



**1 EAST ROAD
SAUSALITO, CA 94965
OFFICE 415.332.0244 • FAX 415.332.0453**

**Regular Board Meeting
Sausalito-Marín City Sanitary District
County of Marin, State of California**

**Tuesday, June 2, 2026
12 p.m.**

**District Office
1 East Road
Sausalito, CA**

**Public Online Option
(Courtesy Only, Not Required)**

Click Link

<https://us02web.zoom.us/j/87906439680?pwd=7vjvfksm8Je1VPHzIFNXB5naKfG3A.O-2qasp84Jtufw-a>

Call

1 669 900 6833

**Webinar ID: 879 0643 9680
Passcode: 938327**

To download the full board meeting packet, please visit: www.smcsd.net

Agenda

Regular Board Meeting Sausalito-Marin City Sanitary District County of Marin, State of California

Tuesday, June 2, 2026
12 pm

Online
(Courtesy Only -- Not Required)

Click Link

<https://us02web.zoom.us/j/87906439680?pwd=7vjvfksm8Je1VPHzIFNXB5naKfG3A.O-2qasp84Jtufw-a>

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If you would like to attend the meeting online, you can access it remotely:

1. Please use the link listed above
2. Enter Meeting ID and Passcode listed above

If you are unable to join online, you can call:

1. Phone Number listed above
2. Enter Meeting ID and Passcode listed above

If you want to comment during the public comment portion of the Agenda, you can use the **“Raise Hand”** function in Zoom or you can **Press *9** if you are calling in. The Board Secretary will select you from the meeting cue. Please be patient while waiting in the cue.

In compliance with the Americans with Disabilities Act of 1990, if you need special assistance to participate in a District meeting or need a copy of the agenda or packet in an appropriate alternative format, please contact the Board Secretary at (415) 332-0244. Notification of at least 48 hours prior to the meeting when services are needed will assist the District staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting and service.

In conformance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item, and its distribution less than 72 hours prior to a regular meeting will be made available for public inspection at the District Office or website. If, however, the document or writing is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting or website, as listed on this agenda.

To download the full Board Meeting Packet, please visit: www.smcsd.net

At its discretion the Board of Directors may consider agenda items out of the order in which they appear.

I. Meeting Roll Call: Beers, McKibben, Rheiner, Rycerski & Thornton

II. General Public Comment

(Members of the public are invited to address the Board concerning topics which are not listed on the agenda. [If an item is on the agenda, interested persons may address the Board during the Board's consideration of that item.] Speakers should understand that except in very limited situations, state law precludes the Board from acting on or engaging in extended deliberations concerning items of business, which are not on the agenda. Consequently, if further consideration is required, the Board may refer the matter to its staff or direct that the subject be placed on the agenda for a future meeting. The Board reserves the right to limit the time devoted to this portion of the agenda and to limit the duration of speakers' presentations.)

III. Consent Calendar

- A. Minutes of the Regular Board Meeting May 5, 2026
- B. Minutes of the Finance Committee Meeting May 7, 2026
- C. Minutes of the Special Board Meeting May 12, 2026
- D. Monthly Expenditures
April 27, 2026 to May 26, 2026

MOTION: (The Board is requested to approve all items on the Consent Calendar.)

IV. New Business

MOTION: A. Approve General Manager Employment Agreement with Kevin Rahman
(The Board is requested to approve the agreement)

MOTION: B. Adopt Resolution No. 1113 Approving the Base Salary Schedule effective July 1, 2026
(The Board is requested to adopt Resolution No. 1113)

MOTION: C. Adopt Resolution No. 1114 Establishing the District's General Tax Appropriations Limit for Fiscal Year 2026/2027
(The Board is requested to adopt Resolution No. 1114)

MOTION: D. Affirm the Scheduled Increase in Sewer Service Charges for Fiscal Year 2026/2027 in Conformance to District Code
(The Board is requested to affirm the scheduled increase)

MOTION: E. Adopt Resolution No. 1115 Approving the Fiscal Year 2026/2027 Budget
(The Board is requested to adopt Resolution No. 1115)

