



# NOVATO SANITARY DISTRICT

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## *Final BUDGET*

*FOR*

*FISCAL YEARS 2014-16*

*Including Preliminary Budget for Fiscal Year 2015-16*

*Adopted August 25, 2014*

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***SECTION I***

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

August 25, 2014

Honorable Board of Directors  
Novato Sanitary District  
Novato, California 94945

Dear Board Members:

The proposed Final District Budget for the 2014-15 and 2015-16 fiscal years is attached for your consideration and approval.

The FY 2014-15 Final Budget includes the following components:

- Summary of the Operations Budget Revenues and Expenditures,
- Breakout by Department of the Operating Fund Budget,
- Activity for Vehicle Replacement Fund,
- Activity for the Self Insurance Fund,
- Activity for Rate Stabilization, Emergency Repair Fund, and Southgate Reserve Fund,
- Capital Improvement Revenue and Expenditures Budget,
- Wastewater Capital Reserve Fund and the Certificates of Participation Reserve Fund,
- Debt Service Fund Summary for State Revolving Fund (SRF) Loan and Certificates of Participation (COP) Bond Fund

#### **OVERVIEW OF FISCAL YEAR 2014-15 DISTRICT ACTIVITIES**

This year's annual sewer service charge increase from \$514 to \$533 per service unit, or 3.7%, was adopted on June 25, 2012 through the appropriate Proposition 218 process. As in prior years, the sewer service charge is divided with \$293 (55%) allocated to the Operating Budget, and \$240 (45%) allocated to the Capital Budget.

Items to note about the FY14-15 Operating Budget as compared to the prior year (PY) Operating Budget include:

- Treatment O&M Contract amended limiting the increase: \$16.6K over PY
- Agency Dues anticipated increase: \$14K over PY
- Anticipated decrease in health care premium costs: \$25.7K under PY
- Outside consulting services: \$40k over PY (increase over PY primarily NPDES Permit renewal)
- No unusual equipment maintenance for Reclamation as in prior year: \$19.2k under PY
- Insurance premium increase for the District's liability insurance: \$48.9 over PY
- Lower anticipated attorney fees: \$20k under PY
- Increase in outside services for Collections cost center: \$45K over PY

- Gas and Electricity anticipated increase: \$33.9K over PY

Items to note about the FY14-15 Capital Budget include:

- No anticipated grant income.
- On-going major capital projects, including Pump Station Rehabilitation, Collection System Improvements, and the beginning of the Admin Building Upgrade/Maintenance Building Project.
- Regional projects including North Bay Water Reuse Authority (NBWRA), Novato Creek Watershed, and Hamilton Wetlands/Outfall study.

## 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 approved sewer service charge rate increase on June 25, 2012. More detailed information regarding the variances between the two budget years are included below both by department and account.

**Table 1: Summary of Revenues and Expenditures for FY 14 and FY 15**

	<b>FY 13/14 Adopted Budget</b>	<b>FY 14/15 Proposed Budget</b>	<b>% Change FY 14 to FY 15</b>
<b>Operating Revenues</b>	\$ 9,312,285	\$ 9,601,856	3.11%
<b>Capital Revenues</b>	9,014,280	9,482,700	5.20%
<b>Total Revenues</b>	<b>\$ 18,326,565</b>	<b>\$ 19,084,556</b>	4.14%
<b>Operating Expenditures</b>	9,302,921	9,406,216	1.11%
<b>CIP Expenditures</b>	8,076,377	5,735,123	-28.99%
<b>Debt Service</b>	7,070,654	7,070,754	0.00%
<b>Total Expenditures</b>	<b>\$ 24,449,952</b>	<b>\$ 22,212,093</b>	-9.15%

## FISCAL YEAR 2014-15 OPERATING BUDGET DETAILS

### *Operating Revenues*

The proposed FY 2014-15 Operating Budget by revenue source is shown in Table 2 below, along with the figures for the past two fiscal years. Total operating revenues are expected to increase by 3.1% or \$289,571 from FY 2013-14.

**Operating Sewer Service Charges** are expected to increase by \$270,135 or 3.2% due to the rate increase of 3.7%.

**Permits and Fees** expected to decrease by \$2,683 or 7.8% due to anticipated applications for connections and repairs to continue at the same pace as the prior year.

**Recycled Water Revenue** consists of the reimbursement of costs to operate the Recycled Water Facility from North Marin Water District. This account is expected to increase by \$41,000 or 54.6% based on prior year history.

**Other Revenue** consists of septic hauler fees and other miscellaneous revenue. This account is expected to decrease by \$20,000 or 40% based on prior year history and less septic hauler accounts than in past years.

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

Funding Sources by Category	FY 12-13 Adopted Budget	FY 13-14 Adopted Budget	FY 14-15 Proposed Budget	% Change FY 14 to FY 15
Operating Sewer Service Charges	\$8,345,700	\$8,506,680	\$8,776,815	3.18%
Permit & Inspection fees	23,000	34,183	31,500	-7.85%
Interest Income	12,500	15,000	15,000	0.00%
Engineering/Admin Chgs	175,000	165,000	165,000	0.00%
Franchise Fees	47,370	48,602	49,768	2.40%
AB 939 Collector Fees	297,586	297,586	297,586	0.00%
Oil and Beverage Grant	63,015	50,234	50,187	-0.09%
Ranch Income	60,000	70,000	70,000	0.00%
Recycled Water Revenue	75,000	75,000	116,000	54.67%
Other Revenue	50,000	50,000	30,000	-40.00%
<b>Total Operating Revenue</b>	<b>\$9,149,171</b>	<b>\$9,312,285</b>	<b>\$9,601,856</b>	<b>3.11%</b>

***Operating Expenditures***

A summary of proposed and past two fiscal years Operating Expenditures are shown in Table 3 by department/cost center. Operating expenditures are expected to increase by 1.1% or \$103,295 between FY2013-14 and FY2014-15.

**Treatment:** Increase of 4.8% or \$128,299 is primarily due to an increase in contract fees with Veolia Water of approximately 3%, as allowed by the contract between Veolia and the District.

**Reclamation:** Decrease of 9.3% or \$49,619 due to no expected unusual repairs for the upcoming fiscal year as in the prior year.

**Laboratory:** Decrease of 13.3% or \$91,548 due primarily to lower research and monitoring fees expected in the upcoming fiscal year.

**Recycled Water:** Increase of 7.4% or \$8,000 due to adjusting the budget based on prior year history.

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

Expenditures by Department	FY 12-13 Adopted Budget	FY 13-14 Adopted Budget	FY 14-15 Proposed Budget	% Change FY 14 to FY 15
Collections	\$ 1,396,845	\$ 1,316,424	\$ 1,389,859	5.58%
Treatment	2,774,000	2,699,200	2,827,499	4.75%
Reclamation	528,913	534,268	484,649	-9.29%
Laboratory	676,740	685,376	593,828	-13.36%
Pump Stations	939,862	822,016	807,072	-1.82%
Administration/Engineering	2,564,643	2,766,336	2,818,610	1.89%
Hazardous Household Waste	360,300	371,301	368,698	-0.70%
Recycled Water	75,000	108,000	116,000	7.41%
<b>Total Expenditures</b>	<b>\$ 9,316,303</b>	<b>\$ 9,302,921</b>	<b>\$ 9,406,216</b>	<b>1.11%</b>

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

**Table 4: Operating Budget Significant Budget Variances 2013-14 to 2014-15**

Main Budget Variances – FY 14 to FY 15	Budget Impact
1. Decrease in health care premium costs of approximately 3%.	\$ (25,738)
2. Anticipated increase for the District liability insurance premium.	\$ 48,970
3. Anticipated increase for the District's agency fees.	\$ 14,000
3. Anticipated attorney fees less than in prior years.	\$ (20,000)
4. Increase in consulting fees due to renewal of NPDES Permit	\$ 40,000
5. Unusual Equipment Maint decrease due to no anticipated unusual repairs	\$ (19,200)
6. Outside services increase due to Collection System cost center's anticipated increase of cleaning of large diameter pipe.	\$ 45,000
7. Research and Monitoring fees decreased due to primarily to completion of WET Testing system/Trailer.	\$ (50,150)
8. Gas & Electricity anticipated increase of 4.5% based on prior year actuals.	\$ 33,900

**FISCAL YEAR 2014-15 CAPITAL BUDGET DETAILS**

***Capital Revenues***

The proposed FY2014-15 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 5.2% or \$468,420 from FY 2013-14.

