138	8,448	9,272	9,659	7,955
17 Contract Water - SCWA	4,030,000	3,820,000	4,660,000	3,630,416	3,838,298	3,852,900	4,453,758	4,546,147
18 Reserve Fund Contribution	(225,000)	(225,000)	(217,000)	(189,269)	(110,246)	(114,682)	(1,567)	(107,123)
19 TOTAL SOURCE OF SUPPLY	\$3,912,000	\$3,642,000	\$4,544,000	\$3,486,202	\$3,958,468	\$3,768,245	\$4,502,281	\$4,500,414
PUMPING								
20 Operating Expense	\$7,000	\$1,000	\$10,000	\$8,367	\$8,567	\$13,333	\$27,117	\$24,516
21 Maintenance of Structures/Grounds	38,000	16,000	41,000	18,600	23,080	15,909	17,736	25,120
22 Maintenance of Pumping Equipment	59,000	22,000	32,000	10,751	8,807	61,907	16,966	33,072
23 Electric Power - Pumping	231,000	210,000	264,000	200,318	249,190	227,916	245,797	215,135
24 TOTAL PUMPING	\$335,000	\$249,000	\$347,000	\$238,036	\$289,644	\$319,065	\$307,616	\$297,843
OPERATIONS								
25 Supervision & Engineering	\$149,000	\$191,000	\$138,000	\$176,082	\$168,202	\$188,926	\$155,660	\$146,525
26 Operating Expense	187,000	167,000	280,000	212,126	235,230	127,350	172,985	170,162
27 Maintenance Expense	87,000	98,000	81,000	84,121	89,775	112,461	108,197	88,182
28 Leased Line Expense	21,000	20,000	21,000	20,547	20,342	19,601	41,809	51,094
29 Telemetry Equipment/Controls Maint	62,000	93,000	51,000	67,051	39,201	37,610	19,979	20,201
30 TOTAL OPERATIONS	\$506,000	\$569,000	\$571,000	\$559,927	\$552,750	\$485,948	\$498,630	\$471,164

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2011/12

	Approved Budget 11/12	Estimated Actual 10/11	Adopted Budget 10/11	Actual 09/10	Actual 08/09	Actual 07/08	Actual 06/07	Actual 05/06
WATER TREATMENT								
31	\$105,000	\$124,000	\$102,000	\$122,312	\$113,175	\$99,218	\$101,646	\$105,468
32	351,000	297,000	267,000	365,305	247,309	357,877	363,204	278,396
33	425,000	417,000	325,000	415,486	293,888	221,597	63,179	61,336
34	74,000	81,000	48,000	69,209	40,163	49,299	34,844	2,713
35	108,000	83,000	96,000	83,411	115,686	91,550	79,359	96,146
36	172,000	111,000	168,000	157,642	204,217	203,622	90,608	115,003
37	108,000	128,000	80,000	129,980	99,184	113,732	88,596	43,077
38	562,000	498,000	554,000	495,239	479,970	398,173	401,520	417,745
39	\$1,905,000	\$1,739,000	\$1,640,000	\$1,838,534	\$1,593,592	\$1,535,068	\$1,222,956	\$1,119,884
TRANSMISSION & DISTRIBUTION								
40	\$355,000	\$469,000	\$519,000	\$528,659	\$560,968	\$524,345	\$522,663	\$490,471
41	99,000	80,000	102,000	98,187	74,786	105,509	48,957	53,594
42	450,000	429,000	466,000	448,650	420,639	439,348	395,866	401,962
43	181,000	164,000	168,000	164,316	149,759	129,944	115,457	122,069
44	180,000	172,000	149,000	190,255	131,094	107,354	165,842	131,770
45	120,000	150,000	102,000	102,633	108,752	143,525	119,713	158,048
46	101,000	138,000	72,000	93,754	86,630	108,835	76,174	64,245
47	217,000	172,000	244,000	199,807	211,630	181,161	233,355	223,527
48	306,000	336,000	310,000	263,714	250,024	287,813	258,788	164,930
49	41,000	23,000	33,000	41,557	30,488	26,483	34,177	16,798
50	171,000	147,000	166,000	143,691	148,112	135,370	125,337	113,891
51	61,000	58,000	94,000	77,038	62,794	74,700	42,474	42,936
52	\$2,282,000	\$2,338,000	\$2,425,000	\$2,352,261	\$2,235,676	\$2,264,387	\$2,138,803	\$1,984,241
CONSUMER ACCOUNTING								
53	\$160,000	\$148,000	\$162,000	\$142,956	\$140,851	\$132,653	\$146,286	\$133,744
54	292,000	284,000	262,000	260,428	236,740	225,062	221,764	219,236
55	19,000	18,000	19,000	18,590	18,504	18,513	18,292	17,649
56	65,000	71,000	65,000	64,698	58,062	51,960	49,729	44,136
57	29,000	28,000	30,000	35,190	28,022	13,507	10,412	16,280
58	7,000	9,000	8,000	5,048	14,471	14,585	17,208	8,459
59	(16,000)	(18,000)	(16,000)	(15,694)	(15,147)	(14,205)	(14,200)	(13,218)
60	\$556,000	\$540,000	\$530,000	\$511,216	\$481,503	\$442,075	\$449,491	\$426,286

