



SAUSALITO-MARIN CITY SANITARY DISTRICT

1 EAST ROAD

SAUSALITO, CALIFORNIA

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

FY 2019/2020 Budget

**Board Adopted
June 3, 2019**



SAUSALITO-MARIN CITY SANITARY DISTRICT

FY 2019/20 BUDGET

EXECUTIVE SUMMARY

OVERVIEW

The Sausalito-Marin 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 Cronkhite, Marine Mammal Center and Cavallo Point Resort).

The District operates and maintains a treatment plant with 6.5 million-gallon per day (MGD) of secondary and 1 MGD of tertiary treatment, eleven (11) sewage pump stations, and approximately ten (10) miles of pipelines. Four (4) 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 for an additional 32 years. There are thirteen (13) 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 planning 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. Since the current rate structure was adopted five years, the District requested a rate study to review the charges for FY 2019/2020 to 2023/2024. This process determines 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 88% 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 2019/20 budget includes a total revenue projection of \$9,703,662, a 2% increase over the previous fiscal year. The budgeting Operating Revenue for fiscal year 2019/20 is \$8,859,611 which includes a sewer service charge revenue projection of \$6,404,052 with no increase since the proposed 5-year sewer service rate structure does not increase charges for conveyance and treatment in FY 2019/2020. The tables below show the five-year schedule of proposed rates for 2019/2020 to 2023/2024. The budget includes Non-Operating Revenue of \$844,051 which includes an estimated County property tax allocation \$570,000.

Since FY 2018/19 was the last year of a five-year sewer service rate adopted by the Board in FY 2014/15, the District initiated a rate study that includes the next five years FY 2019/20 to FY 2023/24.

The new rate study was conducted by third party rate consultants, HF&H, and they recommend the proposed rate structure (see table below). Since the proposed rates have yet to be approved, we applied the rates from FY 2018/19 for revenue projections for this current budget. For budgeting we also applied the FY 2018/19 \$78 charge for residential and non-residential customers located in the unincorporated areas of the District's jurisdiction, including Marin City, for collection system maintenance and rehabilitation. For FY 2019/20 the proposed collection supplemental charge rate will be \$192 single family; \$169 multi-family; \$144 floating homes; and \$192 non-residential (see table below). The City of Sausalito, which is responsible for the City's collection system, charges City residents a separate collection system charge.

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 \$/EDU	FY 2019-20 \$/EDU	FY 2020-21 \$/EDU	FY 2021-22 \$/EDU	FY 2022-23 \$/EDU	FY 2023-24 \$/EDU
Incorporated Area (City of Sausalito) 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
Marin City, Floating Homes and Other Unincorporated Areas Conveyance, Treatment and Collection System Supplemental Charge. 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

PROPOSED 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 are shown above. Customers within the City of Sausalito pay a similar charge to the City for sewer collection services.

	Current Rate per EDU	FY 2019-20 per EDU	FY 2020-21 per EDU	FY 2021-22 per EDU	FY 2022-23 per EDU	FY 2023-24 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 \$49,177 more than last fiscal year from \$4,114,525 to \$4,163,702, a 1.2% 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 4.2% because of increased benefit costs due to inflation and a 4.9% cost of living allowance per the 2017 adopted Memorandum of Understanding (MOU).

Due to the Post Employment Pension Reform Act, known as PEPR, 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 member employees combined contribute 40.5% of the total District CalPERS retirement plan costs.

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 \$266,135. 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 the District 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 2019/20 Annual Capital Improvement Plan Budget includes Cash Funded Capital Projects totaling \$2,453,324, Capital Outlay for one time-purchases of equipment totaling \$98,509 and Renewal & Replacement of District facilities totaling \$214,500. The Annual Cash Funded Capital expenditure is budgeted to be approximately \$2,766,333 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 actual spent to date of the bond funded upgrade project is approximately \$17,995,410 of the \$28,190,000 budgeted leaving \$10,234,590 remaining to complete.

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 Projected Cash Balance is expected to be \$11,102,111. Of that total, the FY 19/20 Projected Reserve (Policy) total is expected to be \$8,932,627. The FY 19/20 Projected Working Capital is expected to be \$2,169,484.

FUTURE VISION

The District is currently considering a new sewer service rate and has started the Proposition 218 process. The proposed rate 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 improvements projects such as upgrading the primary clarifier and digester; biosolids processing and conveyance; fixed film reactor (FFR) exterior coating; facility waterproofing; and site storm drains.