**Capital Sewer Service Charge Revenues** are expected to increase by \$454,920 or 6.7%. In percentage terms only, the revenue increase is higher than the 3.7% of sewer service charge increase by 3%, due to a larger portion of the allocation going toward the capital budget than in the prior year. In dollar terms, the change in allocation goes from \$227 per EDU to \$240 per EDU. Thus, a \$13 per EDU increase in allocation over approximately 29.9k EDUs results in approximately \$388.7k more revenue to the capital budget.

**Connection Fees** are expected to increase by 5% due to an increase in the connection charge.

**Interest Income** is expected to decrease by 40% due to the drawing down of COP funds as we near the end of the three year time frame.

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

Funding Sources by Category	FY 12-13 Adopted Budget	FY 13-14 Adopted Budget	FY 14-15 Proposed Budget	% Change FY 14 to FY 15
Capital Sewer Service Charges	\$ 6,149,430	\$ 6,728,280	\$ 7,183,200	6.76%
Property Taxes	1,780,000	1,740,000	1,750,000	0.57%
Connection Charges	447,500	470,000	493,500	5.00%
Collector/Special Equalization Charges	6,000	6,000	6,000	0.00%
Interest Income	20,000	50,000	30,000	-40.00%
Grant and Other Revenue	901,810	20,000	20,000	0.00%
<b>Total Capital Revenues:</b>	<b>\$9,304,740</b>	<b>\$9,014,280</b>	<b>\$9,482,700</b>	<b>5.20%</b>

***Capital Expenditures***

The proposed Capital Improvement Program (CIP) Budget for FY14-15 is \$12,805,877 or \$2,341,154 less than last year. The decrease is primarily due to lower anticipated costs to complete the FY14-15 project work for pump station rehabilitation, collection system improvements, and the WWTP Upgrade – Contract C(Solids handling).

Capital projects for 2014-15 will primarily be funded from restricted COP proceeds. Of the total capital projects for 2014-15, \$5,140,123 will be funded from COP proceeds and \$595,000 will be funded through sewer service charges, property taxes, and connection proceeds. The debt service of \$7,070,754 will be funded primarily from sewer service charges, property taxes and connection charges. Table 6 shows the Capital Debt Service and Capital Project Costs for three fiscal years.

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

Capital Expenditures	FY 12-13 Adopted Budget	FY 13-14 Adopted Budget	FY 14-15 Proposed Budget	% Change FY 14 to FY 15
Capital Projects	\$8,149,440	\$8,076,377	\$5,735,123	-28.99%
Debt Service	6,924,029	7,070,654	7,070,754	0.0%
<b>Total</b>	<b>\$15,073,469</b>	<b>\$15,147,031</b>	<b>\$12,805,877</b>	<b>-15.5%</b>

**Debt Coverage Ratio**

In the 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 2014/15 is 1.37.

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

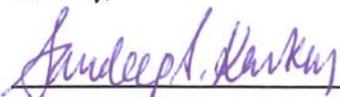
It is of interest to compare the District's rate with those of other nearby sanitation agencies. The following table makes possible such a comparison.

AGENCY	RATE (\$/yr.)
Sausalito-Marín City Sanitary District <sup>(1)</sup>	1,217 <sup>(a)</sup>
City of Santa Rosa	1,171 <sup>(a)</sup>
City of Petaluma	1,029 <sup>(b)</sup>
Tamalpais Community Services District	1,013 <sup>(a)</sup>
City of Larkspur	961 <sup>(b)</sup>
San Rafael Sanitation District	744 <sup>(b)</sup>
Ross Valley Sanitary District (SD #1)	692 <sup>(b)</sup>
City of Mill Valley	685 <sup>(b)</sup>
Las Gallinas Valley Sanitary District	647 <sup>(a)</sup>
<b>NOVATO SANITARY DISTRICT</b>	<b>533 <sup>(b)</sup></b>
Vallejo Sanitation & Flood Control District	520 <sup>(b)</sup>
Napa Sanitation District	507 <sup>(b)</sup>

Notes: <sup>(1)</sup>Includes SMCS D charge of \$725 and City of Sausalito charge of \$492  
<sup>(a)</sup>FY2013-14 charges/<sup>(b)</sup>FY2014-15 (proposed or adopted)

The proposed 2014-15 budget will be able to accomplish the Novato Sanitary District's commitments to achieving the key goals set forth in the Strategic Plan while maintaining reasonable rates for its customers.

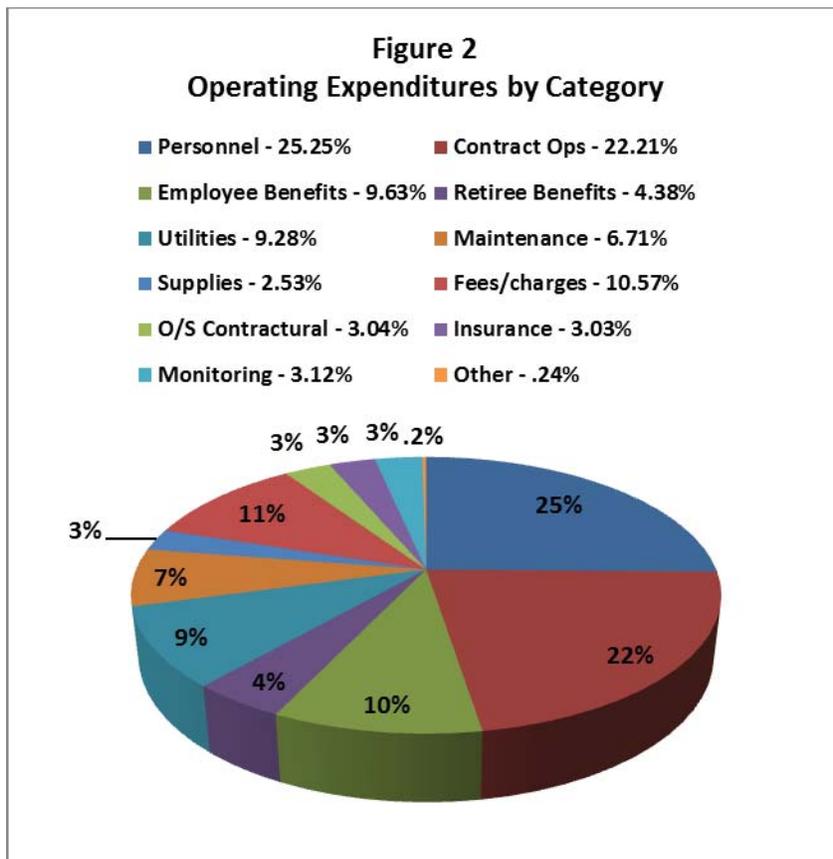
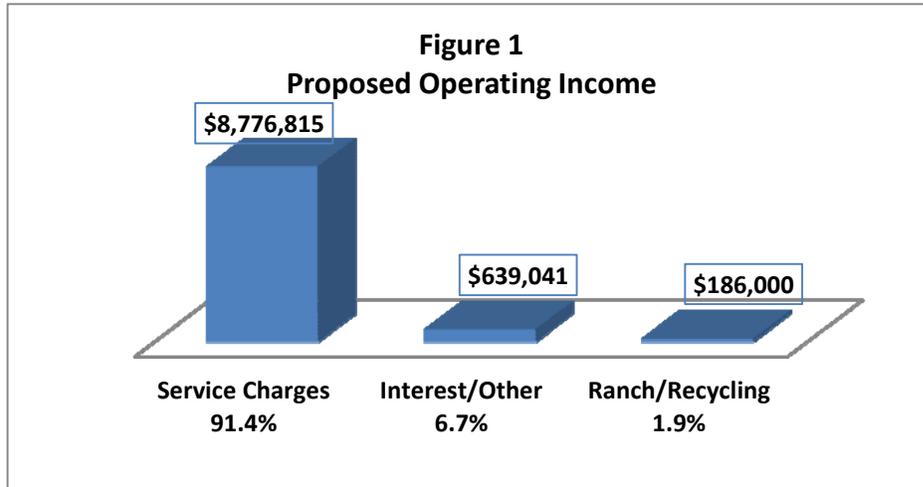
Sincerely,



