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SAUSALITO-MARIN CITY SANITARY DISTRICT

Budget
FY 2014 – 2015

July 7, 2014

SAUSALITO-MARIN CITY SANITARY DISTRICT
BUDGET SUMMARY
FISCAL YEAR 2014/15

DISTRICT OVERVIEW

The Sausalito-Marin City Sanitary District is governed by an elected five member Board of Directors and provides wastewater treatment and disposal service to the City of Sausalito and wastewater collection, treatment and disposal service to Marin City and other unincorporated areas. Treatment and disposal service is also provided on a contract basis to Tamalpais Community Services District (TCSD) and the National Parks Service (Forts Baker, Barry and Cronkhite and Muir Woods National Monument). Plant effluent is discharged to central San Francisco Bay.

DISTRICT OPERATIONS

The District operates a 1.8 million-gallon per day secondary wastewater treatment plant, seven sewage pump stations, and approximately ten miles of pipelines. Three additional pump stations are operated and maintained for the City of Sausalito on a contract basis. Twelve full-time employees are employed to accomplish these operations. In addition, the District has an established intern program. Under the program, two positions are funded as temporary part-time (non-benefited).

DISTRICT FINANCES

The overall financial condition of the District remains strong. An important long term consideration is the execution of the District's capital improvements over the next several years, which will require substantial investment and debt service to accomplish. Additionally, the District has spent considerable effort in adopting a sewer rate structure that spreads costs to its customers in a fair and equitable way.

In response to customer requests and to ensure its financial health, the District spent two years studying sewer service charge methods and completing extensive financial analysis. Over the course of these two years the District conducted ten (10) public meetings to report our study progress and to gather customer comments and information. This work concluded with the Board of Directors adopting a 5-year sewer service charge rate plan for FY 2014/15 through 2018/19. The revenue generated from sewer rates is being used largely to fund the District's adopted Capital Improvement Plan and also to keep pace with the cost of operations, goods, and service and construction.

The District's residential sewer rate structure now includes both a base cost (63%) and volumetric cost (37%) component to better distribute expenses to our customers. Each customer class pays the same amount to cover the District's base costs. Each customer class pays a different share of the volumetric costs based on the amount of wastewater they contribute to the system. This rate structure provides both revenue stability and achieves substantial proportionality of use on a District-wide basis. The non-residential customer class sewer charge method is kept the same since it includes a base cost and volumetric cost component.

REVENUE

The fiscal year 2014/15 sewer service charge rates for Single Family and non-residential commercial customers is $770, Multi-family is $726 and Floating Homes $647 respectively. The District also charges $61 for customers located in the unincorporated areas of the District's jurisdiction, including Marin City, for collection system maintenance and rehabilitation. The City of Sausalito, which is responsible for the City's collection system, charges City residents a separate collection system charge.

The fiscal year 2014/15 budget includes a sewer service charge revenue projection of $5,932,755 which is an estimated increase of $108,936. This revenue projection includes anticipated funding from the adopted 5-year sewer service charge rates. The budget includes a County tax allocation increase of $20,000 from $500,000 to $520,000 which reflects the improving economy and housing market.

EXPENSES

Overall operating and administrative expenses are budgeted at $146,002 higher than last fiscal year from $3,453,874 to $3,599,876. The increase mainly reflects salary and benefits with 12 full-time positions (last year were at 11 positions), projected COLA of 2.2, employee benefit provider increases and scheduled employee salary step increases. Salary and benefit increases aside, the remaining operations budget has been decreased $59,872 mainly due to our participation in the Bay Area Chemical Consortium chemical bidding group.

RESERVES

Under the proposed budget, total reserves are estimated to be approximately $6,846,518 at the end of fiscal year 2014/15. The projected budget reserve balance at fiscal year-end 2014/15 is higher than what has been projected in the District's financial model. This is because some CIP projects have not been done as planned, construction costs have been lower than expected and the actual year end budget expenditures are coming in lower than budgeted. The result is that the budget revenue projection is higher than the District financial model. Reserve balances for the respective operations, capital and renewal and replacement accounts are within District reserve policy goals.

DEBT SERVICE

The District's total debt service amounts to $370,614. The existing 2008 capital project Bank Loan of $221,262 matures in 2028. The 2012 Locust Street State Revolving Fund Loan of $149,352 matures in 2032. The amount of debt service is not expected to change until FY 2015/16 when the District secures State Revolving Loan funding ffor the $26 million treatment plant upgrade project.

CAPITAL PROGRAM

The 10-year Capital Improvement Plan (FY 2011/12 to 2020/21) includes needed upgrades and rehabilitation of District infrastructure to address new discharge regulations, eliminate peak wet weather overflows, improve treatment plant performance and to repair or replace aging infrastructure.

The 10-year CIP has been updated to reflect current project schedules and costs. Some project schedules have been shifted to improve project sequencing and to spread out funding requirements. The total program is estimated at $53 million. Of this total, approximately $10 million of collections system and treatment plant improvements have been completed from 2011/12 to 2013/14. Of the $43 million remaining, approximately $33 million is programmed for treatment plant projects, $7 million for the sewer collection conveyance projects and $3 million for smaller renewal and replacement projects.

The FY 2014/15 CIP includes larger capital projects totaling $2,344,000, capital outlay for one time-purchases of equipment totaling $63,000 and renewal and replacement projects to District facilities totaling $415,000.

FUTURE VISION

Looking ahead, the District's focus will be on a 50-year renewal of the National Park Service treatment plant right-of-way easement agreement that is set to expire in 2017. Additionally, efforts will be made to initiate with the City of Sausalito a revision of our long-standing operation and maintenance service agreement to reflect a more modern shared service business arrangement.

Of significant note was the approval of the 2013-2018 Strategic Plan. A review and update of the plan is completed on an annual basis. The adoption of this plan signifies the importance that the District, its Board of Directors, and employees place on seeking continuous improvements in every aspect of the District's operations. The strategic plan serves as a framework for decision making over a five-year period.

Lastly, the District is preparing to make significant financial investment to upgrade the treatment plant facility. The project cost is estimated at approximately $26 million. This will require a major effort to secure the needed project financing and finalize the design plans and preparations for construction.

