



FINAL BUDGET

For

Fiscal Year 2018-19

(And Preliminary Budget for Fiscal Year 2019-20)

Adopted August 27, 2018

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LETTER OF TRANSMITTAL



NOVATO SANITARY DISTRICT

500 DAVIDSON STREET * NOVATO * CALIFORNIA 94945 * PHONE (415) 892-1694 * FAX (415) 898-2279
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BOARD OF DIRECTORS

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Legal Counsel

August 27, 2018

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

Honorable Board Members:

The proposed Final District Budget for fiscal year (FY) 2018-19 and Preliminary Budget for FY 2019-20 is attached for your consideration and approval. The Final Budget includes the following components:

- Summary of Fund Balances including Operating, Capital Improvement, and Reserve Funds (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)
- FY 18-19 Wastewater Capital Reserve Fund and Certificates of Participation Reserve Fund (Section V)
- FY 18-19 Rate Stabilization Fund (Section VI)
- FY 18-19 Debt Service Fund Summary (Section VII).

Note that this year's annual Sewer Service Charge (SSC) increases from \$594 to \$615 per service unit, or an increase of 3.5% over the prior year. The basis of the rate increase is District Ordinance No. 120 – AN ORDINANCE OF THE NOVATO SANITARY DISTRICT ESTABLISHING SEWER SERVICE CHARGES FOR FISCAL YEARS 2016-17, 2017-18, 2018-19, 2019-20, AND 2020-21. This Ordinance No. 120 was adopted by the District Board at its regular meeting of June 13, 2016 upon completion of the appropriate Proposition 218 process.

As in prior years, the sewer service charge is divided in FY 18-19, with \$345 (55%) allocated to the Operating Budget, and \$270 (45%) allocated to the Capital Budget.

A. BUDGET STRUCTURE

The District's budget is prepared on a cash basis. Operating and Capital Revenues and Expenditures are summarized in Table 1, and illustrated in Figure 1 at the end of this transmittal letter. Table 1 also compares the adopted budget for the immediate past year with the proposed budget for the next year. Total revenues are projected to increase overall by about 3.4 percent from a combination of the sewer service charge increase discussed above and anticipated increases in property tax revenues accruing to the District. Variances between the two budget years are also provided later in this letter.

	FY 17-18 Adopted Budget	FY 18-19 Proposed Budget	% Change FY 18 to FY 19
Operating Revenues	\$ 10,654,033	\$ 11,282,802	5.90%
Capital Revenues	\$ 10,926,445	11,035,274	1.00%
Total Revenues	\$ 21,580,478	\$ 22,318,076	3.42%
Operating Expenditures	10,329,235	10,740,490	3.98%
CIP Expenditures	5,680,000	6,803,000	19.77%
Debt Service	7,043,504	6,839,456	-2.90%
Total Expenditures	\$ 23,052,739	\$ 24,382,946	5.77%

B. FISCAL YEAR 2018-19 OPERATING BUDGET DETAILS

Operating Revenues

The proposed FY 18-19 Operating Budget by revenue source is shown in Table 2 below (and graphically in Figure 2), along with the amounts for the past two fiscal years. Total operating revenues are projected to increase by 5.9% or \$628,769 from FY 17-18.

Funding Sources by Category	FY 16-17 Adopted Budget	FY 17-18 Adopted Budget	FY 18-19 Proposed Budget	% Change FY 18 to FY 19
Operating Sewer Service Charges	\$ 9,208,992	\$ 9,691,440	\$ 10,145,760	4.69%
Permit & Inspection fees	31,500	26,500	31,500	18.87%
Interest Income	20,000	43,000	120,000	179.07%
Engineering/Admin Chgs	165,000	165,000	165,000	0.00%
Franchise Fees	52,186	53,438	55,041	3.00%
AB 939 Collector Fees	354,134	376,426	400,772	6.47%
Oil and Beverage Grant	59,880	62,729	62,729	0.00%
Ranch Income	70,000	70,000	70,000	0.00%
Recycled Water Revenue	117,000	135,500	202,000	49.08%
Other Revenue	30,000	30,000	30,000	0.00%
Total Operating Revenue	\$10,108,692	\$10,654,033	\$11,282,802	5.90%

Operating Sewer Service Charges (SSCs): projected increase of \$504,320 or 4.7% primarily from the approved 3.5% rate increase recommended by the 2016 sewer service charge rate study, and adopted by Ordinance No. 120.

Interest Income: projected increase of \$77,000 or 179.1% from the continued potential increase in interest rates.

AB 939 Collector Fees: projected increase of \$24,346 or 6.5% due to the current projection for the Solid/HHW Cost center revenue.

Recycled Water Revenue: projected increase of \$66,500 or 49% from expanded recycled water production and use, with 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 is shown in Table 3.

The proposed FY 18-19 Operating Expenditures are also shown graphically in Figure 3 (by expense type) and Figure 4 (by department or cost center), at the end of this letter. Operating expenditures are budgeted to increase by 3.98% or \$411,255 between FY 17-18 and FY 18-19.

In terms of staffing, note that FY 17-18 expenditures for Salaries and Benefits within individual cost centers were skewed by retirements of the long-term incumbents in the following District positions: Construction Inspector, Senior Engineer, Collection System Superintendent, Collection System Worker II, and Field Services Manager. The actual retirement dates for these individuals ranged from July 2017 through November 2017, but the retirements affected budgeted expenditures through the year as the District addressed these staff transitions.

Since FY 16-17, the District has moved forward on addressing its liabilities under Government Accounting Standards Board (GASB) Statement 45 (GASB 45 – Other Post-Employment Benefits or OPEB) and Statement 68 (GASB 68 – Net Pension Liability or NPL). The District set up and initiated funding a trust account with Public Agency Retirement Services (PARS), Irvine, CA, which incorporates separate sub-accounts for each of the GASB 45 and 68 liabilities. Consistent with Board direction (provided November 14, 2016), future District budgets (including the FY 18-20 budgets) will include amounts to fund this trust, subject to Board approval.

Table 3: Operating Budget Expenditures Three-year Summary:

Expenditures by Department	FY 16-17	FY 17-18	FY 18-19	% Change
	Adopted Budget	Adopted Budget	Proposed Budget	FY 18 to FY 19
Collections	\$ 1,392,148	\$ 1,359,767	\$ 1,371,942	0.90%
Treatment	3,076,191	3,160,475	3,266,628	3.36%
Reclamation	521,538	521,554	490,972	-5.86%
Laboratory	648,636	599,461	583,410	-2.68%
Pump Stations	854,139	836,309	835,226	-0.13%
Administration/Engineering	2,947,210	3,277,014	3,526,811	7.62%
Hazardous Household Waste	415,787	439,155	463,501	5.54%
Recycled Water	117,000	135,500	202,000	49.08%
Total Expenditures	\$ 9,972,648	\$ 10,329,235	\$ 10,740,490	3.98%

Operating Budget – Variances

Table 4 summarizes the main anticipated operating budget variances from the prior year. Note that in general, while these variances may appear significant in percentage terms, the dollar values of individual variances are small in terms of the overall budget.

Also, in instances where the percentage variance of individual variances appears to be very significant (for example, line items 5. and 6.), the variance is on small budgeted amounts where a minor change in dollar terms can result in an apparent large percentage variance.

Anticipated Budget Variances – Year-over-year, FY 17-18 to FY 18-19	Budget Impact
1. 4.5% increase in employee benefits category.	\$ 44,338
2. 11.2% increase in retiree health benefits.	\$ 43,533
3. 30.0% increase in contributions to fund trust for pension expenses.	\$ 66,864
4. 18.6% increase in insurance expense.	\$ 30,500
5. 93.6% increase in District Software maintenance expenses.	\$ 29,000
6. 112.0% increase in District's reimbursable Recycled Water Facility Operating Chemicals expenses.	\$ 32,800
7. 23.1% decrease in attorney fees in the Admin & Eng. cost center.	\$ (15,000)
8. 14.6% decrease in Outside services in the Pump Station & Collection System cost centers.	\$ (30,000)
9. 13.9% decrease in Research & Monitoring fees in the Lab cost center.	\$ (22,500)

C. FISCAL YEAR 2018-19 CAPITAL BUDGET DETAILS

Capital Revenues

The proposed FY 18-19 Capital Budget by Revenue source is shown in Table 5 on the following page, along with the figures for the past two fiscal years. Percentage changes in actual property tax revenue for the last ten years are illustrated in Figure 5 (attached to this letter). Total capital revenues for FY 18-19 are expected to increase by 1.0% or \$108,829 from FY 17-18. Notable items include:

Capital SSC Revenues - projected increase of \$187,008 or 2.4% primarily from the 3.5% rate increase recommended by the current sewer service charge rate study.