SANDEEP KARKAL

Manager-Engineer

**ADDITIONAL CHARTS AND GRAPHS FOR FURTHER ANALYSIS:**



**Novato Sanitary District**  
**PROJECTED FLOW OF OPERATING FUNDS FY 2013-14 THROUGH 2017-18**

ANTICIPATED FLOW OF FUNDS	Actual 2013-14	Projected 2014-15	Projected 2015-16	Projected 2016-17	Projected 2017-18
<b>OPERATING</b>					
Beginning Balance	8,061,265	9,287,659	9,483,299	9,861,107	9,896,135
Revenues Other Than SC/PT	888,785	825,041	823,136	847,830	873,265
Service Charge Revenue	8,488,903	8,776,815	9,121,520	9,136,720	9,151,920
Fund Transfers					
From Self Insurance Reserve	165,516	0	0	0	0
Expenditures	(8,316,810)	(9,406,216)	(9,566,848)	(9,949,522)	(10,347,503)
Ending Bal - Working Capital	9,287,659	9,483,299	9,861,107	9,896,135	9,573,817
Vehicle Replacement	** 0	0	0	0	0
Self-Insurance Reserve	0	0	0	0	0
Rate Stabilization Fund	** 0	0	0	0	0
Emergency Repair Reserve Fund	** 0	0	0	0	0
Southgate Reserve Fund	** 0	0	0	0	0
Total Operating Reserves	9,287,659	9,483,299	9,861,107	9,896,135	9,573,817
Operating Service Units	29,490	29,955	30,005	30,055	30,105
Operating Service Charge Rates	287	293	304	304	304
Increase over Previous Year	4%	2.1%	3.8%	0.0%	0.0%

SIF = Self-Insurance Fund

RSF = Rate Stabilization Fund

ERR = Emergency Repair Reserve

SRF = Southgate Reserve Fund

\*\* Closed or transferred to Capital Fund, per new reserves policy.

***SECTION II***

***OPERATING BUDGET SUMMARY SCHEDULES***

**Novato Sanitary District  
2014-16 Final Budget  
Summary of Operating Fund  
And Capital Fund Balances**

	Budget 12/13	Budget 13/14	Actual Rev/Exp 2013/14	Preliminary Budget 2014/15	Final Budget 2014/15	Preliminary Budget 2015/16
<b>Operating Fund at July 1st Beginning of Each Year</b>	7,122,091	8,133,236	8,061,265	8,741,147	9,287,659	9,483,299
<b>Operating Revenue (p. 2)</b>	9,149,171	9,312,285	9,377,688	9,560,856	9,601,856	9,937,656
<b>Operating Expenditures (p. 3)</b>	9,316,303	9,302,921	8,316,810	9,497,691	9,406,216	9,780,505
<b>Net Operating Revenue</b>	(167,132)	9,364	1,060,878	63,165	195,640	157,151
<b>To close self insurance reserve</b>		165,516	165,516	0	0	0
<b>Operating Fund at the End of Each Year</b>	<b>6,954,959</b>	<b>8,308,116</b>	<b>9,287,659</b>	<b>8,804,312</b>	<b>9,483,299</b>	<b>9,640,450</b>
<b>Capital Fund at July 1st Beginning of Each Year</b>	13,213,888	10,662,381	10,737,755	7,520,032	7,482,115	4,158,938
<b>Capital Revenue (p. 20)</b>	9,304,740	9,014,280	9,000,503	9,482,700	9,482,700	9,759,040
<b>Total Capital Revenues</b>	9,304,740	9,014,280	9,000,503	9,482,700	9,482,700	9,759,040
<b>Capital Expenditures (p. 21)</b>	8,149,440	8,076,377	5,933,035	5,575,444	5,735,123	3,721,401
<b>Debt Service (p. 21)</b>	6,924,029	7,070,654	7,070,654	7,070,754	7,070,754	7,075,104
<b>Total Capital Expenditures</b>	15,073,469	15,147,031	13,003,689	12,646,198	12,805,877	10,796,505
<b>To Close reserves to Capital Fund(p. 22)</b>		1,647,546	1,647,546			
<b>To transfer funds to Rate Stabiliztn Fund(p.22)</b>		(900,000)	(900,000)			
<b>Capital Fund Balance at the End of Each Year</b>	<b>7,445,159</b>	<b>5,277,176</b>	<b>7,482,115</b>	<b>4,356,534</b>	<b>4,158,938</b>	<b>3,121,473</b>
<b>Reserved</b>	<b>6,783,619</b>	<b>1,500,000</b>	<b>4,804,012</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>
<b>Unreserved</b>	<b>7,616,499</b>	<b>12,085,292</b>	<b>11,965,762</b>	<b>11,660,846</b>	<b>12,142,237</b>	<b>11,261,923</b>
<b>Operating and Capital Fund Balances at The End of Each Year</b>	<b>14,400,118</b>	<b>13,585,292</b>	<b>16,769,774</b>	<b>13,160,846</b>	<b>13,642,237</b>	<b>12,761,923</b>

**Novato Sanitary District  
2014-16 Final Operating Budget  
Revenue Summary**

	Budget 12/13	Budget 13/14	Final Rev 2013/14	Preliminary Budget 2014/15	Final Budget 2014/15	Preliminary Budget 2015/16
<b>41010 · Sewer Service Charges (1)</b>	8,345,700	8,506,680	8,488,903	8,776,815	8,776,815	9,121,520
<b>41030 · Plan Check &amp; Inspection Fee</b>	500	500	2,069	500	500	500
<b>41040 · Permit &amp; Inspection Fee</b>	7,500	7,500	6,995	6,000	6,000	6,000
<b>41060 · Interest Income</b>	12,500	15,000	15,489	15,000	15,000	15,000
<b>41080 · Engineering &amp; Admin Charges</b>	175,000	165,000	161,537	165,000	165,000	165,000
<b>41090 · Non-domestic Permit Fees (2)</b>	15,000	26,183	32,028	25,000	25,000	15,000
<b>41100 · Garbage Franchise Fees</b>	47,370	48,602	51,019	49,768	49,768	50,863
<b>41105 · AB 939 Collector Fees</b>	297,586	297,586	297,586	297,586	297,586	297,586
<b>41107 · Oil/Bev/Tire Grants (3)</b>	63,015	50,234	57,051	50,187	50,187	50,187
<b>41130 · Ranch Income</b>	60,000	70,000	76,689	70,000	70,000	70,000
<b>41135 · Recycled Water Revenue</b>	75,000	75,000	99,790	75,000	116,000	116,000
<b>41140 · Other Revenue (4)</b>	40,000	40,000	24,782	20,000	20,000	20,000
<b>41142 · Loss on disposal of assets</b>	10,000	10,000	63,750	10,000	10,000	10,000
<b>Totals</b>	<b>9,149,171</b>	<b>9,312,285</b>	<b>9,377,688</b>	<b>9,560,856</b>	<b>9,601,856</b>	<b>9,937,656</b>