The District will continue implementation of wastewater treatment service contracts, which include the National Park Service, City of Sausalito and Tamalpais Community Services District. The District is planning to update our long-standing operation and

maintenance service agreement with the City of Sausalito and establish a similar service agreement with the National Park Service to reflect more modern service agreements.

The District received the 5-year renewal of our National Pollutant Discharge Elimination System (NPDES) permit from the State Regional Water Quality Board 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 2019-2024 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 operations. The Strategic Plan serves as a framework for decision making over the next five-year period.

The FY 2019/20 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 written over the signature line.

Jeffrey Kingston
General Manager

**SAUSALITO-MARIN CITY SANITARY DISTRICT
FY 2019/20 BUDGET**

SUMMARY

REVENUE

Category	FY 19/20	% Change	% Total
Operating	\$ 8,859,611	1.5%	91.3%
Non-Operating	\$ 844,051	0.7%	8.7%
REVENUE TOTAL:	\$ 9,703,662	1.5%	100%

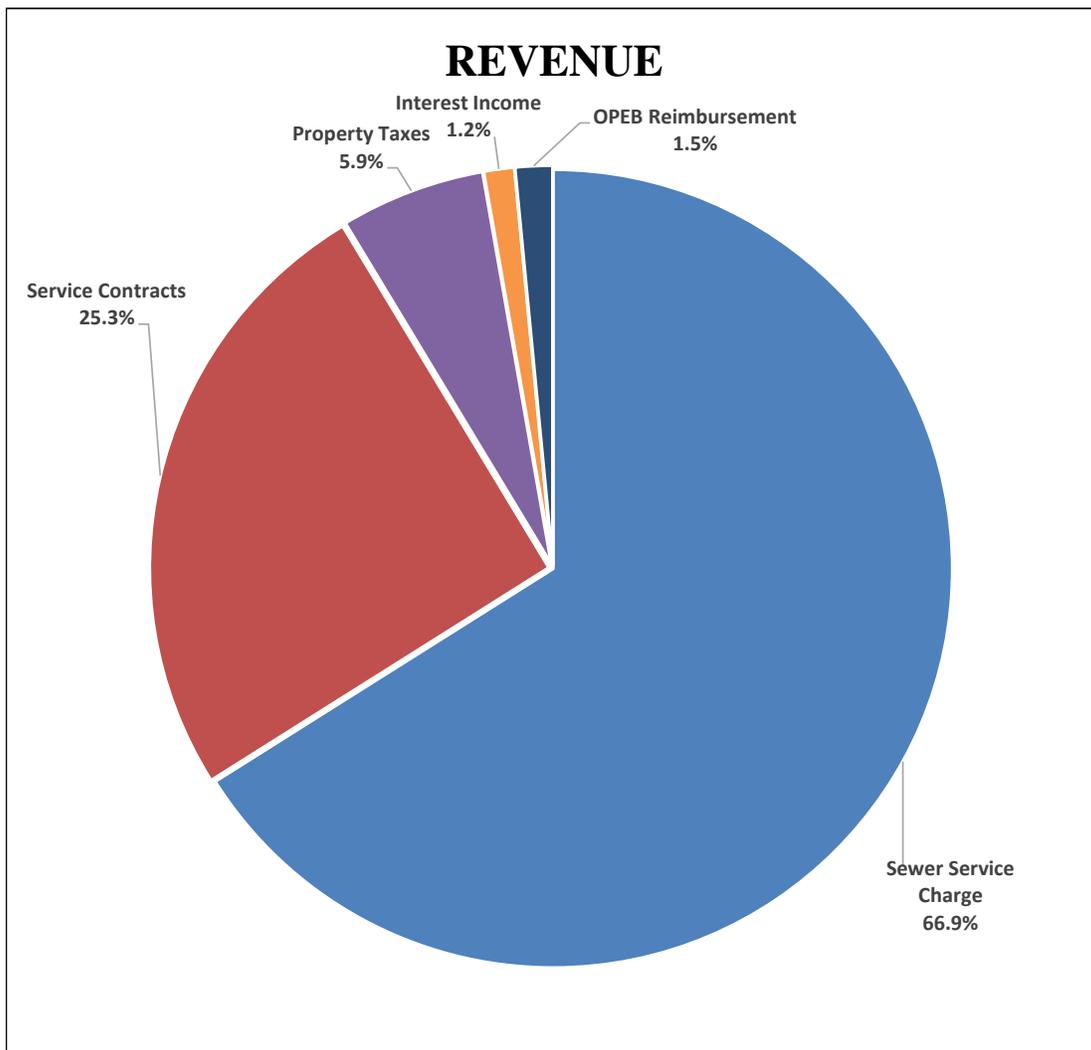
EXPENSE

Operating	FY 19/20	% Change	% Total
Salaries and Benefits	\$ 2,583,030	4.2%	26.6%
Operations	\$ 519,554	-4.6%	5.4%
System & Plant Maintenance	\$ 312,571	5.0%	3.2%
Wastewater Monitoring & Testing	\$ 80,139	-1.4%	0.8%
Utilities and Communication	\$ 307,904	-1.0%	3.2%
General and Administrative	\$ 360,503	-9.9%	3.7%
Operating Total:	\$ 4,163,702	1.2%	42.9%
NPS Property Lease (In kind):	\$ 266,135	1.0%	2.7%
Capital	FY 19/20	% Change	% Total
Cash Funded Capital	\$ 2,766,333	88.9%	28.5%
Debt Service	\$ 2,507,492	0.0%	25.8%
Capital Total:	\$ 5,273,825	32.8%	54.3%
EXPENSE TOTAL:	\$ 9,703,662	16.2%	100%
RESERVE TRANSFER:	\$ (0)		

SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2019/20 BUDGET

REVENUE

Category	Account No.	Source of Revenue	FY 19/20	% Change	% Total
Operating					
	5030	Sewer Service Charge	\$ 6,404,052	0%	66.0%
	5500	Service Contracts	\$ 2,453,759	5%	25.3%
	5100	Miscellaneous Income	\$ 1,800	20%	0.0%
Operating Total:			\$ 8,859,611	2%	91.3%
Non-Operating					
	5040	Property Taxes	\$ 570,000	0%	5.9%
	5080	Connection Fees	\$ 6,130	0%	0.1%
	5200	Interest Income	\$ 120,800	7%	1.2%
	5300	OPEB Reimbursement	\$ 147,121	3%	1.5%
Non-Operating Total:			\$ 844,051	2%	8.7%
REVENUE TOTAL:			\$ 9,703,662	2%	100%