NOVATO WATER OPERATING BUDGET DETAIL

Fiscal Year 2011/12

	Approved Budget	Estimated Actual	Adopted Budget	Actual	Actual	Actual	Actual	Actual
	11/12	10/11	10/11	09/10	08/09	07/08	06/07	05/06
WATER CONSERVATION								
61 Residential	\$287,000	\$326,000	\$382,000	\$438,668	\$438,588	\$457,600	\$253,540	\$176,965
62 Commercial	29,000	16,000	28,000	2,707	28,344	9,415	11,454	1,232
63 Public Outreach/Information	54,000	15,000	63,000	26,548	20,679	27,483	24,515	17,571
64 Large Landscape	30,000	7,000	27,000	10,695	19,649	26,120	16,751	81,200
TOTAL WATER CONSERVATION	\$400,000	\$364,000	\$500,000	\$478,618	\$507,260	\$520,618	\$306,260	\$276,968
GENERAL & ADMINISTRATION								
65 Director's Expense	\$15,000	\$15,000	\$15,000	\$16,200	\$15,000	\$14,600	\$14,300	\$17,400
66 Legal Fees	11,000	8,000	11,000	59,818	9,933	7,824	34,013	15,395
67 Auditing Services	29,000	28,000	28,000	31,100	30,000	22,000	15,250	15,250
68 Human Resources	31,000	29,000	30,000	33,080	31,948	26,923	37,051	12,970
69 Consulting Services/Studies	96,000	40,000	40,000					
70 General Office Salaries	1,236,000	1,155,000	1,197,000	1,166,410	1,125,232	1,020,823	980,772	940,318
71 Office Supplies	49,000	36,000	50,000	47,363	56,621	32,193	37,525	29,941
72 Employee Events	10,000	5,000	8,000	11,366	3,881	4,585		
73 Other Administrative Expense	22,000	17,000	20,000	20,090	21,313	20,246	23,149	19,675
74 Election Cost	60,000	0	0	250	0	51,262	0	250
75 Dues & Subscriptions	49,000	49,000	49,000	49,208	42,004	40,738	32,203	29,357
76 Vehicle Expense	8,000	8,000	8,000	8,112	8,112	8,193	8,112	8,112
77 Meetings, Conf & Training	153,000	109,000	138,000	114,985	112,985	107,411	108,228	109,126
78 Telephone, Water, Gas & Electricity	31,000	29,000	33,000	27,203	29,595	30,018	35,324	29,073
79 Building & Grounds Maintenance	35,000	32,000	47,000	53,907	44,268	47,389	41,312	44,193
80 Office Equipment Expense	96,000	76,000	101,000	85,550	91,052	78,962	98,577	83,557
81 Insurance Premiums & Claims	133,000	116,000	123,000	117,023	132,928	198,297	182,754	113,664
82 Retiree Medical Benefits	173,000	156,000	154,000	138,105	182,220	182,003	180,771	158,631
83 G&A Distributed to Other Operations	(110,000)	(106,000)	(120,000)	(100,811)	(92,969)	(86,742)	(73,004)	(65,249)
TOTAL GENERAL & ADMINISTRATION	\$2,127,000	\$1,802,000	\$1,932,000	\$1,878,959	\$1,844,023	\$1,806,725	\$1,756,337	\$1,561,663
OTHER OPERATING EXPENSE								
84 Expensed Improvement Projects	\$0	\$0	\$0	\$1,699,235	\$1,785,255	\$1,480,093	\$1,607,599	\$1,067,410
85 Expensed Equipment Purchases	6,000	43,000	33,000	31,266	34,204	8,531	2,427	11,922
86 G&A Applied to Construction Projects	(356,000)	(250,000)	(199,000)	(153,213)	(224,590)	(212,502)	(172,336)	(202,956)
87 (Gain)/Loss on Overhead Charges	(140,000)	(136,000)	(129,000)	(214,770)	(157,888)	(277,413)	(414,082)	(443,118)
TOTAL OTHER OPERATING EXPENSE	(\$490,000)	(\$343,000)	(\$295,000)	\$1,362,518	\$1,436,981	\$998,709	\$1,023,608	\$433,258
TOTAL OPERATING EXPENSE	\$11,533,000	\$10,900,000	\$12,194,000	\$12,706,271	\$12,899,897	\$12,140,840	\$12,205,982	\$11,071,721
OPERATING INCOME/(LOSS)	\$2,365,000	\$1,786,000	\$1,963,000	(\$1,225,013)	(\$1,260,506)	(\$1,158,526)	(\$1,011,784)	(\$1,346,438)
91 Non-budgeted Depreciation	2,300,000	\$2,320,000	\$2,400,000	\$2,312,339	\$2,087,598	\$1,530,000	\$1,377,612	\$968,939

