



**SAUSALITO-MARIN CITY SANITARY DISTRICT**

**1 EAST ROAD**

**SAUSALITO, CALIFORNIA**

**Phone (415) 332-0244 Fax (415) 332-0453**

# **FY 2020/2021 Budget**

**Board Adopted  
June 6, 2020**



# SAUSALITO-MARIN CITY SANITARY DISTRICT

## FY 2020/21 BUDGET

### EXECUTIVE SUMMARY

#### OVERVIEW

The Sausalito-Marín City Sanitary District (SMCSD) is governed by an elected five-member Board of Directors and provides wastewater conveyance and treatment service to the City of Sausalito and wastewater collection, conveyance and treatment service to Marin City and other unincorporated areas within the District's boundaries. Wastewater conveyance and treatment service is also provided on a contract basis to Tamalpais Community Services District (TCSD) which includes Muir Woods National Monument, and to the National Parks Service (Forts Baker, Barry and Cronkite, Marine Mammal Center and Cavallo Point Resort).

The District operates and maintains a 9.0 million-gallon per day (MGD) secondary wastewater treatment plant, and 6 MGD of tertiary treatment, eleven sewage pump stations, and approximately eleven miles of pipelines. Four of these pump stations are operated and maintained by SMCSD for the City of Sausalito on a contract basis. The District's treatment plant site, located in Fort Baker, recently renewed its property lease agreement with the National Park Service and it continues until 2049. There are thirteen full-time funded staff positions in the District. There is also an intern program where up to two temporary part-time (non-benefited) positions may be filled.

The District successfully operates and maintains a complex system, protecting our community's public health, the environment and the Bay. It serves approximately 10,000 equivalent dwelling units (EDUs) and a population of approximately 18,000.

#### **BUDGET**

The overall financial position of the District continues to be strong due to effective and efficient financial management. Utilizing extensive financial planning, accurate expense projections and timely sewer rate setting, the District has maintained a sustainable financial condition over the past 10 years. This allowed the District to build up the financial capacity to undertake significant improvements in the wastewater system operations and needed capital infrastructure improvements. A significant long-term commitment was made with the sale of revenue bonds to fund the Treatment and Wet Weather Flow Upgrade Project along with other miscellaneous capital projects. The bonds were issued in the amount of \$33,630,000 with an annual average debt service of \$2,153,000 over 25 years.

The District maintains a stable financial condition by proactively addressing its future funding needs by maintaining a current rate structure utilizing the Proposition 218 process. In February 2019, the District conducted a rate study to review the charges for FY 2019/2020 to 2023/2024. This process determined the funding needed for the system’s operating, capital and debt service costs over the next 5 years. The residential sewer rate structure includes both a base (64%) and volumetric (36%) component to equitably determine the rate for our rate payers. The District’s wastewater treatment and conveyance annual cost are 89% fixed.

The District's reserve target balance continues to track its financial model. The purpose of the Reserve Policy is to ensure the District has adequate reserve funding to meet its short and long-term operating and capital obligations. Establishment of the policy strengthens the financial stability of the district against uncertainty, provides adequate reserves for debt covenants and minimizes potential customer sewer service rate fluctuations caused by unanticipated expenditures.

**REVENUE**

The fiscal year 2020/21 budget includes a total revenue projection of \$10,138,660, a 4.5% increase over the previous fiscal year. The budgeting Operating Revenue for fiscal year 2020/21 is \$9,294,156 which includes a sewer service charge revenue projection of \$6,751,118 with an average increase of 4% between all customer classes as indicated in the 5-year sewer service rate structure for conveyance and treatment. The tables below show the five-year schedule of proposed rates for FY 2019/2020 to FY 2023/2024. The budget includes Non-Operating Revenue of \$844,504 which includes an estimated County property tax allocation of \$570,000.

In July 2019, the SMCS D Board accepted the new 5-year rate study by HF&H and adopted new rates for FY 2019/2020 to FY 2023/24 (see table below).

**TOTAL ANNUAL SEWER SERVICE CHARGES**

The tables below show annual charges for customers in both the incorporated and unincorporated areas. For non-residential (commercial customers), the rates below are per equivalent Dwelling unit (EDU), and are used in the rate calculation.

|  | Current Rate<br>\$/EDU | FY 2019-20<br>\$/EDU | FY 2020-21<br>\$/EDU | FY 2021-22<br>\$/EDU | FY 2022-23<br>\$/EDU | FY 2023-24<br>\$/EDU |
|--|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Incorporated Area (City of Sausalito)</b> for conveyance and treatment only. An additional rate for sewer collection is charged by the City of Sausalito. For example, 2019-2020 single family = \$866 + City (TBD)             |                        |                      |                      |                      |                      |                      |
| Single family  | \$866                  | \$866                | \$906                | \$942                | \$970                | \$999                |
| Multi-Family   | \$771                  | \$771                | \$793                | \$824                | \$849                | \$875                |
| Non-Residential  | \$866                  | \$866                | \$906                | \$942                | \$970                | \$999                |
| <b>Marin City, Floating Homes and Other Unincorporated Areas</b><br>Conveyance, Treatment and Collection System Supplemental Charge.<br>For example, 2019-20 single family = \$866 + \$192 (per table at bottom of page) = \$1,058 |                        |                      |                      |                      |                      |                      |
| Single Family  | \$944                  | \$1,058              | \$1,103              | \$1,162              | \$1,261              | \$1,386              |
| Multi-Family   | \$849                  | \$940                | \$966                | \$1,018              | \$1,105              | \$1,215              |
| Floating Home  | \$737                  | \$803                | \$831                | \$875                | \$949                | \$1,043              |
| Non-Residential  | \$944                  | \$1,058              | \$1,103              | \$1,162              | \$1,261              | \$1,386              |

**ANNUAL COLLECTION SYSTEM SUPPLEMENTAL CHARGE  
FOR UNINCORPORATED AREAS**

The charges shown below for sewer collection services have been added into the Total Sewer Service Charges for Marin City, floating homes and other unincorporated areas as shown above. Customers within the City of Sausalito pay a similar charge to the City for sewer collection services (refer to City website for rates).

|                 | Current Rate<br>per EDU | FY 2019-20<br>per EDU | FY 2020-21<br>per EDU | FY 2021-22<br>per EDU | FY 2022-23<br>per EDU | FY 2023-24<br>per EDU |
|-----------------|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Single family   | \$78                    | \$192                 | \$198                 | \$220                 | \$291                 | \$387                 |
| Multi-Family    | \$78                    | \$169                 | \$174                 | \$194                 | \$256                 | \$341                 |
| Floating Homes  | \$78                    | \$144                 | \$148                 | \$165                 | \$218                 | \$290                 |
| Non-Residential | \$78                    | \$192                 | \$198                 | \$220                 | \$291                 | \$387                 |

**OPERATING EXPENSES**

The overall operation, maintenance and administrative expenses are budgeted at \$157,081 more than last fiscal year from \$4,163,702 to \$4,320,782, a 3.8% increase over last year. The projected operating budget includes salary and benefits for 13 full-time positions. This fiscal year salaries and benefits increased by 4.9% because of higher costs in workers compensation and retirement expenses. A 4.1% cost of living allowance per the 2017 adopted Memorandum of Understating (MOU) was also applied to salaries.