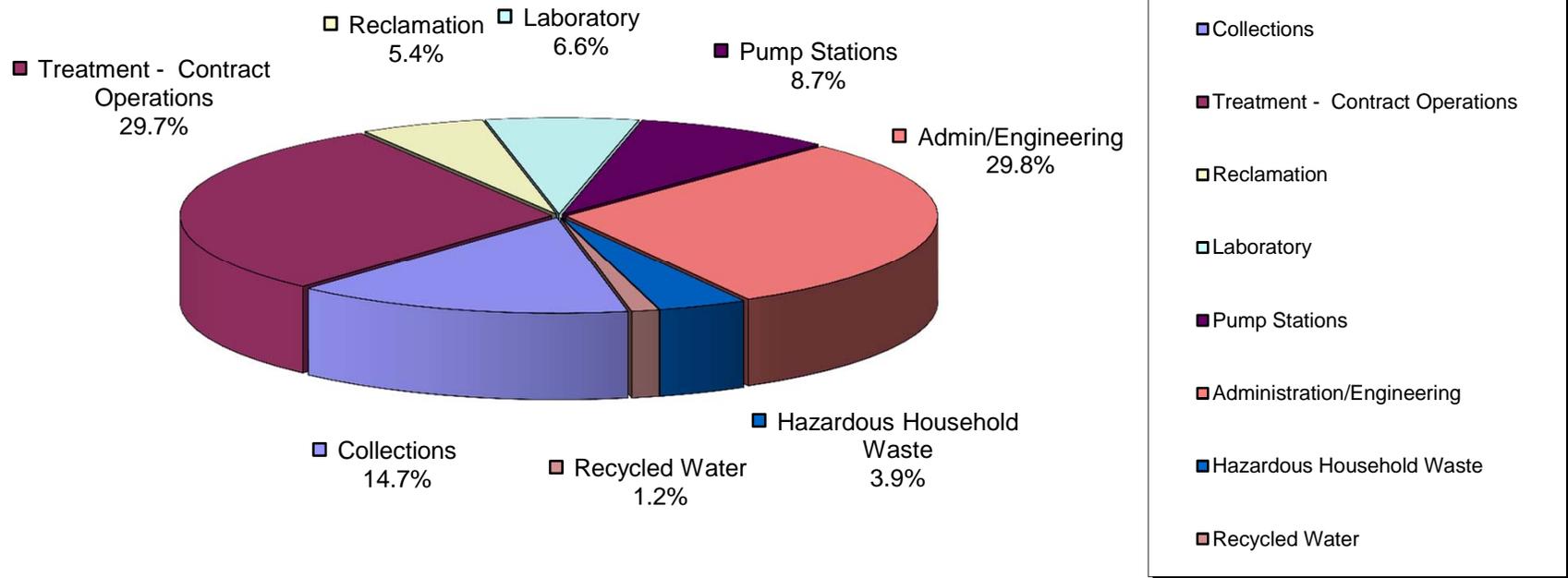
**Comments:**

- (1) Sewer Service charge revenue is based on approved rate increase and actual revenue received in prior year. The Sewer Service Charges allocations are as follows: For 2014/15 the charge is \$533, split between operations(\$293) and capital (\$240). For 2015/16 the charge is \$552, split between operations(\$304) and capital(\$248).
- (2) Includes application fees, permits and monitoring charges.
- (3) Oil/Bev/Tire Grants \$22,490/ JPA Reimb Fees \$27,697.
- (4) Other revenue includes septic tank hauling fees, and other miscellaneous revenue.

**Novato Sanitary District  
2014-16 Final Budget  
Operating Budget - Summary of Expenditures**

	Budget 12/13	Budget 13/14	Act Exp 2013/14	Preliminary Budget 2014/15	Final Budget 2014/15	Preliminary Budget 2015/16
<b>Collections</b>	1,396,845	1,316,424	1,155,809	1,398,181	1,389,859	1,250,739
<b>Treatment - Contract Operations</b>	2,774,000	2,699,200	2,659,230	2,823,379	2,827,499	2,957,690
<b>Reclamation</b>	528,913	534,268	441,931	514,382	484,649	520,677
<b>Laboratory</b>	676,740	685,376	521,966	630,191	593,828	669,734
<b>Pump Stations</b>	939,862	822,016	693,976	821,041	807,072	851,728
<b>Administration/Engineering</b>	2,564,643	2,766,336	2,416,949	2,827,819	2,818,610	3,037,639
<b>Hazardous Household Waste</b>	360,300	371,301	322,112	368,698	368,698	370,298
<b>Recycled Water</b>	75,000	108,000	104,837	114,000	116,000	122,000
<b>Totals</b>	<b>9,316,303</b>	<b>9,302,921</b>	<b>8,316,810</b>	<b>9,497,691</b>	<b>9,406,216</b>	<b>9,780,505</b>

## Final Budget 2014-15 Expenditures by Department



**Novato Sanitary District  
2014-16 Final Operating Budget  
Operating Fund and Working Capital Reserve Fund**

			2014-15	Budget
			Prelim	Final
<b>OPERATING FUND</b>				
		<b>Fund Balance 6/30/13</b>	0	0
		Actual Revenues 2013-14	9,298,125	9,377,688
		Actual Expenditures 2013-14	(8,783,759)	(8,316,810)
		Transfer from Working Capital Reserve Fund	(514,366)	(1,060,878)
(1)		To close Working Capital Reserve to Operating Fund	8,741,147	9,287,659
		<b>Fund Balance 6/30/14</b>	8,741,147	9,287,659
		Anticipated Revenues 2014-15	9,560,856	9,601,856
		Anticipated Expenditures 2014-15	(9,497,691)	(9,406,216)
		<b>Anticipated Fund Balance 6/30/15</b>	8,804,312	9,483,299
<b>WORKING CAPITAL RESERVE FUND</b>				
		<b>Fund Balance 6/30/13</b>	8,061,265	8,061,265
		Transfer from Operating Fund 2013-14	514,366	1,060,878
(1)		To close Self Insurance Fund	165,516	165,516
(1)		To close Working Capital Reserve Fund to Operating Fund	(8,741,147)	(9,287,659)
		<b>Fund Balance 6/30/14</b>	0	0
(1)		Per new fund and reserve policies the Self Insurance Fund has been closed to the Operating Fund. In addition, Working Capital Reserve Fund has been closed to the Operating Fund.		

Novato Sanitary District												
2014-15 Final Operating Budget												
Operating Budget Detail by Account Category												
	Treatment Facilities	Recl	L-M	Pump Stations	Collection System	A-E	Recycled Water	Total	Percent	Over/Under PY Budget	Under PY Budget	% Over/Under PY Budget
Salaries and Wages		60,549	194,137	316,295	604,357	983,222		2,158,560	22.95%		16,809	0.78%
O & M Services							50,000	50,000	0.53%		-	0.00%
Employee Benefits		22,500	72,191	137,777	262,502	375,733		870,703	9.26%		(25,738)	-2.87%
Retiree Health Benefits						396,155		396,155	4.21%		9,077	2.35%
Directors' Fees						45,000		45,000	0.48%		-	0.00%
Gasoline, Oil & Fuel		4,000	3,000	5,000	28,000	10,000		50,000	0.53%		(2,000)	-3.85%
Insurance	42,570					186,000		228,570	2.43%		48,970	27.27%
Ins Claims Expense						45,000		45,000	0.48%		-	0.00%
Agency Dues						60,000		60,000	0.64%		14,000	30.43%
Memberships						8,500		8,500	0.09%		500	6.25%
Office Expense						29,000		29,000	0.31%		2,000	7.41%
Safety		500	1,000	2,000	2,000	1,000		6,500	0.07%		(4,500)	-40.91%
Software Maint		3,100	4,000	12,000	25,000			44,100	0.47%		600	1.38%
Operating Supplies		2,500	25,000	10,000	30,000	9,000	3,000	79,500	0.85%		500	0.63%
Operating Chemicals				30,000			34,000	64,000	0.68%		(1,000)	-1.54%
Sludge Disposal-Contractual		200,000						200,000	2.13%		10,000	5.26%
Accounting & Auditing						18,000		18,000	0.19%		(4,500)	-20.00%
Attorney						120,000		120,000	1.28%		(20,000)	-14.29%
Outside Consulting						275,000		275,000	2.92%		40,000	17.02%
IT/Misc. Electrical						40,000		40,000	0.43%		-	0.00%
Printing & Publication						22,000		22,000	0.23%		4,000	22.22%
Repairs & Maintenance		70,000	9,500	115,000	85,000	45,000	18,000	342,500	3.64%		7,500	2.24%
Unusual Equipment Maint	150,000	0						150,000	1.59%		(19,200)	-11.35%
Small Tools		500		1,000	2,000			3,500	0.04%		(1,500)	-30.00%
Outside Services				40,000	275,000			315,000	3.35%		45,000	16.67%
Ditch/Dike Maintenance								20,000	0.21%		-	0.00%
Research & Monitoring			247,000					247,000	2.63%		(50,150)	-16.88%
Travel, Mfgs & Train.						70,000		70,000	0.74%		-	0.00%
Pollution Prevention/Pub. Ed.			35,000					35,000	0.37%		(5,000)	-12.50%
Gas & Electricity	587,400	90,000		90,000			10,000	777,400	8.26%		33,900	4.56%
Water		5,000		7,000	8,000			20,000	0.21%		(2,000)	-9.09%
Telephone				24,000	2,000	15,000		41,000	0.44%		1,000	2.50%
Other/Operational Assistance					1,000			1,000	0.01%		-	0.00%
Permits & Fees	90,000	6,000	3,000	17,000	65,000		1,000	182,000	1.93%		(4,000)	-2.15%
Co. Collection Fees						60,000		60,000	0.64%		(5,000)	-7.69%
Ser. Chg. System Exp						5,000		5,000	0.05%		-	0.00%
AB 939 Solid Waste Programs						368,698		368,698	3.92%		(2,603)	-0.70%
Contract Operations	1,957,529							1,957,529	20.81%		16,629	0.86%
<b>Total</b>	<b>2,827,499</b>	<b>484,649</b>	<b>593,828</b>	<b>807,072</b>	<b>1,389,859</b>	<b>3,187,308</b>	<b>116,000</b>	<b>9,406,216</b>	<b>100.00%</b>		<b>103,294</b>	<b>1.11%</b>