V. General Manager’s Report

INFORMATIONAL: A. Operations

INFORMATIONAL: B. Engineering

INFORMATIONAL: C. Finance & Administrative

INFORMATIONAL: D. Calendar

VI. Board of Directors

INFORMATIONAL: A. Director’s Round Table

B. Regular Board Meeting
Tuesday, July 7, 2026 at 12 p.m.
In Person – 1 East Road, Sausalito, CA 94965

VII. Adjournment

**Minutes Regular Board Meeting
Sausalito-Marin City Sanitary District**

Tuesday, May 5, 2026

**11:00 a.m. Closed Session
12:00 p.m. Open Session**

**District Office
1 East Road
Sausalito, CA 94965**

Meeting Opens for Closed Session Begins

I. CALL TO ORDER - ROLL CALL AT 11:00 AM

Directors: Dan Rheiner, President
Don Beers, Vice President
Jim McKibben, Director
Shirley Thornton, Director

Absent: Barbara Rycerski, Director

Staff: Kevin Rahman, Acting General Manager/District Engineer
Catherine Bondanza, Office Manager/Board Secretary

Counsel: Ben Stock of Burke, Williams & Sorenson

II. GENERAL PUBLIC COMMENT ON CLOSED SESSION ITEM

No Comments

Board Begins Closed Session at 11:01 am

III. Closed Session

- A. Conference with Labor Negotiators
Pursuant to Government Code Section 54957.6
Agency Designated Representatives: (Directors McKibben & Thornton)
Unrepresented Employee: (Interim General Manager Kevin Rahman)

Closed Session Ends at 11:34 am

Open Session Begins at 12 pm

Report from Closed Session: Board gave direction to the Negotiating Committee- Director McKibben & Thornton

REPEAT CALL TO ORDER - ROLL CALL AT 12 pm

Directors: Dan Rheiner, President
Don Beers, Vice President
Jim McKibben, Director
Shirley Thornton, Director

Absent: Barbara Rycerski, Director

Staff: Kevin Rahman, Acting General Manager/District Engineer
Catherine Bondanza, Office Manager/Board Secretary
Vince Pasquini, Operations Supervisor

Counsel: None

Public: TCSD Assistant General Manager Alan Shear, SMCSO Financial Consultant
Kathryn Harris CPA and North Bay Pension Actuary Nick Franceschine, FSA

IV. GENERAL PUBLIC COMMENT ON OPEN SESSION

None

V. CONSENT CALENDAR

- A. Minutes of the Regular Board Meeting April 7, 2026
- B. Minutes of the Finance Committee meeting April 28, 2026
- C. Monthly Expenditures March 30, 2026 to April 27, 2026

MOTION: DIRECTOR THORNTON MOVED TO APPROVE ALL ITEMS ON THE CONSENT CALENDAR; SECOND, DIRECTOR BEERS.

Ayes: Beers, McKibben, Rheiner & Thornton
Nays: None
Abstention: None
Absent: Rycerski

VI. NEW BUSINESS

- A. Accept the Sausalito-Marin City Sanitary District Report of GASB 75 Actuarial – A Valuation of Retiree Health Benefits as of June 30, 2025

North Bay Pension Actuary Nick Franceschine provided the background and requirements for the report and explained the calculations and their significance. He reported that as of June 30, 2025, the Actuarial Present Value of Projected Benefit Payments (APVPBP) for all current and former employees is \$4,477,113, representing the present value of all future benefits earned to date. The report further indicates that, assuming CERBT assets earn 5.25% annually, the fund is projected to cover benefit payments through 2042.

SMCSO Financial Consultant Kathryn Harris, CPA also explained the District’s proactive approach to managing OPEB liabilities. The District has made contributions to the trust, reaching a balance of \$2,600,186 as of March 31, 2026. Additionally, the District has established a target reserve of \$1,900,000 outside the trust in a separate investment account.

