



# NOVATO SANITARY DISTRICT

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500 DAVIDSON STREET \* NOVATO \* CALIFORNIA 94945 \* PHONE (415) 892-1694 \* FAX (415) 898-2279  
www.novatosan.com

## BOARD OF DIRECTORS

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# Final Budget

## FOR

# FISCAL YEARS 2015-17

Including Preliminary Budget for Fiscal Year 2016-17

*Adopted August 24, 2015*

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***SECTION I***

***LETTER OF TRANSMITTAL AND SUMMARY OF FUND  
BALANCES***

August 24, 2015

Honorable Board of Directors  
Novato Sanitary District  
500 Davidson Street  
Novato, California 94945

Honorable Board Members:

The proposed Final District Budget for the 2015-16 and 2016-17 fiscal years is attached for your consideration and approval.

The FY 2015-16 Final Budget includes the following components:

- Summary of the Operating and Capital Improvement Funds, and Summary of Fund Balances (Section I).
- Operating Budget: Summary Revenues/Expenditures, and Summary Budget by Cost Center and Account Category (Section II).
- Detailed Operating Budget by Cost Center and Account Category (Section III).
- Capital Improvement Budget: Revenue and Expenditures Budget, (Section IV)
- Wastewater Capital Reserve Fund and Certificates of Participation Reserve Fund (Section V)
- Debt Service Fund Summary for State Revolving Fund (SRF) Loan and Certificates of Participation (COP) Bond Fund (Section VI).

Note that this year's annual Sewer Service Charge (SSC) increases from \$533 to \$552 per service unit, or an increase of 3.6% over the prior year.

The basis of the rate increase is District Ordinance No. 116 - AN ORDINANCE OF THE NOVATO SANITARY DISTRICT ESTABLISHING SEWER SERVICE CHARGES FOR FISCAL YEARS 2012-13, 2013-14, 2014-15, 2015-16. This Ordinance No. 116 was adopted by the District Board at its regular meeting of June 25, 2012 upon completion of the appropriate Proposition 218 process.

As in prior years, the sewer service charge is divided with \$304 (55%) allocated to the Operating Budget, and \$248 (45%) allocated to the Capital Budget.

#### **A. BUDGET STRUCTURE**

The District's budget is prepared on a cash basis. Table 1 summarizes the Operating and Capital Revenue and Expenditures and compares the immediate past year with the proposed budget. Total revenues are projected to increase slightly due to the sewer service charge rate increase approved on June 25, 2012 and discussed above. More detailed information regarding the variances between the two budget years both by cost center and account are also provided in this letter.

**Table 1: Summary of Revenues and Expenditures for FY 15 and FY 16**

	<b>FY 14/15 Adopted Budget</b>	<b>FY 15/16 Proposed Budget</b>	<b>% Change FY 15 to FY 16</b>
Operating Revenues	\$ 9,601,856	\$ 10,006,483	4.21%
Capital Revenues	9,482,700	9,901,040	4.41%
<b>Total Revenues</b>	<b>\$ 19,084,556</b>	<b>\$ 19,907,523</b>	<b>4.31%</b>
Operating Expenditures	9,406,216	9,763,464	3.80%
CIP Expenditures	5,735,223	3,360,500	-41.41%
Debt Service	7,070,654	7,075,104	0.06%
<b>Total Expenditures</b>	<b>\$ 22,212,093</b>	<b>\$ 20,199,068</b>	<b>-9.06%</b>

**B. FISCAL YEAR 2015-16 OPERATING BUDGET DETAILS**

*Operating Revenues*

The final proposed FY 2015-16 Operating Budget by revenue source is shown in Table 2 below (and graphically in Figure 1 at the end of this letter), along with the figures for the past two fiscal years. Total operating revenues are expected to increase by 4.2% or \$404,627 from FY 2014-15.

**Table 2: Operating Budget Revenue Three-Year Summary**

<b>Funding Sources by Category</b>	<b>FY 13-14 Adopted Budget</b>	<b>FY 14-15 Adopted Budget</b>	<b>FY 15-16 Proposed Budget</b>	<b>% Change FY 15 to FY 16</b>
Operating Sewer Service Charges	\$ 8,506,680	\$ 8,776,815	\$ 9,121,520	3.93%
Permit & Inspection fees	34,183	31,500	31,500	0.00%
Interest Income	15,000	15,000	18,000	20.00%
Engineering/Admin Chgs	165,000	165,000	165,000	0.00%
Franchise Fees	48,602	49,768	50,962	2.40%
AB 939 Collector Fees	297,586	297,586	342,621	15.13%
Oil and Beverage Grant	50,234	50,187	59,880	19.31%
Ranch Income	70,000	70,000	70,000	0.00%
Recycled Water Revenue	75,000	116,000	117,000	0.86%
Other Revenue	50,000	30,000	30,000	0.00%
<b>Total Operating Revenue</b>	<b>\$9,312,285</b>	<b>\$9,601,856</b>	<b>\$10,006,483</b>	<b>4.21%</b>

**Operating Sewer Service Charges (SSCs)** - expected increase of \$344,705 or 3.9% primarily from the 3.6% rate increase. For informational purposes, see Figure 2 (attached to this letter) which compares SSC changes relative to changes in the Consumer Price Index (CPI) for the last ten years, CPI as measured by the Bureau of Labor Statistics-U.S. City Average, by expenditure category and commodity – Water and Sewer Services.

**Interest Income** - expected increase of \$3,000 or 20% from potential increase in interest rates.

**AB 939 Collector Fees** expected to increase by \$342,621 or 15.1% due to the current projection for the HHW Cost center revenue. In the same cost center, **Oil and Beverage Grant** are expected to increase by \$59,880 or 19.3% based on projections provided by the District's HHW consultant coordinator.

**Recycled Water Revenue** is based on projections for cost recovery of operating costs through an agreement with the North Marin Water District (NMWD).

**Operating Expenditures**

A summary of proposed and past two fiscal years Operating Expenditures are shown in Table 3 (and graphically in Figure 3 at the end of this letter) by department/cost center. Operating expenditures are budgeted to increase by 3.8% or \$359,452 between FY2014-15 and FY2015-16.

In terms of staffing, note that in general, FY14-15 expenditures for Salaries and Benefits within the individual cost centers represent one-time "savings" from vacant positions which will be filled in FY15-16. Also, note that total Full-Time Equivalent (FTE) budgeted positions remain stable between FY2014-15 and FY2015-16 after accounting for the transition of Laboratory/Environmental Services to contract services with Veolia.

**Table 3: Operating Budget Expenditures 3-year Summary:**

Expenditures by Department	FY 13-14 Adopted Budget	FY 14-15 Adopted Budget	FY 15-16 Proposed Budget	% Change FY 15 to FY 16
Collections	\$ 1,316,424	\$ 1,389,859	\$ 1,386,100	-0.27%
Treatment	2,699,200	2,827,499	3,018,331	6.75%
Reclamation	534,268	484,649	487,029	0.49%
Laboratory	685,376	593,829	601,633	1.31%
Pump Stations	822,016	807,072	814,633	0.94%
Administration/Engineering	2,766,336	2,818,610	2,936,237	4.17%
Hazardous Household Waste	371,301	368,698	402,501	9.17%
Recycled Water	108,000	116,000	117,000	0.86%
<b>Total Expenditures</b>	<b>\$ 9,302,921</b>	<b>\$ 9,406,216</b>	<b>\$ 9,763,464</b>	<b>3.80%</b>

The following table summarizes the main operational budget variances and their impact.