Due to the Post Employment Pension Reform Act, known as PEPRA, District Employees continue to contribute to the California Public Employee Retirement System (CalPERS) retirement plan/pension to share in the cost of the District’s CalPERS retirement plan to reduce annual costs. The District’s CalPERS retirement plan costs (normal and unfunded liability) is 35.77% for Classic employees and 8.408% for PEPRA employees. Helping offset benefit expenses is the Classic employees’ 8 percent reimbursement to the District for CalPERS pension plan costs included in the labor contract. In November 2017, the District funded the CalPERS California Employers’ Retiree Benefit Trust (CERBT), funding the District’s retired and current employee medical retirement benefit (GASB 75 unfunded liability). By funding the CERBT, the retiree medical expenses are reimbursed annual from the CERBT proceeds.

The District treatment plant is sited on property leased from the National Park Service (NPS). In lieu of payment, the District provides wastewater treatment services as an “in-kind” payment for the land use. The value of the “in-kind” expense this year is \$265,770. This transaction is in the budget as both an expense for the land lease in addition to the operating expenses and a revenue for the treatment.

The District budgets for the Residential Sewer Rate Lifeline Rebate Program. For qualified residential customers, the program provides a 5% rebate on the current year sewer service charges. The program is available to District residential customers who pay for sewer service charges and are enrolled in the Pacific Gas and Electric’s (PG&E) California Alternate Rate for Energy (CARE) or Family Electric Rate Assistance (FERA) programs.

Additionally, the Private Sewer Lateral Rehabilitation Assistance Program is funded to provide \$2,000 grants to rate payers in the Marin City and other unincorporated areas of the District where it owns and operates the collection system. The program provides grants to property owners for the repair or replacement of their private sewer laterals to reduce Inflow & Infiltration into the District's wastewater conveyance system thereby reducing sanitary sewer overflows.

### **CASH FUNDED CAPITAL**

The current Capital Improvement Plan (CIP) includes needed upgrades and rehabilitation of District infrastructure projects addressing the compliance with new discharge regulations, reduction of peak wet weather overflows, improvement of treatment plant performance and repair/ replacement of aging infrastructure.

The FY 2020/21 Annual Capital Improvement Plan Budget includes Cash Funded Capital Projects totaling \$2,035,000, Capital Outlay for one time-purchases of equipment totaling \$186,210 and Renewal & Replacement of District facilities totaling \$102,801. The Annual Cash Funded Capital expenditure is budgeted to be approximately \$2,324,011. The District's Cash Funded Capital Improvement Plan consists of multiyear projects funded annually based upon the phase and timeline of the projects.

### **DEBT SERVICE**

The District's annual debt service payment is \$2,507,492 with a balance of \$35,249,206 as of June 30, 2019. The debt consists of a 2008 City National Bank loan balance of \$1,651,318 maturing in 2028; a 2012 State Revolving Fund (SRF) loan balance of \$1,612,888 maturing in 2032; and the 2017 Revenue Bond with a balance of \$31,985,000 maturing in 2042.

### **REVENUE BOND**

In February 2017, the District formed the Marin Public Financing Authority, a Joint Powers Agreement (JPA) with Las Gallinas Sanitary District to issue 2017 Revenue Bonds. The Bonds were issued primarily to finance capital improvements to the District's wastewater treatment plant and other capital improvements to the District's facilities. The District intends to use proceeds of the bonds to finance other capital improvements included in the District's Capital Plan. The bond in the amount of \$33,630,000 have an annual average debt service of \$2,153,000 over 25 years.

The District continues to make progress on their 10-year Capital Improvement Program (CIP) which identified \$54 million in of sewer infrastructure improvements. The revenue bond actual spent to date is \$27,979,818 of the \$35,633,752 budgeted leaving \$7,653,934 remaining to complete various projects.

## **RESERVES**

The District annually updates the Reserve Policy to accurately reflect the proposed budget. The District's cash position continues to improve ensuring stability in the current and future planned rates. Our total FY 19/20 Cash Balance is expected to be \$26,282,230. Of that total, the FY 20/21 Reserve (Policy) total is expected to be \$9,011,167. The FY 20/21 Working Capital is expected to be \$4,320,782 and \$10,435,065 for Cash Funded Capital Improvements.

## **FUTURE VISION**

The District's newly adopted sewer service rate for FY 2019/20 to FY 2023/24 maintains adequate reserve funding and the necessary revenue to support the overall District operation and capital costs projected over the next several years and be equitable for all of our customers. Adequate funding and timely implementation of the Capital Improvement Plan allows us achieve our mission to protect human health, the environment and the bay; meet requirements of our National Pollutant Discharge Elimination System (NPDES) Regional Water Quality Control Board Operating Permit; reach compliance of the 2007 EPA order; stay ahead of the ever-changing regulatory environment; and maintain safe and effective working conditions for our staff. The District can only achieve this vision and meet these requirements of efficient and effective wastewater conveyance and treatment by continuing capital and operational improvements to the wastewater system. When the plant upgrade project is completed, the District will file a petition to have the 2007 EPA treatment plant compliance order rescinded. The Bonds additionally may provide funding to other capital improvement projects such as Coloma and Whiskey Springs Pump Station; primary clarifier rehabilitation; generator reliability improvements and Princess Pump station controls relocation; biosolids handling; Beach Force Main Rehabilitation; shop/operator/equipment facilities'; and site shop level storm drain rehabilitation.

The District will continue to provide through service agreements wastewater conveyance and treatment service to the National Park Service and Tamalpais Community Services District. The District is planning to update our long-standing pump station operation and maintenance service agreement or consider consolidating sewer operations with the City of Sausalito.

The District currently is in the first year of the 5-year National Pollutant Discharge Elimination System (NPDES) permit from the State Regional Water Quality Board which began on August 1, 2018. Evolving regulatory compliance standards to improve discharge water quality continue to pose challenges, both from a permitting standpoint and funding required to make needed capital infrastructure improvements.

Lastly, there is a continued effort to keep the District focused on the key areas of the 2020-2025 Strategic Plan. The District recently completed its annual review and update of the plan. The annual review, update and adoption signify the importance of the plan to the District, its Board of Directors, and employees along with the effort placed on

achieving continuous improvement in every facet of District operation. The Strategic Plan serves as a framework for decision making over the next five-year period.

The FY 2020/21 budget supports the following Strategic Plan goals:

- Maintain financial stability and our reserves.
- Support personnel and organization.
- Protect public health and the environment.
- Continue responsible administrative management.
- Improve and renew infrastructure.
- Enhance internal and external communication.
- Maintain regulatory compliance.
- Work with customers to better understand contract services under our agreements.