Property Taxes - projected increase of \$147,221 or 6.7% from greater activity in the housing market over the past few years.

Connection Fees – projected to increase \$13,600 or 3.0% assuming about forty (40) new connections per year.

Interest Income – projected increase of \$85,000 or 212.5% from the continued potential increase in interest rates.

Grant Revenue – projected decrease of \$324,000 or 68.2% over FY 17-18 anticipated amounts as work on the Recycled Water Facility expansion project continues to progress and the District receives reimbursement of these funds via the USBR Title XVI grant funds through the North Bay Water Reuse Authority (NBWRA) Phase I Program. Note that while the flow of grant funds to the District through NBWRA may not track precisely with the revenue flow for this item as presented in the budget, the District is on track to receive all of its eligible grant funds.

Capital Expenditures

The proposed Capital Improvement Program (CIP) Budget for FY 18-19 is \$13,642,456 or \$918,952 more or an increase of 7.2% over last year. Capital projects for FY 18-19 will be funded through sewer service charges, property taxes, and connection fees. Notable items include:

On-going major capital project work, including Collection System Improvements and the expansion of the Recycled Water Facility (RWF).

Continuing work on regional efforts including NBWRA, Novato Creek Watershed, and the Hamilton Wetlands/Outfall study.

Funding Sources by Category	FY 16-17	FY 17-18	FY 18-19	% Change
	Adopted Budget	Adopted Budget	Proposed Budget	FY 18 to FY 19
Capital Sewer Service Charges	\$ 7,595,952	\$ 7,753,152	\$ 7,940,160	2.41%
Property Taxes	1,938,000	2,188,693	2,335,914	6.73%
Connection Charges	434,400	447,600	461,200	3.04%
Collector/Special Equalization Chgs	2,000	2,000	2,000	0.00%
Interest Income	25,000	40,000	125,000	212.50%
Grant Revenue	0	475,000	151,000	-68.21%
Other Revenue	20,000	20,000	20,000	0.00%
Total Capital Revenues:	\$10,015,352	\$10,926,445	\$11,035,274	1.00%

Lateral Replacement Program: The District established this program as a sub-account within the Collection System Improvements account, as part of a long-term approach to reducing infiltration and inflow from private residential laterals into the District’s collection system. The program seeks to incentivize individual homeowners financially to replace the entire sewer lateral between their residence and the sewer main, and currently provides a grant for half of the replacement cost up to \$2,000 to replace a residential sewer lateral in the District’s service area. In FY 18-19, the proposed budget amount is \$80,000.

Debt service of \$6,839,456 including principal and interest payments on the District’s State Revolving Fund (SRF) loan and the 2017 Revenue Refunding Bonds.

Table 6 shows summary Capital Debt Service and Capital Project Costs for three fiscal years.

Capital Expenditures	FY 16-17	FY 17-18	FY 18-19	% Change
	Adopted Budget	Adopted Budget	Proposed Budget	FY 18 to FY 19
Capital Projects	\$4,675,000	\$5,680,000	\$6,803,000	19.77%
Debt Service	7,059,705	7,043,504	6,839,456	-2.9%
Total	\$11,734,705	\$12,723,504	\$13,642,456	7.2%

Debt Coverage Ratio: In the 2011 Certificates of Participation (COP) Installment Sale Agreement, the District agreed to collect rates and charges during each fiscal year that would be 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. In other words, the District was required to disclose annually that it could meet a minimum Debt Coverage Ratio of 1.20.

In October 2017, the District retired the 2011 COPs with the issuance of the 2017 Revenue Refunding Bonds, saving the District over \$2 million in debt service over the life of the new bonds.

The new 2017 Revenue Refunding Bonds do not require disclosure of the Debt Coverage Ratio. However, for informational purposes only, the District’s calculated value of the projected Debt Coverage Ratio for FY 18-19 is 1.65. This projected ratio of 1.65 is significantly greater than the minimum requirement of 1.20 previously required by the Installment Sales Agreement on the retired 2011 COPs, and further illustrates the District’s continuing fiscal stability.

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. For illustrative purposes, Figure 6 (following this letter) compares the District's SSC changes relative to changes in the Consumer Price Index (CPI) for the Water and Sewer Services industry for the last ten years.

AGENCY	RATE (\$/yr.)
Sanitary District No. 5 – Belvedere	1,985 ^(b)
Tamalpais Community Services District	1,734 ^(b)
Sausalito-Marín City Sanitary District ⁽¹⁾	1,377 ^(b)
Sanitary District No. 1 – City of Larkspur	1,178 ^(b)
Sanitary District No. 5 – Tiburon	1,034 ^(b)
City of Santa Rosa	995 ^(b)
Ross Valley Sanitary District (SD#1)	909 ^(b)
Las Gallinas Valley Sanitary	898 ^(b)
San Rafael Sanitation	861 ^(b)
City of Petaluma	864 ^(b)
City of Mill Valley	779 ^(a)
Napa Sanitation District	676 ^(b)
NOVATO SANITARY DISTRICT	615 ^(b)
Vallejo Sanitation & Flood Control District	585 ^(b)
Town of Corte Madera	500 ^(a)

Notes: ⁽¹⁾ Includes SMCSD charge of \$866 and City of Sausalito charge of \$511
^{a)}FY 17-18 charges; ^(b)FY 18-19 (proposed or adopted)

In conclusion, the proposed FY 18-19 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, P.E.
General Manager-Chief Engineer



LAURA CREAMER, CPA
Finance Officer

Additional Charts for Informational Purposes:
Figure 1:

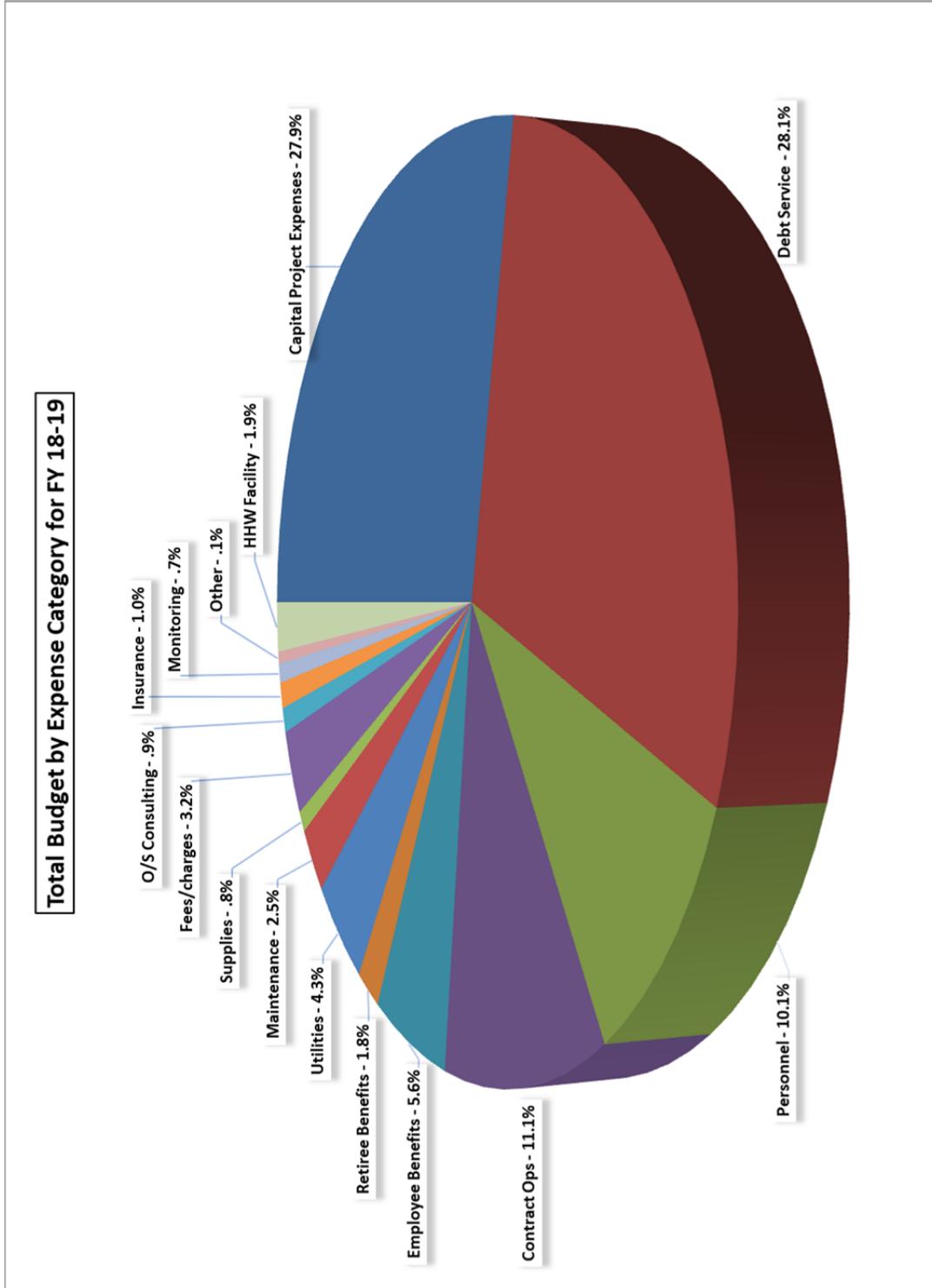


Figure 2:

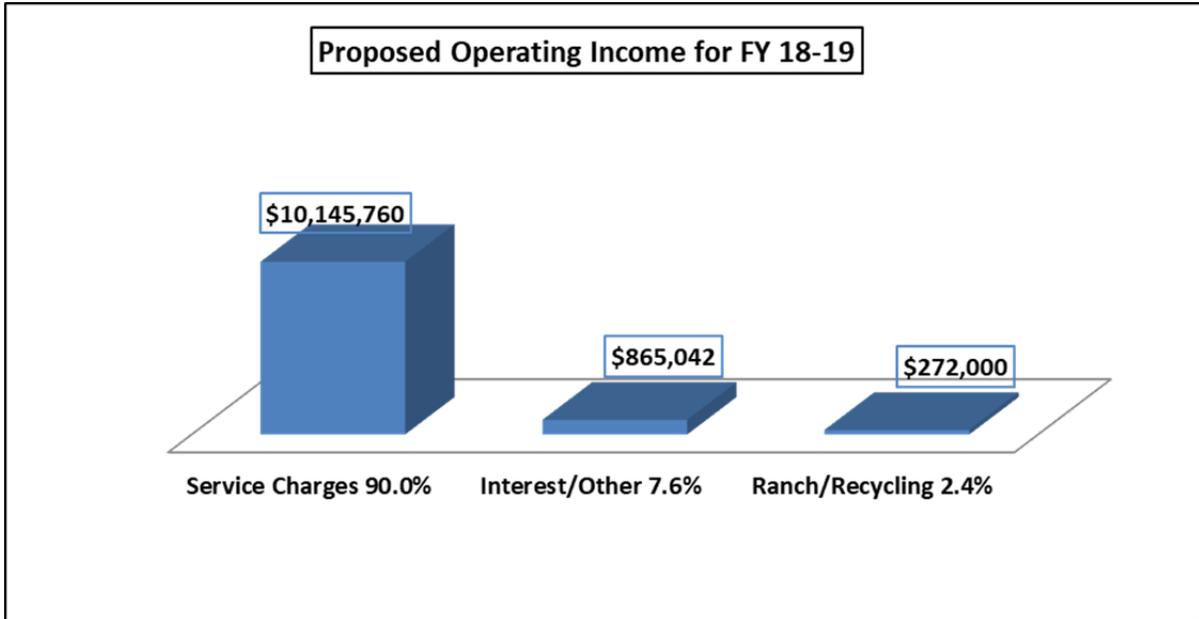


Figure 3:

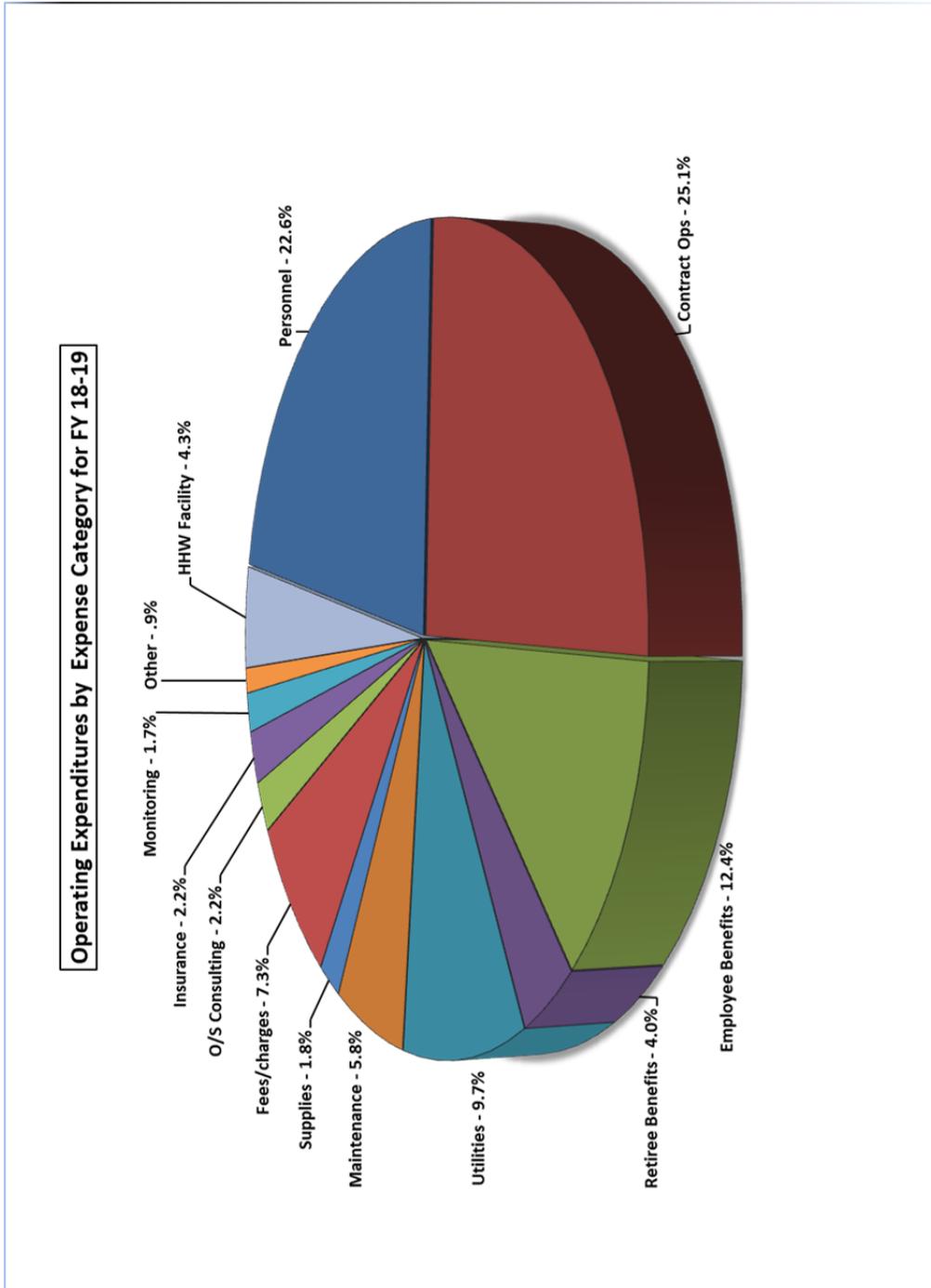


Figure 4:

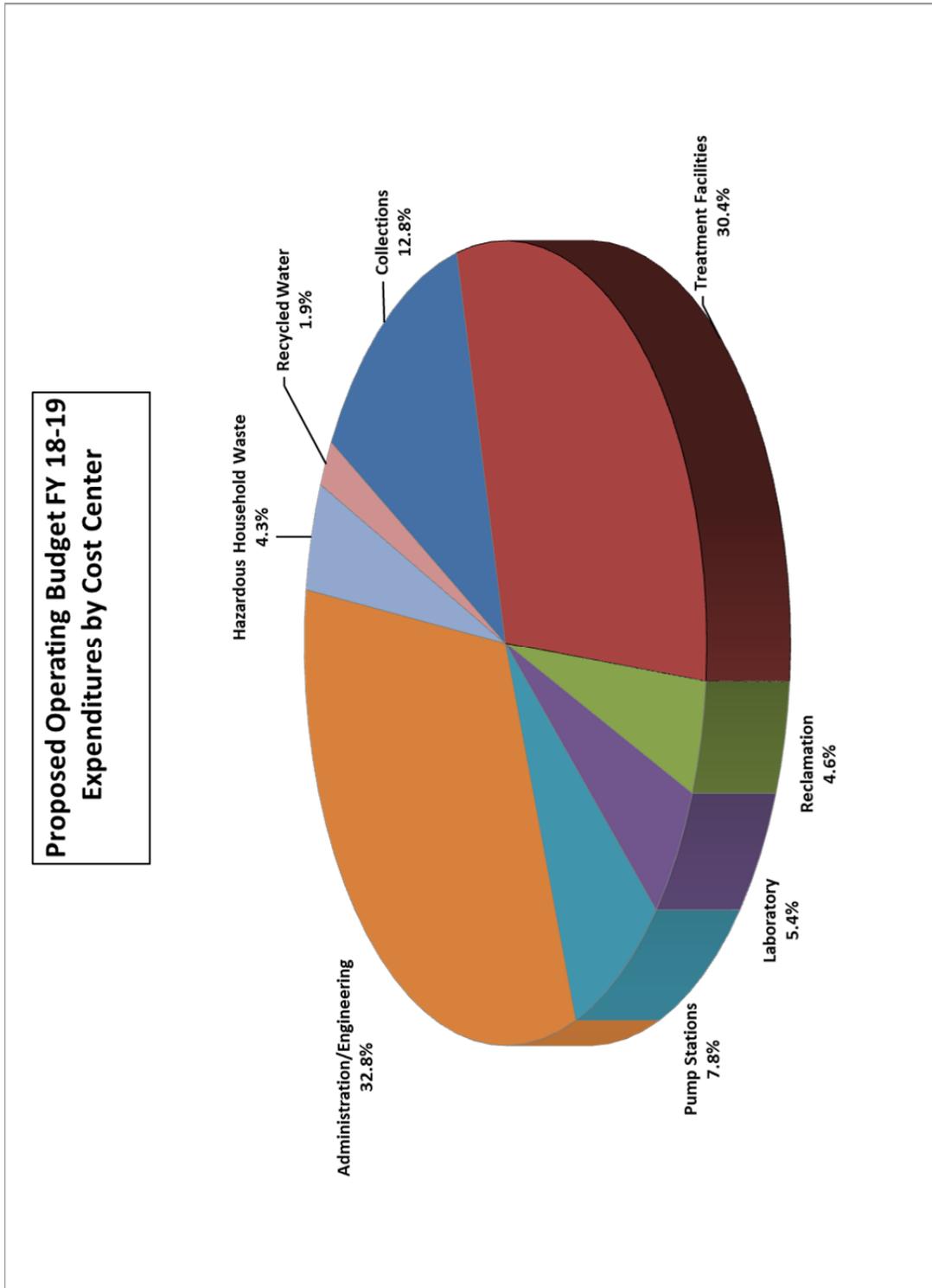
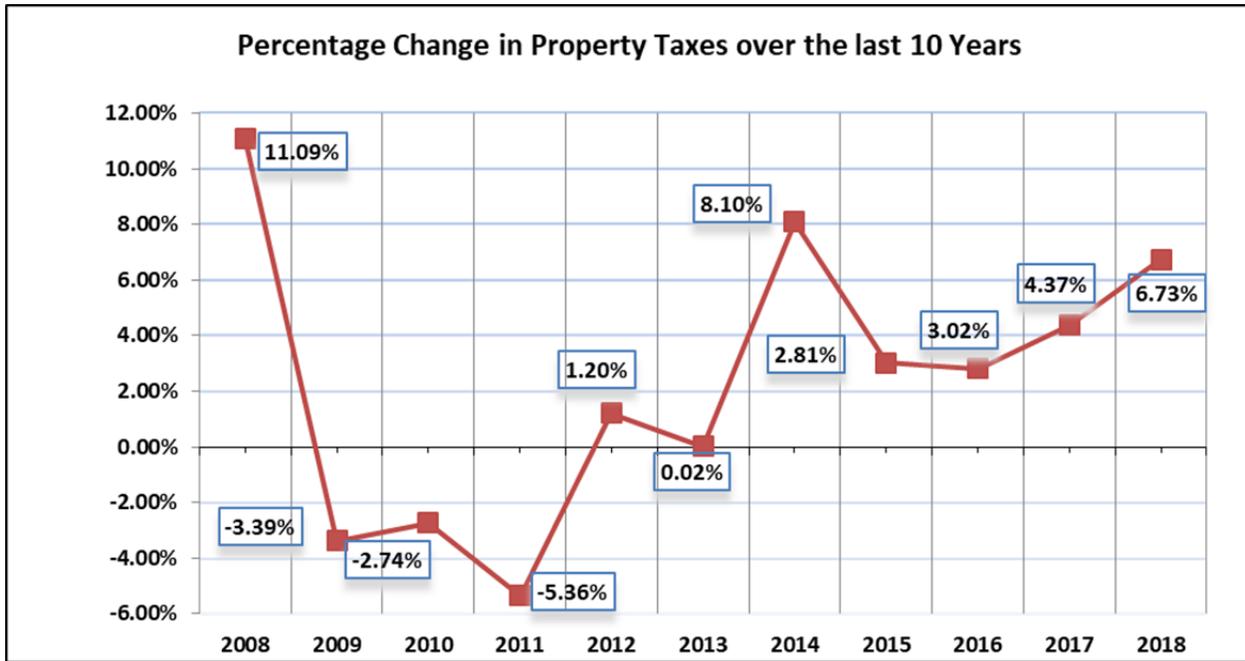
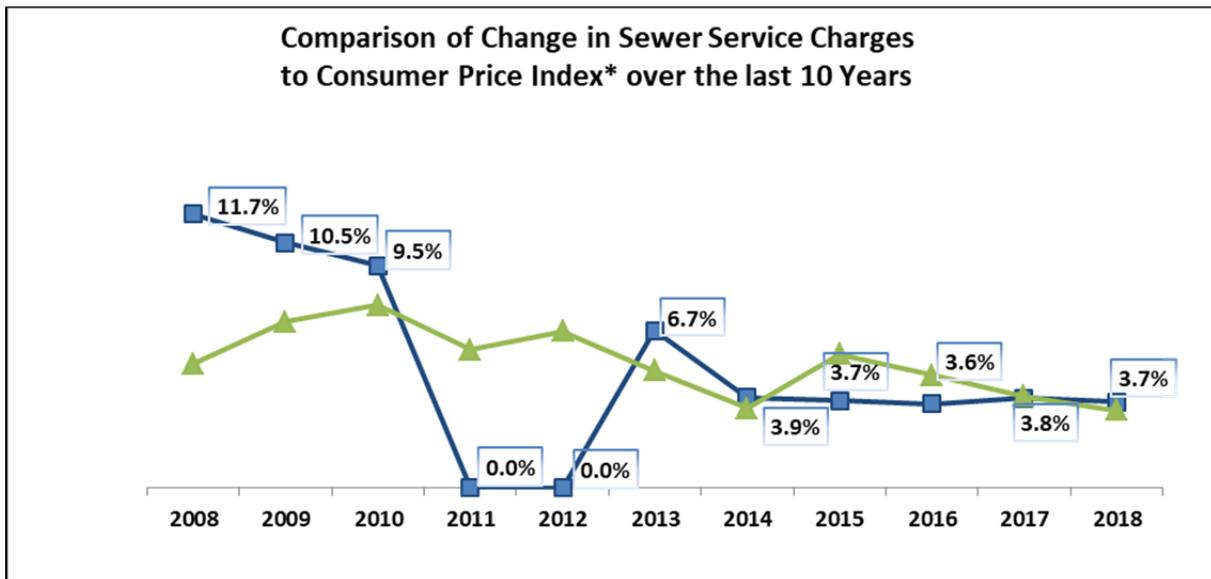


Figure 5:



Note: Based on actual revenues received through FY 17-18.