**Table 4: Operating Budget - Significant Budget Variances 2014-15 to 2015-16**

Main Budget Variances – FY 15 to FY 16	Budget Impact
1. Contract Services for the Laboratory Cost Center is a new account this year to reflect the contract with Veolia Water in February 2015. Funding for this account was reallocated from the Salaries and Benefits Accounts of the FY14-15 Laboratory Cost Center	\$ 357,133
2. Anticipated cost of District election	\$ 50,000
3. Anticipated decrease of 35.7% for the District liability insurance premium	\$ (81,570)
4. Anticipated decrease of 25% for District's attorney fees	\$ (30,000)
5. Anticipated decrease of 35.9% for operating chemicals.	\$ (23,000)
6. Anticipated decrease of 18.4% for outside services for Collection and Pump Station cost centers	\$ (58,000)
7. Anticipated decrease of 28.3% for Research and Monitoring fees	\$ (70,000)
8. Anticipated decrease of 21.4% for Travel, Meetings and Training expense	\$ (15,000)
9. Anticipated increase of 15% for Gas and Electricity expense	\$ 116,730

**C. FISCAL YEAR 2015-16 CAPITAL BUDGET DETAILS**

***Capital Revenues***

The proposed FY2015-16 Capital Budget by Revenue source is shown in Table 5 below along with the figures for the past two fiscal years. Total capital revenues are expected to increase by 4.4% or \$418,740 from FY 2014-15. Notable items include:

**Capital SSC Revenues** - projected increase of \$251,840 or 3.5% primarily from the 3.6% rate increase.

**Property Taxes** - projected increase of 8.6% from greater activity in the housing market over the past few years. For comparative purposes, Figure 4 (attached to this letter) depicts property tax-related revenues for the last ten years.

**Connection Fees** – projected to be relatively flat assuming about 50 new connections per year.

**Grants/Loans** - no anticipated grant income, and no more funds from the 2011 Certificates of Participation (COPS).

**Interest Income** – projected decrease of 26.6% from loss of interest with completion of draw-down of COP funds.

**Table 5: Capital Budget Revenue 3-year Summary:**

Funding Sources by Category	FY 13-14 Adopted Budget	FY 14-15 Adopted Budget	FY 15-16 Proposed Budget	% Change FY 15 to FY 16
Capital Sewer Service Charges	\$ 6,728,280	\$ 7,183,200	\$ 7,435,040	3.51%
Property Taxes	1,740,000	1,750,000	1,900,000	8.57%
Connection Charges	470,000	493,500	518,000	4.96%
Collector/Special Equalization Charges	6,000	6,000	6,000	0.00%
Interest Income	50,000	30,000	22,000	-26.67%
Grant and Other Revenue	20,000	20,000	20,000	0.00%
<b>Total Capital Revenues:</b>	<b>\$9,014,280</b>	<b>\$9,482,700</b>	<b>\$9,901,040</b>	<b>4.41%</b>

***Capital Expenditures***

The proposed Capital Improvement Program (CIP) Budget for FY15-16 is \$10,435,604 or \$2,370,273 less or a decrease of (18.5%) over last year. Capital projects for 2015-16 will be funded through sewer service charges, property taxes, and connection fees. Notable items include:

**New accounts** for odor control and landscaping work, and corrosion control at the Novato Treatment Plant site.

**On-going major capital project work**, including Collection System Improvements, demolition to make site space available for a future Maintenance Building, and the expansion of the Recycled Water Facility (RWF).

**Continuing work on regional efforts** including North Bay Water Reuse Authority (NBWRA), Novato Creek Watershed, and the Hamilton Wetlands/Outfall study.

**Debt service** of \$7,075,104 which will be funded similar to capital projects. Table 6 shows summary Capital Debt Service and Capital Project Costs for three fiscal years.

**Table 6: Capital Budget Expenditures, 3-year Summary:**

Capital Expenditures	FY 13-14 Adopted Budget	FY 14-15 Adopted Budget	FY 15-16 Proposed Budget	% Change FY 15 to FY 16
Capital Projects	\$8,076,377	\$5,735,223	\$3,360,500	-41.41%
Debt Service	7,070,654	7,070,654	7,075,104	0.1%
Total	<b>\$15,147,031</b>	<b>\$12,805,877</b>	<b>\$10,435,604</b>	-18.5%

**Debt Coverage Ratio**

In the 2011 COP Installment Sale Agreement the District agreed to collect rates and charges during each fiscal year that are sufficient to yield net revenues equal to at least 120 percent of the installment payments on the COPs and all parity debt in the fiscal year. The projected Debt Coverage Ratio for FY2015-16 is 1.43.

**D. COMPARISON OF ANNUAL SEWER SERVICE CHARGES LEVIED BY NEIGHBORING AGENCIES**

The following table compares the District's rate with those of other nearby sanitation agencies.

AGENCY	RATE (\$/yr.)
Sausalito-Marin City Sanitary District <sup>(1)</sup>	1,309 <sup>(b)</sup>
Tamalpais Community Services District	1,111 <sup>(b)</sup>
City of Petaluma	1,075 <sup>(b)</sup>
City of Santa Rosa	1,005 <sup>(b)</sup>
City of Larkspur	961 <sup>(a)</sup>
San Rafael Sanitation District	788 <sup>(b)</sup>
Las Gallinas Valley Sanitary District	748 <sup>(b)</sup>
Ross Valley Sanitary District (SD #1)	692 <sup>(a)</sup>
City of Mill Valley	685 <sup>(a)</sup>
<b>NOVATO SANITARY DISTRICT</b>	<b>552 <sup>(b)</sup></b>
Vallejo Sanitation & Flood Control District	520 <sup>(a)</sup>
Napa Sanitation District	470 <sup>(a)</sup>

Notes: <sup>(1)</sup> Includes SMCS D charge of \$817 and City of Sausalito charge of \$492.  
<sup>(a)</sup>FY2014-15 charges; <sup>(b)</sup>FY2015-16 (proposed or adopted)

In conclusion, the proposed FY2015-16 budget will be able to accomplish the District's commitments to achieving the key goals set forth in its Strategic Plan while maintaining reasonable rates for its customers.

Sincerely,

  
 SANDEEP KARKAL  
 General Manager-Chief Engineer

Additional Charts for Informational Purposes:

Figure 1:

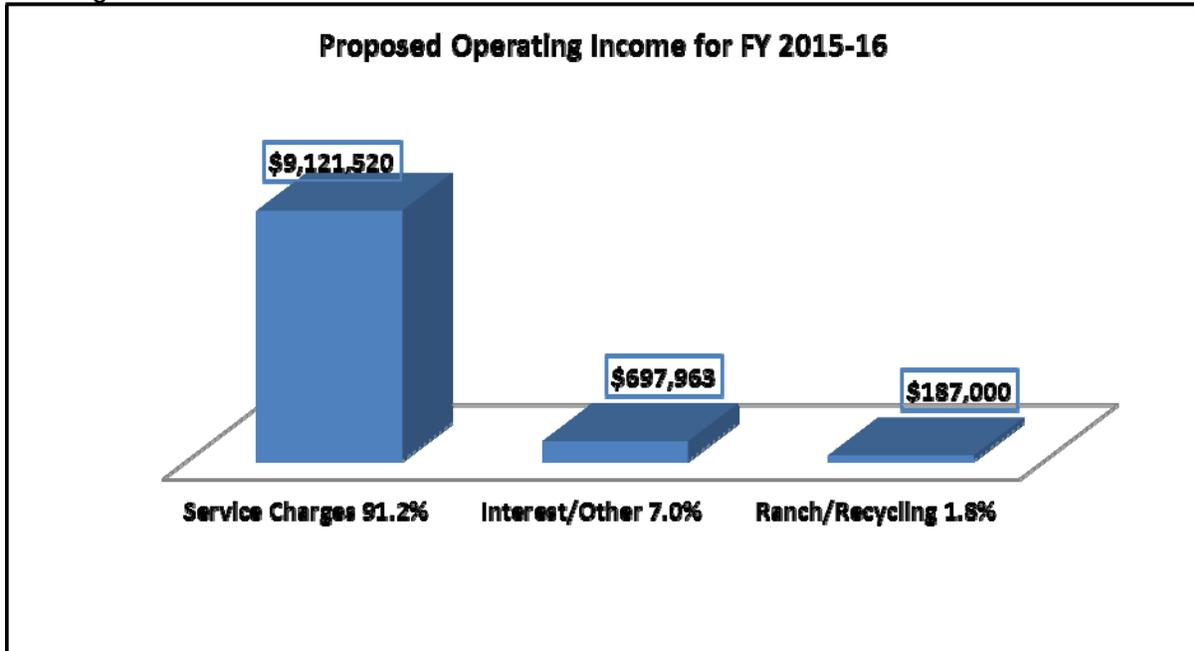
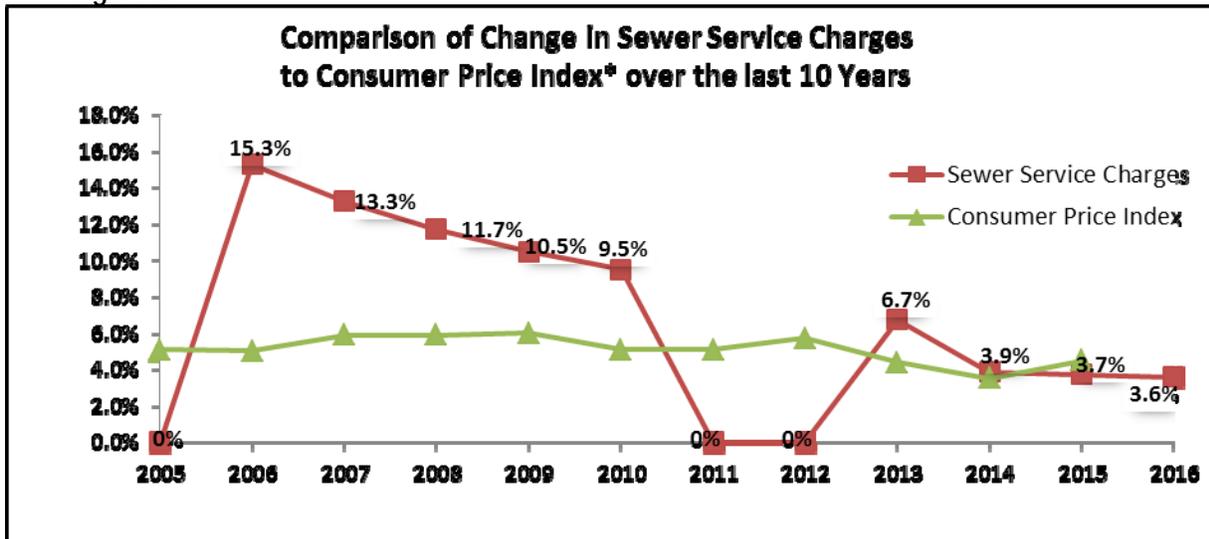