In closing, this year's budget has utilized the District's Budget Development Process which includes the participation of, and review by, the entire Staff and Board of Directors. The Board, Management and Staff continue to commit to operate the District in an innovative and effective manner; and ensure the public funds entrusted to us are used efficiently.

Sincerely,

A handwritten signature in black ink, appearing to read 'JK', is positioned above the printed name of Jeffrey Kingston.

Jeffrey Kingston  
General Manager

**SAUSALITO-MARIN CITY SANITARY DISTRICT  
FY 2020/2021 BUDGET**

**SUMMARY**

**REVENUE**

| <b>Category</b>       | <b>FY 20/21</b>      | <b>%<br/>Change</b> | <b>%<br/>Total</b> |
|-----------------------|----------------------|---------------------|--------------------|
| Operating             | \$ 9,294,156         | 4.9%                | 91.7%              |
| Non-Operating         | \$ 844,504           | 0.1%                | 8.3%               |
| <b>REVENUE TOTAL:</b> | <b>\$ 10,138,660</b> | <b>4.5%</b>         | <b>100%</b>        |

**EXPENSE**

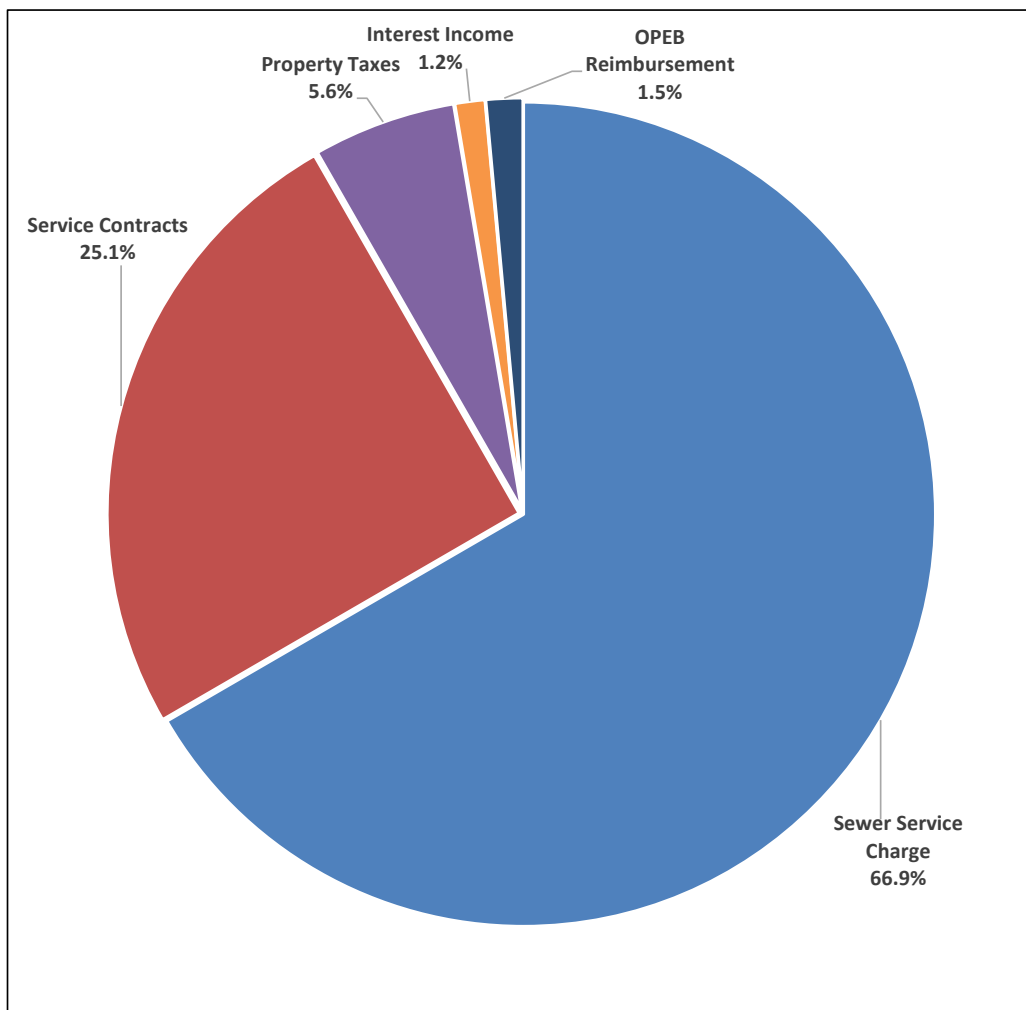
| <b>Operating</b>                  | <b>FY 20/21</b>     | <b>%<br/>Change</b> | <b>%<br/>Total</b> |
|-----------------------------------|---------------------|---------------------|--------------------|
| Salaries and Benefits             | \$ 2,708,086        | 4.8%                | 28.8%              |
| Operations                        | \$ 557,686          | 7.3%                | 5.9%               |
| System & Plant Maintenance        | \$ 315,281          | 0.9%                | 3.3%               |
| Wastewater Monitoring & Testing   | \$ 61,822           | -22.9%              | 0.7%               |
| Utilities                         | \$ 328,733          | 6.8%                | 3.5%               |
| General and Administrative        | \$ 349,174          | -3.1%               | 3.7%               |
| <b>Operating Total:</b>           | <b>\$ 4,320,782</b> | <b>3.8%</b>         | <b>45.9%</b>       |
| NPS Property Lease (In kind):     | \$ 265,770          | -0.1%               | 2.8%               |
|                                   |                     |                     |                    |
| <b>Cash Funded Capital</b>        | <b>FY 20/21</b>     | <b>%<br/>Change</b> | <b>%<br/>Total</b> |
| Cash Funded Capital               | \$ 2,324,011        | -16.0%              | 24.7%              |
| Debt Service                      | \$ 2,507,492        | 0.0%                | 26.6%              |
| <b>Cash Funded Capital Total:</b> | <b>\$ 4,831,503</b> | <b>-8.4%</b>        | <b>51.3%</b>       |
|                                   |                     |                     |                    |
| <b>EXPENSE TOTAL:</b>             | <b>\$ 9,418,055</b> | <b>-2.9%</b>        | <b>100%</b>        |
|                                   |                     |                     |                    |
| <b>TRANSFER:</b>                  | <b>\$ 720,606</b>   |                     |                    |



# SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2020/2021 BUDGET

## REVENUE

| Category                    | Account No. | Source of Revenue    | FY 20/21             | % Change  | % Total      |
|-----------------------------|-------------|----------------------|----------------------|-----------|--------------|
| <b>Operating</b>            |             |                      |                      |           |              |
|                             | 5030        | Sewer Service Charge | \$ 6,751,118         | 5%        | 66.6%        |
|                             | 5500        | Service Contracts    | \$ 2,541,238         | 4%        | 25.1%        |
|                             | 5100        | Miscellaneous Income | \$ 1,800             | 0%        | 0.0%         |
| <b>Operating Total:</b>     |             |                      | <b>\$ 9,294,156</b>  | <b>5%</b> | <b>91.7%</b> |
| <b>Non-Operating</b>        |             |                      |                      |           |              |
|                             | 5040        | Property Taxes       | \$ 570,000           | 0%        | 5.6%         |
|                             | 5080        | Connection Fees      | \$ 6,130             | 0%        | 0.1%         |
|                             | 5200        | Interest Income      | \$ 120,800           | 0%        | 1.2%         |
|                             | 5300        | OPEB Reimbursement   | \$ 147,574           | 0%        | 1.5%         |
| <b>Non-Operating Total:</b> |             |                      | <b>\$ 844,504</b>    | <b>0%</b> | <b>8.3%</b>  |
| <b>REVENUE TOTAL:</b>       |             |                      | <b>\$ 10,138,660</b> | <b>4%</b> | <b>100%</b>  |