***SECTION III***

***OPERATING FUND BUDGET***

**Novato Sanitary District  
2014-16 Final Budget  
Operating Budget - Collections**

	Budget 12/13	Budget 13/14	Actual Exp 2013/14	Preliminary Budget 2014/15	Final Budget 2014/15	Preliminary Budget 2015/16
60010 · Salaries & Wages	583,833	549,300	562,373	602,515	604,357	663,878
60020 · Employee Benefits	277,512	250,124	233,155	272,666	262,502	278,861
60060 · Gas, Oil & Fuel	25,000	30,000	24,090	28,000	28,000	28,000
60085 · Safety	5,000	5,000	1,539	2,000	2,000	2,000
60091 · Software Maint	25,000	20,000	17,879	25,000	25,000	25,000
60100 · Operating Supplies	30,000	30,000	22,703	30,000	30,000	30,000
60150 · Repairs & Maint	82,000	85,000	79,548	85,000	85,000	85,000
60152 · Small Tools	1,000	2,000	1,625	2,000	2,000	2,000
60153 · Outside Services	75,000	225,000	177,318	275,000	275,000	100,000
60192 · Water	6,000	7,000	10,386	8,000	8,000	8,000
60193 · Telephone	2,000	2,000	1,289	2,000	2,000	2,000
60200 · Other(Garbage Coll)	1,000	1,000	700	1,000	1,000	1,000
60201 · Permits & Fees	243,500	110,000	23,204	65,000	65,000	25,000
60290 · Vehicle Replacement	40,000	0	0	0	0	0
	<b>1,396,845</b>	<b>1,316,424</b>	<b>1,155,809</b>	<b>1,398,181</b>	<b>1,389,859</b>	<b>1,250,739</b>

**Novato Sanitary District  
2014-16 Final Budget  
Operating Budget - Treatment Facilities Contract Operations**

	Budget 12/13	Budget 13/14	Actual Exp 2013/14	Preliminary Budget 2014/15	Final Budget 2014/15	Preliminary Budget 2015/16
61000-1 · Fixed Fee(1)	1,945,000	1,940,900	1,900,514	1,957,529	1,957,529	2,016,255
61000-2 · Insurance & Bonds(2)	55,000	50,600	38,669	44,000	42,570	48,400
61000-3 · Major Repr/Replacmnt	104,000	109,200	101,758	150,000	150,000	157,500
61000-4 · Water/Permits/Phone	100,000	65,000	84,076	85,000	90,000	90,000
61000-5 · Gas & Electricity(2)	570,000	533,500	534,213	586,850	587,400	645,535
	<b>2,774,000</b>	<b>2,699,200</b>	<b>2,659,230</b>	<b>2,823,379</b>	<b>2,827,499</b>	<b>2,957,690</b>

**Comments:**

- (1) Fixed fee - Veolia based on 3% increase from prior year per review of amended and restated contract.
- (2) Accounts 61000-2 and -5 increase projected at 10% based on actual expenditures for 2013/14.

**Novato Sanitary District  
2014-2016 Final Budget  
Operating Budget - Reclamation**

	Budget 12/13	Budget 13/14	Actual Exp 2013/14	Preliminary Budget 2014/15	Final Budget 2014/15	Preliminary Budget 2015/16
63010 · Salaries & Wages	30,758	51,991	33,083	77,682	60,549	82,868
63020 · Employee Benefits	12,655	17,277	13,196	35,100	22,500	28,209
63060 · Gasoline & Oil	4,000	5,000	4,087	4,000	4,000	4,000
63085 · Safety	1,000	1,000	0	500	500	500
63091 · Software Maint	2,000	3,000	3,018	3,100	3,100	3,100
63100 · Operating Supplies	2,000	3,000	2,571	2,500	2,500	2,500
63115 · Sludge Disposal	215,000	190,000	180,590	200,000	200,000	200,000
63150 · Repairs & Maint	80,000	60,000	58,449	70,000	70,000	70,000
63151 · Unusual Equipment Maint	0	60,000	49,102	0	0	0
63152 · Small Tools	1,000	1,000	81	500	500	500
63157 · Ditch/Dike Maint	20,000	20,000	4,750	20,000	20,000	20,000
63191 · Gas & Electricity	120,000	110,000	87,508	90,000	90,000	100,000
63192 · Water	10,000	10,000	1,938	5,000	5,000	5,000
63201- Permits & Fees	23,500	2,000	3,558	6,000	6,000	4,000
63290 · Vehicle Replacement	7,000	0	0	0	0	0
	<b>528,913</b>	<b>534,268</b>	<b>441,931</b>	<b>514,382</b>	<b>484,649</b>	<b>520,677</b>

**Novato Sanitary District  
2014-16 Final Budget  
Operating Budget - Laboratory**

	Budget 12/13	Budget 13/14	Actual Exp 2013/14	Preliminary Budget 2014/15	Final Budget 2014/15	Preliminary Budget 2015/16
64010 · Salaries & Wages	201,512	217,324	190,521	216,772	194,137	243,858
64020 · Employee Benefits	79,328	80,402	64,124	85,919	72,191	90,376
64060 · Gasoline & Oil	2,500	3,000	2,386	3,000	3,000	3,000
64085 · Safety	1,000	1,000	0	1,000	1,000	1,000
64091 · Software Maintenance	23,000	8,500	945	4,000	4,000	2,000
64100 · Operating Supplies	25,000	25,000	23,828	25,000	25,000	25,000
64150 · Repairs & Maintenance	10,000	10,000	12,020	9,500	9,500	9,500
64160 · Research & Monitoring	290,000	297,150	195,557	247,000	247,000	257,000
64170 · Pollution Prev/Public Ed	40,000	40,000	30,226	35,000	35,000	35,000
64201 · Permits & Fees	3,000	3,000	2,359	3,000	3,000	3,000
64290 - Vehicle Replacement	1,400	0	0	0	0	0
	<b>676,740</b>	<b>685,376</b>	<b>521,966</b>	<b>630,191</b>	<b>593,828</b>	<b>669,734</b>