Sincerely,

Craig Justice, General Manager

SAUSALITO-MARIN CITY SANITARY DISTRICT
FY 2014 - 2015

REVENUE

OPERATING FUND

Sewer Service Charges			
Single Family 1433 EDUs x	$770 /EDU	$ 1,103,410	
Floating Homes 398 EDUs x	$647 /EDU	$ 257,506	
Multi-family 3686 EDUs x	$715 /EDU	$ 2,635,490	
Non-Residential 1913 EDUs x	$770 /EDU	$ 1,473,010	
Collection System Maintenance/Rehab (Unincorp area) 1801 EDUs x	$61 /EDU	$ 109,861	
Separate Billing 213 EDUs x	$770 /EDU	$ 164,010	
Marin City Housing Authority Coll (w/ 5% Discount) 240 EDUs x	$58 /EDU	$ 13,908	
Marin City Housing Authority Treat (w/ 5% Discount) 240 EDUs x	$732 /EDU	$ 175,560	
Total Sewer Service Charges			$ 5,932,755
TCSD	(includes Muir Woods) (Revenue determined by contract)		$ 774,000
Interest $ 2,699,839 Rate at	0.25%		$ 6,750
Sausalito Pump Station O & M			$ 35,000
Tax Allocation	(Levy O)		$ 520,000
Miscellaneous other revenue			$ 10,000
		TOTAL:	**$ 7,278,505**

Transfers		
Operating Fund to Capital Fund		**$ (3,678,719)**
Operating Fund to R&R Fund		**$ (250,000)**
	TOTAL:	**$ (3,928,719)**

SAUSALITO-MARIN CITY SANITARY DISTRICT
FY 2014 - 2015

REVENUE

CAPITAL PROGRAM

Connection Fees			
	Miscellaneous	$	20,000
TCSD (Capital and Debt Service)			
	(No share in Marin City expenses)	$	270,898
Interest	(Assume 0.25% Return)		
	($3,060,389 x 0.25%)	$	7,651
	TOTAL REVENUE:	**$**	**298,549**
Transfer from Operating Fund		$	3,678,719
	TOTAL REVENUE & TRANSFER:	**$**	**3,977,268**

R & R PROGRAM

TCSD - Share of R & R		$	13,144
Interest	(Assume 0.25% Return)		
	($287,772 x 0.25%)	$	719
	TOTAL REVENUE:	**$**	**13,864**
Transfer from Operating Fund		$	250,000
	TOTAL REVENUE & TRANSFER:	**$**	**263,864**

SAUSALITO-MARIN CITY SANITARY DISTRICT
FY 2014 - 2015

PROJECTED EXPENSES

OPERATING EXPENSES

SALARY[1]

Full Time Employee Wages		$ 1,030,318
Intern Program (2 positions - 975 hours at $13/hr)		$ 30,660
Deferred Compensation 1.5% x $1,030,318		$ 16,106
Standby/Overtime		
Stand-by - 1014 hrs/year, 39 hrs per pay period	$ 35,490	
Primary Standby Operator (July 14 to Dec 14)	$ 15,000	
Standby Operator OT - 41 hrs. x $49.38	$ 2,083	
Overtime - Holidays 10 x 8 hrs x $38 /hr x 1.5 /hr	$ 4,560	
Overtime - Callouts 12 x 4 hrs x $38 /hr x 1.5 /hr	$ 2,736	
Overtime - Misc. 200 hrs. x $38 /hr x 1.5 /hr	$ 11,400	
	Standby and Overtime Total:	$ 71,269
Vacation Time Sellback: 1000 hrs x $38 /hr		$ 38,000
Awards Program		$ 18,000
	TOTAL	**$ 1,204,353**

SOCIAL SECURITY & MEDICARE TAX

Social Security 6.2% and Medicare Tax 1.45%		**TOTAL**	**$ 88,664**

EMPLOYEE RETIREMENT

Salary			
Employee rate: 8.0%	$ 83,172		
Employer rate: 17.83%	$ 262,073		
Employee Contrbution: 3.2% for 14-15	$ (34,000)		
		TOTAL	**$ 311,245**

EMPLOYEE BENEFIT

Health				
Reg Employees:	$ 204,628			
OPEB Retiree Health	$ 140,000			
OPEB obligation	$ 110,000			
OPEB Trust	$ 50,000	$ 504,628		
Dental		$ 22,928		
Vision		$ 2,787		
Life Insurance		$ 2,492		
Long-Term Disability Insurance		$ 9,416		
Short-Term Disability Insurance		$ 1,392		
			TOTAL	**$ 543,642**

Workers' Compensation		
Based on 14/15 rates with 1.51 experience modification factor	$ 47,762	
		$ 47,762

SALARY and BENEFITS TOTAL **$ 2,195,666**

1 25% and 75% of General Manager and Associate Engineer costs, respectively, are charged to Capital and Renewal and Replacement budgets. The following O&M budget categories have been reduced accordingly: Salaries, Social Security, Medicare, Retirement, Employee Benefits, Workers Compensation and Vehicles .

CHEMICALS

Sodium Bisulfite	$	50,000
Sodium Hypochlorite	$	40,000
Bioxide	$	30,000
Polymer	$	31,000
Ferric Chloride	$	22,500
	TOTAL	**$ 173,500**

CONFERENCE & TRAINING

CASA Conferences					
3 Meetings / GM	Registration	$	3,000		
and 2 Board	Lodging	$	4,600		
Members	Travel	$	1,800		
	Expenses	$	400	$	9,800
WEF/CSDA - Annual/Specialty Conferences					
GM/Board	Registration	$	500		
	Lodging	$	800		
	Travel	$	700		
	Expenses	$	200	$	2,200
CWEA Conferences					
Staff	Registration	$	1,500		
	Lodging	$	1,800		
	Travel	$	900		
	Expenses	$	500	$	4,700
Training Miscellaneous					
Office Mgr/Admin Asst	1 @ 1000	$	1,000		
Lab Director	1 @ 500	$	500		
Operations	5 @ 600	$	3,000		
Board	2 @ 650	$	1,300	$	5,800
Certifications/Associations					
Certification Renewals		$	2,000		
Incentive Program Certs		$	1,800		
WEF/CWEA		$	1,500	$	5,300
				TOTAL	**$ 27,800**