# SAUSALITO-MARIN CITY SANITARY DISTRICT

## FY 2020/2021 BUDGET

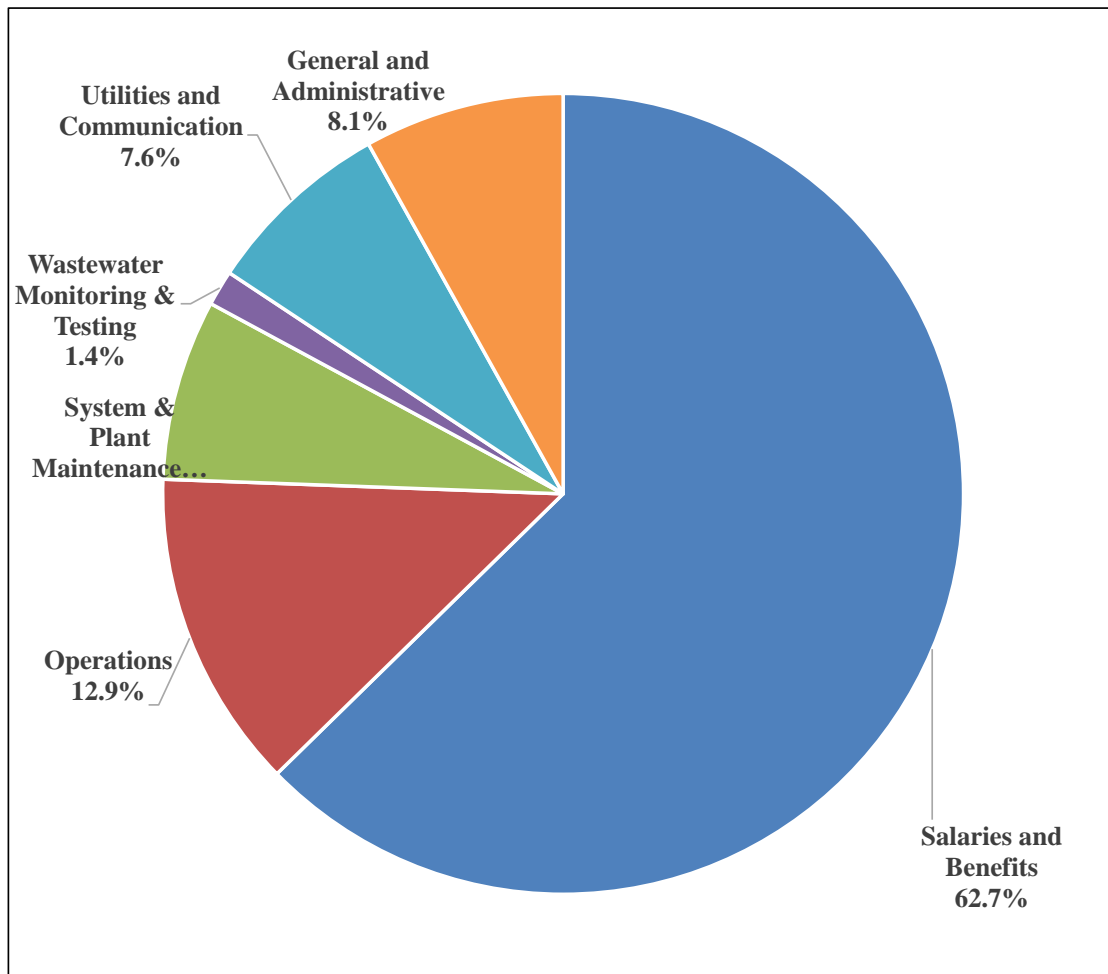
### EXPENSE

| <b>Operating</b>                             |             |   |                     |               |              |
|--|-------------|---|---------------------|---------------|--------------|
| Category                                     | Account No. | Account Name  | FY 20/21            | % Change      | % Total      |
| <b>Salaries and Benefits</b>                 |             |   |                     |               |              |
|  | 6000        | Salary  | \$ 1,726,154        | 3.7%          | 18.3%        |
|  | 6020        | Payroll Taxes                                       | \$ 121,796          | 3.3%          | 1.3%         |
|  | 6030        | Retirement  | \$ 361,218          | 12.5%         | 3.8%         |
|  | 6040        | Employee Benefits                                   | \$ 444,128          | 0.9%          | 4.7%         |
|  | 6045        | Worker's Compensation                               | \$ 54,790           | 41.9%         | 0.6%         |
| <b>Salaries and Benefits Total:</b>          |             |   | <b>\$ 2,708,086</b> | <b>4.8%</b>   | <b>28.8%</b> |
| <b>Operations</b>                            |             |   |                     |               |              |
|  | 6050        | Chemicals   | \$ 189,272          | 3.6%          | 2.0%         |
|  | 6110        | Fuel  | \$ 18,200           | 38.7%         | 0.2%         |
|  | 6150        | Permits and Fees                                    | \$ 142,456          | 19.2%         | 1.5%         |
|  | 6300        | Waste Disposal                                      | \$ 100,622          | 7.0%          | 1.1%         |
|  | 6330        | Parts, Tools, Materials & Supplies                  | \$ 61,759           | 0.0%          | 0.7%         |
|  | 6500        | Vehicles  | \$ 14,278           | 2.4%          | 0.2%         |
|  | 6550        | Safety  | \$ 31,100           | -10.0%        | 0.3%         |
| <b>Operations Total:</b>                     |             |   | <b>\$ 557,686</b>   | <b>7.3%</b>   | <b>5.9%</b>  |
| <b>System &amp; Plant Maintenance</b>        |             |   |                     |               |              |
|  | 6200        | Treatment & Collection System                       | \$ 223,533          | 6.3%          | 2.4%         |
|  | 6201        | Unincorporated Area Collection System               | \$ 74,495           | -13.0%        | 0.8%         |
|  | 8999        | City of Sausalito Pump Stations                     | \$ 17,253           | 3.0%          | 0.2%         |
| <b>System &amp; Plant Maintenance Total:</b> |             |   | <b>\$ 315,281</b>   | <b>0.9%</b>   | <b>3.3%</b>  |
| <b>Wastewater Monitoring &amp; Testing</b>   |             |   | <b>\$ 61,822</b>    | <b>-22.9%</b> | <b>0.7%</b>  |
| <b>Utilities</b>                             |             |   |                     |               |              |
|  | 6400        | Communications                                      | \$ 34,071           | 21.1%         | 0.4%         |
|  | 6160        | Electricity   | \$ 284,002          | 4.2%          | 3.0%         |
|  | 6570        | Water   | \$ 10,659           | 48.1%         | 0.1%         |
| <b>Utilities Total:</b>                      |             |   | <b>\$ 328,733</b>   | <b>6.8%</b>   | <b>3.5%</b>  |
| <b>General and Administrative</b>            |             |   |                     |               |              |