NOVATO WATER - RECYCLED WATER SYSTEM
BUDGET SUMMARY
Fiscal Year 2011/12

	<i>Approved Budget 2011/12</i>	<i>Estimated Actual 2010/11</i>	<i>Adopted Budget 2010/11</i>
OPERATING INCOME			
1 Recycled Water Sales	\$234,000	\$186,000	\$202,000
2 Total Operating Income	\$234,000	\$186,000	\$202,000
OPERATING EXPENDITURES			
3 Pumping	\$2,000	\$0	\$3,000
4 Operations	6,000	23,000	16,000
5 Treatment	84,000	72,000	83,000
6 Transmission & Distribution	17,000	3,000	16,000
7 General Administration	22,000	18,000	21,000
8 Total Operating Expenditures	\$131,000	\$116,000	\$139,000
9 NET OPERATING INCOME (LOSS)	\$103,000	\$70,000	\$63,000
OTHER SOURCES OF FUNDS			
10 Interest Revenue	\$1,000	\$1,000	\$0
11 IRWMP Grant	0	55,000	55,000
12 Fed Grant/SRF Loan - RWS Expansion	5,000,000	650,000	613,000
13 Connection Fees Transf'd from Novato	125,000	150,000	0
14 Stone Tree Golf Debt Service	251,000	251,000	251,000
15 Total Other Sources	\$5,377,000	\$1,107,000	\$919,000
OTHER USES OF FUNDS			
16 Capital Improvement Projects	5,125,000	800,000	653,000
17 Loan Repayment to Novato	0	45,000	56,000
18 SRF Loan I Debt Service	273,000	273,000	273,000
19 SRF Loan II Debt Service	45,000	0	0
20 Total Other Uses	\$5,443,000	\$1,118,000	\$982,000
21 NET SURPLUS/(DEFICIT)*	\$37,000	\$59,000	\$0
22 Depreciation (not included above)	\$165,000	\$163,000	\$165,000

* Line 9+15-20

WEST MARIN WATER
BUDGET SUMMARY
Fiscal Year 2011/12

	<i>Approved Budget 2011/12</i>	<i>Estimated Actual 2010/11</i>	<i>Adopted Budget 2010/11</i>
OPERATING INCOME			
1 Water Sales	\$657,000	\$590,000	\$687,000
2 Misc Service Charges	3,000	3,000	3,000
3 Total Operating Income	\$660,000	\$593,000	\$690,000
OPERATING EXPENDITURES			
4 Source of Supply	\$13,000	\$15,000	\$13,000
5 Pumping	45,000	33,000	37,000
6 Operations	31,000	49,000	28,000
7 Water Treatment	107,000	106,000	106,000
8 Transmission & Distribution	89,000	75,000	123,000
9 Consumer Accounting	24,000	22,000	25,000
10 Water Conservation	4,000	5,000	6,000
11 General Administration	66,000	64,000	76,000
12 Other Operating Expense	0	10,000	10,000
13 Total Operating Expenditures	\$379,000	\$379,000	\$424,000
14 NET OPERATING INCOME (LOSS)	\$281,000	\$214,000	\$266,000
OTHER SOURCES OF FUNDS			
15 PR-2 County Tax Allocation	\$38,000	\$37,000	\$44,000
16 PR-3 Tax - Bond Service	15,000	14,000	15,000
17 OL-2 Tax - Bond Service	4,000	4,000	4,000
18 Interest Revenue	0	0	1,000
19 Connection Fees	0	16,000	46,000
20 Miscellaneous	4,000	4,000	4,000
21 Loan from (repayment to) Novato	125,000	(90,000)	(66,000)
22 Total Other Sources	\$186,000	(\$15,000)	\$48,000
OTHER USES OF FUNDS			
23 Revenue Bond Debt Service	\$27,000	\$27,000	\$27,000
24 G.O. Bond Debt Service	18,000	19,000	19,000
25 EDA Drought Loan Amortization	3,000	3,000	3,000
26 Interdistrict Loan Interest	3,000	5,000	7,000
27 Capital Improvement Projects	416,000	145,000	258,000
28 Total Other Uses	\$467,000	\$199,000	\$314,000
29 NET SURPLUS/(DEFICIT)*	\$0	\$0	\$0
30 Depreciation (not included above)	\$149,000	\$147,000	\$147,000

