

North Marin Water District
Novato Service Charge Analysis
Annual Cost of Providing a Meter and Rendering a Bill

2/7/18

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as of 12/31/17

Active Meters 12/31/17 = 20,555

		5/8-Inch Service	1-Inch Fire Sprinkler Service	1-Inch Service
Capital Cost				
Installation Labor & Vehicle Charges ¹		\$2,963.64	\$2,963.64	\$2,963.64
Backfill, Blacktop & Sand ¹		1,128.36	1,128.36	1,128.36
Copper Pipe (30') ²		127.23	127.23	127.23
Water Meter		74.22	194.92	194.92
Angle Meter Stop ²		56.92	56.92	56.92
Corporation Stop ²		51.82	51.82	51.82
Anode (12 lb.)		77.85	77.85	77.85
Service Saddle (6") ²		52.87	52.87	52.87
Fiberlite Meter Box Lid		28.13	48.53	48.53
Meter Box		25.16	31.72	31.72
Corporation Stop Adapter ²		21.55	21.55	21.55
Meter Spud		9.48	11.09	11.09
Grounding Clamp ²		3.93	3.93	3.93
Total Capital Cost ³		\$4,621.18	\$4,770.44	\$4,770.44
Capital Cost Amortization ⁴		\$126.24	\$133.96	\$133.96
Annual Expenses ⁵				
Debt Service ⁶	\$1,281,516			
Billing and Accounting (net) ⁷	282,648			
General & Administrative ⁸	241,411			
Customer Service Expense	149,268			
Meter Reading	160,396			
Meter Maintenance	66,356			
Stationary & Supplies	56,383			
Uncollectible Accounts	12,709			
Office Equipment Expense	11,350			
Collection Agency Fees	2,187			
Distributed to West Marin ⁹	(17,161)			
Field Collection Expense (net) ¹⁰	(46,072)			
Total Annual Expense	\$2,200,991			
	/ 20,555 =	\$107.08	\$107.08	\$107.08
Total Annual Cost per Meter		\$233.32	\$241.04	\$241.04
Bimonthly Cost (Annual Cost / 6)		\$38.89	\$40.17	\$40.17
Current Bimonthly Charge		\$31.50	\$35.70	\$63.00
Bimonthly Contribution to System Repair and Replacement		(\$7.39)	(\$4.47)	\$22.83

1 Average cost of last 5 years' installations.

2 Same 1" size is used for all three services shown.

3 Includes 8.5% sales tax & 15% material handling charge.

4 Annual capital cost amortization (capital recovery) is based upon estimated materials life of 50 years (except the meter which is amortized over 20 years) and assumes, in accordance with the Federal government's directive on discount rates specified in OMB Circular No. A-94 (revised November 2017), a nominal interest rate (projected return on investment) of 2.6% and a projected inflation rate of 2.0%.

5 Based on costs reported in the Audited FY2017 financial statement.

6 Debt service includes Principal & Interest for the STP SRF Loan and AEEP Bank of Marin Loan less MMWD \$245,000 AEEP Capital Contribution.

7 Billing and Accounting amount shown is net of new account charge revenue.

8 G&A is 37% of labor expense.

9 Billing & Accounting expense is allocated to Recycled Water and West Marin customers based on the number of active accounts.

10 Field Collection Expense amount shown is net of account turn-on charge revenue.