Both Franceschine and Harris recommended that CERBT funding be maintained at approximately 80%, given the irrevocable nature of the trust and restrictions on withdrawals.

MOTION: DIRECTOR BEERS MOVED TO ACCEPT THE REPORT OF GASB 75 ACTUARIAL VALUATION OF RETIREE HEALTH BENEFITS AS OF JUNE 30, 2025: SECOND, DIRECTOR MCKIBBEN.

Ayes: Beers, McKibben, Rheiner & Thornton
Nays: None
Abstention: None
Absent: Rycerski

B. Adopt District’s Strategic Plan For 2026-2031

Acting General Manager/District Engineer Rahman explained the District’s Strategic Plan for FY 2026–2031 is an update to the 2025–2030 plan. The leadership team developed the draft and presented it to all staff on March 17, 2026. The Board reviewed the document and provided feedback on April 7, 2026. The final plan is ready for adoption.

MOTION: DIRECTOR BEERS MOVED TO ADOPT THE SAUSALITO-MARIN CITY SANITARY DISTRICT STRATEGIC PLAN FOR FY 2026-2031: SECOND, DIRECTOR THORNTON.

Ayes: Beers, McKibben, Rheiner & Thornton
Nays: None
Abstention: None
Absent: Rycerski

C. Adopt Resolution No.1112 – Sausalito-Marin City Sanitary District Requests the Marin County Board of Supervisors to Consolidate with Any Other Election Conducted on Said Date, and Requests Election Services by the Marin County Elections Department

Office Manager/Board Secretary Bondanza stated that this resolution is standard procedure for the District’s elections. She explained that consolidating with the Marin County elections is more cost-effective and efficient. Bondanza further noted that if the current incumbents file their election documents and no other candidates run against them, the election cost would be minimal, approximately \$300. However, if additional candidates decide to run for office, the election cost could increase to approximately \$25,000.

MOTION: DIRECTOR MCKIBBEN MOVED TO ADOPT RESOLUTION NO 1112 – SAUSALITO-MARIN CITY SANITARY DISTRICT REQUESTS THE MARIN COUNTY BOARD OF SUPERVISORS TO CONSOLIDATE WITH ANY OTHER ELECTION CONDUCTED ON SAID DATE, AND REQUESTS ELECTION SERVICES BY THE MARIN COUNTY ELECTIONS DEPARTMENT: SECOND, DIRECTOR THORNTON.

Ayes: Beers, McKibben, Rheiner & Thornton
Nays: None
Abstention: None
Absent: Rycerski

- D. Approve Chemical Contract Bid Awards for FY 2026-27 Received by the Bay Area Chemical Consortium (BACC) Bid Process

Operations Supervisor Vince Pasquini presented this item to the Board. He explained the bidding process, the cost variances for each chemical, and the purpose and use of each item.

MOTION: DIRECTOR BEERS MOVED TO APPROVE CHEMICAL CONTRACT BID AWARDS FOR FY 2026/27 RECEIVED BY THE BAY AREA CHEMICAL CONSORTIUM (BACC) BID PROCESS: SECOND, DIRECTOR MCKIBBEN.

Ayes: Beers, McKibben, Rheiner & Thornton
Nays: None
Abstention: None
Absent: Rycerski

VII. GENERAL MANAGER'S REPORT

- A. Operations
Operations Supervisor Pasquini reviewed the Operations Report with the Board.
- B. Engineering
Acting General Manager/District Engineer Rahman reviewed the Engineering Report with the Board.
- C. Finance & Administrative
Office Manager/Board Secretary Bondanza reviewed the Finance and Administrative Report with the Board.
- D. Board Calendar
Office Manager/Board Secretary Bondanza reviewed the calendar with the Board.