* Line 14+22-28

WEST MARIN WATER 5-Year Financial Plan

#	BASIC DATA	Actual 2008/09	Actual 2009/10	Estimated 2010/11	Approved 2011/12	Projected 2012/13	Projected 2013/14	Projected 2014/15	Projected 2015/16
1	Active Services	761	769	769	769	774	779	784	789
2	Avg Commodity Rate/1,000 Gal	\$5.21	\$5.95	\$6.70	\$7.11	\$7.53	\$7.53	\$7.53	\$7.53
3	Potable Consumption (MG)	85	77	74	76	78	78	78	78
INCOME									
4	Commodity Charge	\$440,818	\$459,606	\$496,000	\$540,000	\$587,000	\$587,000	\$587,000	\$587,000
5	Minimum Service Charge	76,120	92,766	94,000	117,000	146,000	175,000	176,000	177,000
6	Connection Fee	74,730	31,350	16,000	0	114,000	114,000	114,000	114,000
7	PR-2 County Tax Allocation	41,843	40,024	37,000	38,000	43,000	44,000	45,000	46,000
8	PR-3 G.O. Bond Tax	12,589	13,631	14,000	15,000	0	0	0	0
9	OL-2 G.O. Bond Tax	4,605	3,910	4,000	4,000	4,000	4,000	0	0
10	Interest	1,338	365	0	0	0	0	0	2,000
11	Miscellaneous	8,846	6,998	7,000	7,000	7,000	7,000	7,000	7,000
12	TOTAL INCOME	\$660,889	\$648,650	\$668,000	\$721,000	\$901,000	\$931,000	\$929,000	\$933,000
EXPENDITURES									
13	Operating Expenditures	\$315,133	\$370,787	\$379,000	\$379,000	\$390,000	\$402,000	\$414,000	\$426,000
14	Replacement/Enhancement Projects	72,251	84,195	0	0	0	10,000	0	0
15	Bond & Loan Debt Service	48,943	47,500	49,000	48,000	49,000	33,000	34,000	29,000
16	Interdistrict Loan Interest	14,250	7,074	5,000	3,000	4,000	3,000	1,000	0
17	TOTAL EXPENDITURES	\$450,577	\$509,556	\$433,000	\$430,000	\$443,000	\$448,000	\$449,000	\$455,000
NET INCOME BEFORE PROJECTS									
		\$210,312	\$139,094	\$235,000	\$291,000	\$458,000	\$483,000	\$480,000	\$478,000
OTHER SOURCES/(USES)									
18	Capital Improvement Projects	(159,619)	(27,581)	(145,000)	(416,000)	(360,000)	(195,000)	(1,200,000)	(3,600,000)
19	Gallagher Pipeline & TP Grant/Loan							1,000,000	3,400,000
20	Loan from (repayment to) Novato	(132,685)	(38,522)	(90,000)	125,000	(113,000)	(288,000)	(54,000)	0
21	Net Change in Working Capital	80,143	(73,858)	0	0	0	0	0	0
22	INCREASE (DECREASE) IN CASH	(\$1,849)	(\$867)	\$0	\$0	(\$15,000)	\$0	\$226,000	\$278,000
CASH BALANCE									
24	Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$55,000
25	System Expansion Reserve	0	0	0	0	0	0	131,000	358,000
26	Liability Contingency Reserve	0	0	0	0	0	0	99,000	99,000
27	Bond Redemption Reserve	52,964	52,097	52,000	52,000	37,000	37,000	33,000	29,000
28	TOTAL CASH BALANCE	\$52,964	\$52,097	\$52,000	\$52,000	\$37,000	\$37,000	\$263,000	\$541,000
29	Amount Due to Novato Water	\$458,822	\$420,300	\$330,000	\$455,000	\$342,000	\$54,000	\$0	\$0
30	Non-Budgeted Depreciation	\$142,310	\$145,913	\$147,000	\$149,000	\$156,000	\$162,000	\$165,000	\$185,000