**Novato Sanitary District  
2014-2016 Final Budget  
Operating Budget - Pump Stations**

	Budget 12/13	Budget 13/14	Actual Exp 2013/14	Preliminary Budget 2014/15	Final Budget 2014/15	Preliminary Budget 2015/16
65010 · Salaries & Wages	331,138	315,414	272,589	324,106	316,295	356,485
65020 · Employee Benefits	164,724	146,602	112,133	143,935	137,777	148,243
65060 · Gasoline & Oil	4,000	5,000	5,400	5,000	5,000	6,000
65085 · Safety	2,000	3,000	422	2,000	2,000	2,000
65091 · Software Maintenance	10,000	12,000	8,309	12,000	12,000	12,000
65100 · Operating Supplies	9,000	10,000	5,399	10,000	10,000	10,000
65101 · Operating Chemicals	50,000	45,000	72	30,000	30,000	30,000
65150 · Repairs & Maintnnce	115,000	115,000	127,296	115,000	115,000	115,000
65152 · Small Tools	2,000	2,000	1,175	1,000	1,000	2,000
65153 · Outside Services, Electrical	70,000	45,000	31,182	40,000	40,000	40,000
65191 · Gas & Electricity	90,000	90,000	93,665	90,000	90,000	95,000
65192 · Water	5,000	5,000	6,447	7,000	7,000	7,000
65193 · Telephone	20,000	23,000	23,293	24,000	24,000	24,000
65201 · Permits & Fees	57,000	5,000	6,594	17,000	17,000	4,000
65290 - Vehicle Replacement	10,000	0	0	0	0	0
	<b>939,862</b>	<b>822,016</b>	<b>693,976</b>	<b>821,041</b>	<b>807,072</b>	<b>851,728</b>

**Novato Sanitary District  
2014-2016 Final Budget  
Operating Budget - Administration**

	Budget 12/13	Budget 13/14	Actual Exp 2013/14	Preliminary Budget 2014/15	Final Budget 2014/15	Preliminary Budget 2015/16
66010 · Salaries & Wages	994,388	1,007,722	981,912	954,601	983,222	1,090,765
66020 · Employee Benefits	399,308	402,036	377,136	388,143	375,733	420,954
66021 · Retiree Health Benefits	195,847	387,078	227,194	430,575	396,155	423,420
66030 · Director's Fees	45,000	45,000	38,700	45,000	45,000	45,000
66040 · Election Expense	0	0	0	0	0	40,000
66060 · Gasoline & Oil	8,000	9,000	7,464	10,000	10,000	10,000
66070 · Insurance	145,000	129,000	176,212	186,000	186,000	196,000
66071 · Insurance Claim Expense	45,000	45,000	9,438	45,000	45,000	45,000
66075 · Agency Dues	42,000	46,000	46,352	51,000	60,000	62,000
66080 · Memberships	7,500	8,000	7,683	8,500	8,500	8,500
66085 · Safety	1,000	1,000	954	1,000	1,000	1,000
66090 · Office Expense	30,000	27,000	28,860	29,000	29,000	29,000
66100 · Engineering Supplies	9,000	9,000	8,601	9,000	9,000	9,000
66121 · Accounting & Auditing	21,000	22,500	16,825	18,000	18,000	20,000
66122 · Attorney Fees	160,000	140,000	39,905	120,000	120,000	120,000
66123 · O/S Contractual	220,000	235,000	242,433	275,000	275,000	260,000
66124 · IT/Misc Electrical	50,000	40,000	39,823	40,000	40,000	40,000
66130 · Printing & Publications	15,000	18,000	14,559	22,000	22,000	22,000
66150 · Repairs & Maintenance	40,000	40,000	49,691	45,000	45,000	45,000
66170 · Travel, Meetings & Training	50,000	70,000	38,013	70,000	70,000	70,000
66193 · Telephone	15,000	15,000	10,779	15,000	15,000	15,000
66202 · County Fees-Property Taxes	31,000	33,000	19,828	25,000	25,000	25,000
66203 · County Fees-Sewer Ser Chg	30,000	32,000	34,587	35,000	35,000	35,000
66250 · Service Charge Sys Exp	5,000	5,000	0	5,000	5,000	5,000
66290 · Vehicle Replacement	5,600	0	0	0	0	0
	<b>2,564,643</b>	<b>2,766,336</b>	<b>2,416,949</b>	<b>2,827,819</b>	<b>2,818,610</b>	<b>3,037,639</b>

Novato Sanitary District						
Final Operating Budget 2014-16						
PERSONNEL DETAIL						
Number	Position	Dept.	Pay Range	Total		
				2014-15 Salaries	2015-16 Salaries	
1.00	Manager-Engineer.....	A/E	Contract	184,140	190,769	
1.00	Technical Services Manager	A/E	MC119	81,248	126,259	
1.00	Senior Engineer.....	.75AE/.25PS	MC116.5	124,920	129,417	
1.00	Field Services Manager.....	.25AE/.25CS/.25PS/.25Rec	MC119	134,364	146,161	
0.46	Administrative Services Specialist .....	A/E	MC117.5	60,538	31,358	
1.00	Administrative Services Officer .....	A/E	MC115	77,376	120,242	
0.50	Administrative Assistant .....	A/E	MC103	26,586	27,543	
1.00	Administrative Secretary.....	A/E	MC106	74,820	77,514	
1.00	Finance Officer.....	A/E	MC112.5	102,768	106,468	
1.00	Project Specialist	.25AE/.25CS/.25PS/.25Rec	MC112.5	22,194	96,571	
1.00	Staff Engineer.....	.5AE/.5CS	47	95,484	98,921	
1.00	Construction Inspector.....	A/E	44.5	84,552	87,596	
1.00	Information System Specialist II.....	.5AE/.5CS	43.5	80,520	83,419	
1.00	Environmental Services Supervisor.....	L/M	MC116	77,376	120,242	
1.00	ECA II.....	L/M	45.5	88,780	91,976	
1.00	Collection System Superintendent.....	.67CS/.33PS	MC115	116,064	120,242	
1.00	Collection System Leadworker.....	.67CS/.33PS	47	95,484	98,921	
1.00	Collection System Worker III.....	.67CS/.33PS	43.5	80,527	83,426	
1.00	Collection System Worker II.....	.67CS/.33PS	40.5	69,564	72,068	
5.00	Collection System Worker I.....	.67CS/.33PS	38.5	248,816	284,664	
1.00	Admin Intern	A/E	N/A	12,000	12,000	
1.00	Collection Intern	CS	N/A	10,000	10,000	
1.00	Engineering Intern	A/E	N/A	8,000	8,000	
1.00	Lab. Analyst (NMWD)	L/M	N/A	20,000	22,000	
0.40	Hourly Electrician	.25AE/.25PS/.50Rec	N/A	40,000	40,000	
	Allowance for Overtime.....	C/S		38,000	38,000	
	Allowance for Overtime.....	A/E		7,500	7,500	
	Allowance for Overtime.....	L/M		2,000	2,000	
	Allowance for Standby Duty Pay.....	C/S		25,000	25,000	
	CCSR.....	PS		600	600	
	Subtotal			2,089,220	2,358,878	
	Allowance for Possible COLA - across the board ... 3.60%			69,340	78,975	
				2,158,560	2,437,854	
27.36	Administration and Engineering (A/E)	=	983,222	1,090,765		
	Laboratory and Monitoring (L/M)	=	194,137	243,858		
	Collection System 67%	=	604,357	663,878		
	Pump Stations 33%	=	316,295	356,485		
	Reclamation Facilities	=	60,549	82,868		
	Total/Check		2,158,560	2,437,854		

**Novato Sanitary District  
2014-2016 Final Budget  
Operating Budget - Hazardous Household Waste**

	Budget 12/13	Budget 13/14	Est Exp 2013/14	Preliminary Budget 2014/15	Final Budget 2014/15	Preliminary Budget 2015/16
67400 · Management Services	106,764	119,264	97,639	130,161	130,161	130,761
67500 · Household Hazardous Wst	202,500	187,500	199,129	164,000	164,000	164,000
67530 · Used Oil Grant	5,000	5,000	0	11,963	11,963	11,963
67530-1Beverage Container Grant	22,537	22,537	2,745	10,574	10,574	10,574
67540 · Education/Publicity Outreach	8,500	22,000	12,599	37,000	37,000	38,000
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>360,301</b>	<b>371,301</b>	<b>322,112</b>	<b>368,698</b>	<b>368,698</b>	<b>370,298</b>