CONSULTING SERVICES

General Consulting Services	$	20,000

Labor Relations Services	$ 30,000		
Engineering Services	$ 20,000		
Public Outreach	$ 30,000		
Computer Systems Admin/Tech Services	$ 5,000		
Financial Services	$ 20,000		
Quarterly Accountant Services	$ 8,160		
Website Hosting Services	$ 3,500		
HR policy and procedure updates (Project)	$ 30,000		
Maintenance Management System Upgrades (Project)	$ 25,000		
	TOTAL	**$**	**191,660**

PERMITS & FEES

NPDES Permit	$ 8,200		
WDR Collections General Permit	$ 1,600		
Air Quality Permits	$ 8,000		
Special District Association Dues	$ 4,600		
CASA Fees	$ 8,000		
Regional Monitoring Program Fees	$ 11,000		
Marin County Hazardous Material Permitting Fees	$ 5,047		
ELAP Certification Fee	$ 2,500		
Payroll Service Fee (ADP)	$ 4,728		
USA - Underground Service Alert	$ 1,000		
LAFCO	$ 2,800		
Fuel Storage Tank Testing & Inspection and Fees	$ 13,000		
Bay Area Clean Water Agency	$ 5,000		
BACWWE membership	$ 3,000		
Welding cylinders rental	$ 1,050		
Pest Control	$ 750		
Fire Ext'r Tests & Monitor, OSHA Posting, Copier Srvc Contract	$ 2,243		
Offsite Record Storage	$ 1,619		
Maintenance Management System User Licenses	$ 4,202		
SMART Cover hosting (4 sites)	$ 2,200		
Backflow PreventerTesting	$ 500		
Network Hosting Exchange	$ 5,000		
Website License	$ 2,500		
	TOTAL	**$**	**98,540**

FUEL

Unleaded 2000 gals @ $4.25	$ 8,500		
Diesel Fuel 500 gals @ $4.40	$ 2,200		
	TOTAL	**$**	**10,700**

MONITORING

Contract Lab Analyses	$ 17,000	
Lab Supplies	$ 12,500	
Nutrient Monitoring Regional Program	$ 8,000	
Extra Sampling and Analysis (NPDES/Process)	$ 5,000	
Acute Toxicity Testing (SASM)	$ 8,000	
Pollution Minimization Regional Program	$ 5,500	
Chronic Toxicity Testing	$ 2,500	
Redwood Landfill Disposal Profiles	$ 3,000	
	TOTAL	**$ 61,500**

POWER

Plant	$ 137,000	
Pump Stations	$ 93,000	
	TOTAL	**$ 230,000**

INSURANCE

CSRMA		
Pooled Liability	$ 32,250	
Primary - Auto	$ 3,500	
Property	$ 17,500	
Commercial Crime Coverage	$ 1,500	
Dividends/Retroactive Adjustments	$ (5,000)	
	TOTAL	**$ 49,750**

TREATMENT AND CONVEYANCE SYSTEM MAINTENANCE & REPAIRS

Main Plant	$ 60,000	
Pump Stations	$ 30,000	
Interceptor & Pump Station Hydrocleaning	$ 30,000	
Facilities Painting	$ 20,000	
Instrumentation & Control Systems	$ 13,000	
	TOTAL	**$ 153,000**

COLLECTION SYSTEM MAIN & REPAIR
(UNINCORPORATED AREA, INCLUDING MARIN CITY)

Pump Stations	$ 20,000		
Collection System Hydrocleaning (Marin City)	$ 60,000		
Instrumentation & Control Systems	$ 3,000		
		TOTAL	$ 83,000

SOLIDS DISPOSAL

Biosolids 610 tons @ $38 /ton	$ 23,180		
Recycling/Haz Waste disposal/Yard Waste/Testing/Misc	$ 6,500		
Refuge 2 Dumpsters/week @ $500 /month x 12 mo	$ 6,000		
Biosolids Hauling $580 per week $290(2/wk)(52wks/yr)	$ 30,160		
		TOTAL	$ 65,840

SUPPLIES

Supplies	$ 52,000		
		TOTAL	$ 52,000

TELEPHONES

Pagers 3 pagers @ $10 x 12 months	$ 1,000		
Cellular Telephones $250 x 12 months	$ 3,000		
CalNet	$ 5,700		
Alarm Phones & Local Service	$ 3,700		
After Hours Phone Service ($75/mth)	$ 900		
		TOTAL	$ 14,300

VEHICLES

Vehicle Maintenance	$ 5,000		
Vehicle Allowances	$ 14,850		
Mileage Reinbursement (work related)	$ 5,000		
		TOTAL	$ 24,850

SAFETY

Safety Program Consultant	$ 34,000		
Safety Classes, Equipment	$ 6,600		
Miscellaneous - Health Exams, Recognition Awards	$ 1,500		
	TOTAL	$ 42,100	

WATER

Pump Stations	$ 2,700	
Plant	$ 4,800	
	TOTAL	$ 7,500

TOTAL PROJECTED OPERATING EXPENSES: **$ 3,481,706**

ADMINISTRATIVE EXPENSES

ASSESSOR ROLL FEE

$ 15,000

AUDIT

$ 9,000

DIRECTORS

Regular Meetings	5 x 12 x $160	$ 9,600	
Special Meetings	5 x 8 x $160	$ 6,400	
Committee Meetings	2 x 20 x $160	$ 6,400	
Miscellaneous (TCSD, CSDA, CASA)	2 x 24 x $160	$ 7,680	
		TOTAL	$ 30,080

ELECTION EXPENSES **$ -**

LEGAL NOTICE **$ 1,000**

LEGAL GENERAL **$ 30,000**

LEGAL SPECIAL	**$ 25,000**
OFFICE EXPENSE	**$ 8,000**
TOTAL PROJECTED ADMINISTRATIVE EXPENSES:	**$ 118,080**

GRAND TOTAL: $ 3,599,786

CAPITAL PROGRAM
FY 2014 - 2015

CAPITAL FUND		
Plant SCADA Improvements	$ 35,000	
Headworks, Primary and Secondary Improvements	$ 1,200,000	
District Office and Facility Workspace Remodel	$ 800,000	
Scotties Wet Weather Pump Station Rehabilitation Project	$ 97,500	
Highway Booster Pump Station Rehabilitation Project	$ 52,500	
Private Lateral Inspection and Rehabilitation	$ 34,000	
GGNRA Easement Extension	$ 50,000	
Beach Force Main Abandonment	$ 75,000	
TOTAL		**$ 2,344,000**