SAUSALITO-MARIN CITY SANITARY DISTRICT

FY 2019/20 BUDGET

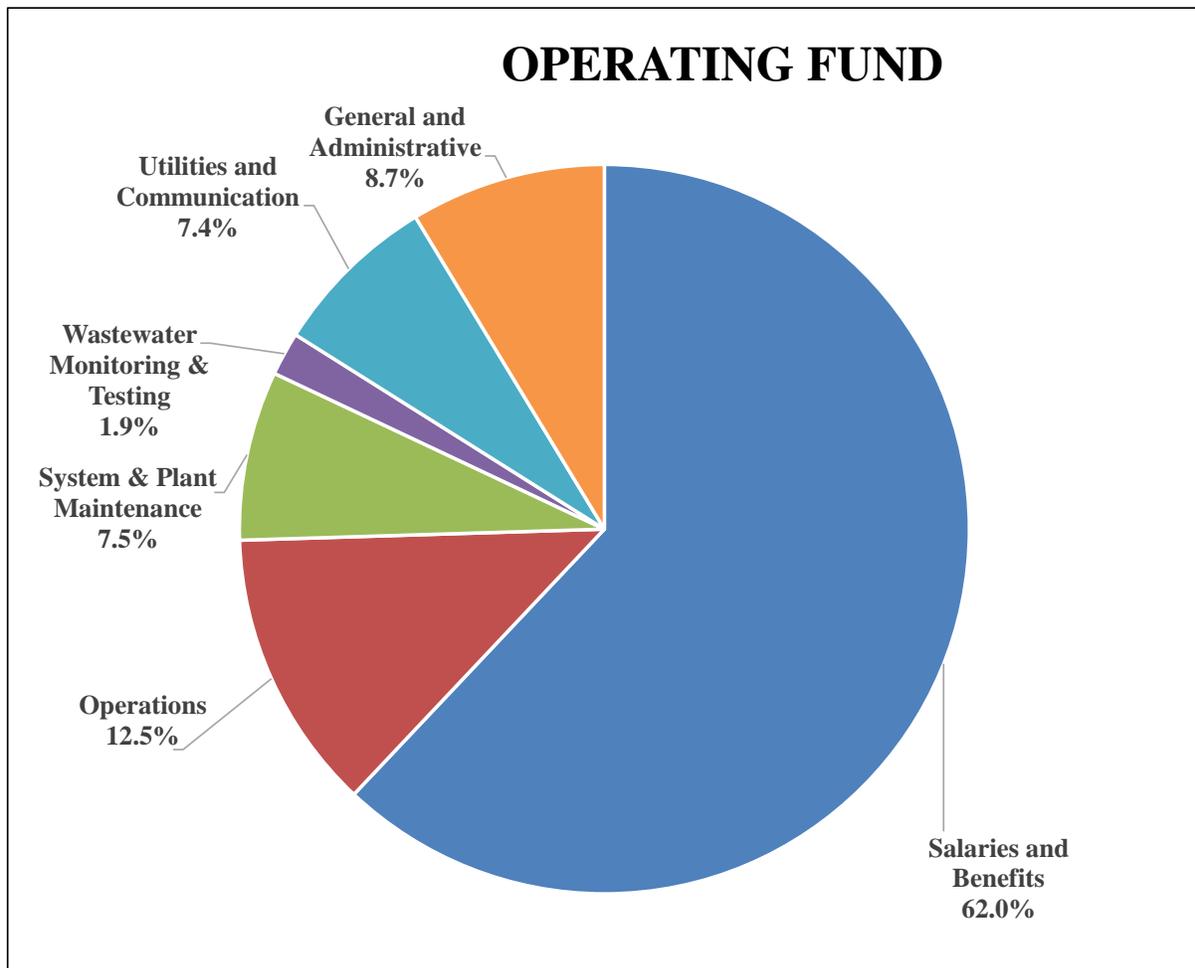
EXPENSE

Operating					
Category	Account No.	Account Name	FY 19/20	% Change	% Total
Salaries and Benefits					
	6000	Salary	\$ 1,665,258	2.7%	17.2%
	6020	Payroll Taxes	\$ 117,899	2.0%	1.2%
	6030	Retirement	\$ 321,056	6.5%	3.3%
	6040	Employee Benefits	\$ 440,208	11.9%	4.5%
	6045	Worker's Compensation	\$ 38,608	-20.3%	0.4%
Salaries and Benefits Total:			\$ 2,583,030	4.2%	26.6%
Operations					
	6050	Chemicals	\$ 182,618	-1.2%	1.9%
	6110	Fuel	\$ 13,120	2.1%	0.1%
	6150	Permits and Fees	\$ 119,529	-5.9%	1.2%
	6300	Waste Disposal	\$ 94,042	-13.5%	1.0%
	6330	Parts, Tools, Materials & Supplies	\$ 61,759	0.0%	0.6%
	6500	Vehicles	\$ 13,947	1.1%	0.1%
	6550	Safety	\$ 34,540	-3.5%	0.4%
Operations Total:			\$ 519,554	-4.6%	5.4%
System & Plant Maintenance					
	6200	Treatment & Collection System	\$ 210,236	-0.3%	2.2%
	6201	Unincorporated Area Collection System	\$ 85,585	22.3%	0.9%
	8999	City of Sausalito Pump Stations	\$ 16,750	0.0%	0.2%
System & Plant Maintenance Total:			\$ 312,571	5.0%	3.2%
Wastewater Monitoring & Testing			\$ 80,139	-1.4%	0.8%
Utilities and Communication					