Figure 2:



\*CPI – Bureau of Labor Statistics – U.S. City Average, by expenditure category and commodity – Water and Sewer Services.

Figure 3:

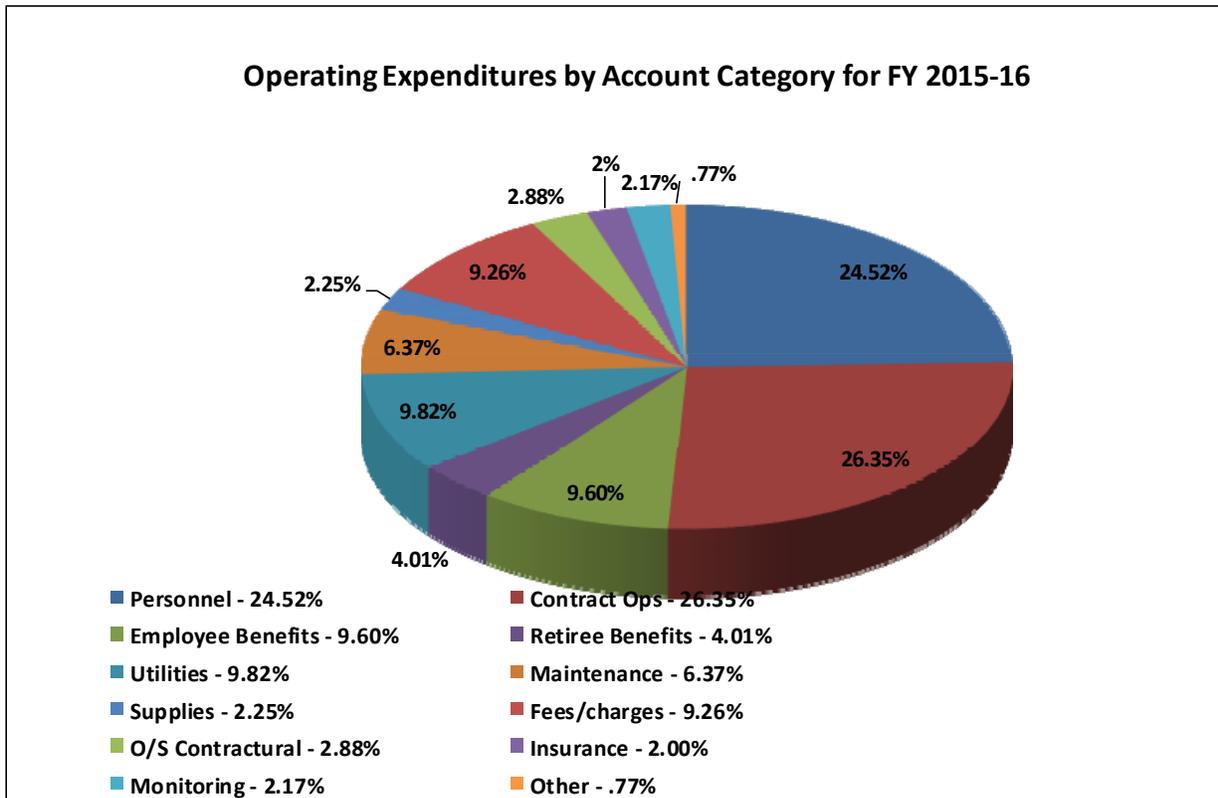
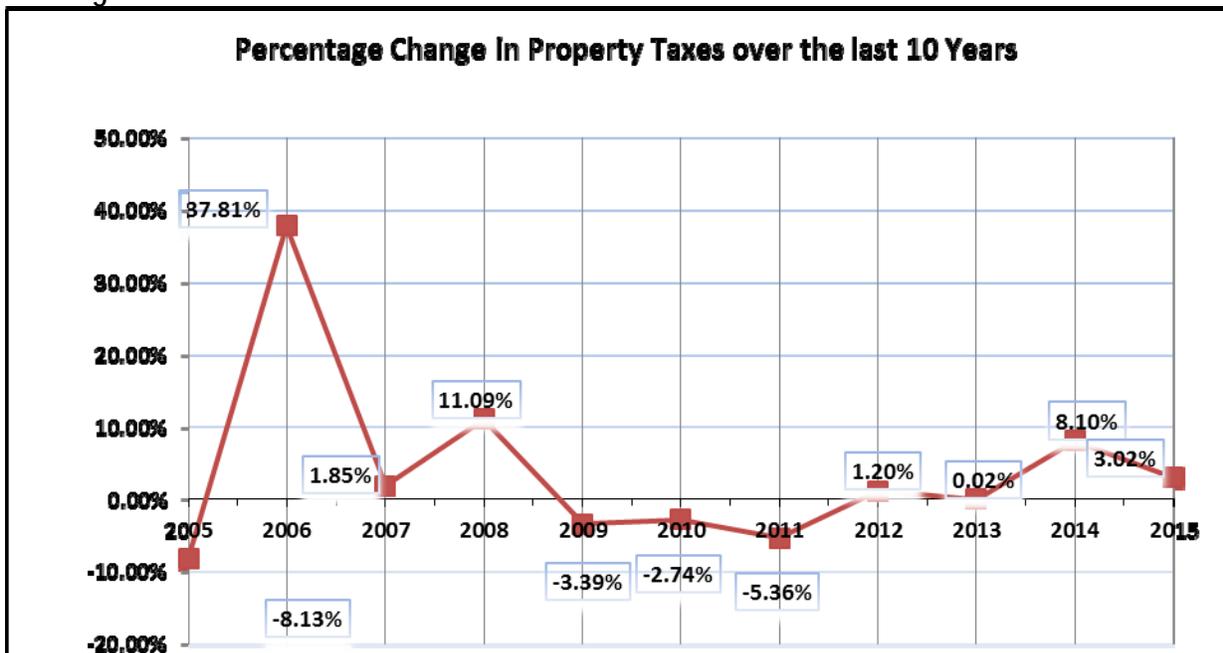


Figure 4:



**Novato Sanitary District  
2015-17 Final Budget  
Summary of Operating Fund  
And Capital Fund Balances**

	Budget 2014-15	Actual Rev/Exp 2014-15	Proposed Budget 2015-16	Final Budget 2015-16	Preliminary Budget 2016-17
<b>Operating Fund</b>					
July 1st Beginning of Each Year	9,287,659	9,281,819	10,138,284	10,635,267	10,878,286
Operating Revenue (p. 2)	9,601,856	9,487,752	10,000,483	10,006,483	10,028,129
Operating Expenditures (p. 3)	9,406,216	8,134,304	9,762,313	9,763,464	9,971,936
Net Operating Revenue	195,640	1,353,448	238,170	243,019	56,194
<b>Operating Fund at the End of Each Year</b>	<b>9,483,299</b>	<b>10,635,267</b>	<b>10,376,454</b>	<b>10,878,286</b>	<b>10,934,479</b>
<b>Capital Fund</b>					
July 1st Beginning of Each Year	7,482,115	7,482,059	5,787,502	6,047,581	5,252,938
Capital Revenue (p. 15)	9,482,700	9,384,546	9,901,040	9,901,040	9,977,440
Total Capital Revenues	9,482,700	9,384,546	9,901,040	9,901,040	9,977,440
Capital Expenditures (p. 16)	5,735,123	3,748,270	3,360,500	3,360,500	4,450,000
Debt Service (p. 19)	7,070,754	7,070,754	7,075,104	7,075,104	7,059,705
Total Capital Expenditures	12,805,877	10,819,024	10,435,604	10,435,604	11,509,705
<b>Capital Fund Balance at the End of Each Year</b>	<b>4,158,938</b>	<b>6,047,581</b>	<b>5,252,938</b>	<b>5,513,017</b>	<b>3,720,673</b>
Reserved	1,500,000	1,692,382	1,692,382	1,693,343	1,694,343
Unreserved	12,142,237	14,990,466	13,937,010	14,697,960	12,960,809
<b>Operating and Capital Fund Balances at The End of Each Year</b>	<b>13,642,237</b>	<b>16,682,848</b>	<b>15,629,392</b>	<b>16,391,303</b>	<b>14,655,152</b>

***SECTION II***

***OPERATING BUDGET SUMMARY SCHEDULES***

**Novato Sanitary District  
2015-17 Final Operating Budget  
Revenue Summary**

Operating Fund Revenue Center - 41000	Budget 2013-14	Budget 2014-15	Act Rev 2014-15	Proposed Budget 2015-16	Final Budget 2015-16	Preliminary Budget 2016-17
<b>Accounts</b>						
41010 · Sewer Service Charges (1)	8,506,680	8,776,815	8,636,784	9,121,520	9,121,520	9,136,720
41030 · Plan Check & Inspection Fee	500	500	5,879	500	500	500
41040 · Permit & Inspection Fee	7,500	6,000	9,065	6,000	6,000	6,000
41060 · Interest Income	15,000	15,000	20,099	18,000	18,000	20,000
41080 · Engineering & Admin Charges	165,000	165,000	118,636	165,000	165,000	165,000
41090 · Non-domestic Permit Fees (2)	26,183	25,000	35,429	25,000	25,000	20,000
41100 · Garbage Franchise Fees	48,602	49,768	49,768	50,962	50,962	52,186
41105 · AB 939 Collector Fees	297,586	297,586	297,586	342,621	342,621	350,844
41107 · Oil/Bev/Tire Grants (3)	50,234	50,187	88,945	59,880	59,880	59,880
41130 · Ranch Income	70,000	70,000	92,829	70,000	70,000	70,000
41135 · Recycled Water Revenue	75,000	116,000	91,942	111,000	117,000	117,000
41140 · Other Revenue (4)	40,000	20,000	21,702	20,000	20,000	20,000
41142 · Loss on disposal of assets	10,000	10,000	19,088	10,000	10,000	10,000
<b>Totals</b>	<b>9,312,285</b>	<b>9,601,856</b>	<b>9,487,752</b>	<b>10,000,483</b>	<b>10,006,483</b>	<b>10,028,129</b>

**Comments:**

- (1) Sewer Service Charge (SSC) revenue is based on rate increase approved on June 25, 2012 and actual revenue received in prior year. The Sewer Service Charges allocations are as follows:
- For 2015/16 the charge is \$552 split between operations(\$304) and capital (\$248).
  - For 2016/17 the charge remains at \$552 split between operations(\$304) and capital(\$248).
- (2) Includes application fees, permits and monitoring charges.
- (3) Oil/Bev/Tire Grants \$28,896/ JPA Reimb Fees \$30,984.
- (4) Other revenue includes septic tank hauling fees, and miscellaneous revenue.

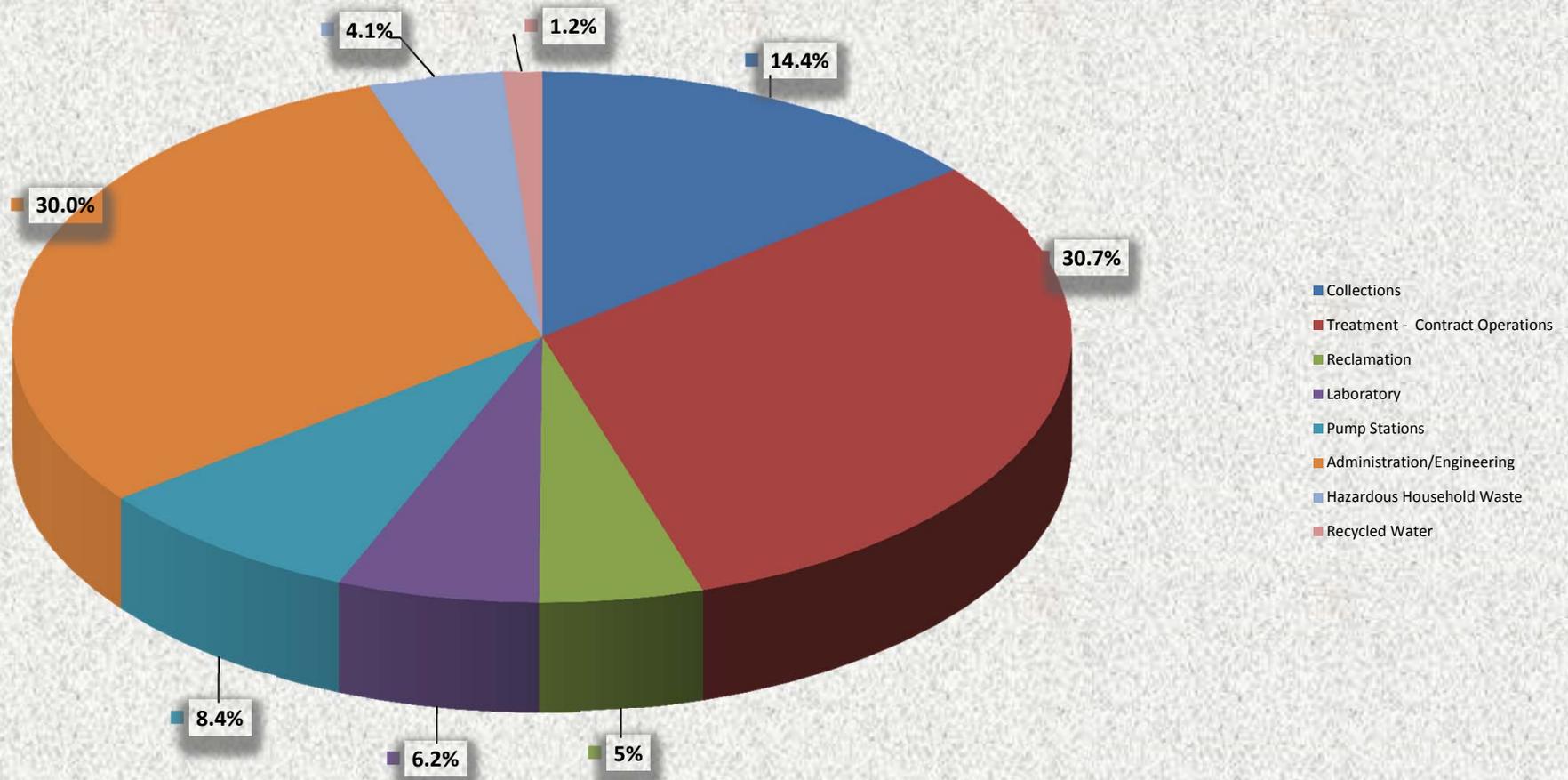
**APPROPRIATIONS LIMITATION**

The appropriations limitation, pursuant to Article XIII B of the California Constitution, is determined to be \$5,995,198 for the FY 2015-16.