VIII. BOARD OF DIRECTORS

- A. Director's Round Table
None
- B. Special Board Meeting
Tuesday, May 12, 2026 at 12 pm
District Office – 1 East Road, Sausalito, CA
- C. Regular Board Meeting
Tuesday, June 2, 2026 at 12 pm
District Office – 1 East Road, Sausalito, CA

IX. ADJOURNMENT

President Rheiner adjourned the meeting at 12:49 pm



Prepared By:

Catherine Bondanza
Office Manager/Board Secretary



Reviewed &
Submitted By:

Kevin Rahman, Acting General Manager/District Engineer

Minutes

**Finance Committee Meeting
Sausalito-Marin City Sanitary District
County of Marin, State of California**

**Thursday, May 7, 2026
10 a.m.**

**District Office
1 East Road
Sausalito, CA 94965**

Meeting called to order at 10:04 am by President Rheiner.

Present: President Dan Rheiner, Director Jim McKibben, Acting General Manager/District Engineer Kevin Rahman, Office Manager/Board Secretary Catherine Bondanza and SMCSO Financial Consultant Kathryn Harris, CPA.

Review Draft FY 2026/2027

Rahman and Harris reviewed the revised draft budget and cash management sheet, which incorporated the updates discussed at the April 28th Finance Committee meeting. Harris provided a detailed overview of how income and expenses are reported across the various categories, including City of Sausalito Collections, Unincorporated Collections, and Conveyance/Treatment. Rahman also discussed the adjustments made to align reserve balances with the maximum target amounts.

The Committee provided feedback, suggested some minor edits, and requested that staff present the document at the Special Board Meeting for further review.

Meeting adjourned at 11:00 am by President Rheiner.



Prepared By:

Catherine Bondanza
Office Manager/Board Secretary



Reviewed &
Submitted By:

Kevin Rahman
Acting General Manager/District Engineer

**Minutes Special Board Meeting
Sausalito-Marin City Sanitary District**

**Tuesday, May 12, 2026
Open Session 12:00 p.m.**

**District Office
1 East Road
Sausalito, CA 94965**

I. CALL TO ORDER - ROLL CALL AT 12:00 PM

Directors: Dan Rheiner, President
Don Beers, Vice President
Jim McKibben, Director
Barbara Rycerski, Director

Absent: Shirley Thornton, Director

Staff: Kevin Rahman, Acting General Manager/District Engineer
Catherine Bondanza, Office Manager/Board Secretary

Counsel: None

Public: None

II. GENERAL PUBLIC COMMENT

None

III. CONSENT CALENDAR

None

IV. NEW BUSINESS

A. Review of District's Draft Budget for FY 2026/2027

Acting General Manager/District Engineer Rahman stated that the Finance Committee had previously reviewed the draft with staff and SMCSO Financial Consultant Kathryn Harris, CPA, on April 28, 2026, and May 7, 2026. He then reviewed the draft with the Board, including the information required under Assembly Bill 2561 related to staffing levels and job vacancies.

The final budget will be placed on the June 2, 2026 Regular Board meeting agenda for adoption.

No motion required as this item is informational only.

V. GENERAL MANAGER’S REPORT

None

VI. BOARD OF DIRECTORS

A. Director’s Round Table

President Rheiner requested an update on Main Street construction of which AGM Rahman provided.

B. Regular Board Meeting

Tuesday, June 2, 2026 at 12 pm
District Office – 1 East Road, Sausalito, CA

VII. ADJOURNMENT

President Rheiner adjourned the meeting at 12:48 pm



Prepared By:

Catherine Bondanza
Office Manager/Board Secretary



Reviewed &
Submitted By:

Kevin Rahman, Acting General Manager/District Engineer

SAUSALITO-MARIN CITY SANITARY DISTRICT**Monthly Expenditures****April 27, 2026 to May 26, 2026**