	6400	Communication (Formerly Telephone)	\$ 28,125	-7.0%	0.3%
	6160	Electricity	\$ 272,580	-0.9%	2.8%
	6570	Water	\$ 7,199	30.9%	0.1%
Utilities and Communication Total:			\$ 307,904	-1.0%	3.2%
General and Administrative					
	6070	Professional Development (Formerly Conference & Training)	\$ 28,800	0.0%	0.3%
	6080	Professional Services	\$ 227,500	-7.7%	2.3%
	6170	Insurance	\$ 50,432	3.7%	0.5%
	6090	Administrative	\$ 53,771	-29.5%	0.6%
General and Administrative Total:			\$ 360,503	-9.9%	3.7%
Operating Total:			\$ 4,163,702	1.2%	42.9%
NPS Property Lease (In kind):			\$ 266,135	1.0%	2.7%
Capital:					
Category	Account No.	Account Name	FY 19/20	% Change	% Total
Cash Funded Capital					
		Capital Projects	\$ 2,453,324	98.6%	25.3%
		Capital Outlay	\$ 98,509	-15.6%	1.0%
		Repair and Replacement	\$ 214,500	90.7%	2.2%
Cash Funded Capital Total:			\$ 2,766,333	88.9%	28.5%
Debt Service					
	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	0.7%	1.5%
	6181	2017 Revenue Bonds (Mature 2042 - 3.49%)	\$ 2,137,400	0.0%	22.0%
Debt Service Total:			\$ 2,507,492	0.0%	25.8%
Capital Total:			\$ 5,273,825	32.8%	54.3%
EXPENSE TOTAL:			\$ 9,703,662	16.2%	100%
RESERVE TRANSFER:			\$ (0)		

SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2019/20 BUDGET

OPERATING FUND

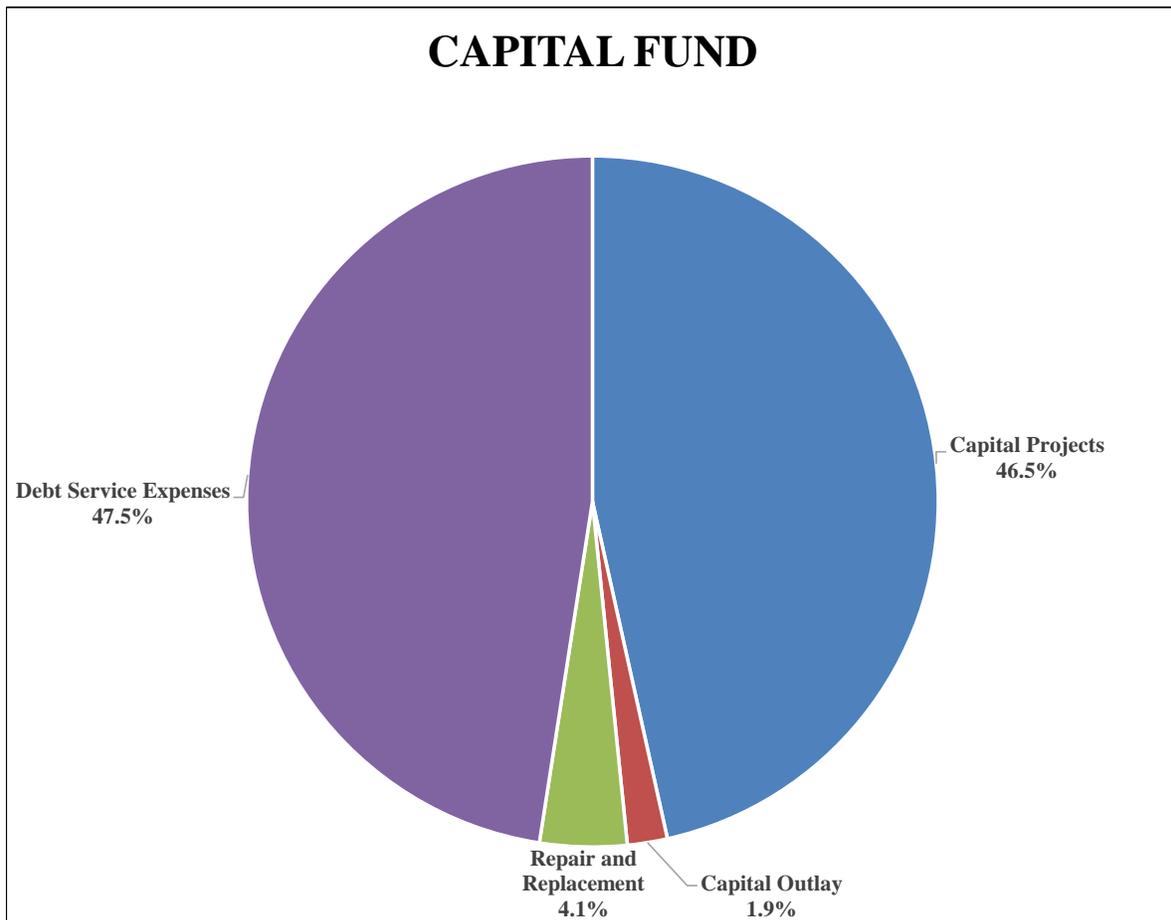
Category	FY 19/20	% Change	% Total
Salaries and Benefits	\$ 2,583,030	4.2%	62.0%
Operations	\$ 519,554	-4.6%	12.5%
System & Plant Maintenance	\$ 312,571	5.0%	7.5%
Wastewater Monitoring & Testing	\$ 80,139	-1.4%	1.9%
Utilities and Communication	\$ 307,904	-1.0%	7.4%
General and Administrative	\$ 360,503	-9.9%	8.7%
OPERATING TOTAL:	\$ 4,163,702	1.2%	100%



SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2019/20 BUDGET

CAPITAL FUND

Category	Account Name	FY 19/20	% Change	% Total
Cash Funded Capital				
	Capital Projects	\$ 2,453,324	98.6%	46.5%
	Capital Outlay	\$ 98,509	-15.6%	1.9%
	Repair and Replacement Projects	\$ 214,500	90.7%	4.1%
Debt Service		\$ 2,507,492	0.0%	47.5%
Capital Total:		\$ 5,273,825	32.8%	100%



SAUSALITO-MARIN CITY SANITARY DISTRICT

FY 2019/20 BUDGET

CAPITAL FUND

Category	Annual				Cummulative to Date - Update through 4/26/2019				
	Budget	Actual to Date	Budget Remaining	% Budget	Total Budget	Actual to Date	Budget Remaining	% Budget	% Complete
Cash Funded Capital									
Capital Projects									
Coloma & Whiskey Springs Pump Station Improvements	\$1,907,755	\$0	\$1,907,755	0%	\$5,568,241	\$568,241	\$5,000,000	10%	10%
Biosolids Handling Study	\$100,000	\$0	\$100,000	0%	\$500,000	\$0	\$500,000	0%	0%
Beach Force Main Rehabilitation	\$200,000	\$0	\$200,000	0%	\$2,400,000	\$0	\$2,400,000	0%	0%
Engineering and Project Management	\$245,569	\$0	\$245,569	0%	\$1,526,824	\$56,844	\$1,469,980	4%	5%
Capital Projects Total:	\$2,453,324	\$0	\$2,453,324	0%	\$9,995,065	\$625,085	\$9,369,980	6.3%	5%
Capital Outlay									
Technology Upgrades	\$33,809	\$0	\$33,809	0%	\$33,809		\$33,809	0%	0%
Monitoring	\$11,500	\$0	\$11,500	0%	\$11,500		\$11,500	0%	0%
Flatbed Truck	\$45,000	\$0	\$45,000	0%	\$45,000		\$45,000	0%	0%
Safety	\$8,200	\$0	\$8,200	0%	\$8,200		\$8,200	0%	0%
Capital Outlay Total:	\$98,509	\$0	\$98,509	0%	\$98,509	\$0	\$98,509	0%	
Repair and Replacement									
Pump Station - Main Street	\$36,000	\$0	\$36,000	0%	\$36,000		\$36,000	0%	0%
Pump Station - Princess Street	\$5,000	\$0	\$5,000	0%	\$5,000		\$5,000	0%	0%
Pump Station - Scotties	\$7,500	\$0	\$7,500	0%	\$7,500		\$7,500	0%	0%
Pump Station - City of Sausalito	\$17,000	\$0	\$17,000	0%	\$17,000		\$17,000	0%	0%
Pump Station - Marin City	\$25,000	\$0	\$25,000	0%	\$25,000		\$25,000	0%	0%
Outfall Inspection & Repair	\$75,000	\$0	\$75,000	0%	\$75,000		\$75,000	0%	0%
Facilities Maintenance	\$49,000	\$0	\$49,000	0%	\$49,000		\$49,000	0%	0%
Repair and Replacement Total:	\$214,500	\$0	\$0	0%	\$214,500	\$0	\$214,500	0%	
Cash Funded Capital Total:	\$2,766,333	\$0	\$2,551,833	0%	\$10,308,074	\$625,085	\$9,682,989	6.1%	
Debt Service									
2008 City National Bank Loan (Mature 2028 - 4.1%)	\$221,262				\$4,425,247	\$2,212,624	\$2,212,624	50%	
2012 State Revolving Fund Loan (Mature 2032 - 2.6%)	\$148,830				\$2,956,115	\$886,835	\$2,069,281	30%	
2017 Revenue Bonds (Mature 2042 - 3.49%)	\$2,137,400				\$53,818,317	\$2,134,717	\$51,683,600	4%	
Debt Service Total:	\$2,507,492	\$0	\$0	0%	\$61,199,679	\$5,234,175	\$55,965,504	8.6%	
CAPITAL TOTAL:	\$5,273,825	\$0	\$2,551,833	0%	\$71,507,753	\$5,859,260	\$65,648,493	8.2%	