|  | 6070        | Professional Development                            | \$ 28,800           | 0.0%          | 0.3%         |
|  | 6080        | Professional Services                               | \$ 172,500          | -24.2%        | 1.8%         |
|  | 6170        | Insurance   | \$ 62,584           | 24.1%         | 0.7%         |
|  | 6090        | Administrative                                      | \$ 85,290           | 58.6%         | 0.9%         |
| <b>General and Administrative Total:</b>     |             |   | <b>\$ 349,174</b>   | <b>-3.1%</b>  | <b>3.7%</b>  |
| <b>Operating Total:</b>                      |             |   | <b>\$ 4,320,782</b> | <b>3.8%</b>   | <b>45.9%</b> |
| <b>NPS Property Lease (In kind):</b>         |             |   | <b>\$ 265,770</b>   | <b>-0.1%</b>  | <b>2.8%</b>  |
| <b>Cash Funded Capital:</b>                  |             |   |                     |               |              |
| Category                                     | Account No. | Account Name  | FY 20/21            | % Change      | % Total      |
| <b>Cash Funded Capital</b>                   |             |   |                     |               |              |
|  |             | Capital Projects                                    | \$ 2,035,000        | -17.1%        | 21.6%        |
|  |             | Capital Outlay                                      | \$ 186,210          | 89.0%         | 2.0%         |
|  |             | Repair and Replacement                              | \$ 102,801          | -52.1%        | 1.1%         |
| <b>Cash Funded Capital Total:</b>            |             |   | <b>\$ 2,324,011</b> | <b>-16.0%</b> | <b>24.7%</b> |
| <b>Debt Service</b>                          |             |   |                     |               |              |
|  | 6180        | 2008 City National Bank Loan (Mature 2028 - 4.1%)   | \$ 221,262          | 0.0%          | 2.3%         |
|  | 6179        | 2012 State Revolving Fund Loan (Mature 2032 - 2.6%) | \$ 148,830          | 0.0%          | 1.6%         |
|  | 6181        | 2017 Revenue Bonds (Mature 2042 - 3.49%)            | \$ 2,137,400        | 0.0%          | 22.7%        |
| <b>Debt Service Total:</b>                   |             |   | <b>\$ 2,507,492</b> | <b>0.0%</b>   | <b>26.6%</b> |
| <b>Capital Total:</b>                        |             |   | <b>\$ 4,831,503</b> | <b>-8.4%</b>  | <b>51.3%</b> |
| <b>EXPENSE TOTAL:</b>                        |             |   | <b>\$ 9,418,055</b> | <b>-2.9%</b>  | <b>100%</b>  |
| <b>RESERVE TRANSFER:</b>                     |             |   | <b>\$ 720,606</b>   |               |              |

# SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2020/2021 BUDGET

## OPERATING

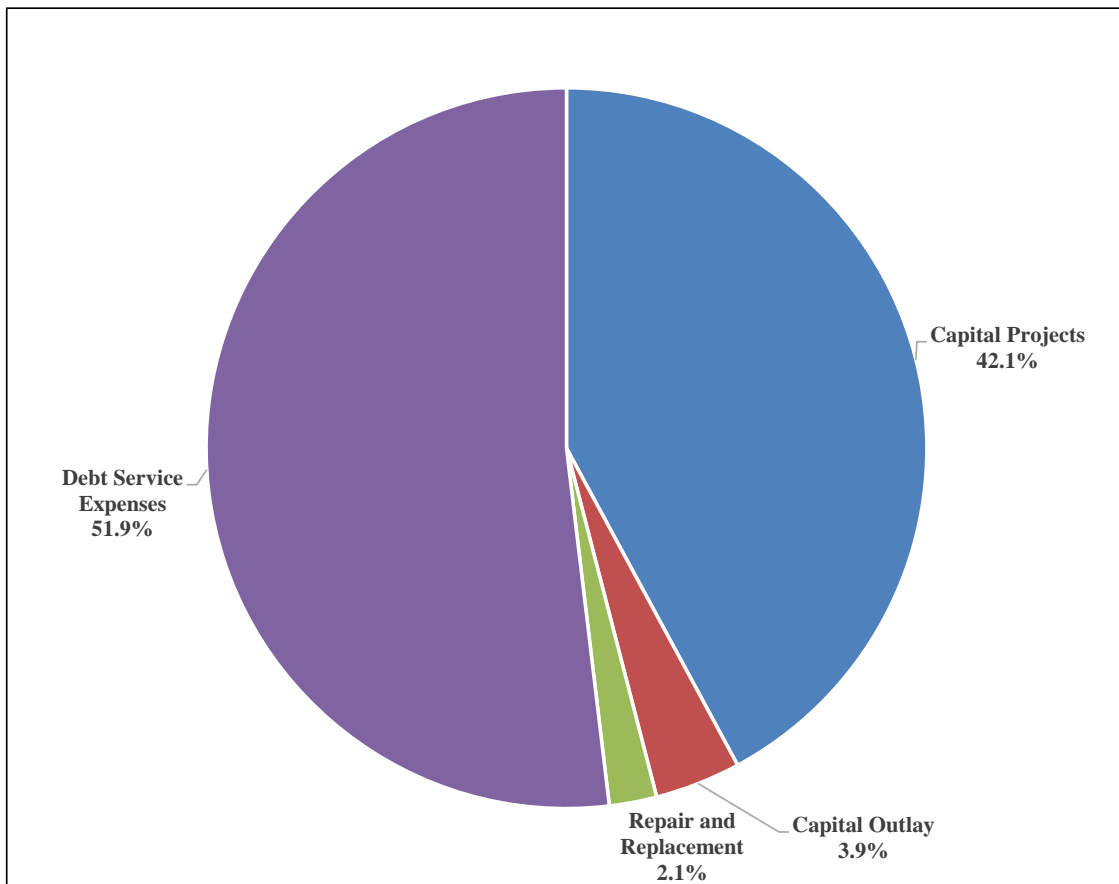
| Category                        | FY 20/21            | % Change    | % Total     |
|---------------------------------|---------------------|-------------|-------------|
| Salaries and Benefits           | \$ 2,708,086        | 4.8%        | 62.7%       |
| Operations                      | \$ 557,686          | 7.3%        | 12.9%       |
| System & Plant Maintenance      | \$ 315,281          | 0.9%        | 7.3%        |
| Wastewater Monitoring & Testing | \$ 61,822           | -22.9%      | 1.4%        |
| Utilities and Communication     | \$ 328,733          | 6.8%        | 7.6%        |
| General and Administrative      | \$ 349,174          | -3.1%       | 8.1%        |
| <b>OPERATING TOTAL:</b>         | <b>\$ 4,320,782</b> | <b>3.8%</b> | <b>100%</b> |



# SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2020/2021 BUDGET

## CASH FUNDED CAPITAL

| Category                          | Account Name                    | FY 20/21            | %<br>Change  | %<br>Total  |
|-----------------------------------|---------------------------------|---------------------|--------------|-------------|
| <b>Cash Funded Capital</b>        |                                 |                     |              |             |
|                                   | Capital Projects                | \$ 2,035,000        | -17.1%       | 42.1%       |
|                                   | Capital Outlay                  | \$ 186,210          | 89.0%        | 3.9%        |
|                                   | Repair and Replacement Projects | \$ 102,801          | -52.1%       | 2.1%        |
| <b>Debt Service</b>               |                                 | \$ 2,507,492        | 0.0%         | 51.9%       |
| <b>Cash Funded Capital Total:</b> |                                 | <b>\$ 4,831,503</b> | <b>-8.4%</b> | <b>100%</b> |



# SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2020/2021 BUDGET

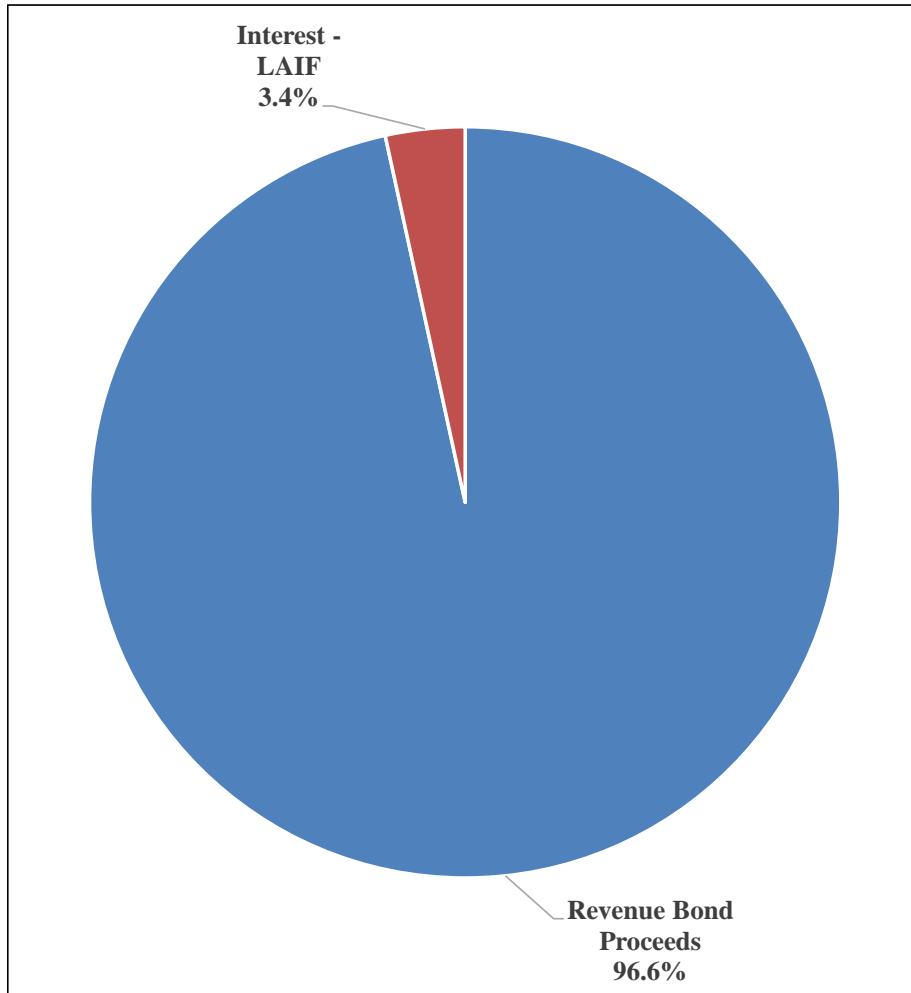
## CASH FUNDED CAPITAL

| Category  | Phase        | Annual             |                |                    |           | Cummulative to Date as of 4/27/2020 |                    |                     |             |            |
|---|--------------|--------------------|----------------|--------------------|-----------|-------------------------------------|--------------------|---------------------|-------------|------------|
|   |              | Budget             | Actual to Date | Budget Remaining   | % Budget  | Total Budget                        | Actual to Date     | Budget Remaining    | % Budget    | % Complete |
| <b>Cash Funded Capital</b>                          |              |                    |                |                    |           |                                     |                    |                     |             |            |
| <b>Capital Projects</b>                             |              |                    |                |                    |           |                                     |                    |                     |             |            |
| Coloma & Whiskey Springs Pump Station Improvements  | Construction | \$1,000,000        | \$0            | \$1,000,000        | 0%        | \$5,568,241                         | \$809,737          | \$4,758,504         | 15%         | 10%        |
| Biosolids Handling Project                          | Design       | \$100,000          | \$0            | \$100,000          | 0%        | \$600,000                           | \$0                | \$600,000           | 0%          | 0%         |
| Beach Force Main Rehabilitation                     | Design       | \$100,000          | \$0            | \$100,000          | 0%        | \$2,400,000                         | \$0                | \$2,400,000         | 0%          | 0%         |
| Shop/Operator/Equipment Facilities                  | Design Build | \$300,000          | \$0            | \$300,000          | 0%        | \$600,000                           | \$0                | \$600,000           | 0%          | 0%         |
| Storm Drain Rehabilitation and Shop Paving          | Design Build | \$150,000          | \$0            | \$150,000          | 0%        | \$150,000                           | \$0                | \$150,000           | 0%          | 0%         |
| Site Access Control and Security                    | Design Build | \$200,000          | \$0            | \$200,000          | 0%        | \$200,000                           | \$0                | \$200,000           | 0%          | 0%         |
| Engineering and Project Management                  |              | \$185,000          | \$0            | \$185,000          | 0%        | \$916,824                           | \$80,974           | \$835,850           | 9%          | 5%         |
| <b>Capital Projects Total:</b>                      |              | <b>\$2,035,000</b> | <b>\$0</b>     | <b>\$2,035,000</b> | <b>0%</b> | <b>\$10,435,065</b>                 | <b>\$890,711</b>   | <b>\$9,544,354</b>  | <b>8.5%</b> | <b>5%</b>  |
| <b>Capital Outlay</b>                               |              |                    |                |                    |           |                                     |                    |                     |             |            |
| Technology Upgrades                                 |              | \$25,000           | \$0            | \$25,000           | 0%        | \$25,000                            | \$0                | \$25,000            | 0%          | 0%         |
| Monitoring  |              | \$6,140            | \$0            | \$6,140            | 0%        | \$6,140                             | \$0                | \$6,140             | 0%          | 0%         |
| Vehicles  |              | \$152,600          | \$0            | \$152,600          | 0%        | \$152,600                           | \$0                | \$152,600           | 0%          | 0%         |
| Safety  |              | \$2,470            | \$0            | \$2,470            | 0%        | \$2,470                             | \$0                | \$2,470             | 0%          | 0%         |
| <b>Capital Outlay Total:</b>                        |              | <b>\$186,210</b>   | <b>\$0</b>     | <b>\$186,210</b>   | <b>0%</b> | <b>\$186,210</b>                    | <b>\$0</b>         | <b>\$186,210</b>    | <b>0%</b>   | <b>0%</b>  |
| <b>Repair and Replacement</b>                       |              |                    |                |                    |           |                                     |                    |                     |             |            |
| City of Sausalito                                   |              | \$30,100           | \$0            | \$30,100           | 0%        | \$30,100                            | \$0                | \$30,100            | 0%          | 0%         |
| Pump Service  |              | \$50,656           | \$0            | \$50,656           | 0%        | \$50,656                            | \$0                | \$50,656            | 0%          | 0%         |
| Facilities Maintenance                              |              | \$22,045           | \$0            | \$22,045           | 0%        | \$22,045                            | \$0                | \$22,045            | 0%          | 0%         |
| <b>Repair and Replacement Total:</b>                |              | <b>\$102,801</b>   | <b>\$0</b>     | <b>\$0</b>         | <b>0%</b> | <b>\$102,801</b>                    | <b>\$0</b>         | <b>\$102,801</b>    | <b>0%</b>   | <b>0%</b>  |
| <b>Capital Total:</b>                               |              | <b>\$2,324,011</b> | <b>\$0</b>     | <b>\$2,221,210</b> | <b>0%</b> | <b>\$10,724,076</b>                 | <b>\$890,711</b>   | <b>\$9,833,365</b>  | <b>8.3%</b> |            |
| <b>Debt Service</b>                                 |              |                    |                |                    |           |                                     |                    |                     |             |            |
| 2008 City National Bank Loan - Mature 2028 - 4.1%   |              | \$221,262          | \$0            | \$0                | 0%        | \$4,425,247                         | \$2,212,624        | \$2,212,624         | 50%         |            |
| 2012 State Revolving Fund Loan - Mature 2032 - 2.6% |              | \$148,830          | \$0            | \$0                | 0%        | \$2,956,115                         | \$886,835          | \$2,069,281         | 30%         |            |
| 2017 Revenue Bonds - Mature 2042 - 3.49%            |              | \$2,137,400        | \$0            | \$0                | 0%        | \$53,818,317                        | \$2,134,717        | \$51,683,600        | 4%          |            |
| <b>Debt Service Total:</b>                          |              | <b>\$2,507,492</b> | <b>\$0</b>     | <b>\$0</b>         | <b>0%</b> | <b>\$61,199,679</b>                 | <b>\$5,234,175</b> | <b>\$55,965,504</b> | <b>8.6%</b> |            |
| <b>TOTAL:</b>                                       |              | <b>\$4,831,503</b> | <b>\$0</b>     | <b>\$2,221,210</b> | <b>0%</b> | <b>\$71,923,755</b>                 | <b>\$6,124,886</b> | <b>\$65,798,870</b> | <b>8.5%</b> |            |

# SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2020/2021 BUDGET

## REVENUE BOND

| Category                  | Account Name               | Total                |
|---------------------------|----------------------------|----------------------|
| <b>Revenue Bond Fund</b>  |                            |                      |
|                           | Revenue Bond Proceeds 2017 | \$ 35,240,000        |
|                           | Interest - LAIF            | \$ 1,247,128         |
| <b>Revenue Bond Fund:</b> |                            | <b>\$ 36,487,128</b> |