**Novato Sanitary District  
2015-17 Final Budget  
Operating Budget - Summary of Expenditures**

Operating Cost Center	Budget 2013-14	Budget 2014-15	Actual Exp 2014-15	Proposed Budget 2015-16	Final Budget 2015-16	Preliminary Budget 2016-17
<b>Collections</b>	1,316,424	1,389,859	1,240,062	1,408,761	1,386,100	1,382,990
<b>Treatment - Contract Operations</b>	2,699,200	2,827,499	2,795,808	2,977,341	3,018,331	3,073,224
<b>Reclamation</b>	534,268	484,649	398,117	492,380	487,029	510,150
<b>Laboratory</b>	685,376	593,829	555,215	601,633	601,633	632,767
<b>Pump Stations</b>	822,016	807,072	679,829	826,927	814,633	863,306
<b>Administration/Engineering</b>	2,766,336	2,818,610	2,075,333	2,941,770	2,936,237	2,982,712
<b>Hazardous Household Waste</b>	371,301	368,698	289,587	402,501	402,501	409,787
<b>Recycled Water</b>	108,000	116,000	100,353	111,000	117,000	117,000
	9,302,921	9,406,216	8,134,304	9,762,313	9,763,464	9,971,936

## Final Operating Budget 2015-16 Expenditures by Cost Center



Novato Sanitary District 2015-16 Final Operating Budget Operating Budget Detail by Account Category													Over/ Under PY Budget	% Over/ Under PY Budget
	Treatment Facilities	Recl	L-M	Pump Stations	Collection System	A-E	HHW Program	Recycled Water	Total	As Percent of Budget	Over/ Under PY Budget	% Over/ Under PY Budget		
Salaries and Wages		75,400		337,753	634,609	1,102,409			2,150,171	22.02%	(8,389)	-0.39%		
Contract Services (Operations & Lab)	2,059,201		357,133					50,000	2,466,333	25.26%	458,804	22.85%		
Employee Benefits		28,629	0	141,880	269,491	440,568			880,568	9.02%	9,865	1.13%		
Retiree Health Benefits						375,260			375,260	3.84%	(20,895)	-5.27%		
Directors' Fees						43,000			43,000	0.44%	(2,000)	-4.44%		
Election Expense						50,000			50,000	1%	50,000	100.00%		
Gasoline, Oil & Fuel		4,000	3,000	5,000	28,000	10,000			50,000	0.51%	-	0.00%		
Insurance	12,000					135,000			147,000	1.51%	(81,570)	-35.69%		
Ins Claims Expense						40,000			40,000	0.41%	(5,000)	-11.11%		
Agency Dues						55,000			55,000	0.56%	(5,000)	-8.33%		
Memberships						9,000			9,000	0.09%	500	5.88%		
Office Expense						25,000			25,000	0.26%	(4,000)	-13.79%		
Safety		500	1,000	2,000	7,000	2,000			12,500	0.13%	6,000	92.31%		
Software Maint		2,000	4,000	12,000	25,000				43,000	0.44%	(1,100)	-2.49%		
Operating Supplies		2,000	20,000	10,000	30,000	8,000		2,000	72,000	0.74%	(7,500)	-9.43%		
Operating Chemicals				15,000				26,000	41,000	0.42%	(23,000)	-35.94%		
Sludge Disposal-Contractual		210,000							210,000	2.15%	10,000	5.00%		
Accounting & Auditing						24,000			24,000	0.25%	6,000	33.33%		
Attorney						90,000			90,000	0.92%	(30,000)	-25.00%		
Outside Consulting						270,000			270,000	2.77%	(5,000)	-1.82%		
IT/Misc. Electrical						36,000			36,000	0.37%	(4,000)	-10.00%		
Safety & Wellness Incentive Program						10,000			10,000	0.10%	10,000	100.00%		
Printing & Publication						22,000			22,000	0.23%	-	0.00%		
Repairs & Maintenance		50,000	10,500	110,000	85,000	50,000		22,000	327,500	3.35%	(15,000)	-4.38%		
Unusual Equipment Maint	150,000	0							150,000	1.54%	-	0.00%		
Small Tools		500		1,000	2,000				3,500	0.04%	-	0.00%		
Outside Services									257,000	2.63%	(58,000)	-18.41%		
Ditch/Dike Maintenance		20,000		32,000	225,000				20,000	0.20%	-	0.00%		
Research & Monitoring								14,000	177,000	1.81%	(70,000)	-28.34%		
Travel, Mtgs & Train.						55,000			55,000	0.56%	(15,000)	-21.43%		
Pollution Prevention/Pub. Ed.			40,000						40,000	0.41%	5,000	14.29%		
Gas & Electricity	707,130	85,000		100,000				2,000	894,130	9.16%	116,730	15.02%		
Water		3,000		7,000	12,000				22,000	0.23%	2,000	10.00%		
Telephone				24,000	2,000	10,000			36,000	0.37%	(5,000)	-12.20%		
Other/Operational Assistance					1,000				1,000	0.01%	-	0.00%		
Permits & Fees								1,000	182,000	1.86%	-	0.00%		
Co. Collection Fees	90,000	6,000	3,000	17,000	65,000	69,000			69,000	0.71%	9,000	15.00%		
Ser. Chg. System Exp						5,000			5,000	0.05%	-	0.00%		
AB 939 Solid Waste Programs							402,501		402,501	4.12%	33,803	9.17%		
Total	3,018,331	487,029	601,633	814,633	1,386,100	2,936,237	402,501	117,000	9,763,464	100.00%	357,249	3.80%		

***SECTION III***

***OPERATING BUDGET  
By Cost Center and Account Category***

**Novato Sanitary District  
2015-17 Final Budget  
Operating Budget - Collections**

Collections Cost Center - 60000	Budget 2013-14	Budget 2014-15	Actual Exp 2014-15	Proposed Budget 2015-16	Final Budget 2015-16	Preliminary Budget 2016-17
<b>Accounts</b>						
60010 · Salaries & Wages	549,300	604,357	511,683	654,553	634,609	675,938
60020 · Employee Benefits	250,124	262,502	242,831	272,208	269,491	283,552
60060 · Gas, Oil & Fuel	30,000	28,000	15,236	28,000	28,000	28,000
60085 · Safety	5,000	2,000	1,043	7,000	7,000	3,500
60091 · Software Maint	20,000	25,000	18,894	25,000	25,000	20,000
60100 · Operating Supplies	30,000	30,000	25,930	30,000	30,000	30,000
60150 · Repairs & Maint	85,000	85,000	87,400	85,000	85,000	85,000
60152 · Small Tools	2,000	2,000	1,709	2,000	2,000	2,000
60153 · Outside Services	225,000	275,000	272,980	225,000	225,000	175,000
60192 · Water	7,000	8,000	11,704	12,000	12,000	12,000
60193 · Telephone	2,000	2,000	2,086	2,000	2,000	2,000
60200 · Other(Garbage Coll)	1,000	1,000	986	1,000	1,000	1,000
60201 · Permits & Fees	110,000	65,000	47,580	65,000	65,000	65,000
	<b>1,316,424</b>	<b>1,389,859</b>	<b>1,240,062</b>	<b>1,408,761</b>	<b>1,386,100</b>	<b>1,382,990</b>

**Novato Sanitary District  
2015-17 Final Budget  
Operating Budget - Treatment Facilities Contract Operations**

Treatment Facilities - Contract Operations Cost Center - 61000	Budget 2013-14	Budget 2014-15	Actual Exp 2014-15	Proposed Budget 2015-16	Final Budget 2015 -16	Preliminary Budget 2016-17
<b>Accounts</b>						
61000-1 · Fixed Fee <sup>(1)</sup>	1,940,900	2,057,529	2,044,052	2,059,201	2,059,201	2,119,777
61000-2 · Insurance & Bonds	50,600	42,570	11,532	12,000	12,000	14,000
61000-3 · Major Repair/Replacement <sup>(2)</sup>	109,200	50,000	45,512	150,000	150,000	150,000
61000-4 · Water/Permits/Phone	65,000	90,000	70,048	90,000	90,000	90,000
61000-5 · Gas & Electricity <sup>(3)</sup>	533,500	587,400	624,664	666,140	707,130	699,447
	<b>2,699,200</b>	<b>2,827,499</b>	<b>2,795,808</b>	<b>2,977,341</b>	<b>3,018,331</b>	<b>3,073,224</b>

**Comments:**

- <sup>(1)</sup> Includes an annual contractual adjustment to the service fee, and an allowance for contractual incentive payment.
- <sup>(2)</sup> Per District Policy No. 3512, "Annual Budget - Non-Personnel Related Changes to Budget Amounts", a budget amount of \$100k has been reallocated from Account 61000-3 to Account 61000-1 for FY14-15.
- <sup>(3)</sup> Assumes a 10% increase for purchased utility power based on actual expenditures for 2014/15, and an allowance for contractual incentive payment with 50-50 sharing of savings from power usage below contract baseline, between Veolia and the District.