WEST MARIN WATER NOTES

KEY

- West Marin Water includes the communities of Point Reyes Station, Inverness Park, Olema, Bear Valley, Silver Hills and Paradise Ranch Estates (PRE).
- 1 Assumes annual increase of 5 connections/year after FY12, which is the 10 year average.
 - 2 A commodity rate increase of 6% was approved effective 8/1/11.
 - 3 FY12 Projection based on prior 3 year average.
 - 5 A 33% increase in the Bimonthly Minimum Service Charge to \$20 for the typical 5/8" X 3/4" residential meter was approved effective 8/1/11. No increase was enacted for the existing PRE \$37 bimonthly Minimum Service Charge as it is adequate to cover the cost of reading, billing and maintaining the meter, plus the cost of amortizing the \$14,500 annual revenue bond debt service applicable to customers within the PRE subdivision.
 - 6 The connection fee was increased to \$22,800 per equivalent dwelling unit effective August 1, 2010.
 - 7 In July 2009 the State Legislature voted to "borrow" 8% (approximately \$3,500) of Point Reyes tax revenue. California promises to repay the borrowed money plus 2% interest per annum no later than June 30, 2013. PR2 County Tax allocation is projected to increase 3% per year.
 - 8, 9 GO Bond Taxes are Proposition 13 Exempt property tax levies that fund general obligation bond debt service.
 - 10 Projected available funds invested at 0.75%
 - 11 Turn-on, set-up, backflow device, Horizon CATV site lease & other miscellaneous charges.
 - 13 3% annual increase assumed after FY12.
 - 14 Replacement/Enhancement Projects are comprised of non-capitalized projects.
 - 15 Comprised of four 40-year 5% bonds all purchased by the Farmers Home Administration: 1) 1973 \$250,000 PR-3 GO bond maturing 2013; 2) 1975 OL-2 \$70,000 GO bond due 2015; 3) 1980 PRE-1 \$240,000 revenue bond due 2020; 4) 1981 PR-6 \$217,800 revenue bond due 2021; plus an Economic Development Administration \$46,000 5% 40-year loan in 2017. On 6/1/91 the OL-2 bond was repurchased by Novato Water upon demand by FmHA.
 - 16 Interdistrict Loan Amortization commencing 2005 to fund the LRIPP. Projection assumes interest payments at 0.75% + \$50 per month.
 - 17 Excludes depreciation.
 - 18 Capital Improvement Projects. See 5-year Improvement Projects Forecast.
 - 19 Gallagher Pipeline & Treatment Plant Rehab grant or loan proceeds offset the \$4.4 million cost of installation.
 - 20 Interdistrict loan proceeds & repayment to fund the West Marin Long Range Improvement Project Plan (LRIPP).
 - 24 Operating Reserve should be comprised of a minimum of 4 months of operating expenditures as recommended by the District's financial advisors. This reserve should have a balance of \$152,000 at June 30, 2011, however the funds have been used to subsidize operating deficits resulting from financing the LRIPP. Future cash generated will accrue to the emergency operating reserve fund until it is whole.
 - 25 System Expansion Reserve is composed of connection fee revenue, the \$94,860 Adam's contribution, \$33,500 in Mt. Vision Fire insurance proceeds, and \$8,000 in PRE Improvement Project Reserve Funds. The System Expansion Reserve was exhausted during FY04/05 to fund the LRIPP.
 - 26 Liability Contingency Reserve - \$90,000 is West Marin Water's pro-rata share (3.6%) of the District's \$2.5 million liability contingency fund, available to pay liability claims arising within the West Marin water system. This reserve was exhausted during FY04/05 to fund the LRIPP. \$8,885 derived from sale of 2 surplus parcels in Inverness Park was added to the fund in Dec 2006. Future cash generated will accrue to this reserve until it is whole.
 - 27 Bond Redemption Reserve is comprised of one year of Revenue Bond debt service for PR-6 & PRE-1 bonds as required by bond covenant plus tax receipts held in the Marin County treasury.
 - 29 Amount Due to Novato Water at fiscal year end.

**OCEANA MARIN SEWER
BUDGET SUMMARY
Fiscal Year 2011/12**

	<i>Approved Budget 2011/12</i>	<i>Estimated Actual 2010/11</i>	<i>Adopted Budget 2010/11</i>
OPERATING INCOME			
1 Monthly Sewer Service Charge	\$157,000	\$150,000	\$150,000
2 Misc Service Charges	0	0	0
3 Total Operating Income	\$157,000	\$150,000	\$150,000
OPERATING EXPENDITURES			
4 Sewage Collection	\$20,000	\$22,000	\$18,000
5 Sewage Treatment	19,000	20,000	18,000
6 Sewage Disposal	1,000	1,000	1,000
7 Contract Operations	63,000	62,000	71,000
8 Customer Accounting	2,000	2,000	4,000
9 General & Administration	25,000	23,000	25,000
10 Total Operating Expenditures	\$130,000	\$130,000	\$137,000
11 NET OPERATING INCOME (LOSS)	\$27,000	\$20,000	\$13,000
OTHER SOURCES OF FUNDS			
12 OM-1/OM-3 Tax Allocation	\$41,000	\$41,000	\$46,000
13 Interest Revenue	3,000	3,000	3,000
14 Connection Fees	0	0	30,000
15 Other Misc Revenue	1,000	1,000	1,000
16 Working Capital - 6/10 Srvc Chrg	0	12,000	0
17 Total Other Sources	\$45,000	\$57,000	\$80,000
OTHER USES OF FUNDS			
18 Capital Improvement Projects	\$115,000	\$28,000	\$141,000
19 Total Other Uses	\$115,000	\$28,000	\$141,000
20 NET SURPLUS/(DEFICIT)*	(\$43,000)	\$49,000	(\$48,000)
21 Depreciation (not included above)	\$43,000	\$42,000	\$42,000