Accrual Basis

Date	Num	Name	Amount
1004 · Cash in Bank-Operating, Chase			
04/27/202	DM	Paymentech (Authorize.net)	-3.17
04/27/202	DM	Paymentech (Authorize.net)	-2.79
04/30/202	ADP	ADP PAYROLL TAXES	-22,825.33
04/30/202	ADP	ADP SALARY	-46,112.16
05/04/202	BP	HF&H Consultants, LLC	-1,840.00
05/04/202	BP	All Bay Sewer Inc	-114,000.00
05/04/202	BP	Alliant Insurance Services Inc	-109.00
05/04/202	BP	Allied Fluid Products Corp.	-1,129.04
05/04/202	BP	Aqua-Aerobic Systems, Inc.	-34,650.48
05/04/202	BP	Burke, Williams & Sorensen, LLP	-183.00
05/04/202	BP	CalTest Analytical Laboratory	-1,540.90
05/04/202	BP	Central Marin Sanitation Agency (...)	-1,284.97
05/04/202	BP	CSAC Excess Insurance Authority	-1,636.60
05/04/202	BP	D&H Water Systems	-2,613.24
05/04/202	BP	Delta Dental of California	-1,496.72
05/04/202	BP	Hagel Supply Co	-523.96
05/04/202	BP	Jill Kalehua, Daily Money Mgmt S...	-1,595.40
05/04/202	BP	Marin IT Inc	-2,376.25
05/04/202	BP	PG & E (Coloma PS *870-6)	-683.83
05/04/202	BP	RingCentral Inc.	-544.32
05/04/202	BP	Roy's Sewer Service, Inc	-6,339.92
05/04/202	BP	Spex CertiPrep LLC	-324.47
05/04/202	BP	US Bank cc *5625	-6,546.69
05/04/202	BP	Verizon Wireless (on-call devices)	-407.57
05/04/202	BP	Vision Service Plan - CA (VSP)	-244.20
05/04/202	BP	Woodard & Curran	-2,672.50
05/04/202	DM	PG & E (Main *067-8)	-30,220.34
05/04/202	1347	Barbara Nelson	-2,000.00
05/04/202	1348	C. Overaa & CO	-52,001.15
05/04/202	1349	C. Overaa & CO (Retention-Bios...	-153,276.50
05/04/202	1350	Dvorak, Deborah (v)	-44.60
05/04/202	1351	Levinson, David	-2,000.00
05/04/202	1352	Mason, Rowan	-2,000.00
05/04/202	1353	VWR International LLC	-1,074.25
05/04/202	DM	Paymentech (Authorize.net)	-15.85
05/04/202	DM	Paymentech (Authorize.net)	-4.38
05/05/202	ADP	ADP FEES	-356.51
05/07/202	DM	Paymentech (Authorize.net)	-12.22
05/08/202	DM	CalPERS 457 Def Comp	-4,104.39
05/08/202	DM	CalPERS Pension Retirement	-15,517.66
05/08/202	DM	Empower (457 Def Comp)	-1,793.85
05/08/202	ADP	ADP FEES	-356.51
05/11/202	DM	Paymentech (Authorize.net)	-4.38
05/11/202	1354	Board for Prof Eng, Land Survey...	-180.00
05/14/202	ADP	ADP PAYROLL TAXES	-25,850.28