**Novato Sanitary District  
2015-2017 Final Budget  
Operating Budget - Reclamation**

Reclamation Cost Center - 63000	Budget 2013-14	Budget 2014-15	Actual Exp 2014-15	Proposed Budget 2015-16	Final Budget 2015-16	Preliminary Budget 2016-17
<b>Accounts</b>						
63010 · Salaries & Wages	51,991	60,549	35,899	75,669	75,400	84,380
63020 · Employee Benefits	17,277	22,500	16,834	28,711	28,629	30,270
63060 · Gasoline & Oil	5,000	4,000	2,173	4,000	4,000	4,000
63085 · Safety	1,000	500	0	500	500	500
63091 · Software Maint	3,000	3,100	1,509	2,000	2,000	2,000
63100 · Operating Supplies	3,000	2,500	1,242	2,000	2,000	2,500
63115 · Sludge Disposal	190,000	200,000	179,757	190,000	210,000	215,000
63150 · Repairs & Maint	60,000	70,000	69,036	70,000	50,000	50,000
63151 · Unusual Equipment Maint	60,000	0	0	0	0	0
63152 · Small Tools	1,000	500	11	500	500	500
63157 · Ditch/Dike Maint	20,000	20,000	2,850	20,000	20,000	20,000
63191 · Gas & Electricity	110,000	90,000	81,237	90,000	85,000	90,000
63192 · Water	10,000	5,000	2,533	3,000	3,000	5,000
63201 · Permits & Fees	2,000	6,000	5,036	6,000	6,000	6,000
	<b>534,268</b>	<b>484,649</b>	<b>398,117</b>	<b>492,380</b>	<b>487,029</b>	<b>510,150</b>

**Novato Sanitary District  
2015-17 Final Budget  
Operating Budget - Laboratory**

Laboratory Cost Center - 64000	Budget 2013-14	Budget 2014-15	Actual Exp 2014-15	Proposed Budget 2015-16	Final Budget 2015-16	Preliminary Budget 2016-17
<b>Accounts</b>						
64010 · Contract Lab Services (1)	217,324	194,138	186,048	357,133	357,133	366,767
64020 · Employee Benefits	80,402	72,191	74,577	0	0	0
64060 · Gasoline & Oil	3,000	3,000	1,630	3,000	3,000	3,000
64085 · Safety	1,000	1,000	0	1,000	1,000	1,000
64091 · Software Maintenance	8,500	4,000	1,830	4,000	4,000	4,000
64100 · Operating Supplies	25,000	25,000	23,631	20,000	20,000	20,000
64150 · Repairs & Maintenance	10,000	9,500	4,387	10,500	10,500	12,000
64160 · Research & Monitoring	297,150	247,000	239,357	163,000	163,000	180,000
64170 · Pollution Prev/Public Ed	40,000	35,000	21,396	40,000	40,000	43,000
64201 · Permits & Fees	3,000	3,000	2,359	3,000	3,000	3,000
	<b>685,376</b>	<b>593,829</b>	<b>555,215</b>	<b>601,633</b>	<b>601,633</b>	<b>632,767</b>

**Comments:**

(1) This account previously titled "Salaries and Wages", is renamed to reflect fees paid for contract laboratory and environmental services provided by Veolia and North Marin Water District.

**Novato Sanitary District  
2015-2017 Final Budget  
Operating Budget - Pump Stations**

Pump Stations Cost Center - 65000	Budget 2013-14	Budget 2014-15	Actual Exp 2014-15	Proposed Budget 2015-16	Final Budget 2015-16	Preliminary Budget 2016-17
<b>Accounts</b>						
65010 · Salaries & Wages	315,414	316,295	251,390	347,650	337,753	362,278
65020 · Employee Benefits	146,602	137,777	111,188	149,277	141,880	156,028
65060 · Gasoline & Oil	5,000	5,000	2,726	5,000	5,000	6,000
65085 · Safety	3,000	2,000	162	2,000	2,000	2,000
65091 · Software Maintenance	12,000	12,000	4,910	12,000	12,000	12,000
65100 · Operating Supplies	10,000	10,000	10,027	10,000	10,000	10,000
65101 · Operating Chemicals	45,000	30,000	12,000	15,000	15,000	15,000
65150 · Repairs & Maintenance	115,000	115,000	102,742	110,000	110,000	115,000
65152 · Small Tools	2,000	1,000	675	1,000	1,000	2,000
65153 · Outside Services, Elect.	45,000	40,000	42,130	32,000	32,000	35,000
65191 · Gas & Electricity	90,000	90,000	98,401	95,000	100,000	100,000
65192 · Water	5,000	7,000	6,459	7,000	7,000	7,000
65193 · Telephone	23,000	24,000	23,204	24,000	24,000	24,000
65201 · Permits & Fees	5,000	17,000	13,815	17,000	17,000	17,000
	<b>822,016</b>	<b>807,072</b>	<b>679,829</b>	<b>826,927</b>	<b>814,633</b>	<b>863,306</b>

**Novato Sanitary District  
2015-2017 Final Budget  
Operating Budget - Administration**

Administration and Engineering Cost Center - 66000	Budget 2013-14	Budget 2014-15	Actual Exp 2014-15	Proposed Budget 2015-16	Final Budget 2015-16	Preliminary Budget 2016-17
<b>Accounts</b>						
66010 · Salaries & Wages	1,007,722	983,222	861,011	1,098,396	1,102,409	1,227,560
66020 · Employee Benefits	402,036	375,733	324,399	448,114	440,568	472,871
66021 · Retiree Health Benefits	387,078	396,155	204,206	375,260	375,260	383,281
66030 · Director's Fees	45,000	45,000	31,500	55,000	43,000	43,000
66040 · Election Expense	0	0	0	50,000	50,000	0
66060 · Gasoline & Oil	9,000	10,000	5,588	10,000	10,000	11,000
66070 · Insurance	129,000	186,000	81,429	135,000	135,000	142,000
66071 · Insurance Claim Expense	45,000	45,000	29,608	40,000	40,000	40,000
66075 · Agency Dues	46,000	60,000	43,645	55,000	55,000	55,000
66080 · Memberships	8,000	8,500	7,662	9,000	9,000	9,500
66085 · Safety	1,000	1,000	1,121	2,000	2,000	1,500
66090 · Office Expense	27,000	29,000	25,583	25,000	25,000	30,000
66100 · Engineering Supplies	9,000	9,000	7,133	8,000	8,000	9,000
66121 · Accounting & Auditing	22,500	18,000	17,365	24,000	24,000	28,000
66122 · Attorney Fees	140,000	120,000	30,856	90,000	90,000	50,000
66123 · O/S Contractual	235,000	275,000	201,284	270,000	270,000	223,000
66124 · IT/Misc Electrical	40,000	40,000	32,809	36,000	36,000	40,000
66125 · Safety & Wellness Incentive Prog	0	0	0	10,000	10,000	10,000
66130 · Printing & Publications	18,000	22,000	19,423	22,000	22,000	22,000
66150 · Repairs & Maintenance	40,000	45,000	46,469	40,000	50,000	42,000
66170 · Travel, Meetings & Training	70,000	70,000	39,835	55,000	55,000	60,000
66193 · Telephone	15,000	15,000	8,712	10,000	10,000	10,000
66202 · County Fees-Property Taxes	33,000	25,000	26,961	27,000	27,000	26,000
66203 · County Fees-Sewer Ser Chg	32,000	35,000	28,735	42,000	42,000	42,000
66250 · Service Charge Sys Exp	5,000	5,000	0	5,000	5,000	5,000
	<b>2,766,336</b>	<b>2,818,610</b>	<b>2,075,333</b>	<b>2,941,770</b>	<b>2,936,237</b>	<b>2,982,712</b>