* Line 11+17-19

OCEANA MARIN SEWER

5-Year Financial Plan

#	BASIC DATA	Actual 2008/09	Actual 2009/10	Estimated 2010/11	Approved 2011/12	Projected 2012/13	Projected 2013/14	Projected 2014/15	Projected 2015/16
1	Number of Connections	225	225	227	227	229	231	233	235
2	Monthly Service Charge	\$55.00	\$55.00	\$55.00	\$58.00	\$58.00	\$58.00	\$58.00	\$58.00
INCOME									
3	Monthly Service Charge	\$147,918	\$148,427	\$150,000	\$157,000	\$159,000	\$160,000	\$161,000	\$163,000
4	OM-1/OM-3 Tax Allocation	44,594	42,654	41,000	42,000	47,000	48,000	49,000	50,000
5	Connection Fees	9,000	9,000	0	0	30,000	30,000	30,000	30,000
6	Interest Revenue	4,496	2,919	3,000	2,000	2,000	2,000	2,000	2,000
7	Miscellaneous Revenue	3,365	798	1,000	1,000	1,000	1,000	1,000	1,000
8	TOTAL INCOME	\$209,373	\$203,798	\$195,000	\$202,000	\$239,000	\$241,000	\$243,000	\$246,000
9	OPERATING EXPENDITURES	\$126,945	\$123,296	\$130,000	\$130,000	\$134,000	\$138,000	\$142,000	\$146,000
OTHER EXPENDITURES									
10	System Improvements/Other	\$35,251	\$40,159	\$28,000	\$115,000	\$35,000	\$115,000	\$115,000	\$145,000
11	TOTAL EXPENDITURES	\$162,196	\$163,455	\$158,000	\$245,000	\$169,000	\$253,000	\$257,000	\$291,000
12	Net Change in Working Capital	\$46,000	(\$2,028)	\$12,000	(\$43,000)	\$70,000	(\$12,000)	(\$14,000)	(\$45,000)
13	INCREASE (DECREASE) IN CASH	\$93,177	\$38,315	\$49,000	(\$43,000)	\$70,000	(\$12,000)	(\$14,000)	(\$45,000)
CASH BALANCE									
14	Operating Reserve	\$163,036	\$191,225	\$201,000	\$215,000	\$272,000	\$287,000	\$279,000	\$234,000
15	Connection Fee Reserve	66,329	76,455	77,000	20,000	33,000	6,000	0	0
16	TOTAL CASH BALANCE	\$229,365	\$267,680	\$278,000	\$235,000	\$305,000	\$293,000	\$279,000	\$234,000
17	Non-Budgeted Depreciation	\$36,355	\$41,084	\$42,000	\$43,000	\$46,000	\$47,000	\$50,000	\$53,000

OCEANA MARIN SEWER**NOTES**

KEY

- 1 Assumes increase of 2 connections/year after FY12, which is the average over the last 5 years. Capacity is estimated at 308 dwelling units.
- 2 Service charge increase of \$3 to \$58/month effective 8/1/11 was approved. Last increased \$5 to \$55 per month 8/1/04.
- 4 County tax allocation enacted subsequent to Prop 13 to compensate for O&M tax revenue previously received. In July 2009 the State Legislature voted to "borrow" 8% (approximately \$3,500) of Oceana Marin tax revenue. California promises to repay the borrowed money plus plus 2% interest per annum no later than June 30, 2013. OM-1/IOM-3 County Tax allocation is projected to increase 3% per year.
- 5 Assumes the new connections occur in OM-3 (Units 1 or 5) which are subject to the connection fee.
- 9 3% annual increase assumed after FY12.
- 10 Capital Improvements & Special Projects. See 5-year Improvement Projects Forecast.
- 11 Excludes depreciation.
- 12 The FY09 working capital pertains to \$50K of insurance proceeds received as reimbursement for costs incurred in response to the February 2008 effluent spill. The FY11 increase is derived from the June 2010 sewer service charge billed and collected in FY11.
- 16 Cash available for operation, maintenance and improvements

Approved

**Equipment Expenditures
Fiscal Year 2011/2012 Budget**

7/7/11

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	Approved	Notes	Description
1 INFORMATION SYSTEMS			
Administration			
59603.01.11	\$25,000	c	To keep District current on MS Office Suite, MS Server and other software licenses
59603.01.11	2,000	1,e	Field Service Rep/Meter Reading Device & Account Cr Clerk II PCs were rebuilt in 3/07 and will now be retired.
Engineering			
59603.01.21	2,000	1,e	2nd PC able to run AutoCAD Version 10
Operations			
	1,000	1,e	Will trade-down and surplus the 3/06 Lab Staff PC.
Maintenance			
59603.01.51	1,000	1,e	Will trade-down and surplus the 11/01 STP Dedicated Particle Counter
	\$31,000		
2 CONSTRUCTION			
59603.01.41	48,000	c	Used for tapping pipe to inspect valves without service interruptions to customers. Can be used for flushing as well as sample testing.
	\$48,000		
3 MAINTENANCE			
12101.01.00	6,000	1,c	Replaces a Coats 340 which cannot be used for the larger 16-17 inch rims found on the newer trucks without damaging the tire pressure sensors.
	\$6,000		