Figure 6:



*CPI – Bureau of Labor Statistics – Series Id: CUUR0000SEHG01; Not Seasonally Adjusted; U.S. city average; Water and sewerage maintenance; Base Period: 1982-84=100

SECTION I

SUMMARY OF FUND BALANCES

**Novato Sanitary District
2018-20 Final Budget
Summary of Fund Balances**

	Actual Rev/Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Operating Fund at July 1st Beginning of Each Year	12,542,995	12,833,255	12,825,706	13,046,214
Operating Revenue (p. 2)	10,736,389	11,282,802	11,282,802	11,470,054
Operating Expenditures (p. 3)	9,408,856	10,705,237	10,740,490	11,469,425
Net Operating Revenue	1,327,533	577,565	542,312	629
Transfers Out (1)	1,044,822	339,430	321,804	0
Net Operating Revenue after transfers	282,711	238,135	220,508	629
Operating Fund after transfers at the End of Each Year	12,825,706	13,071,390	13,046,214	13,046,843
Capital Improvement Fund at July 1st Beginning of Each Year	7,857,190	9,376,765	9,074,817	6,441,474
Capital Revenue (p. 14)	10,870,741	11,220,560	11,035,274	11,383,312
Transfers In (2)	994,174	288,782	271,156	0
Capital Expenditures (p. 15)	2,141,092	6,663,000	6,803,000	4,615,000
Debt Service (p. 19)	6,784,131	6,839,456	6,839,456	6,829,956
Transfers Out (3)	1,722,065	297,317	297,317	297,317
Total Capital Expenditures	10,647,288	13,799,773	13,939,773	11,742,273
Capital Improvement Fund Balance at the End of Each Year (4)	9,074,817	7,086,334	6,441,474	6,082,513
Wastewater Capital Reserve Fund Balance at the End of Each Year (p. 16)	27,336	324,653	324,653	621,970
Rate Stabilization Fund Balance at the End of Each Year (p. 18)	1,688,264	1,738,912	1,738,912	1,791,079
Fund Balances at The End of Each Year	23,616,123	22,221,289	21,551,253	21,542,405

(1) To Rate Stabilization Fund and Capital Improvement Fund.

(2) From Operating Fund.

(3) To Wastewater Capital Reserve Fund and Escrow account for Revenue Refunding Bond issue of 2017.

(4) Includes the 2011 Certificates of Participation(COP) Reserve fund balance. Due to refunding of 2011 COPs and issuance of 2017 Revenue Refunding Bonds reserve balance transferred to Escrow account (See also on p. 17).

SECTION II

OPERATING BUDGET SUMMARY SCHEDULES

**Novato Sanitary District
2018-20 Final Operating Budget
Summary of Revenues**

Operating Fund Revenue Center - 41000	Adopted Budget 2016-17	Adopted Budget 2017-18	Actual Revenues 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
41010 · Sewer Service Charges (1)	9,208,992	9,691,440	9,780,624	10,145,760	10,145,760	10,306,800
41030 · Plan Check & Inspection Fee	500	500	9,504	500	500	500
41040 · Permit & Inspection Fee	6,000	6,000	5,405	6,000	6,000	6,000
41060 · Interest Income	20,000	43,000	169,777	120,000	120,000	130,000
41080 · Engineering & Admin Charges	165,000	165,000	19,084	165,000	165,000	165,000
41090 · Non-domestic Permit Fees (2)	25,000	20,000	21,736	25,000	25,000	25,000
41100 · Garbage Franchise Fees	52,186	53,438	54,358	55,041	55,041	56,692
41105 · AB 939 Collector Fees	354,134	376,426	376,426	400,772	400,772	409,333
41107 · Oil/Bev/Tire Grants (3)	59,880	62,729	64,693	62,729	62,729	62,729
41130 · Ranch Income	70,000	70,000	77,732	70,000	70,000	70,000
41135 · Recycled Water Revenue	117,000	135,500	138,258	202,000	202,000	208,000
41140 · Other Revenue (4)	20,000	20,000	18,792	20,000	20,000	20,000
41142 · Loss on disposal of assets	10,000	10,000	0	10,000	10,000	10,000
Totals	10,108,692	10,654,033	10,736,389	11,282,802	11,282,802	11,470,054

Comments:

- (1) Sewer Service Charge (SSC) revenue is based on rate increase approved on June 13, 2016 and actual revenue received in prior year. The Sewer Service Charges allocations are as follows:
 - For FY 18-19 the charge is \$615 split between operating (\$345) and capital (\$270).
 - For FY 19-20 the charge is \$636 split between operating (\$350) and capital (\$286).
- (2) Includes application fees, permits and monitoring charges.
- (3) Oil/Bev/Tire Grants ~ \$29,000/ JPA Reimb Fees \$33,000
- (4) Other revenue includes septic tank hauling fees, and miscellaneous revenue.

APPROPRIATIONS LIMITATION

The appropriations limitation, pursuant to Article XIIB of the California Constitution, is determined to be \$6,553,365 for the FY18-19.

**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Summary of Expenditures**

Operating Cost Center	Adopted Budget 2016-17	Adopted Budget 2017-18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Collections	1,392,148	1,359,767	1,134,804	1,381,782	1,371,942	1,431,136
Treatment Facilities	3,076,191	3,160,475	2,976,676	3,282,731	3,266,628	3,424,497
Reclamation	521,538	521,554	471,700	491,542	490,972	529,514
Laboratory	648,636	599,461	487,971	583,012	583,410	620,860
Pump Stations	854,139	836,309	794,977	838,716	835,226	922,043
Administration/Engineering	2,947,210	3,277,014	3,053,553	3,461,953	3,526,811	3,861,313
Solid/Hazardous Household Waste	415,787	439,155	350,937	463,501	463,501	472,062
Recycled Water	117,000	135,500	138,238	202,000	202,000	208,000
	9,972,648	10,329,235	9,408,856	10,705,237	10,740,490	11,469,425

Novato Sanitary District												
FY 18-19 Final Operating Budget												
Operating Budget:By Cost Center and Account Category												
	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		86,021		345,078	666,060	1,208,103			2,305,262	21.46%	(10,629)	-0.46%
Contract Services (Operations & Lab)	2,262,043		378,910					55,000	2,695,953	25.10%	108,216	4.18%
Employee Benefits		22,950		144,149	318,682	541,496			1,027,276	9.56%	44,338	4.51%
Retiree Health Benefits						430,696			430,696	4.01%	43,533	11.24%
Pension Expense(Trust)						290,016			290,016	2.70%	66,864	29.96%
Directors' Fees						34,000			34,000	0.32%	(6,000)	-15.00%
Election Expense						90,000			90,000	1%	90,000	0.00%
Gasoline, Oil & Fuel		2,000	1,500	5,000	15,000	5,000			28,500	0.27%	-	0.00%
Insurance	14,000					180,500			194,500	1.81%	30,500	18.60%
Ins Claims Expense						45,000			45,000	0.42%	-	0.00%
Agency Dues						66,000			66,000	0.61%	12,000	22.22%
Memberships						14,000			14,000	0.13%	4,000	40.00%
Office Expense						28,000			28,000	0.26%	2,000	7.69%
Safety		500	1,000	2,000	3,500	2,000			9,000	0.08%	-	0.00%
Software Maint		2,000	1,000	7,000	50,000				60,000	0.56%	29,000	93.55%
Operating Supplies		2,000	20,000	10,000	25,000	5,000		4,400	66,400	0.62%	(5,600)	-7.78%
Operating Chemicals				2,000				60,100	62,100	0.58%	32,800	111.95%
Sludge Disposal-Contractual		220,000							220,000	2.05%	(20,000)	-8.33%
Accounting & Auditing						28,000			28,000	0.26%	2,000	7.69%
Attorney						50,000			50,000	0.47%	(15,000)	-23.08%
Outside Consulting						231,000			231,000	2.15%	8,000	3.59%
IT/Misc. Electrical						43,000			43,000	0.40%	3,000	7.50%
Safety & Wellness Incentive Program						10,000			10,000	0.09%	-	0.00%
Printing & Publication						24,000			24,000	0.22%	2,000	9.09%
Repairs & Maintenance		60,000	10,000	120,000	75,000	50,000		30,500	345,500	3.22%	(7,900)	-2.24%
Unusual Equipment Maint	150,000								150,000	1.40%	-	0.00%
Small Tools		500		2,000	2,000				4,500	0.04%	-	0.00%
Outside Services				55,000	120,000				175,000	1.63%	(30,000)	-14.63%
Ditch/Dike Maintenance		10,000							10,000	0.09%	-	0.00%
Research & Monitoring			125,000					14,000	139,000	1.29%	(22,500)	-13.93%
Travel, Mtgs & Train.						70,000			70,000	0.65%	5,000	7.69%
Pollution Prevention/Pub. Ed.			40,000						40,000	0.37%	(1,500)	-3.61%
Gas & Electricity	755,586	75,000		105,000				38,000	973,586	9.06%	14,087	1.47%
Water		5,000		7,000	12,000				24,000	0.22%	2,000	9.09%
Telephone				24,000	4,000	13,000			41,000	0.38%	1,000	2.50%
Other/Operational Assistance					700				700	0.01%	(300)	-30.00%
Permits & Fees	85,000	5,000	6,000	7,000	80,000			0	183,000	1.70%	9,000	5.17%
Co. Collection Fees						63,000			63,000	0.59%	(3,000)	-4.55%
Ser. Chg. System Exp						5,000			5,000	0.05%	-	0.00%
AB 939 Solid Waste Programs							463,501		463,501	4.32%	24,346	5.54%
Total	3,266,628	490,972	583,410	835,226	1,371,942	3,526,810	463,501	202,000	10,740,490	100.00%	411,255	3.98%
	30.41%	4.57%	5.43%	7.78%	12.77%	32.84%	4.32%	2%	100.00%			