CAPITAL OUTLAY		
Computer/Network Equipment	$ 15,000	
District Office Furniture	$ 40,000	
Compact Refrigerated Compliance Sampler	$ 5,000	
Band Saw	$ 3,000	
TOTAL		**$ 63,000**

RENEWAL AND REPLACEMENT PROGRAM

Disinfection Analyzer Replacement Project	$ 250,000	
Tertiary Filter Motor and Pump Rebuild (2 pumps)	$ 20,000	
Structural Upgrade Project (conf rm/storage containers)	$ 60,000	
Sec Sed Tanks Collector System Upgrade (both)	$ 60,000	
Force Main ARV Main and Repair	$ 25,000	
	TOTAL	**$ 415,000**

CAPITAL DEBT SERVICE PAYMENT

2008 Bank Loan Principle and Interest (Mature 2028)	$ 221,262	
2012 SRF Loan - Locust Street Pump St. (Mature 2032)	$ 149,352	
		$ 370,614

SMCSD
FY 2014-15 BUDGET

REVENUE AND EXPENSE SUMMARY SHEET

EXPENSE

	FY 2014/15
OPERATING	
Salary	$ 1,204,353
Social Security	$ 88,664
Employee Retirement	$ 311,245
Benefits	$ 543,642
Workers Comp	$ 47,762
Chemicals	$ 173,500
Conference/Training	$ 27,800
Consulting Services	$ 191,660
Permits	$ 98,540
Fuel	$ 10,700
Monitor	$ 61,500
Power	$ 230,000
Insurance	$ 49,750
Main & Repairs (TP&Coll)	$ 153,000
Main & Repairs (Unin Coll)	$ 83,000
Solids Disposal	$ 65,840
Supplies	$ 52,000
Telephone	$ 14,300
Vehicles	$ 24,850
Safety	$ 42,100
Water	$ 7,500
ADMINISTRATION	
Assessor Roll Fee	$ 15,000
Audit	$ 9,000
Director	$ 30,080
Election Expense	$ -
Legal Notice	$ 1,000
Legal General	$ 30,000
Legal Special	$ 25,000
Office Expense	$ 8,000
TOTAL EXPENDITURES	**$ 3,599,786**
Capital Outlay	**$ 63,000**
R & R	**$ 415,000**
Capital	**$ 2,344,000**
Bank & SRF Loans P&I	**$ 370,614**
GRAND TOTAL	**$ 6,792,400**

REVENUE

	FY 2014/15
Sewer Service Charge	5,932,755
Tax Allocation	520,000
Sausalito Pump Maint.	35,000
TCSD	1,058,043
Miscellaneous	10,000
Connection Fees	20,000
Interest	15,120
From Reserve	-798,518
TOTAL	**6,792,400**

SAUSALITO-MARIN CITY SANITARY DISTRICT

CAPITAL PROGRAM
FY 2014-2015

		FY 2014-15
REVENUE		
Sewer Service Charges[1]	$	3,678,719
Connection Fees	$	20,000
TCSD (Capital and Debt Service)	$	270,898
Interest	$	7,651
Total Revenues	$	3,977,268
EXPENSES		
Plant SCADA Improvements	$	35,000
Headworks, Primary and Secondary Improve	$	1,200,000
District Office and Facility Workspace Remo	$	800,000
Scotties Wet Weather Pump Station Rehabi	$	97,500
Highway Booster Pump Station Rehabilitatio	$	52,500
Private Lateral Inspection and Rehabilitation	$	34,000
GGNRA Easement Extension	$	50,000
Beach Force Main Abandonment	$	75,000
Computer/Network Equipment	$	15,000
District Office Furniture	$	40,000
Compact Refrigerated Compliance Sampler	$	5,000
Band Saw	$	3,000
Total Expenses	$	2,407,000
Net Income (Decrease) in Reserve	$	1,570,268
Estimated Reserve Beginning of FY	$	3,060,389
Projected Reserve End of FY	$	4,630,657

[1]. Transfer from Operating Fund

SAUSALITO-MARIN CITY SANITARY DISTRICT

R&R RESERVE PROGRAM
FY 2014-2015

		FY 2014-15
REVENUE/TRANSFER		
Sewer Service Charges[1]	$	250,000
Interest	$	719
TCSD	$	13,144
Total Revenues	$	263,864
EXPENSES		
Disinfection Analyzer Replacement Project	$	250,000
Tertiary Filter Motor and Pump Rebuild (2 p	$	20,000
Structural Upgrade Project (conf rm/storage	$	60,000
Sec Sed Tanks Collector System Upgrade (	$	60,000
Force Main ARV Main and Repair	$	25,000
Total Expenses	$	415,000
Net Income (Decrease) in Reserve	$	(151,136)
Estimated Reserve Beginning of FY	$	287,772
Projected Reserve End of FY	$	136,636

1. Transfer from Operating Fund

SAUSALITO-MARIN CITY SAN ARY DISTRICT
RESERVES SUMMARY
FY 2014-2015

	OPERATING RESERVE	CIP RESERVE	R & R RESERVE	TOTAL
REVENUE				
Sewer Service Charges	5,932,755			5,932,755
Tax Allocation	520,000			520,000
Connection Fees		20,000		20,000
Interest	6,750	7,651	719	15,120
Sausalito Pump Station	35,000			35,000
TCSD	774,000	270,898	13,144	1,058,043
Miscellaneous	10,000			10,000
Total Revenue	**$ 7,278,505**	**298,549**	**13,864**	**7,590,918**
Transfers In (Out)	$ (3,928,719)	3,678,719	250,000	0
TOTAL REVENUE & TRANSFERS	**3,349,786**	**3,977,268**	**263,864**	**7,590,918**
EXPENSES				
Operating Expenses	3,599,786			3,599,786
Project Expenses		2,407,000	415,000	2,822,000
2008 Bank & 2012 SRF Loan Payment		$ 370,614		
Total Expenses	**$ 3,599,786**	**2,777,614**	**415,000**	**6,792,400**
Net Increase (Decrease) in Reserve	(250,000)	1,199,654	(151,136)	798,518
Estimated Beginning Reserve FY 14/15	2,699,839	3,060,389	287,772	6,048,000
Estimated End Reserve FY 14/15	**$ 2,449,839**	**4,260,043**	**136,636**	**6,846,518**