**Approved
Equipment Expenditures
Fiscal Year 2011/2012 Budget**

	Approved	Notes	Description
4 VEHICLE & ROLLING EQUIPMENT EXPENDITURES			
12104.01.00 a.	\$78,000	1,c	To replace a '91 International 5-yard dump not compliant with 12/3/10 CARB on-road diesel emission rule. Would cost est \$50K to repower and add an exhaust filter to make compliant. Up to \$10K/day fine.
12104.01.00 b.	25,000	1,c	To replace a '99 F250 with 170,000 miles that is worn-out and was due for replacement last fiscal year.
	<u>\$103,000</u>		
	<u>\$188,000</u>		Total

Notes:

c: Capital; e: Expense

1 Replacement item.

	RECAP	Adopted Budget	Estimated Actual	Approved Budget
		2010/11	2010/11	2011/12
Equipment	\$166,000	\$17,671	\$85,000	
Vehicles	22,000	158,329	103,000	
	\$188,000	\$176,000	\$188,000	

Proposed Improvement Projects

7/7/11

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		FY12	FY13	FY12 Project Description
1. PIPELINE REPLACEMENTS/ADDITIONS				
a. Main/Pipeline Replacements				
1.7130.00	1	\$160,000		Assess condition & spot repairs to the 18" concrete pipe
1.7131.00	2	\$60,000		Abandon pipe in private side yards
1.7067.01	3	\$120,000		Carryover - Repair 12" cast iron main that failed last October
		\$340,000	\$0	
b. Main/Pipeline Additions				
	1		\$100,000	12" Extension to Aqueduct @ Novato Builders
	2		\$350,000	Indian Valley to IVC 2nd Zone Extension
	3		\$150,000	Bel Marin Keys Looping (12"@900')
		\$0	\$600,000	
c. PB Service Line Replacements				
1.7123.06	1	\$36,000		Ongoing program to replace polybutylene services
1.7123.07	2	\$52,000		Ongoing program to replace polybutylene services
	3		\$90,000	
	4		\$85,000	
		\$88,000	\$175,000	
d. Relocations to Sync w/City & County C.I.P.				
1.8716.08	1	\$20,000	\$20,000	Locate and raise street valves in coordination with City paving
1.8737.04	2	\$50,000	\$80,000	Relocate facilities for as yet unidentified City/County Projects
		\$70,000	\$100,000	
e. Aqueduct Replacements/Enhancements				
1.7118.01-	1	\$2,700,000	\$2,600,000	North Marin Aqueduct upsizing/relocation
1.7118.05				
		\$3,198,000	\$3,475,000	

Proposed Improvement Projects

7/7/11

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		FY12	FY13	FY12 Project Description
2. SYSTEM IMPROVEMENTS				
1.7042.00	a.	\$20,000	\$20,000	Staff & consultant time to expand development of a Novato Water System Geographic Information System to improve information management contained within the facility maps and improve access to important asset management information
1.6000.41	b.	\$25,000	\$25,000	Miscellaneous cathodic upgrades to protect steel water mains, tanks, & aqueduct (from Atherton to Rowland) from corrosion
1.7008.08	c.	\$15,000		Replace aging and unreliable RTUs at Cabro Court, Davies PS & Sunset Tank
1.8677.18	d.	\$50,000		Install flushing taps at dead-end zone valves to improve water quality
1.7007.06	e.	\$75,000		Detector Check Assembly replacements
1.7090.02	f.	\$30,000	\$30,000	Place anodes on copper service laterals for corrosion protection
1.7132.00	g.	\$25,000		Install radio transmitters to replace leased lines
	h.		\$24,000	
	i.		\$16,000	
	j.		\$100,000	
	k.		\$25,000	
	l.		\$30,000	
			\$240,000	