SECTION III

OPERATING BUDGET
By Cost Center and Account Category

**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Collections**

Collections Cost Center - 60000	Adopted Budget 2016-17	Adopted Budget 2017-18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
60010 · Salaries & Wages	627,355	650,120	650,120	668,458	666,060	725,086
60020 · Employee Benefits	286,293	299,148	299,148	326,125	318,682	365,350
60060 · Gas, Oil & Fuel	28,000	15,000	12,775	15,000	15,000	15,500
60085 · Safety	3,500	3,500	2,593	3,500	3,500	3,500
60091 · Software Maint	75,000	20,000	19,713	50,000	50,000	22,000
60100 · Operating Supplies	30,000	28,000	13,230	25,000	25,000	28,000
60150 · Repairs & Maint	85,000	80,000	42,257	75,000	75,000	80,000
60152 · Small Tools	2,000	2,000	2,031	2,000	2,000	2,000
60153 · Outside Services	175,000	175,000	67,304	120,000	120,000	155,000
60192 · Water	12,000	12,000	10,655	12,000	12,000	12,000
60193 · Telephone	2,000	4,000	1,845	4,000	4,000	4,000
60200 · Other(Garbage Coll)	1,000	1,000	405	700	700	700
60201 · Permits & Fees	65,000	70,000	12,728	80,000	80,000	18,000
	1,392,148	1,359,767	1,134,804	1,381,782	1,371,942	1,431,136

**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Treatment Facilities**

Treatment Facilities - Cost Center - 61000	Adopted Budget 2016-17	Adopted Budget 2017-18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
61000-1 · Fixed Fee(1)	2,113,278	2,173,976	2,119,698	2,262,043	2,262,043	2,321,640
61000-2 · Insurance & Bonds	14,000	14,000	12,727	14,000	14,000	14,000
61000-3 · Major Repair/Replcmn	150,000	150,000	95,728	150,000	150,000	150,000
61000-4 · Water/Permits/Phone	90,000	90,000	61,627	85,000	85,000	90,000
61000-5 · Gas & Electricity(2)	708,913	732,499	686,896	771,688	755,586	848,857
	3,076,191	3,160,475	2,976,676	3,282,731	3,266,628	3,424,497

Comments:

- (1) Fixed fee - 5% increase from prior year, and an allowance for contractual incentive payment.
(2) Assumes 10% increase for purchased utility power based on actual expenditures for 2017/18, and an allowance for contractual incentive payment with 50-50 sharing of savings from power usage below contract baseline, between District and Veolia.

**Novato Sanitary District
2018-2020 Final Budget
Operating Budget - Reclamation**

Reclamation Cost Center - 63000	Adopted Budget 2016-17	Adopted Budget 2017-18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
63010 · Salaries & Wages	91,943	71,693	71,693	86,292	86,021	98,681
63020 · Employee Benefits	36,595	24,860	24,860	23,249	22,950	27,835
63060 · Gasoline & Oil	4,000	2,000	1,781	2,000	2,000	2,000
63085 · Safety	500	500	0	500	500	500
63091 · Software Maint	2,000	2,000	1,094	2,000	2,000	2,000
63100 · Operating Supplies	2,000	2,000	597	2,000	2,000	2,000
63115 · Sludge Disposal	190,000	240,000	215,658	220,000	220,000	225,000
63150 · Repairs & Maint	70,000	65,000	63,428	60,000	60,000	70,000
63152 · Small Tools	500	500	36	500	500	500
63157 · Ditch/Dike Maint	20,000	10,000	3,600	10,000	10,000	11,000
63191 · Gas & Electricity	95,000	95,000	75,840	75,000	75,000	80,000
63192 · Water	3,000	3,000	9,071	5,000	5,000	5,000
63201 · Permits & Fees	6,000	5,000	4,042	5,000	5,000	5,000
	521,538	521,554	471,700	491,542	490,972	529,514

**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Laboratory**

Laboratory Cost Center - 64000	Adopted Budget 2016-17	Adopted Budget 2017-18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
64010 · Contract Lab Services (1)	368,136	363,761	351,604	378,512	378,910	406,760
64060 · Gasoline & Oil	2,500	1,500	1,336	1,500	1,500	1,600
64085 · Safety	1,000	1,000	0	1,000	1,000	1,000
64091 · Software Maintenance	4,000	1,000	0	1,000	1,000	1,000
64100 · Operating Supplies	20,000	20,000	20,105	20,000	20,000	20,500
64150 · Repairs & Maintenance	25,000	19,200	5,062	10,000	10,000	12,000
64160 · Research & Monitoring	182,000	147,500	88,733	125,000	125,000	130,000
64170 · Pollution Prev/Public Ed	43,000	41,500	15,837	40,000	40,000	41,500
64201 · Permits & Fees	3,000	4,000	5,294	6,000	6,000	6,500
	648,636	599,461	487,971	583,012	583,410	620,860

Comments:

- (1) Includes fees and charges paid for contract laboratory and environmental services provided by Veolia Water and North Marin Water District (NMWD).

**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Pump Stations**

Pump Stations Cost Center - 65000	Adopted Budget 2016-17	Adopted Budget 2017-18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
65010 · Salaries & Wages	344,528	358,335	358,335	346,294	345,078	394,924
65020 · Employee Benefits	154,611	153,974	153,974	146,422	144,149	169,518
65060 · Gasoline & Oil	6,000	5,000	3,023	5,000	5,000	5,000
65085 · Safety	2,000	2,000	1,080	2,000	2,000	2,000
65091 · Software Maintenance	12,000	8,000	5,465	7,000	7,000	8,000
65100 · Operating Supplies	10,000	10,000	3,809	10,000	10,000	10,000
65101 · Operating Chemicals	15,000	2,000	0	2,000	2,000	2,000
65150 · Repairs & Maintenance	115,000	115,000	113,310	120,000	120,000	120,000
65152 · Small Tools	2,000	2,000	1,963	2,000	2,000	2,100
65153 · Outside Services, Elec	35,000	30,000	14,041	55,000	55,000	55,000
65191 · Gas & Electricity	110,000	115,000	111,475	105,000	105,000	115,000
65192 · Water	7,000	7,000	5,824	7,000	7,000	7,000
65193 · Telephone	24,000	24,000	19,442	24,000	24,000	24,000
65201 · Permits & Fees	17,000	4,000	3,236	7,000	7,000	7,500
	854,139	836,309	794,977	838,716	835,226	922,043

**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Administration/Engineering**

Administration and Engineering Cost Center - 66000	Adopted Budget 2016-17	Adopted Budget 2017-18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
66010 · Salaries & Wages	1,152,160	1,235,744	1,235,340	1,212,656	1,208,103	1,350,195
66020 · Employee Benefits	473,551	504,956	504,955	571,552	541,496	645,276
66021 · Retiree Health Benefits(1)	377,348	224,377	226,480	247,223	218,550	215,955
66021-1 · Retiree Health Benefits(2)	0	162,786	162,786	164,007	212,146	222,344
66022 · Pension Expense (3)	0	223,152	223,152	290,016	290,016	360,743
66030 · Director's Fees	38,000	40,000	22,725	34,000	34,000	34,000
66040 · Election Expense	0	0	0	60,000	90,000	0
66060 · Gasoline & Oil	10,000	5,000	4,737	5,000	5,000	5,000
66070 · Insurance	150,000	150,000	158,327	180,500	180,500	192,500
66071 · Insurance Claim Expense	50,000	45,000	0	45,000	45,000	45,000
66075 · Agency Dues	62,000	54,000	56,327	66,000	66,000	69,300
66080 · Memberships/Certifications	10,000	10,000	8,896	14,000	14,000	15,000
66085 · Safety	2,000	2,000	1,025	2,000	2,000	3,000
66090 · Office Expense	27,000	26,000	25,454	28,000	28,000	28,000
66100 · Engineering Supplies	10,000	10,000	4,535	5,000	5,000	5,000
66121 · Accounting & Auditing	27,000	26,000	25,964	28,000	28,000	29,000
66122 · Attorney Fees	75,000	65,000	24,261	50,000	50,000	55,000
66123 · O/S Contractual	218,000	223,000	143,097	181,000	231,000	295,000
66124 · IT/Misc Electrical	45,000	40,000	27,050	43,000	43,000	45,000
66125 · Safety & Wellness Incent Prog	10,000	10,000	4,175	10,000	10,000	10,000
66130 · Printing & Publications	22,000	22,000	17,860	24,000	24,000	24,000
66150 · Repairs & Maintenance	50,000	50,000	49,565	50,000	50,000	52,500
66170 · Travel, Meetings & Training	55,000	65,000	53,378	70,000	70,000	75,000
66193 · Telephone	10,000	12,000	12,908	13,000	13,000	13,500
66202 · County Fees-Property Taxes	26,000	26,000	31,754	33,000	33,000	35,000
66203 · County Fees-Sewer Ser Chg	42,000	40,000	28,802	30,000	30,000	31,000
66250 · Service Charge Sys Exp	5,150	5,000	0	5,000	5,000	5,000
	2,947,210	3,277,014	3,053,553	3,461,953	3,526,811	3,861,313

Comments:

(1) Projected contribution to current retirees' health care premiums.