Sausalito-Marin City Sanitary District
Reserve Fund Policies

	Operating Reserve	Capital Reserve	Renewal & Replacement Reserve	Disaster Recovery Reserve (Starting FY 2015/16)	Total Combined Reserves
Purpose	Provide working capital for operating expense cash flow during year.	Provide capital for major capital projects in 10 year capital program.	Provide capital for renewal and replacement of equipment and appurtenant assets.	Provide additional capital funding for emergency recovery until long-term funding is arranged from rate increases, loans, debt.	
Current Status					
FY 2013/14 - Estimated Fiscal Year ending balance	$2,699,839	$3,060,989	$287,772	Fund does not currently exist.	$6,048,600
FY 2014/15 - Projected Fiscal Year ending balance	$2,449,839	$4,260,043	$136,636	Fund does not currently exist.	$6,846,518
Long Range (10 year) Target Level Goals					
Target balance	$2,625,000 9 months working capital.	$4,750,000 Average annual 10 year CIP expenses. Includes loan financing.	$500,000 2 years of annual replacement cost.	$1,500,000 Start funding in FY 2015/16 at $150,000 per year	$9,375,000
Risks and considerations	Comfortable margin for contingencies. May be used for sewer rate stabilization.	Should be sufficient for cash funding projects but may not be enough to avoid debt. Should be inflation adjusted	Low balance can be augmented by Disaster Recovery Reserve if needed.	Low available funding to respond to emergency situations may impact other dedicated reserves	

Other Financial Policies and Rate-Making Guidelines

Reserve funding priority: Operating, Capital, R&R, and Disaster Recovery as funding becomes available.
Maintain adequate Capital Reserve to fund CIP, but debt financing may be required for major upgrades.
Maintain adequate R&R Reserve to avoid debt financing minor facilities.
Rate increases will be moderated to minimize rate shock (e.g., phase in increases, avoid excessive increases followed by decreases).
Rates are adjusted to keep pace with inflationary cost increases.
When reserve balances allow, inter-fund borrowing and transfer may occur as a means of rate stabilization.

SM[illegible]

2014-15 BUDGET vs ACTUAL EXPENDITURES

	Budget 2014-15	Projected 2013-14	Actual ----> 2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
OPERATING											
Salary	1,204,353	1,046,846	1,002,832	1,042,878	960,532	1,248,013	1,040,027	911,295	695,144	641,124	630,711
Social Security	88,664	77,663	81,958	80,762	88,802	74,558	72,123	66,311	52,168	46,173	44,253
Pension	311,245	294,145	334,537	331,003	374,647	272,914	303,418	257,744	202,031	184,620	152,667
Employee Benefits	543,642	431,749	273,439	313,710	283,424	328,833	248,091	222,337	180,797	189,208	168,302
Workers Comp	47,762	39,900	29,512	16,717	35,445	17,545	18,814	15,778	3,626	13,827	22,823
Chemicals	173,500	211,375	211,005	198,844	190,506	180,581	186,147	165,604	144,789	116,088	102,452
Conference/Training	27,800	21,375	9,129	8,459	19,108	11,086	19,236	14,532	12,924	13,674	15,342
Consulting Services	191,660	201,077	202,579	152,361	81,646	94,873	206,807	151,808	77,514	15,066	39,330
Permit	98,540	90,550	99,577	98,865	78,070	124,489	337,827	191,537	156,699	160,352	45,275
Fuel	10,700	10,165	11,146	9,321	9,372	9,186	9,754	12,699	16,143	28,971	5,615
Monitoring	61,500	75,050	107,572	84,911	32,913	66,311	90,552	52,162	43,950	33,402	31,694
Other	-	-	-					-	-	-	-
Power	230,000	218,500	213,733	212,408	204,846	220,481	205,628	222,959	229,978	229,688	187,188
Insurance	49,750	37,715	39,793	39,330	48,214	22,180	29,228	26,180	28,797	17,637	35,900
Repairs (TP&SH COLL)	153,000	190,000	184,561	177,965	235,295	351,216	321,767	211,389	258,675	156,066	138,534
Repairs (Unincorp Coll)	83,000										
Solids Disposal	65,840	59,267	64,047	59,870	40,474	32,915	38,434	23,003	37,935	21,282	22,968
Supplies	52,000	49,400	45,978	53,383	77,149	66,955	78,198	67,924	45,172	33,402	44,205
Phone	14,300	12,730	18,182	16,995	17,716	14,953	14,066	14,635	11,694	13,440	13,835
Vehicles	24,850	23,608	11,355	11,871	12,309	18,133	19,562	18,318	15,433	12,452	12,481
Safety	42,100	41,705	46,804	37,138	44,413	48,935	37,474	16,050	21,072	18,608	18,521
Water	7,500	7,125	8,234	6,507	5,710	6,644	5,521	10,259	2,723	3,906	3,501
SUB - TOTAL	**3,481,706**	**3,139,944**	**2,995,973**	**2,953,298**	**2,840,591**	**3,210,801**	**3,282,674**	**2,672,524**	**2,237,264**	**1,948,986**	**1,735,597**
ADMINISTRATION											
Accountant		-				$0	$0	609	1,687	2,223	(incl'd in Audit)
Assessor Roll Fees	15,000	13,775	13,077	12,667	14,025	10,712	$13,105	12,956	12,058	7,343	10,495
Audit	9,000	9,500	9,200	9,130	9,650	9,650	$8,750	8,000	7,700	8,526	7,831
Director	30,080	28,576	23,429	23,680	21,440	26,080	$27,200	24,480	25,120	17,920	23,200
Election Expense	-	250	-	250	-	-	$0	-	-	8,407	-
Legal Notice	1,000	950	950	-	1,405	174	$1,382	1,671	813	2,660	-
Legal General	30,000	28,500	35,200	48,859	46,182	37,324	$44,878	39,348	31,480	17,138	18,184
Legal Special	25,000	65,000	37,777	32,572	40,879	6,359	$5,899	14,167	0	1,500	-
Office Expense	8,000	7,600	5,905	9,933	7,084	6,371	$4,157	5,146	3,962	5,866	5,184
SUB - TOTAL	**118,080**	**154,151**	**125,538**	**137,091**	**140,665**	**96,670**	**105,371**	**106,377**	**82,820**	**71,583**	**64,894**
OTAL OPERATIONS	**3,599,786**	**3,294,095**	**3,121,511**	**3,090,389**	**2,981,256**	**3,307,471**	**3,388,045**	**2,778,901**	**2,320,084**	**2,020,569**	**1,800,491**
CAPITAL OUTLAY	63,000	17,460	155,000	39,617	81,274	37,700	92,372	14,837	-	6,565	3,057
R & R	415,000	327,500	112,000	38,539	66,296	60,028	349,016	-	-	102,291	59,843
CAPITAL	2,344,000	4,369,000	2,500,000	3,235,500	2,196,248	1,405,871	2,253,083	3,287,602	2,412,505	994,503	208,620
SUB - TOTAL	**2,822,000**	**4,713,960**	**2,767,000**	**3,313,656**	**2,343,818**	**1,503,599**	**2,694,471**	**3,302,440**	**2,412,505**	**1,103,359**	**271,520**
GRAND TOTAL	**6,421,786**	**8,008,055**	**5,888,511**	**6,404,045**	**5,325,074**	**4,811,070**	**6,082,516**	**6,081,341**	**7,145,094**	**4,227,287**	**2,343,531**