SAUSALITO-MARIN CITY SANITARY DISTRICT

Monthly Expenditures

April 27, 2026 to May 26, 2026

Accrual Basis

Date	Num	Name	Amount
05/14/202	ADP	ADP SALARY	-51,309.22
05/17/202	DM	Paymentech (Authorize.net)	-3.83
05/18/202	1355	AT&T Calnet 3 (5 accts)	-311.00
05/18/202	1356	VWR International LLC	-238.34
05/18/202	BP	Access Answering Service	-120.46
05/18/202	BP	Bay Area Air Quality Mgmt Dist *...	-564.00
05/18/202	BP	Bay Area Air Quality Mgmt Dist *...	-563.00
05/18/202	BP	Bay Area Air Quality Mgmt Dist *...	-566.00
05/18/202	BP	Bay Cities Refuse, Inc.	-1,470.70
05/18/202	BP	CalCon Systems, Inc	-16,121.03
05/18/202	BP	Cintas Corp	-801.01
05/18/202	BP	Grainger	-1,041.29
05/18/202	BP	HF&H Consultants, LLC	-8,772.75
05/18/202	BP	Huber Technology Inc	-7,115.26
05/18/202	BP	Kyocera Document Solutions Nor...	-397.38
05/18/202	BP	Marin IT Inc	-3,695.04
05/18/202	BP	Mike Brown Electric Co	-51,720.00
05/18/202	BP	Mill Valley Refuse Service Inc	-5,001.00
05/18/202	BP	North Central Labs (NCL of Wisc...	-79.51
05/18/202	BP	Nute Engineering, Inc.	-3,720.00
05/18/202	BP	Operating Engineers Local 3	-360.00
05/18/202	BP	Roy's Sewer Service, Inc	-12,063.89
05/18/202	BP	Serv-A-Pure Company	-3,727.80
05/18/202	BP	Streamline	-2,400.00
05/18/202	BP	Terminix Commercial	-129.12
05/18/202	BP	Waste Management (WM Corpor...	-7,250.28
05/18/202	BP	Xylem Dewatering Solutions Inc	-172.88
05/20/202	DM	Paymentech (Authorize.net)	-1.19
05/20/202	BP	Napa Auto Parts (DNG Enterpris...	-157.22
05/21/202	DM	Paymentech (Authorize.net)	-0.14
05/21/202	DM	CalPERS 457 Def Comp	-4,104.39
05/21/202	DM	Empower (457 Def Comp)	-1,793.85
05/21/202	DM	CalPERS Pension Retirement	-15,517.66
Total 1004 · Cash in Bank-Operating, Chase			-743,788.62
TOTAL			-743,788.62

Approve General Manager Employment Agreement with Kevin Rahman

Background: On January 7, 2026, General Manager Jeffrey Kingston submitted his notice of retirement, effective July 10, 2026. Over the past few months, the Board has evaluated succession options, including both internal promotion and external recruitment.

Following discussions in Closed Session at the April 7th Regular Board Meeting, the Directors voted unanimously (5-0) to appoint Sausalito-Marin City Sanitary District Acting General Manager/District Engineer Kevin Rahman as General Manager, pending approval of an employment agreement, with an effective date of July 11, 2026. Rahman has indicated that he will accept the position under the terms and conditions set forth in the attached employment agreement, as negotiated and prepared by Director McKibben, Director Thornton, and District Counsel Benjamin Stock.

Recommendation: Approve General Manager Employment Agreement with Kevin Rahman.

Attachment: General Manager Employment Agreement with Kevin Rahman.



Prepared By: _____
Catherine A. Bondanza Office Manager/Board Secretary



Reviewed & Submitted By: _____
Kevin Rahman, Acting General Manager/District Engineer

SAUSALITO MARIN CITY SANITARY DISTRICT (SMCSD)

GENERAL MANAGER EMPLOYMENT AGREEMENT

This Agreement is made and entered into on June ____, 2026, by and between the Sausalito Marin City Sanitary District (hereinafter "SMCSD") and Kevin Rahman (hereinafter "General Manager").

SMCSD desires to employ the services of Kevin Rahman as General Manager for SMCSD on the terms pursuant to the express understandings more specifically set forth hereinafter.

SECTION I – Employment and Term of Office

SMCSD agrees to employ Kevin Rahman as General Manager to perform the functions and duties of said office as specified in the job description for General Manager on file with SMCSD. This Agreement shall become effective on July 11, 2026, and shall continue until amended and/or terminated by either party as herein provided.

The District desires that the General Manager be on premise daily to manage employees from the District office, and except for duties as prescribed by the General Manager job description that necessitate working out of office, it will be the expectation that the General Manager's daily work will be performed at the District's main office.

SECTION II – Compensation

Effective July 11, 2026, General Manager shall receive a monthly salary of \$24,500. Salary is to be paid at the same intervals and in the same manner as other District employees.

In each year of this Agreement, the General Manager and the District shall jointly establish performance measures for the General Manager to achieve in the applicable year and provide the General Manager with an annual performance evaluation. To the extent possible, the Board should attempt to complete the evaluation by the end of June of each year. At the discretion of the Board a merit increase or bonus for performance may be provided annually following the General Manager's performance review.