**Novato Sanitary District  
2014-2016 Final Budget  
Operating Budget - Recycled Water**

	Budget 12/13	Budget 13/14	Actual Exp 2013/14	Preliminary Budget 2014/15	Final Budget 2014/15	Preliminary Budget 2015/16
<b>68010 · O &amp; M Services</b>	50,000	50,000	43,356	50,000	50,000	50,000
<b>68100 · Operating Supplies</b>	1,000	2,000	3,442	2,000	3,000	2,000
<b>68101 · Operating Chemicals</b>	15,000	20,000	33,762	26,000	34,000	34,000
<b>68150 · Repairs &amp; Maintenance</b>	5,000	25,000	16,277	25,000	18,000	25,000
<b>68191 · Gas &amp; Electricity</b>	3,000	10,000	8,000	10,000	10,000	10,000
<b>68201 · Permits &amp; Fees</b>	1,000	1,000	0	1,000	1,000	1,000
	<b>75,000</b>	<b>108,000</b>	<b>104,837</b>	<b>114,000</b>	<b>116,000</b>	<b>122,000</b>

***SECTION IV***

***VEHICLE REPLACEMENT BUDGET***



***SECTION V***

***SELF INSURANCE BUDGET***



***SECTION VI***

***RATE STABILIZATION, EMERGENCY REPAIR AND  
SOUTHGATE RESERVE FUND BUDGET***

**Novato Sanitary District  
2014-16 Final Budget  
Rate Stabilization and Emergency Repair Reserve Funds**

		2014-15 Budget	
		Prelim	Final
<b><u>RATE STABILIZATION RESERVE</u></b>			
	<b>FUND BALANCE 6/30/13 . . . . .</b>	<b>600,000</b>	<b>600,000</b>
(1)	Contribution to/from Capital Reserve Fund to Rate Stabilization Fund 2013-14	900,000	900,000
	<b>FUND BALANCE 6/30/14 . . . . .</b>	<b>1,500,000</b>	<b>1,500,000</b>
(2)	Required Deposits	0	40,500
	<b>FUND BALANCE 6/30/15 . . . . .</b>	<b>1,500,000</b>	<b>1,540,500</b>
<b><u>EMERGENCY REPAIR RESERVE</u></b>			
	<b>FUND BALANCE 6/30/13 . . . . .</b>	<b>600,000</b>	<b>600,000</b>
(1)	To close fund to Capital Reserve Fund	(600,000)	(600,000)
	<b>FUND BALANCE 6/30/14 . . . . .</b>	<b>0</b>	<b>0</b>
(1)	Per new fund and reserve policies the Emergency Repair Reserve was closed to the Capital Reserve Fund and the Rate Stabilization Reserve was increased to \$1.5 million.		
(2)	Per new fund and reserve policies required deposit are adjusted by the May - April ENR Index.		

**Novato Sanitary District  
2014-16 Final Budget  
Southgate Reserve Fund**

			2014-15 Budget	
			Prelim	Final
<b><u>SOUTHGATE RESERVE FUND**</u></b>				
<b>FUND BALANCE 6/30/13 . . . . .</b>			<b>679,989</b>	<b>679,989</b>
		Contribution to/from Operating Fund to Southgate Reserve Fund 2013-14	0	0
(1)	(p. 19)	To close fund to Capital Reserve Fund	(679,989)	(679,989)
<b>FUND BALANCE 6/30/14 . . . . .</b>			<b>0</b>	<b>0</b>
(1)		Per new fund and reserve policies the Southgate Reserve Fund was closed to the Capital Reserve Fund.		

***SECTION VII***

***CAPITAL IMPROVEMENT BUDGET***

**Novato Sanitary District  
2014-16 Final Budget  
Capital Improvement Budget - Revenue Summary**

				Preliminary	Final	Preliminary
			Actual Rev	Budget	Budget	Budget
	Budget 12/13	Budget 13/14	2013/14	2014/15	2014/15	2015/16
<b>Capital Improvement Income</b>						
51010 · Sewer Service Charges(1)	6,149,430	6,728,280	6,669,000	7,183,200	7,183,200	7,435,040
51015 · Property Taxes	1,780,000	1,740,000	1,941,241	1,750,000	1,750,000	1,750,000
51020 · Connection Charges(2)	447,500	470,000	343,773	493,500	493,500	518,000
51030 · Collector Sewer Charges	2,000	2,000	0	2,000	2,000	2,000
51040 · Special Equalization Chrg	4,000	4,000	0	4,000	4,000	4,000
51060 · Interest	20,000	50,000	30,239	30,000	30,000	30,000
51062 · Grant Revenue	601,370	0	16,250	0	0	0
51070 · Other Revenue	300,440	20,000	0	20,000	20,000	20,000
<b>Total Capital Improvement Income</b>	<b>9,304,740</b>	<b>9,014,280</b>	<b>9,000,503</b>	<b>9,482,700</b>	<b>9,482,700</b>	<b>9,759,040</b>
<b>Comments:</b>						
<b>(1) Sewer Service charge revenue is based on approved rate increase and actual revenue received in prior year. The Sewer Service Charges allocations are as follows: For 2014/15 the charge is \$533, split between operations(\$293) and capital (\$240). For 2015/16 the charge is \$552, split between operations(\$304) and capital(\$248).</b>						
<b>(2) Connection Charges projected to be 50 new connections at \$9,870 each and 50 new connections the following year at \$10,360 each.</b>						

**Novato Sanitary District  
2014-2016 Final Budget  
Capital Improvement Budget - CIP Expenditures**

				Preliminary	Final	Preliminary
			Actual Exp	Budget	Budget	Budget
	Budget 12/13	Budget 13/14	2013/14	2014/15	2014/15	2015/16
72110 · Drainage PS 3&7 Outfall Rehab	50,000	150,000	28,315	275,000	265,000	0
72111 · SCADA Phase II	10,000	0	0	0	0	0
72403 · Pump Station Rehabilitation	1,900,000	1,440,000	962,791	1,082,185	1,082,185	100,000
72508 · North Bay Water Reuse Authority (NBWRA)	395,440	150,000	104,650	370,000	355,000	403,000
72509 · NTP Soil & Groundwater Inv	0	0	0	0	0	0
72604 · Laboratory Improvements	10,000	0	0	0	0	0
72607 · WWTP Upgrade - Contract A1	10,000	0	0			
72609 · WWTP Upgrade - Contract B	50,000	100,000	32,276	45,000	45,000	0
72611 · Bayside Sewer	3,000	3,000	548	0	0	0
72612 · Southgate Sewer	1,000	1,000	0	0	0	0
72706 · Collection System Improvments	555,000	1,730,000	905,525	1,435,321	1,600,000	900,000
72706-1 · Lateral Replacement Program	30,000	30,000	16,500	30,000	50,000	30,000
72707 · Hamilton Wetlands/Outfall Integration	50,000	90,000	50,446	36,542	36,542	2,500
72708 · Cogeneration	50,000	50,000	0	40,000	40,000	10,000
72802 · Annual Sewer Adj. for City Proj	25,000	10,000	10,883	10,000	10,000	10,000
72803 · Annual Collection Sys Repairs	200,000	275,000	184,349	200,000	200,000	200,000
72804 · Annual Reclamation Fac Improvements	260,000	250,000	230,247	150,000	150,000	150,000
72805 · Annual Trtmt Plnt/Pump St Improvements	540,000	275,000	292,642	200,000	200,000	150,000
72808 · Strategic Plan Update	10,000	0	0	0	0	0
72809 · Novato Creek Watershed	0	50,000	50,000	50,000	50,000	0
73001 · WWTP Upgrade - Contract C(Solids hndlng)	2,500,000	2,858,377	2,954,952	461,396	461,396	10,000
73002 · WWTP Up-Contract D-Recycled Water	1,250,000	150,000	94,658	10,000	10,000	5,000
73003 · Admin Building Upgrade/Maint. Building	250,000	400,000	14,253	1,000,000	1,000,000	1,730,901
73090 · Vehicle Replacement	0	64,000	0	180,000	180,000	20,000
78500 · Interest - SRF/COP Bond	2,785,972	2,730,721	2,730,721	2,621,583	2,621,583	2,509,673
78500 · Principal	4,138,057	4,339,933	4,339,933	4,449,171	4,449,171	4,565,431
<b>Totals</b>	<b>15,073,469</b>	<b>15,147,031</b>	<b>13,003,689</b>	<b>12,646,198</b>	<b>12,805,877</b>	<b>10,796,505</b>