**SAUSALITO-MARIN CITY SANITARY DISTRICT  
FY 2020/2021 BUDGET**

**REVENUE BOND**

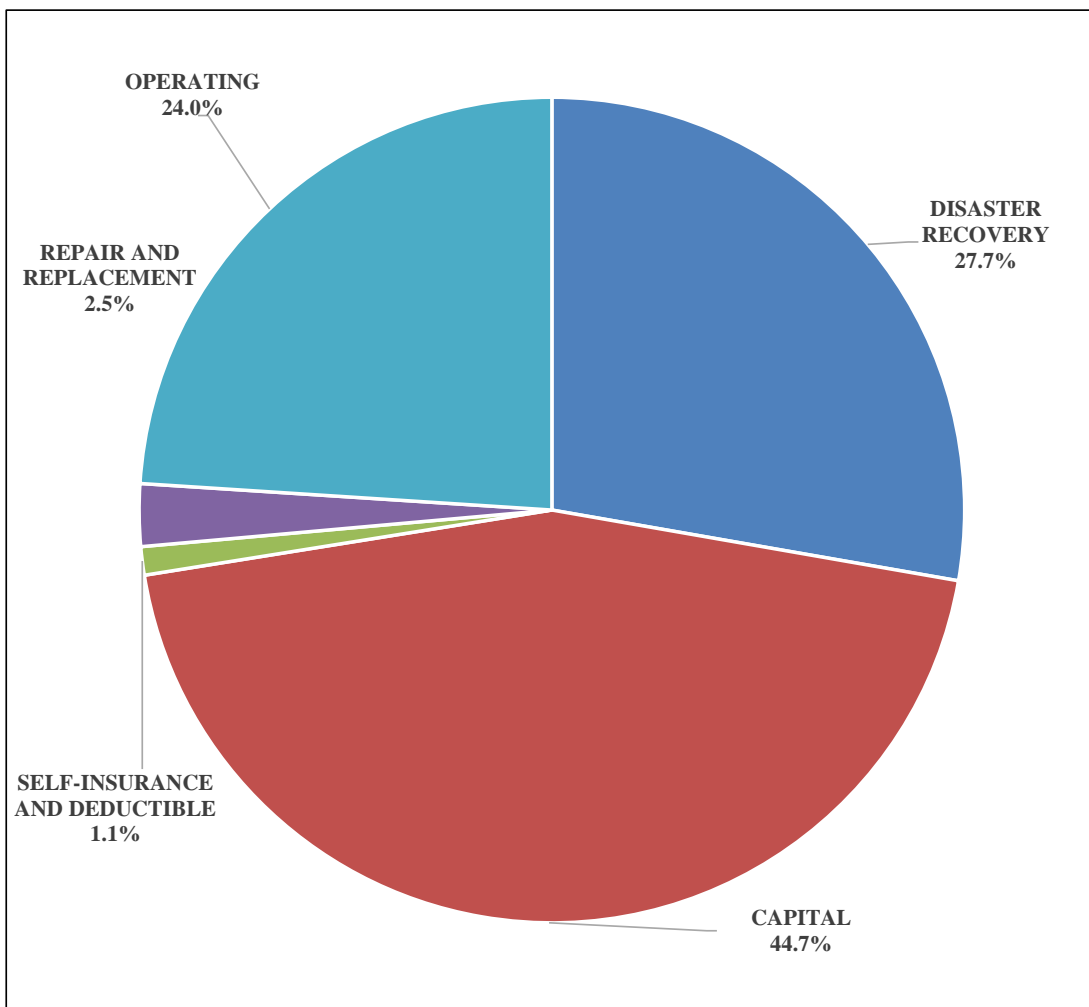
**EXPENSE**

| Category   | Current Phase         | Annual              |                |                     |           | Actuals as of 4/27/20 |                      |                     |                  |          |
|--|-----------------------|---------------------|----------------|---------------------|-----------|-----------------------|----------------------|---------------------|------------------|----------|
|  |                       | Budget              | Actual to Date | Budget Remaining    | % Budget  | Total                 | Budget               | Actual Date         | Budget Remaining | % Budget |
| Treatment & Wet Weather Flow Upgrade Project                         | Construction          | N/A                 | N/A            | N/A                 | N/A       | \$ 28,190,000         | \$ 27,030,070        | \$ 1,159,930        | 95.9%            | 98%      |
| FFR Exterior Coating   | Construction          | N/A                 | N/A            | N/A                 | N/A       | \$ 100,000            | \$ 74,750            | \$ 25,250           | 74.8%            | 100%     |
| Re-Roof Digester (West)  | Construction          | N/A                 | N/A            | N/A                 | N/A       | \$ 50,000             | \$ 27,650            | \$ 22,350           | 55.3%            | 100%     |
| Shop Level Storm Drain Rehab   | Construction          | N/A                 | N/A            | N/A                 | N/A       | \$ 50,000             | \$ 15,250            | \$ 34,750           | 30.5%            | 100%     |
| Generator Reliability Improvements & Princess PS Controls Relocation | Design & Construction | \$1,834,436         | \$0            | \$1,834,436         | 0%        | \$ 2,000,000          | \$ 165,564           | \$ 1,834,436        | 8.3%             | 5%       |
| Primary Clarifier Rehabilitation                                     | Design & Construction | \$1,000,000         | \$0            | \$1,000,000         | 0%        | \$ 2,004,320          | \$ 4,320             | \$ 2,000,000        | 0%               | 2%       |
| Engineering and Management   |                       | \$283,444           | \$0            | \$283,444           | 0%        | \$3,239,432           | \$662,214            | \$ 2,577,218        | 20%              | 80%      |
| <b>EXPENSE TOTAL:</b>  |                       | <b>\$ 3,117,880</b> | <b>\$ -</b>    | <b>\$ 3,117,880</b> | <b>0%</b> | <b>\$ 35,633,752</b>  | <b>\$ 27,979,818</b> | <b>\$ 7,653,934</b> | <b>78.5%</b>     |          |

# SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2020/2021 BUDGET

## RESERVE

| Category                      | FY 20/21            | %<br>Change | %<br>Total  |
|-------------------------------|---------------------|-------------|-------------|
| DISASTER RECOVERY             | \$ 2,500,000        | 0.0%        | 27.7%       |
| CAPITAL                       | \$ 4,030,776        | 0.07%       | 44.7%       |
| SELF-INSURANCE AND DEDUCTIBLE | \$ 100,000          | 0.0%        | 1.1%        |
| REPAIR AND REPLACEMENT        | \$ 220,000          | 0.0%        | 2.4%        |
| OPERATING                     | \$ 2,160,391        | 9.2%        | 24.0%       |
| <b>Total</b>                  | <b>\$ 9,011,167</b> | <b>2.1%</b> | <b>100%</b> |





**SAUSALITO-MARIN CITY SANITARY DISTRICT  
FY 2020/2021 BUDGET  
RESERVE POLICY**

| CATEGORY  | DISASTER RECOVERY   | CAPITAL   | SELF-INSURANCE AND DEDUCTIBLE  | REPAIR AND REPLACEMENT   | OPERATING   | TOTAL       |
|---|---|---|--|--|---|-------------|
| <b>PURPOSE</b>  | Provide additional capital funding for emergency recovery until long-term funding is arranged from rate increases, loans, debt. | Provide capital for major capital projects in 10 year capital program.                  | Provide funding for the deductibles of the various insurance policies carried by the District.         | Provide capital for renewal and replacement of equipment and appurtenant assets. | Provide working capital for operating expense cash flow during year.  |             |
| <b>CURRENT RESERVE LEVELS</b>   |   |   |  |  |   |             |
| <b>FY 2019/20 - PROJECTED FISCAL YEAR ENDING BALANCE</b>  | \$2,500,000   | \$4,027,981   | \$100,000  | \$220,000  | \$1,978,543   | \$8,826,524 |
| <b>FY 2020/21 - PROJECTED FISCAL YEAR ENDING BALANCE</b>  | \$2,500,000   | \$4,030,776   | \$100,000  | \$220,000  | \$2,160,391   | \$9,011,167 |
| <b>LONG RANGE TARGET LEVEL GOALS</b>  |   |   |  |  |   |             |
| <b>TARGET BALANCE</b>   | \$2,500,000   | \$4,030,776   | \$100,000  | \$220,000  | \$2,160,391   | \$9,011,167 |
| <b>CRITERIA</b>   | One-year of average annual 10-year CIP cash funded capital expense.   | 1.5 times the average annual 10-year CIP expense. Includes debt                         | To be adjusted if there are changes to policy coverages or deductibles.                                | Two-years of average annual renewal replacement costs                            | <b>Six-months</b> of annual operation and maintenance expenses.   |             |
| <b>MINIMUM BALANCE</b>  | \$1,250,000   | \$1,780,776   | \$100,000  | \$110,000  | \$720,130   | \$3,960,906 |
| <b>CRITERIA</b>   | Minimum funding to aid in disaster recovery.  | Funding to cover the 10-year CIP debt service and other restricted reserve obligations. | Minimum funding for the deductible portion for the various insurance policies carried by the District. | One-year of average annual renewal and replacement costs.                        | <b>Two months</b> of annual operation and maintenance expenses. Also funding to cover any restricted reserve obligations. |             |
| <b>OTHER FINANCIAL POLICIES AND RATE-MAKING GUIDELINES</b>  |   |   |  |  |   |             |
| <p>Reserve funding priorities: Disaster Recovery, Capital, Self-Insurance and Deductible, Repair &amp; Replacement, and Operating.<br/>           Maintain adequate Capital Reserve to fund CIP, but debt financing may be required for major upgrades.<br/>           Maintain adequate R&amp;R Reserve to avoid debt financing minor facilities.<br/>           Rate increases will be moderated to minimize rate shock (e.g., phase in increases, avoid excessive increases followed by decreases).<br/>           Rates are adjusted to keep pace with inflationary cost increases.<br/>           When reserve balances allow, inter-fund borrowing and transfer may occur as a means of rate stabilization and to permit responses justifying spending of any reserve amount.</p> |   |   |  |  |   |             |