SECTION III – Benefits

For CALPERS retirement the General Manager shall be entitled to the District's "miscellaneous" 2.7% at 55 CALPERS retirement plan, with benefits provided under the District's contract with CALPERS set forth in Government Code Sections 20024.2 (One Year Final Compensation), 21361.5 (Local System Service Credit Included in Basic Death Benefit), 20862.8 (Credit for Unused Sick Leave) and 20615.5 (Employer Paid Member Contribution Converted to Pay Rate During the Final Compensation Period). General Manager will make the CALPERS EPMC contributions consistent with District Resolution No. 990.

For Health Insurance the District will pay up to the Bay Area Kaiser Plan rate. General Manager will be eligible for retiree health insurance consistent with, and to the extent eligible under, the vesting

program under District Resolution No. 865 and Government Code Section 22893. The District shall pay the premiums for dental and vision insurance up to the employee plus family rate.

For Life, AD&D and disability Insurance the District shall pay the premium for Fifty Thousand Dollars (\$50,000) term life insurance with accidental death and dismemberment (AD&D) coverage. The District shall pay the full premium for long term disability insurance and twenty-five percent (25%) of the premium for short term disability insurance.

SECTION IV – Leaves of Absences

General Manager shall accrue, and may use, up to two hundred forty (240) hours of paid vacation annually. The District Personnel Rule 31 – Leaves of Absence, adopted by Board Action on April 4, 2016 applies to the General Manager accrual and use of vacation, sick leave and other types of leaves of absences.

SECTION V – Holidays

General manager shall receive Holidays as described in District Personnel Rule 30 – Holidays as adopted by Board Action on April 4, 2016.

SECTION VI – Vehicle Use

For making use of his personal vehicle for his District related business, General Manager shall receive an auto allowance of Four Hundred Fifty Dollars (\$450) each month.

SECTION VII – Deferred Compensation Contribution

SMCSD shall contribute 7% of the Manager's annual salary to the General Manager's 457 deferred compensation program.

SECTION VIII – Professional Associations and Conferences

SMCSD will allow and pay the reasonable cost of professional association memberships, conferences, and subscriptions on behalf of the General Manager, which are reasonably necessary and desirable for his continued professional participation, growth, and advancement.

SECTION IX – Outside and other Professional Activities

General Manager agrees to devote all of his professional time and attention to the District's business during the term of this Employment Agreement. The General Manager may engage in teaching, consulting, speaking, or other non-District business for which compensation is paid only with the advance written approval of the District Board President.

SECTION X – Other Fringe Benefits

Beyond the specific benefits provided in this Employment Agreement, General Manager shall be afforded the same benefits as provided to other District employees as set forth in current

memorandum of understanding, Personnel Rules and Standard Procedures, except that any salary increases and/or cost of living increases are not to be applied except as adjusted by the Board under section II of this agreement.

SECTION XI – Termination, Resignation and Severance

Nothing contained in this agreement shall in any way prevent, limit, or otherwise interfere with the right of the Board to terminate services of the General Manager. The General Manager is an at-will employee who at all times serves at the pleasure of the Board. The Board may remove the General Manager at any time, either with or without cause, and with or without notice, except as otherwise provided by law. Termination of the General Manager’s services, however, is subject to the following provisions:

- A. In the event the District involuntary terminates this Agreement without “cause,” General Manager will be paid an amount equal to his monthly gross salary for six (6) months. In addition, the District shall pay the General Manager for the cost of COBRA coverage for the same period of six (6) months. In exchange for severance, General Manager agrees to cooperate with the District in the transition of his duties to a new or interim General Manager. To be eligible for full payment of the severance and COBRA coverage, General Manager agrees to sign a general and full release of all claims against the District, including without limitation its current and former elected officials, officers, agents and employees, in a form satisfactory to the District Board.
- B. In the event the General Manager resigns his position following a formal suggestion by the District, through its Board, that he do so, the General Manager may at his option, be deemed to have been involuntarily terminated and entitled to receive the above benefits.
- C. In the event that the General Manager is terminated for cause the Board shall have no obligation to pay any of the above termination benefits.