Novato Sanitary District						
Preliminary Operating Budget 2015-17						
PERSONNEL DETAIL						
Number	Position	Dept.	Pay Range	Total		
				2015-16 Salaries	2016-17 Salaries	
1.00	Manager-Engineer.....	A/E		200,302	206,311	
1.00	Technical Services Manager.....	A/E	MC119	110,480	136,553	
1.00	Field Services Manager .....	.25AE/.25CS/.25PS/.25Rec	MC119	146,160	150,545	
1.00	Senior Engineer.....	.75AE/.25PS	MC116.5	129,432	133,315	
0.46	Administrative Services Specialist .....	A/E	MC117.5	62,726	64,608	
1.00	Administrative Services Officer	A/E	MC115	85,896	123,862	
1.00	Administrative Assistant .....	A/E	MC103	43,380	62,554	
1.00	Administrative Secretary.....	A/E	MC106	77,520	79,846	
1.00	Finance Officer.....	A/E	MC115	114,528	123,862	
1.00	Project Specialist	.25AE/.25CS/.25PS/.25Rec	MC112.5	68,985	99,476	
1.00	Staff Engineer.....	.5A/E/.5CS	47	98,940	101,908	
1.00	Construction Inspector.....	A/E	44.5	87,600	90,228	
1.00	Information System Specialist II.....	.5A/E/.5CS	43.5	83,424	85,927	
1.00	Environmental Services Supervisor...(Note 1)	L/M	MC115.5	-	-	
1.00	ECA II...(Note 1)	L/M	45.5	-	-	
1.00	Collection System Superintendent.....	.67CS/.33PS	MC115	103,884	107,001	
1.00	Collection System Leadworker.....	.67CS/.33PS	47	90,695	101,908	
1.00	Collection System Worker III.....	.67CS/.33PS	43.5	83,424	85,927	
1.00	Collection System Worker II.....	.67CS/.33PS	40.5	72,072	74,234	
5.00	Collection System Worker I.....	.67CS/.33PS	38.5	291,980	315,776	
1.00	Admin Intern	A/E	N/A	13,500	13,500	
1.00	Engineering Aide - temp	A/E	N/A	16,200	18,000	
0.40	Hourly Electrician	.25AE/.25PS/.50Rec	N/A	40,000	40,000	
	Allowance for Overtime.....	C/S		35,000	35,000	
	Allowance for Overtime.....	A/E		7,500	7,500	
	Allowance for Standby Duty Pay.....	C/S		28,000	28,000	
	Subtotal			2,091,629	2,285,841	
	Allowance for Possible COLA - across the board .....	3.00%		58,543	64,315	
				2,150,171	2,350,157	
25.86	Administration and Engineering (A/E)		1,102,409	1,227,560		
Note 1:	Laboratory and Monitoring (L/M)		-	-		
	Collection System	67%	634,609	675,938		
	Pump Stations	33%	337,753	362,278		
	Reclamation Facilities		75,400	84,380		
	Total/Check		2,150,171	2,350,157		
Note 1:	Work for these positions now performed through contract services with Veolia Water and NMWD.					

**Novato Sanitary District  
2015-2017 Final Budget  
Operating Budget - Hazardous Household Waste**

HHW Cost Center - 67000	Budget 2013-14	Budget 2014-15	Actual Exp 2014-15	Proposed Budget 2015-16	Final Budget 2015-16	Preliminary Budget 2016-17
<b>Accounts</b>						
67400 · Management Services	119,264	130,161	81,691	131,464	131,464	134,750
67500 · Household Hazardous Wst	187,500	164,000	181,197	211,500	211,500	214,000
67530 · Used Oil Grant	5,000	11,963	5,130	11,269	11,269	11,269
67530-1Beverage Container Grant	22,537	10,574	0	11,268	11,268	11,268
67540 · Education/Public Outreach	22,000	37,000	11,569	22,000	22,000	23,500
67600 · Other	5,000	5,000	0	5,000	5,000	5,000
67610 · City AB 939 Admin Service	10,000	10,000	10,000	10,000	10,000	10,000
	<b>371,301</b>	<b>368,698</b>	<b>289,587</b>	<b>402,501</b>	<b>402,501</b>	<b>409,787</b>

**Novato Sanitary District  
2015-2017 Final Budget  
Operating Budget - Recycled Water**

Recycled Water Cost Center - 68000	Budget 2013-14	Budget 2014-15	Actual Exp 2014-15	Proposed Budget 2015-16	Final Budget 2015-16	Preliminary Budget 2016-17
<b>Accounts</b>						
68010 · O & M Services	50,000	50,000	49,613	50,000	50,000	50,000
68100 · Operating Supplies	2,000	3,000	28	2,000	2,000	2,000
68101 · Operating Chemicals	20,000	34,000	21,826	26,000	26,000	26,000
68150 · Repairs & Maintenance	25,000	18,000	14,045	22,000	22,000	22,000
68160 · Research & Monitoring	0	0	13,125	0	14,000	14,000
68191 · Gas & Electricity	10,000	10,000	1,716	10,000	2,000	2,000
68201 · Permits & Fees	1,000	1,000	0	1,000	1,000	1,000
	<b>108,000</b>	<b>116,000</b>	<b>100,353</b>	<b>111,000</b>	<b>117,000</b>	<b>117,000</b>

***SECTION IV***

***CAPITAL IMPROVEMENT BUDGET***

**Novato Sanitary District  
2015-17 Final Budget  
Capital Improvement Budget - Revenue Summary**

				Proposed	Final	Preliminary
Capital Fund	Budget	Budget	Act Rev	Budget	Budget	Budget
Revenue Center - 51000	2013-14	2014-15	2014-15	2015-16	2015-16	2016-17
<b>Accounts</b>						
<b>Capital Improvement Income</b>						
51010 · Sewer Service Charges(1)	6,728,280	7,183,200	7,067,920	7,435,040	7,435,040	7,447,440
51015 · Property Taxes	1,740,000	1,750,000	1,999,816	1,900,000	1,900,000	1,938,000
51020 · Connection Charges(2)	470,000	493,500	291,565	518,000	518,000	544,000
51030 · Collector Sewer Charges	2,000	2,000	2,000	2,000	2,000	2,000
51040 · Special Equalization Chrg	4,000	4,000	227	4,000	4,000	4,000
51060 · Interest	50,000	30,000	23,018	22,000	22,000	22,000
51070 · Other Revenue	20,000	20,000	0	20,000	20,000	20,000
<b>Total Capital Improvement Income</b>	<b>9,014,280</b>	<b>9,482,700</b>	<b>9,384,546</b>	<b>9,901,040</b>	<b>9,901,040</b>	<b>9,977,440</b>
<b>Comments:</b>						
(1) Sewer Service Charge (SSC) revenue is based on rate increase approved on June 25, 2012 and actual revenue received in prior year. The Sewer Service Charges allocations are as follows:						
- For 2015/16 the charge is \$552 split between operations (\$304) and capital (\$248).						
- For 2016/17 the charge remains at \$552 split between operations(\$304) and capital(\$248).						
(2) Connection Charges projected on 50 new connections each year.						
(3) Note that the FY 2016-17 Preliminary Capital Improvement budget is based on currently forecasted revenues. However, future capital improvement needs may exceed the amounts shown, and additional revenue will be required.						