Fiscal Year 2014/15
10-Year Capital Improvement Program - FY 11-12 to FY 20-21

CIP Year				1	2	3	4	5	6	7	8	9	10	
Capital Improvement Projects	**TCSD Funding**	**Project Status**	**Project Budget**	**Actual FY 2011-12**	**Actual FY 2012-13**	**Projected FY 2013-14**	**Budgeted FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**	**FY 2018-19**	**FY 2019-20**	**FY 2020-21**	**Total**
- Treatment Plant Improvements														
Sodium Bisulfite Storage Improvements	29.6%	Complete	$1,205,064	$0	$84,635	$0	$0	$0	$0	$0	$0	$0	$0	$90,000
Plant SCADA System Improvements	29.6%	On-going	$350,000	$26,435	$3,120	$15,000	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000	$35,000	$289,555
Treatment Plant Hdwks, Pri and Sec Imp	0.0%	Final design	$26,920,000	$171,259	$416,349	$1,000,000	$1,200,000	$2,132,392	$17,000,000	$5,000,000	$0	$0	$0	$26,920,000
District Office and Workspace Remodel	29.6%	Construction	$800,000	$18,587	$93,648	$60,000	$800,000	$0	$0	$0	$0	$0	$0	$972,235
Primary Effl. Box, Infl. Box & Supernatant Box Rehab.	29.6%	Complete	$1,800,000	$1,024,796	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,024,796
Long-Term Facilities Plan & GGNRA Easement Agreement Extension	29.6%	In-Progress	$100,000	$0	$0	$0	$50,000	$0	$0	$0	$0	$0	$0	$50,000
Digester Cleaning, Influent Piping Strengthening, Sec Digester Improvements	29.6%	Future	$650,000	$0	$0	$0	$0	$0	$100,000	$550,000	$0	$0	$0	$650,000
Primary & Digester Structure Seismic Improvements	29.6%	Future	$1,250,000	$0	$0	$0	$0	$0	$0	$200,000	$1,050,000	$0	$0	$1,250,000
Alexander Ave Shoreline Improvement and Beach Force Main Abandonment	31.9%	Pre-design	$600,000	$35,748	$0	$25,000	$75,000	$464,252	$0	$0	$0	$0	$0	$600,000
Biosolids to Energy Project	29.6%	Future	$300,000	$0	$0	$0	$0	$20,000	$80,000	$200,000	$0	$0	$0	$300,000
Outyear Projects to be Determined (FY 19/20 & 20/21)	29.6%	Future	$1,900,000	$0	$0	$0	$0	$0	$0	$0	$0	$950,000	$950,000	$1,900,000
Subtotal Treatment Plant			$35,875,064	$1,276,825	$597,752	$1,100,000	$2,160,000	$2,651,644	$17,215,000	$5,985,000	$1,085,000	$985,000	$985,000	$34,046,586
- Conveyance System & Marin City Sewer System Impr.														
Locust St. Pump Station Improvements	37.5%	Complete	$2,300,000	$1,696,169	$123,100	$0	$0	$0	$0	$0	$0	$0	$0	$1,819,269
Portable Emergency Engine Driven Pumps	31.9%	Complete	$281,000	$257,720								$0	$0	$257,720
Pump Station Reliability Improvements	31.9%	Complete	$688,000	$124,141	$577,662	$37,345	$0	$0	$0	$0	$0	$0	$0	$739,148
Main Street Pump Station Rehabilitation Project	31.9%	Complete	$1,800,000	$16,872	$256,937	$1,688,280	$0	$0	$0	$0	$0	$0	$0	$1,962,089
Scotties Pump Station Improvement (Includes Whiskey)	37.5%	Pre-design	$995,000	$0	$0	$0	$97,500	$97,500	$800,000	$0	$0	$0	$0	$995,000
Locust Street Pump Station Force Main & 24" Gravity Sewer Study and Improvements	37.5%	Future	$2,575,000	$0	$0	$0	$0	$0	$75,000	$1,250,000	$1,250,000	$0	$0	$2,575,000
Marin City Collection System Rehabilitation	0.0%	Complete	$2,000,000	$867,496	$697,450	$111,157	$0	$0	$0	$0	$0	$0	$0	$1,676,103
Marin City Pump Station & Force Main Study & Improvements	0.0%	Future	$450,000	$0	$0	$0	$0	$0	$50,000	$400,000	$0	$0	$0	$450,000
Highway Booster PS, Force Main and Infl. Sewer Study and Improvements	0.0%	Pre-design	$652,500	$0	$0	$0	$52,500	$600,000	$0	$0	$0	$0	$0	$652,500
Princess St. Pump Station Study and Improvements	0.0%	Future	$150,000	$0	$0	$0	$0	$50,000	$100,000	$0	$0	$0	$0	$150,000
Private Lateral Inspection and Rehabilitation	0.0%	On-going	$285,700	$0	$5,700	$0	$40,000	$40,000	$40,000	$40,000	$40,000	$40,000	$40,000	$285,700
Outyear Projects to be Determined (FY 19/20 & 20/21)		Future	$1,900,000	$0	$0	$0	$0	$0	$0	$0	$0	$950,000	$950,000	$1,900,000
Subtotal Collections			$14,077,200	$2,962,398	$1,660,849	$1,836,782	$190,000	$787,500	$1,065,000	$1,690,000	$1,290,000	$990,000	$990,000	$13,462,529
Total Plant and Coll			$49,952,264	$4,239,223	$2,258,601	$2,936,782	$2,350,000	$3,439,144	$18,280,000	$7,675,000	$2,375,000	$1,975,000	$1,975,000	$47,509,115
- Other Capital Expenses														
Capital Outlay and Unknown Future Capital Projects	29.6%		$1,000,000	$ 158,477	$162,990	$12,000	$55,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$ 988,467
Renewal and Replacement Projects	29.6%		$1,000,000	$ 64,749	$127,683	$275,000	$415,000	$100,000	$100,000	$100,000	$100,000	$100,000	$100,000	$ 1,482,432
Main Management System	29.6%		$250,000	$ -	$ -	$ 10,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 185,000
Financial Analysis Study	10.0%		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Engineering and Construction Management Staff Costs	10.0%		$1,032,500	$8,000	$6,500	$10,000	$168,000	$168,000	$168,000	$168,000	$168,000	$168,000	$168,000	$1,200,500
Subtotal Other Capital			$3,282,500	$ 231,226	$ 297,173	$ 307,000	$ 663,000	$ 393,000	$ 393,000	$ 393,000	$ 393,000	$ 393,000	$ 393,000	$ 3,856,399
Total CIP			$53,234,764	$4,470,449	$2,555,774	$3,243,782	$3,013,000	$3,832,144	$18,673,000	$8,068,000	$2,768,000	$2,368,000	$2,368,000	$51,365,514