(2) Represents FY18-20 Unfunded Actuarial Liability (UAL) contributions into the PARS Trust (OPEB sub-account) established in November 2016.

(3) Represents FY18-20 projected contributions to PARS Trust (Pension sub-account).

*PARS = Public Agency Retirement Services.

OPEB = Other Post-Employment Benefits.

Novato Sanitary District					
Final Operating Budget 2018-20					
PERSONNEL DETAIL					
Number	Position	Cost Center	Pay Range	Salaries	
				2018-19	2019-20
1.00	General Manager-Chief Engineer.....	A/E		233,508	241,447
1.00	Deputy General Manager.....	A/E	MC122.5	177,840	193,085
1.00	Field Services Manager25AE/.25CS/.25PS/.25Rec	MC119	149,265	162,064
1.00	Senior Engineer.....	.65AE/.25PS/.10Rec	MC116.5	62,160	134,974
0.46	Administrative Services Specialist	A/E	MC117.5	69,744	72,115
1.00	Administrative/Risk Services and Safety Officer (1)	A/E	MC117.5	138,206	150,050
1.00	Administrative Assistant	A/E	MC103	30,630	66,510
1.00	Administrative Secretary.....	A/E	MC106	86,196	89,127
1.00	Finance Officer.....	A/E	MC115	133,716	138,262
1.00	Staff Engineer.....	.5A/E/.5CS	47	110,016	113,757
1.00	Construction Inspector.....	A/E	44.5	81,472	88,457
1.00	Information System Specialist II.....	.5A/E/.5CS	43.5	92,772	95,926
1.00	Electrical/Instrumentation Tech I.....	.34A/E/.33PS/.33Rec	40.5	73,290	79,573
1.00	Collection System Superintendent.....	.67CS/.33PS	MC115	112,356	121,926
1.00	Collection System Leadworker.....	.67CS/.33PS	47	106,520	113,757
3.00	Collection System Worker II.....	.67CS/.33PS	40.5	239,136	249,544
4.00	Collection System Worker I.....	.67CS/.33PS	38.5	229,657	281,529
1.00	Admin Intern	A/E	N/A	7,200	7,200
1.00	Engineering Aide - temp	A/E	N/A	8,640	8,640
0.40	Hourly Electrician	.25AE/.25PS/.50Rec	N/A	32,000	32,000
	Allowance for Overtime.....	C/S		33,000	33,000
	Allowance for Overtime.....	A/E		7,500	7,500
	Allowance for Standby Duty Pay.....	C/S		36,000	36,000
	Adjustment for CMSA Reimbursement(1)	A/E		(17,863)	(19,319)
	Subtotal			2,232,962	2,497,122
	Allowance for COLA - across the board (FY 18-19)..	3.40%		72,300	71,764
	Allowance for COLA - across the board (FY 19-20)..	3.00%			
				2,305,262	2,568,887
23.86	Administration and Engineering (A/E)		1,208,103	1,350,195	
	Collection System	67%	666,060	725,086	
	Pump Stations	33%	345,078	394,924	
	Reclamation Facilities		86,021	98,681	
	Total		2,305,262	2,568,887	
(1) A portion of the compensation for this position to be reimbursed by Central Marin Sanitation Agency (CMSA) under the Joint Safety Program between CMSA and the District.					

**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Solid/Household Hazardous Waste**

Solid/HHW Cost Center - 67000	Adopted Budget 2016-17	Adopted Budget 2017-18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
67400 · Management Services	134,750	138,118	90,921	142,464	142,464	146,025
67500 · Household Haz. Waste	220,000	242,500	226,416	260,000	260,000	265,000
67530 · Used Oil Grant	11,269	11,269	2,610	11,269	11,269	11,269
67530-1 Beverage Container Grant	11,268	11,268	2,610	11,268	11,268	11,268
67540 · Education/Public Outreach	23,500	21,000	18,304	23,500	23,500	23,500
67600 · Other	5,000	5,000	76	5,000	5,000	5,000
67610 · City AB 939 Admin Service	10,000	10,000	10,000	10,000	10,000	10,000
	415,787	439,155	350,937	463,501	463,501	472,062

Comments:

Per proposed budget by HHW Coordinator.

**Novato Sanitary District
2018-20 Final Budget
Operating Budget - Recycled Water**

Recycled Water Cost Center - 68000	Adopted Budget 2016-17	Adopted Budget 2017-18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
68010 · O & M Services	50,000	50,000	45,656	55,000	55,000	57,000
68100 · Operating Supplies	2,000	2,000	1,893	4,400	4,400	5,000
68101 · Operating Chemicals	26,000	27,300	32,902	60,100	60,100	62,000
68150 · Repairs & Maintenance	22,000	24,200	19,676	30,500	30,500	31,000
68160 · Research & Monitoring	14,000	14,000	13,200	14,000	14,000	14,000
68191 · Gas & Electricity	2,000	17,000	24,911	38,000	38,000	39,000
68201 · Permits & Fees	1,000	1,000	0	0	0	0
	117,000	135,500	138,238	202,000	202,000	208,000

SECTION IV

CAPITAL IMPROVEMENT BUDGET

**Novato Sanitary District
2018-20 Final Budget
Capital Improvement Budget - Summary of Revenues**

Capital Fund Revenue Center - 51000	Adopted Budget 2016-17	Adopted Budget 2017-18	Actual Revenue 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
Capital Improvement Revenue						
51010 · Sewer Service Charges(1)	7,595,952	7,753,152	7,875,116	7,940,160	7,940,160	8,422,128
51015 · Property Taxes	1,938,000	2,188,693	2,290,112	2,289,200	2,335,914	2,334,984
51015-1 · Redevelopment Agency(2)	0	0	70,139	0	0	0
51020 · Connection Charges(3)	434,400	447,600	234,495	461,200	461,200	475,200
51030 · Collector Sewer Charges	1,000	1,000	0	1,000	1,000	2,000
51040 · Special Equalization Chrg	1,000	1,000	4,230	1,000	1,000	4,000
51060 · Interest	25,000	40,000	139,466	125,000	125,000	125,000
51070 · Other Revenue	20,000	20,000	0	20,000	20,000	20,000
51072 · Grant Revenue - RWF	0	475,000	257,183	383,000	151,000	0
Total Capital Improvement Revenue	10,015,352	10,926,445	10,870,741	11,220,560	11,035,274	11,383,312

Comments:

- (1) Sewer Service Charge (SSC) revenue is based on rate increase approved on June 13, 2016 and actual revenue received in prior year. The Sewer Service Charges allocations are as follows:
 - For FY 18-19 the charge is \$615 split between operating (\$345) and capital (\$270).
 - For FY 19-20 the charge is \$636 split between operating (\$350) and capital (\$286).

- (2) Redevelopment Agency (RDA) related revenues are being shown separately as they have increased over the past few years from the dissolution and distribution of assets of these agencies. Also, projections for future RDA fund distributions are not available at this time.

- (3) Connection Charges projected at 40 new connections each year.
 - Per Ordinance 120, the connection charge beginning July 1, 2018 is \$11,530 per EDU, and increases by 3% on July 1, 2019 to \$11,880 per EDU.