**Novato Sanitary District  
2015-2017 Final Budget  
Capital Improvement Budget - CIP Expenditures**

Capital Improvements			Actual	Proposed	Final	Preliminary
Cost Centers - 72000 & 73000	Budget	Budget	Exp	Budget	Budget	Budget
	2013-14	2014-15	2014-15	2015-16	2015-16	2016-17
<b>Accounts</b>						
72110 · Drainage PS 3&7 Outfall Rehab	150,000	265,000	260,758	5,000	5,000	0
72403 · Pump Station Rehabilitation	1,440,000	1,082,185	513,043	50,000	50,000	50,000
72508 · North Bay Water Reuse Authority (NBWRA)	150,000	355,000	331,295	403,000	403,000	440,000
72609 · WWTP Upgrade - Contract B	100,000	45,000	44,499	0	0	0
72611 · Bayside Sewer	3,000	0	0	0	0	0
72612 · Southgate Sewer	1,000	0	0	0	0	0
72706 · Collection System Improvments	1,730,000	1,600,000	1,366,749	1,050,000	1,050,000	900,000
72706-1 · Lateral Replacement Program	30,000	50,000	18,950	50,000	50,000	50,000
72707 · Hamilton Wetlands/Outfall Integration	90,000	36,542	15,300	22,500	22,500	0
72708 · Cogeneration	50,000	40,000	0	20,000	20,000	20,000
72801 · Annual Minor Projects	0	0	0	0	0	0
72802 · Annual Sewer Adj. for City Proj	10,000	10,000	10,000	10,000	10,000	10,000
72803 · Annual Collection Sys Repairs	275,000	200,000	187,016	200,000	200,000	200,000
72804 · Annual Reclamation Fac Improvements	250,000	150,000	102,815	100,000	100,000	100,000
72805 · Annual Trtmt Plnt/Pump St Improvements	275,000	200,000	194,136	300,000	300,000	200,000
72808 · Strategic Plan Update	0	0	0	0	10,000	10,000
72809 · Novato Creek Watershed	50,000	50,000	50,000	15,000	15,000	0
73001 · WWTP Upgrade - Contract C(Solids handling)	2,858,377	461,396	420,994	10,000	10,000	0
73002 · WWTP Up-Contract D-Recycled Water	150,000	10,000	395	0	0	0
73003 · Admin Building Upgrade/Maint. Building	400,000	1,000,000	57,254	750,000	740,000	1,120,000
73004 · Odor Control and NTP Landscaping	0	0	0	50,000	50,000	50,000
73005 · RWF Expansion	0	0	0	150,000	150,000	1,200,000
73006 · NTP Corrosion Control	0	0	0	150,000	150,000	75,000
73090 · Vehicle Replacement	64,000	180,000	175,066	25,000	25,000	25,000
78500 · Interest - SRF/COP Bond	2,730,721	2,621,583	2,621,583	2,509,673	2,509,673	2,385,943
78500 · Principal	4,339,933	4,449,171	4,449,171	4,565,431	4,565,431	4,673,762
<b>Totals</b>	<b>15,147,031</b>	<b>12,805,877</b>	<b>10,819,024</b>	<b>10,435,604</b>	<b>10,435,604</b>	<b>11,509,705</b>

***SECTION V***

***WASTEWATER CAPITAL RESERVE FUND &  
CERTIFICATE OF PARTICIPATION (COP)  
RESERVE FUND***

**Novato Sanitary District  
2015-17 Final Budget  
Wastewater Capital Reserve Fund**

		2015-16 Budget	
		Prelim	Final
<b>Wastewater Capital Reserve Fund</b>			
	<b>FUND BALANCE 6/30/14 . . . . .</b>	3,275,000	3,275,000
	Required Deposits	0	0
	<b>FUND BALANCE 6/30/15 . . . . .</b>	3,275,000	3,275,000
	Required Deposits	0	0
	<b>ANTICIPATED FUND BALANCE 6/30/16 . . . . .</b>	3,275,000	3,275,000
<b>Note:</b>	Per the SRF Loan agreement, the District must deposit sufficient funds to build up the Wastewater Capital Reserve Fund (WCRF) at a minimum rate of 0.5% of the SRF loan amount each year for a period of ten years. The District's unused bonding capacity of \$3,275,000 from the 1970 and 1986 GO Bonds may be used to offset, dollar for dollar, the required cash deposits to the WCRF. The maximum required WCRF balance is \$3,599,654 of which \$3,275,000 is satisfied.		

**Novato Sanitary District  
2015-17 Final Budget  
COP Reserve Fund**

		2015-16 Budget			
		Proposed	Final		
<b>Certificates of Participation Reserve Fund</b>					
<b>FUND BALANCE 6/30/14 . . . . .</b>		1,686,737	1,686,746		
	Interest Income	5,645	6,597		
<b>FUND BALANCE 6/30/15 . . . . .</b>		1,692,382	1,693,343		
	Interest Income	1,000	1,000		
<b>ANTICIPATED FUND BALANCE 6/30/16 . . . . .</b>		1,693,382	1,694,343		
<b>Summary of COP Activity:</b>		<b>12/13</b>	<b>13/14</b>	<b>14/15</b>	<b>15/16</b>
<b>Beginning Balance each year</b>		14,431,619	9,610,463	4,804,012	1,693,343
<b>Cop Proceeds</b>		-	-	-	-
<b>Less Withdrawals</b>		(4,859,140)	(4,824,518)	(3,117,266)	-
<b>Interest earned and Reinvested</b>		37,984	18,067	6,597	1,000
<b>Cash Balance for COP Expenditures</b>		9,610,463	4,804,012	1,693,343	1,694,343
<b>Note:</b> The Trust Agreement established a reserve fund in October 2011.					
The reserve fund is funded based on the upcoming annual debt service payment which is currently at \$1.6 million, and is held by the Trustee. This amount will be used to make the final payment on the COP and the Reserve Fund will be closed out at that time.					

***SECTION VI***

***DEBT SERVICE FUND SUMMARY***

**Novato Sanitary District  
2015-17 Final Budget  
State Revolving Fund Loan  
and  
COP Bond Fund**

		2015-16 Budget		
		Proposed	Final	
<b><u>State Revolving Fund Loan</u></b>				
<b>DEBT BALANCE 6/30/14 . . . . .</b>		74,366,046	74,366,046	
Principal Payment 2014-15		(3,594,171)	(3,594,171)	
Interest payments 2014-15		(1,784,785)	(1,784,785)	
Transfer from Capital Improvement Fund 2014-15		1,784,785	1,784,785	
<b>DEBT BALANCE 6/30/15 . . . . .</b>		70,771,875	70,771,875	
Principal Payment 2015-16		(3,680,431)	(3,680,431)	
Interest payments 2015-16		(1,698,525)	(1,698,525)	
Transfer from Capital Improvement Fund 2015-16		1,698,525	1,698,525	
<b>ANTICIPATED DEBT BALANCE 6/30/16 . . . . .</b>		67,091,444	67,091,444	
<b><u>COP Bond Financing Issued October 2011</u></b>				
<b>DEBT BALANCE 6/30/14 . . . . .</b>		20,120,000	20,120,000	
Principal Payment 2014-15		(855,000)	(855,000)	
Interest payments 2014-15		(836,798)	(836,798)	
Transfer from Capital Improvement Fund 2014-15		836,798	836,798	
<b>DEBT BALANCE 6/30/15 . . . . .</b>		19,265,000	19,265,000	
Principal Payment 2015-16		(885,000)	(885,000)	
Interest payments 2015-16		(811,148)	(811,148)	
Transfer from Capital Improvement Fund 2015-16		811,148	811,148	
<b>ANTICIPATED DEBT OWED 6/30/16 . . . . .</b>		18,380,000	18,380,000	
		<b>Actual</b>	<b>Final</b>	<b>Preliminary</b>
		<b>Rev/Exp</b>	<b>Budget</b>	<b>Budget</b>
<b>Debt Coverage Ratio(1)</b>		<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>
		<b>Budget 14/15</b>		
<b>Net Operating Revenue</b>		195,640	1,353,448	243,019
<b>Capital Revenue</b>		9,482,700	9,384,546	9,977,440
<b>Annual Debt Service</b>		7,070,754	7,070,754	7,075,104
<b>Debt Coverage Ratio</b>		1.37	1.52	1.43
<b>1.42</b>				
Net revenues covenant requires a 1.20 coverage ratio				
(1)Net Operating Revenue + Capital Revenue/ Annual Debt Service = Debt Coverage Ratio				