TCSD CAPITAL PROGRAM COST ALLOCATION AND FINANCING
FY 2014 - 2015

	2014/15 Budget	TCSD % Share	TCSD $ Share	LAIF + 1% P&I @ 1.25% for 10 yrs
CAPITAL FUND				
Plant SCADA Improvements	$ 35,000	29.6%	$ 10,360	1,109
Headworks, Primary and Secondary Improvements	$1,200,000	29.6%	$ 355,200	38,007
District Office and Facility Workspace Remodel	$ 800,000	29.6%	$ 236,800	25,338
Scotties Wet Weather Pump Station Rehabilitation Proje	$ 97,500	37.5%	$ 36,563	3,912
Highway Booster Pump Station Rehabilitation Project	$ 52,500	0.0%	$ -	0
non-shared collection system				
Private Lateral Inspection and Rehabilitation	$ 34,000	0.0%	$ -	0
non-shared collection system				
GGNRA Easement Extension	$ 50,000	29.6%	$ 14,800	1,584
Beach Force Main Abandonment	$ 75,000	31.9%	$ 23,925	2,560
TOTAL	**$2,344,000**		**$ 677,648**	**$ 72,510**
CAPITAL OUTLAY				
Computer/Network Equipment	$ 15,000	29.6%	$ 4,440	475
District Office Furniture	$ 40,000	29.6%	$ 11,840	1,267
Compact Refrigerated Compliance Sampler	$ 5,000	29.6%	$ 1,480	158
Band Saw	$ 3,000	29.6%	$ 888	95
TOTAL	**$ 55,000**		**$ 16,280**	**$ 1,995**
DEBT SERVICE				
2008 Bank Loan (Matures 2028)	$ 221,262	29.6%	$ 65,494	
2012 SRF Loan -Locust St (Matures 2032)	$ 149,352	37.5%	$ 56,007	
	$ 370,614			**121,501**

RENE..AL AND REPLACEMENT PROGRAM				
Disinfection Analyzer Replacement Project	$ 250,000	29.6%	$ 74,000	7,918
Tertiary Filter Motor and Pump Rebuild (2 pumps)	$ 20,000	29.6%	$ 5,920	633
Structural Upgrade Project (conf rm/storage containers)	$ 60,000	29.6%	$ 17,760	1,900
Sec Sed Tanks Collector System Upgrade (both)	$ 60,000	29.6%	$ 17,760	1,900
Force Main ARV Main and Repair	$ 25,000	29.6%	$ 7,400	792
TOTAL	**$ 415,000**		**$ 122,840**	**$ 13,144**
CASH FUNDED PROJECTS LOAN				
FY 2011/12 and 12/13 (Matures 2032)				**$74,892**
GRAND TOTAL	**$ 3,184,614**		**$ 816,768**	**$ 284,043**

SAUSALITO-MARIN CITY SANITARY DISTRICT
TAMALPAIS COMMUNITY SERVICES DISTRICT
ESTIMATED O&M EXPENSE ALLOCATION
FISCAL YEAR 2014/15 BUDGET