**Novato Sanitary District
2018-20 Final Budget
Capital Improvement Budget - Summary of Expenditures**

Capital Improvements Cost Centers - 72000 & 73000	Adopted Budget 2016-17	Adopted Budget 2017-18	Actual Exp 2017-18	Proposed Budget 2018-19	Final Budget 2018-19	Preliminary Budget 2019-20
Accounts						
72403 · Pump Station Rehabilitation	50,000	150,000	3,323	50,000	50,000	250,000
72508 · North Bay Water Reuse Authority (NBWRA)	440,000	100,000	81,801	10,000	80,000	10,000
72706 · Collection System Improvments	1,200,000	1,700,000	231,982	2,450,000	2,450,000	2,200,000
72706-1 · Lateral Replacement Program	60,000	80,000	32,000	80,000	80,000	100,000
72707 · Hamilton Wetlands/Outfall Integration	10,000	10,000	214	10,000	10,000	10,000
72708 · Cogeneration/Alt. Energy	45,000	350,000	9,927	350,000	350,000	700,000
72802 · Annual Sewer Adj. for City Proj	10,000	40,000	9,783	25,000	25,000	25,000
72803 · Annual Collection Sys Repairs	200,000	200,000	107,527	225,000	225,000	225,000
72804 · Annual Reclamation Fac Improvements	100,000	175,000	49,835	175,000	175,000	140,000
72805 · Annual Treatment Plant Improvements	100,000	300,000	20,863	300,000	300,000	100,000
72806 · Annual Pump Station Improvements	100,000	100,000	58,649	140,000	140,000	100,000
72807 · Annual Ignacio Facility Improvements	0	50,000	0	50,000	50,000	50,000
72808 · Strategic Plan Update	20,000	20,000	0	20,000	20,000	20,000
72809 · Novato Creek Watershed	10,000	5,000	0	5,000	5,000	5,000
73003 · Admin Building Upgrade/Maint. Building	350,000	350,000	58,081	350,000	350,000	20,000
73004 · Odor Control and NTP Landscaping	75,000	50,000	56,058	50,000	100,000	50,000
73005 · RWF Expansion (1)	1,300,000	1,460,000	1,016,484	2,020,000	2,020,000	10,000
73006 · NTP Corrosion Control	180,000	150,000	21,184	233,000	233,000	100,000
73090 · Vehicle Replacement	425,000	390,000	383,381	120,000	140,000	500,000
Subtotal before Debt Service	4,675,000	5,680,000	2,141,092	6,663,000	6,803,000	4,615,000
78500 · Interest - SRF Loan	1,610,195	1,519,744	1,519,744	1,427,123	1,427,123	1,332,279
78500 · Principal - SRF Loan	3,768,762	3,859,212	3,859,212	3,951,833	3,951,833	4,046,677
78500 · Interest - COP Bond/Rev. Refunding Bond	775,748	739,548	460,175	670,500	670,500	631,000
78500 · Principal - COP Bond/Rev. Refunding Bond	905,000	925,000	945,000	790,000	790,000	820,000
Subtotal for Debt Service	7,059,705	7,043,504	6,784,131	6,839,456	6,839,456	6,829,956
Totals	11,734,705	12,723,504	8,925,223	13,502,456	13,642,456	11,444,956

Comments:

(1) FY17-18 expenditures include provisions for USBR Title XVI grant funds through the NBWRA Phase I program, and potential reimbursement from the joint NMWD/NSD Recycled Water Capital Replacement and Expansion Fund.

SECTION V

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

**Novato Sanitary District
2018-20 Final Budget
Wastewater Capital Reserve Fund**

		2018-20 Budget	
		Prelim	Final
<u>Wastewater Capital Reserve Fund</u>			
FUND BALANCE 6/30/17		3,275,000	3,275,000
	Required Deposits	27,336	27,336
FUND BALANCE 6/30/18		3,302,336	3,302,336
	Required Deposits/Transfers In	297,317	297,317
ANTICIPATED FUND BALANCE 6/30/19		3,599,653	3,599,653
	Proposed Deposits/Transfers In	297,317	297,317
ANTICIPATED FUND BALANCE 6/30/20		3,896,970	3,896,970
Note:	The District borrowed \$81,307,947 between 2008 and 2011 from the State Revolving Fund (SRF) program, under a loan agreement with the State Water Resources Control Board (SWRCB). The loan agreement requires the District to 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, beginning in FY 08-09. The District's unused bonding capacity of \$3,275,000 from the 1970 and 1986 General Obligation (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 by the unused GO bonding capacity. District Policy No. 3500 (adopted August 8, 2013), paragraph 3500.33, sets the reserve amounts in accordance with the terms of the loan, and requires the remainder to be funded as follows: \$27,336 in FY 17-18, and \$297,317 in FY 18-19. These amounts are being funded from unreserved amounts in the capital improvement fund, and the total of these required deposits (i.e. \$324,653 in FY 18-19 and \$691,970 in FY 19-20) is included in the Summary of Fund Balances table (Page 1). Note that beginning in FY 19-20, the budget continues to allocate funds each year to build up the District's capital reserves.		

SECTION VI

RATE STABILIZATION FUND

**Novato Sanitary District
2018-20 Final Budget
Rate Stabilization Fund**

		2018-20 Budget	
		Prelim	Final
<u>RATE STABILIZATION FUND</u>			
FUND BALANCE 6/30/17		1,639,091	1,639,091
	Required Deposits/Transfers from Operating	49,173	49,173
FUND BALANCE 6/30/18.....		1,688,264	1,688,264
	Required Deposits/Transfers from Operating	50,648	50,648
FUND BALANCE 6/30/19		1,738,912	1,738,912
	Required Deposits/Transfers from Operating	52,167	52,167
FUND BALANCE 6/30/20		1,791,079	1,791,079
Note: This fund is maintained at a minimum balance of \$1,500,000 adjusted annually for inflation from unreserved amounts in the operating fund. Beginning FY 17-18, this Fund is also included in the Summary of Fund Balances table (Page 1) to relate the cash based methodology of the budget document with the accrual methodology of the Comprehensive Annual Financial Report (CAFR).			

SECTION VII

DEBT SERVICE FUND SUMMARY

**Novato Sanitary District
2018-20 Final Budget
State Revolving Fund Loan
COP Bond Fund
Revenue Refunding Bond**

		2018-20 Budget		
		Preliminary	Final	
<u>State Revolving Fund Loan</u>				
DEBT BALANCE 6/30/17		63,322,683	63,322,683	
Principal Payment 2017-18		(3,859,211)	(3,859,211)	
Interest payments 2017-18		(1,519,744)	(1,519,744)	
Transfer from Capital Improvement Fund 2017-18		1,519,744	1,519,744	
DEBT BALANCE 6/30/18		59,463,472	59,463,472	
Principal Payment 2018-19		(3,951,833)	(3,951,833)	
Interest payments 2018-19		(1,427,123)	(1,427,123)	
Transfer from Capital Improvement Fund 2018-19		1,427,123	1,427,123	
ANTICIPATED DEBT BALANCE 6/30/19		55,511,639	55,511,639	
<u>COP Bond Financing Issued October 2011</u>				
DEBT BALANCE 6/30/17		17,475,000	17,475,000	
Principal Payment 2017-18		(925,000)	(925,000)	
Interest payments 2017-18		(775,748)	(775,748)	
Transfer from Capital Improvement Fund 2017-18		775,748	775,748	
Refunded COP with Revenue Bond listed below		(16,550,000)	(16,550,000)	
DEBT BALANCE 6/30/18		-	-	
<u>Revenue Refunding Bond Financing Issued October 2017</u>				
DEBT BALANCE 6/30/17		-	-	
Revenue Refunding Bond Issued to Refund COP 2011		14,355,000.00	14,355,000.00	
Principal Payment 2017-18		(945,000)	(945,000)	
Interest payments 2017-18		(165,481)	(165,481)	
Transfer from Capital Improvement Fund 2018-19		165,481	165,481	
DEBT BALANCE 6/30/18		13,410,000	13,410,000	
Principal Payment 2018-19		(790,000)	(790,000)	
Interest payments 2018-19		(670,500)	(670,500)	
Transfer from Capital Improvement Fund 2018-19		670,500	670,500	
ANTICIPATED DEBT BALANCE 6/30/19		12,620,000	12,620,000	
Note: Second payment for COP Bond payable paid with escrow funds.				
		Actual	Final	Preliminary
		Rev/Exp	Budget	Budget
Debt Coverage Ratio(1)		Budget 17-18	2017-18	2018-19
		2019-20		
Net Operating Revenue		113,226	367,711	220,508
Capital Revenue		10,926,445	10,870,741	11,035,274
Annual Debt Service		7,043,504	6,784,131	6,829,456
Debt Coverage Ratio		1.57	1.66	1.65
Net revenues covenant requires a 1.20 coverage ratio				
(1) Net Operating Revenue + Capital Revenue/ Annual Debt Service = Debt Coverage Ratio				