Proposed Improvement Projects

7/7/11

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		FY12	FY13	FY12 Project Description
3. BUILDING, YARD, STP. IMPROVEMENTS				
a. Administration Building				
1.6501.35	1	\$25,000		ADA Compliance Plan
1.6501.42	2	\$25,000	\$25,000	Repairs/enhancements identified throughout the year
		\$50,000	\$25,000	
b. Corp. Yard/Warehouse/Construction Office				
1.6502.44	1	\$15,000	\$15,000	Repairs/enhancements identified throughout the year
		\$15,000	\$15,000	
c. Stafford Treatment Plant				
1.6600.70	1	\$34,000	\$9,000	Build catchment basin to trap and divert watershed runoff to control lake nutrients & STRAW Project (\$9K)
1.6600.60	2	\$130,000		Creek bank erosion control/restoration
1.6600.71	3	\$25,000		Replace inefficient & unreliable T1 line with radio system that has proven reliable and has more bandwidth for data transfer
1.6600.69	4	\$10,000		Misc concrete patch repairs to existing upstream face of dam
1.6600.72	5	\$47,000		Discharge or reuse the STP wastewater
1.6600.62	6	\$25,000		Enhance spillway security
1.6600.73	7	\$40,000		To remove old STP electrical service no longer used
1.6600.74	8	\$122,000		100 KW emergency power generator at the treatment plant
	9		\$165,000	Start-up Flushing Connection
	10		\$300,000	Coat Concrete Clearwells
	11		\$50,000	Other Treatment Plant Improvements
		\$433,000	\$524,000	
		\$498,000	\$564,000	

Proposed Improvement Projects

7/7/11

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			FY12	FY13	FY12 Project Description
4. STORAGE TANKS/PUMP STATIONS					
1.6112.24	a.	Lynwood Pump Station Motor Control Center	\$275,000		Move motor controls above-ground.
1.6217.20	b.	Pacheco Tank C12 Mixing System	\$75,000		Design/Install pump mixing and chlorine injection system
			<u>\$350,000</u>	<u>\$0</u>	
5. RECYCLED WATER					
5.7127.00	a.	NBWRA Grant Program Administration	\$125,000	\$125,000	Continued support of North Bay Water Reuse Authority to obtain/administer recycled water project Federal/State grants.
5.6055.00-5.6055.01	b.	Expansion to North Area	\$3,000,000	\$1,700,000	Pipeline additions and storage improvements to increase recycled water use by 186 AF.
5.6056.00-5.6056.01	c.	Expansion to South Area	\$2,000,000	\$2,000,000	Pipeline additions and storage improvements to increase recycled water use by 220 AF.
	d.	Other Recycled Water Expenditures	\$20,000		
			<u>\$5,125,000</u>	<u>\$3,845,000</u>	
6 WEST MARIN WATER SYSTEM					
2.6601.32	a.	TP Solids Handling	\$360,000	\$360,000	Design & construct a 60,000 gal solids handling facility.
2.6601.34	b.	TP RTU Upgrade	\$20,000		Replace obsolete TESCO RTU
2.7133.00	c.	Viento Way Upsizing	\$21,000		Upsize 360' of 6" pipeline to 8" from Viento to State Rt 1 in conjunction with the Meadery Project
2.6603.20	d.	Point Reyes Well #3 Rehab	\$15,000		Periodic restoration to enhance efficiency
			<u>\$416,000</u>	<u>\$360,000</u>	
7 OCEANA MARIN SEWER SYSTEM					
8.8672.25	a.	Infiltration Study & Repair	\$15,000	\$15,000	Ongoing work to identify and repair collection pipelines to prevent rainwater from leaking into the system
8.7085.01	b.	Tahiti Way Lift Pumps Rebuild (1/year)	\$20,000	\$20,000	Rebuild the two lift pumps in 5-year cycles.
8.6001.20	c.	Cross Country Sewer Line Rehab (1,000')	\$80,000		Replace 1,000' of 6" ACP with PVC in high-risk areas
			<u>\$115,000</u>	<u>\$35,000</u>	
		GROSS PROJECT OUTLAY	<u>\$9,942,000</u>	<u>\$8,549,000</u>	

Proposed Improvement Projects

7/7/11

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	FY12	FY13	FY12 Project Description
	Novato \$4,286,000	\$4,309,000	
	RW \$5,125,000	\$3,845,000	
	WM Water \$416,000	\$360,000	
	OM Sewer \$115,000	\$35,000	
	<u>\$9,942,000</u>	<u>\$8,549,000</u>	
8 LESS FUNDED BY LOANS/GRANTS			
a. Aqueduct Energy Efficiency Proj - Hwy 101 Widening	(\$2,700,000)	(\$2,600,000)	Funded by bank loan or Certificates of Participation
b. Recycled Water System Expansion - North Area	(\$3,000,000)	(\$1,700,000)	Funded 25% by Fed/State Grant; 75% by low-interest State Revolving Fund loan
c. Recycled Water System Expansion - South Area	(\$2,000,000)	(\$2,000,000)	Funded 25% by Fed/State Grant; 75% by low-interest State Revolving Fund loan
	<u>(\$7,700,000)</u>	<u>(\$6,300,000)</u>	
NET PROJECT OUTLAY	\$2,242,000	\$2,249,000	
Novato	\$1,586,000	\$1,709,000	
RW	\$125,000	\$145,000	
WM Water	\$416,000	\$360,000	
OM Sewer	\$115,000	\$35,000	
NET PROJECT OUTLAY	\$2,242,000	\$2,249,000	
Total Number of Projects	38	29	