OPERATING EXPENSES		Northern Trunk			Locust Str. PS & FM			Main Street PS & FM			Treatment Plant			TOTAL
Budget Item	Budget Amount	Flow Factor[3] %	Budget Allocation %	Cost Allocation $	Flow Factor[3] %	Budget Allocation %	Cost Allocation $	Flow Factor[3] %	Budget Allocation %	Cost Allocation $	Flow Factor[3] %	Budget Allocation %	Cost Allocation $	
Salaries	2,265,566	--	--	--	29.3	1.3	$8,630	24.0	2.3	$12,506	24.2	90.4	$495,633	$516,769
Chemicals	173,500	--	--	--	--	--	--	--	--	--	24.2	100	$41,987	$41,987
Insurance	49,750	--	--	--	--	--	--	--	--	--	24.2	97	$11,678	$11,678
Consulting Services[2]	191,660	--	--	--	--	--	--	--	--	--	24.2	0	$0	$0
Permit	95,706	--	--	--	--	--	--	--	--	--	24.2	100	$23,161	$23,161
Fuel	7,195	--	--	--	29.3	3.5	$74	24.0	3.5	$60	24.2	72	$1,254	$1,388
Monitoring	61,500	--	--	--	--	--	--	--	--	--	24.2	100	$14,883	$14,883
Power	220,500	--	--	--	29.3	11	$7,107	24.0	20	$10,584	24.2	61.7	$32,924	$50,614
Repairs (TP & Sh Coll)	153,000	--	--	--	29.3	5	$2,241	24.0	11	$4,039	24.2	84	$31,102	$37,382
Solids Disposal	65,840	--	--	--	--	--	--	--	--	--	24.2	100	$15,933	$15,933
Supplies	52,000	--	--	--	--	--	--	--	--	--	24.2	100	$12,584	$12,584
Telephone	14,300	--	--	--	29.3	2	$84	24.0	2	$69	24.2	79	$2,734	$2,886
Vehicles	24,850	--	--	--	29.3	3.5	$255	24.0	3.5	$209	24.2	72	$4,330	$4,793
Water	7,500	--	--	--	29.3	11.1	$244	24.0	11.1	$200	24.2	67	$1,216	$1,660
Total	**$3,382,867**						**$18,634**			**$27,667**			**$689,419**	**$735,720**
Ratio of TCSD share of operating expenses to total operating expenses:														**$14,517**

ADMINISTRATION	**$ 66,750**
TOTAL	**$ 3,449,617**

Grand Total: $774,000

Consulting Services[2]	Budget	Allocation[3]	Total
General Consulting Services	$20,000	24.2	$4,847
Labor Relations Services	$30,000	0	$0
Engineering Services	$20,000	24.2	$4,840
Public Outreach	$30,000	0	$0
Computer Systems Admin/Tech Services	$5,000	24.2	$1,212
Financial Services	$20,000	24.2	$4,840
Quarterly Accountant Services	$8,160	24.2	$1,975
Website Hosting Services	$3,500	0	$0
HR policy and procedure updates (Project)	$30,000	0	$0
Maintenance Management System Upgrades (Proje	$25,000	24.2	$6,050
Total	$191,660		**$23,763**

[2] Allocated expenses only for TCSD share costs

[3] Percentage of the annual average TCSD flow to annual average flow conveyed in the facility based on prior 3-year historical flow data (FY 10/11 through FY 12/13).
See TCSD flow figure table for flow percentage breakdown

SAUSALITO-MARIN CITY SANITARY DISTRICT
TAMALPAIS COMMUNITY SERVICES DISTRICT
FY 2014/15

Proposed Flow Factors for Determining O&M and Capital Cost Sharing

Facility	Peak Wet Weather Flow[1] (MGD)	Ratio of TCSD PWWF to Facility [2] PWWF (%)	Annual Average Flow (MGD) [3]	Percentage of TCSD AAF to Facility [4] AAF (%)
TCSD Bell Lane Pump Station	3.7	-	0.37	-
Scotties, Interceptor, Locust St. Pump Sta., System	9.7	37.5	1.27	29.3
Main Street Pump Sta.	11.6	31.9	1.53	24.0
WWTP	12.3	29.6	1.56	24.2

[1] RMC Oct. 2010 Capacity Assurance Evaluation based on 15 minute, 5-year sewer event

[2] TCSD PWWF factor calculated from the 2010 evaluation (used for capital project cost allocation)

[3] SMCSD Flow Records based on prior 3-year rolling average

[4] TCSD AAF percentage used for O&M cost allocation based on prior 3-year rolling average

SAUSALITO-MARIN CITY SANITARY DISTRICT
TAMALPAIS COMMUNITY SERVICES DISTRICT
PERCENTAGE ALLOCATION OF ANNUAL O&M COSTS
FISCAL YEAR 2014/15

OPERATING EXPENSES

Budget Item	Northern Trunk	Locust Street Pump Station and	Main Street Pump station and	Treatment Plant	Non-TCSD Utilized Facilities	
Salaries [1]	Based on actual O&M labor cost plus proportional share of administrative labor costs					2
	---	1.30%	2.30%	90.40%	6.00%	
Insurance		---	---	97.00%	3.00%	
Chemicals	---	---	---	100%		
Consulting Services	Allocated to appropriate category					
Permit	---	---	---	100%	---	
Fuel	Diesel fuel allocated 100% to plant. Gasoline is allocated as follows: 25% to plant, 12.5% to LSPS, 12.5% MSPS, and 50% to non-TCSD utilized facilities					2
	---	3.5%	3.5%	72%	21%	
Monitoring	---	---	---	100%	---	
Power	---	Based on actual power costs				2
	---	11.0%	20.0%	61.7%	7.3%	
Repairs	Allocated to appropriate category					2
		5.0%	11.0%	84.0%	0.0%	
Solids Disposal	---	---	---	100%	---	
Supplies	---	---	---	100%	---	
Telephone	---	Allocated to appropriate category				2
	---	2%	2%	79%	17%	
Vehicles	Allocated dump truck to plant and pick-ups and flatbed as follows (25% plant, 12.5% LSPS, 12.5% MSPS, & 50% non-TCSD utilized facilities					2
	---	3.5%	3.5%	72%	21%	
Water	---	Based on actual water costs				2
	---	11.1%	11.1%	67%	11.1%	
ADMINISTRATION[3]	Based on the ratio of TCSD share of operating expenses to total operating expenses					

[1] Incudes social security, employee retirement, employee benefits, workers compensation, safety and conference/training

[2] The estimated FY 2012/13 ASAC charge percentage is based on historical data and is shown in shaded cell.

[3] Includes accountant, assessor roll fees, audit, legal notice, legal general, and office expense. Excludes assessor roll fees, director election expenses and special legal as appropriate.