**SAUSALITO-MARIN CITY SANITARY DISTRICT
FY 2019/20 BUDGET**

REVENUE BOND

REVENUE

Category	Annual				Cummulative to Date - Update through 4/26/2019				
	Budget	Actual to Date	Budget Remaining	% Budget	Total Budget	Actual to Date	Budget Remaining	% Budget	% Complete
Revenue Bond Proceeds	\$ -				\$ 35,493,155	\$ 35,493,155	\$ -	100%	100%
Interest - LAIF	\$ 163,080				\$ -	\$ 304,297	\$ (304,297)	100%	0%
REVENUE TOTAL:	\$ 163,080	\$0	\$0	0%	\$ 35,493,155	\$ 35,797,452	\$ (304,297)	100.9%	

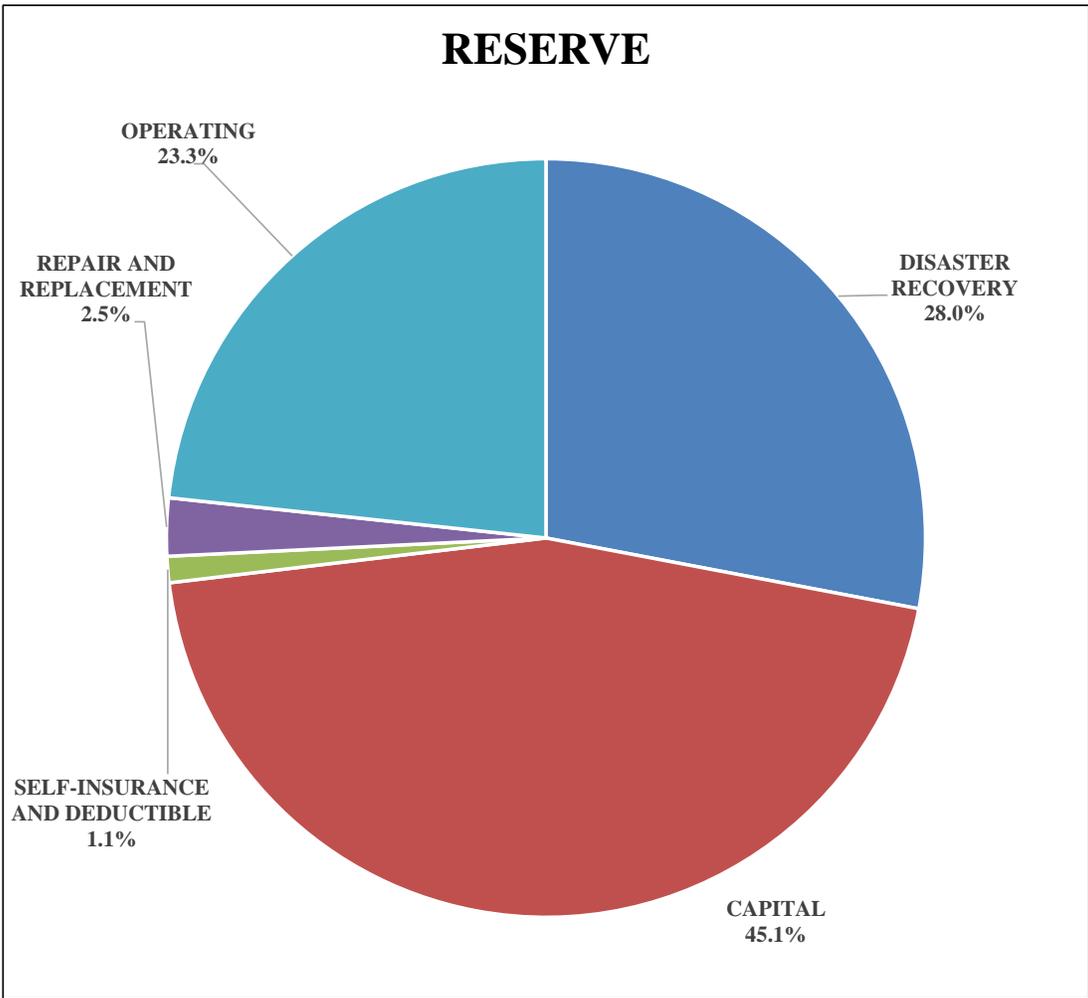
EXPENSE

Category	Annual				Cummulative to Date: Actuals through 2/28/2019 + Projected through 6/30/19				
	Budget	Actual to Date	Budget Remaining	% Budget	Total Budget	Actual to Date	Budget Remaining	% Budget	% Complete
Treatment & Wet Weather Flow Upgrade Project	\$12,500,000	\$0	\$12,500,000.00	0%	\$ 26,920,000	\$ 14,420,000	\$ 12,500,000	53.6%	70%
Generator Reliability Improvements & Princess PS Controls Relocation	\$1,000,000	\$0	\$1,000,000.00	0%	\$ 2,000,000	\$ -	\$ 2,000,000	0.0%	5%
Primary Clarifier Rehabilitation & Digester Upgrade	\$400,000	\$0	\$400,000.00	0%	\$ 2,004,321	\$ 4,321	\$ 2,000,000	0%	5%
Engineering and Management	\$1,390,000	\$0	\$1,390,000.00	0%	\$ 3,108,957	\$ 1,443,957	\$ 1,665,000	46%	40%
EXPENSE TOTAL:	\$ 15,290,000	\$0	\$15,290,000.00	0%	\$ 34,033,278	\$ 15,868,278	\$ 18,165,000	46.6%	

SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2019/20 BUDGET

RESERVE

Category	FY 19/20	% Change	% Total
DISASTER RECOVERY	\$ 2,500,000	0.0%	28.0%
CAPITAL	\$ 4,030,776	0.07%	45.1%
SELF-INSURANCE AND DEDUCTIBLE	\$ 100,000	0.0%	1.1%
REPAIR AND REPLACEMENT	\$ 220,000	0.0%	2.5%
OPERATING	\$ 2,081,851	5.2%	23.3%
Total	\$ 8,932,627	1.2%	100%



SAUSALITO-MARIN CITY SANITARY DISTRICT

FY 2019/20 BUDGET

RESERVE POLICY

CATEGORY	DISASTER RECOVERY	CAPITAL	SELF-INSURANCE AND DEDUCTIBLE	REPAIR AND REPLACEMENT	OPERATING	TOTAL