**Novato Sanitary District  
2014-16 Final Budget  
Capital Fund and Working Capital Reserve Funds**

		2014-15 Budget	
		Prelim	Final
<b><u>CAPITAL FUND</u></b>			
<b>Fund Balance 6/30/13</b>		0	0
	Actual Revenues 2013-14	8,682,398	9,000,503
	Actual Expenditures 2013-14	(5,577,013)	(5,933,035)
	Debt Service Payments -SRF Loan and COP Bond	(7,070,654)	(7,070,654)
	Transfer from Working Capital Reserve Fund 2013-14	3,965,269	4,003,186
	Closed Working Capital Reserve Fund to Capital Fund	7,520,032	7,482,115
<b>Fund Balance 6/30/14</b>		7,520,032	7,482,115
	Anticipated Revenues 2014-15	9,482,700	9,482,700
	Anticipated Expenditures 2014-15	(5,575,444)	(5,735,123)
	Debt Service Payments SRF Loan and COP Bond	(7,070,754)	(7,070,754)
<b>Anticipated Fund Balance 6/30/15</b>		4,356,534	4,158,938
<b><u>WORKING CAPITAL RESERVE FUND</u></b>			
<b>Fund Balance 6/30/13</b>		10,737,755	10,737,755
	Transfer from Capital Fund Fund 2013-14	(3,965,269)	(4,003,186)
	Transfer from Southgate Reserve Fund (1)	679,989	679,989
	Transfer from Vehicle Replacement Fund(1)	367,557	367,557
	Transfer from Emergency Reserve Fund (1)	600,000	600,000
	Transfer to Rate Stabilization Fund (2)	(900,000)	(900,000)
	Transfer to Close this fund (3)	(7,520,032)	(7,482,115)
<b>Fund Balance 6/30/14</b>		0	0
(1)	Per new fund and reserve policies the Southgate Reserve, Vehicle Replacement Reserve and the Emergency Reserve were eliminated and closed to the Working Capital Reserve Fund. These reserves totalled \$1,647,546.		
(2)	Per new fund and reserve policies Rate Stabilization Fund increased by \$900k.		
(3)	Due to the new reserve and fund policies the Capital Improvement Fund will no longer be closed to the Working Capital Reserve Fund; the excess or deficit for each year will remain in the Capital Improvement Fund, now renamed the Capital Fund.		

***SECTION VIII***

***WASTEWATER CAPITAL RESERVE FUND &  
CERTIFICATE OF PARTICIPATION RESERVE FUND***

**Novato Sanitary District  
2014-16 Final Budget  
Wastewater Capital Reserve Fund**

		2014-15 Budget	
		Prelim	Final
<b><u>Wastewater Capital Reserve Fund</u></b>			
<b>FUND BALANCE 6/30/13 . . . . .</b>		<b>3,275,000</b>	<b>3,275,000</b>
	Required Deposits	0	0
<b>FUND BALANCE 6/30/14 . . . . .</b>		<b>3,275,000</b>	<b>3,275,000</b>
	Required Deposits	0	0
<b>ANTICIPATED FUND BALANCE 6/30/15 . . . . .</b>		<b>3,275,000</b>	<b>3,275,000</b>
<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  
2014-16 Final Budget  
COP Reserve Fund**

		2014-15 Budget			
		Prelim	Final		
<b>Certificates of Participation Reserve Fund</b>					
<b>FUND BALANCE 6/30/13 . . . . .</b>		<b>1,500,000</b>	<b>1,500,000</b>		
Contribution to/from Operating Fund to COP Reserve Fund		-	-		
<b>FUND BALANCE 6/30/14 . . . . .</b>		<b>1,500,000</b>	<b>1,500,000</b>		
Contribution to/from Operating Fund to COP Reserve Fund		-	-		
<b>ANTICIPATED FUND BALANCE 6/30/15 . . . . .</b>		<b>1,500,000</b>	<b>1,500,000</b>		
<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	1,500,000	
<b>Cop Proceeds</b>	-	-	-	-	
<b>Less Withdrawals</b>	(4,859,140)	(4,824,518)	(3,309,012)	-	
<b>Interest earned and Reinvested</b>	37,984	18,067	5,000	1,000	
<b>Cash Balance for COP Expenditures</b>	9,610,463	4,804,012	1,500,000	1,501,000	
<b>Note:</b>	<p>The Trust Agreement for the 2012 COP financing established a reserve fund as a reserve for payment of the installment payments in October 2011. The reserve fund was initially funded at \$1.5 million. It is held by the Trustee (Bank of New York-Mellon) and maintained in the amount of the reserve requirement. The "reserve requirement" is defined in the Trust Agreement to mean, as of the date of calculation, an amount equal to the lesser of (i) 10% of the original principal amount of the COPs; or (ii) maximum amount of Installment Payments due in the current or any future Fiscal Year prior to the final maturity of the Certificates; or (iii) 125% of the total amount of then unpaid installment payments as of the date of calculation, and dividing that total by the number of fiscal years remaining to final maturity of the COPs. This amount will be used to make the final payment of the COP and the Reserve will be closed at that time.</p>				

***SECTION IX***

***DEBT SERVICE FUNDS***

**Novato Sanitary District  
2014-16 Final Budget  
State Revolving Fund Loan  
and  
COP Bond Fund**

		2014-15 Budget			
		Prelim	Final		
<b>State Revolving Fund Loan</b>					
<b>FUND BALANCE 6/30/13 . . . . .</b>		<b>77,875,979</b>	<b>77,875,979</b>		
Principal Payment 2013-14		(3,509,933)	(3,509,933)		
Interest payments 2013-14		(1,869,024)	(1,869,024)		
Transfer from Capital Improvement Fund 2013-14		1,869,024	1,869,024		
<b>FUND BALANCE 6/30/14 . . . . .</b>		<b>74,366,046</b>	<b>74,366,046</b>		
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 2013-14		1,784,785	1,784,785		
<b>ANTICIPATED FUND BALANCE 6/30/15 . . . . .</b>		<b>70,771,875</b>	<b>70,771,875</b>		
<b>COP Bond Financing Issued October 2011</b>					
<b>FUND BALANCE 6/30/13 . . . . .</b>		<b>20,950,000</b>	<b>20,950,000</b>		
Principal Payment 2013-14		(830,000)	(830,000)		
Interest payments 2013-14		(861,698)	(861,698)		
Transfer from Capital Improvement Fund 2013-14		861,698	861,698		
<b>FUND BALANCE 6/30/14 . . . . .</b>		<b>20,120,000</b>	<b>20,120,000</b>		
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>ANTICIPATED FUND BALANCE 6/30/15 . . . . .</b>		<b>19,265,000</b>	<b>19,265,000</b>		
				<b>Preliminary</b>	<b>Final</b>
		<b>Actual Rev/Exp</b>	<b>Budget</b>	<b>Budget</b>	<b>Preliminary</b>
<b>Debt Coverage Ratio(1)</b>		<b>Budget 13/14</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
Net Operating Revenue		9,364	1,060,878	63,165	157,151
Capital Revenue		9,014,280	9,000,503	9,482,700	9,759,040
Annual Debt Service		7,070,655	7,070,654	7,070,754	7,075,104
Debt Coverage Ratio		1.28	1.42	1.35	1.40
Net revenues covenant requires a 1.20 coverage ratio					
(1)Net Operating Revenue + Capital Revenue/ Annual Debt Service = Debt Coverage Ratio					