PURPOSE	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.	
<u>CURRENT RESERVE LEVELS</u>						
FY 2019/20 - PROJECTED FISCAL YEAR ENDING BALANCE	\$2,500,000	\$4,030,776	\$100,000	\$220,000	\$2,081,851	\$8,932,627
<u>LONG RANGE TARGET LEVEL GOALS</u>						
TARGET BALANCE	\$2,500,000	\$4,030,776	\$100,000	\$220,000	\$2,081,851	\$8,932,627
CRITERIA	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	Six-months of annual operation and maintenance expenses.	
MINIMUM BALANCE	\$1,250,000	\$1,780,776	\$100,000	\$110,000	\$693,950	\$3,934,726
CRITERIA	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.	Two months of annual operation and maintenance expenses. Also funding to cover any restricted reserve obligations.	
<u>OTHER FINANCIAL POLICIES AND RATE-MAKING GUIDELINES</u>						
<p>Reserve funding priorities: Disaster Recovery, Capital, Self-Insurance and Deductible, Repair & Replacement, and Operating.</p> <p>Maintain adequate Capital Reserve to fund CIP, but debt financing may be required for major upgrades.</p> <p>Maintain adequate R&R Reserve to avoid debt financing minor facilities.</p> <p>Rate increases will be moderated to minimize rate shock (e.g., phase in increases, avoid excessive increases followed by decreases).</p> <p>Rates are adjusted to keep pace with inflationary cost increases.</p> <p>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>						

SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2019/20 BUDGET

CASH BALANCE

FY 19/20 PROJECTED CASH	\$11,102,111
FY 19/20 PROJECTED RESERVE	
DISASTER RECOVERY	\$2,500,000
CAPITAL	\$4,027,981
SELF-INSURANCE AND DEDUCTIBLE	\$100,000
REPAIR AND REPLACEMENT	\$220,000
OPERATING	\$1,978,543
FY 18/19 TRANSFER	\$106,103
FY 19/20 PROJECTED RESERVE TOTAL:	\$8,932,627
FY 19/20 BEGINNING WORKING CAPITAL	
FY 19/20 TRANSFER	\$0
FY 19/20 PROJECTED WORKING CAPITAL :	\$2,169,484
FY 19/20 PROJECTED CASH	
	\$11,102,111