“Cause” shall include: (1) conviction of a felony or misdemeanor involving moral turpitude; (2) the occurrence of an event disqualifying the General Manager from public office or causing a forfeiture of office under State Law; (3) continued abuse of non-prescription drugs or alcohol that materially affects the performance of the General Manager’s duties, subject to the limits of any applicable disability protections; (4) willful abandonment of duties or repeated and protracted unexcused absences from the General Manager’s office and duties; (5) acceptance of employment from another source which is inconsistent with full time employment as the District’s General Manager; or (6) any material breach of this Agreement.

- D. In the event the General Manager resigns his position with SMCS D, General Manager agrees to provide 60 days written notice to the District Board. If the General Manager resigns his employment, he shall not be entitled to any severance pay or continued compensation or benefits except as otherwise required under state or federal law.

SECTION XII – Indemnification

Regardless of if or how the General Manager’s employment with the District may be terminated, the District shall defend, hold harmless, and indemnify the General Manager in connection with any actual or potential legal action, claim, demand, investigation, or similar event arising out of an alleged negligent act or omission occurring in the performance of the General Manager’s duties in accordance with the provisions of California Government Code section 810 et seq. The General Manager will cooperate in good faith with the District with respect to the defense of such claims, demands or legal actions.

Pursuant to Government Code section 53243, et seq., if the General Manager is convicted of a crime involving an abuse of his office or position, all of the following shall apply upon final conviction: (1) if the General Manager is provided with administrative leave pay pending an investigation, the General Manager shall be required to fully reimburse such amounts paid; (2) if the District, in its discretion, pays for the criminal legal defense of the General Manager, the General Manager shall be required to fully reimburse such amounts paid; and (3) if the General Manager is provided with any severance pay and/or settlement pay, the General Manager shall be required to reimburse such pay. For purposes of this Section, “abuse of office or position” shall be as defined under California Government Code section 53243.4.

SECTION XIII – General Provisions

- A. Integration. This Agreement sets forth and establishes the entire understanding between the District and the General Manager relating to the employment of the General Manager by the District. Any prior discussions or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this Agreement during the life of the Agreement. Such amendments shall be incorporated and made a part of this Agreement.
- B. Binding Effect. This Agreement shall be binding on the District and the General Manager as well as their heirs, assigns, executors, personal representatives and successors in interest.
- C. Parity in Construing Agreement. This Agreement and any ambiguities or uncertainties herein, or the documents referenced herein, shall be equally and fairly interpreted and construed without reference to the identity of the party preparing this document or the documents referred to herein, on the express understanding and agreement that the parties participated equally in the negotiation and preparation of this Agreement and any documents referred to herein, or have had equal opportunity to do so.
- D. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.
- E. Governing Law. The validity, interpretation, effect, and enforcement of this Agreement shall be governed by the laws of the State of California.

Dated: _____

By: _____

KEVIN RAHMAN
General Manager
Sausalito Marin City Sanitary District

Dated: _____

By: _____

DAN RHEINER
President of the Board
Sausalito Marin City Sanitary District

APPROVED AS TO FORM:

By: _____

Benjamin L. Stock
Burke, Williams & Sorensen, LLP
District Counsel
Sausalito-Marin City Sanitary District

Adopt Resolution No. 1113 – Approving the Base Salary Schedule Effective July 1, 2026

Background: Every year the District’s salary schedule must be Board-approved in accordance with the requirements of the California Code of Regulations, Subchapter 1, Employees' Retirement System Regulations sections 570.5 and 571.1 (2 CCR § 570.5 and §571.1).

The salary schedule includes a 4% cost-of-living adjustment (COLA) approved through employee agreements and the Memorandum of Understanding (MOU) with Operating Engineers, Local 3. This adjustment was incorporated into the salary calculations for the FY 2026/27 Budget.

Recommendation: Adopt Resolution No. 1113- Approving Base Salary Schedule effective July 1, 2026.

Attachment: Resolution No. 1113 Approving Base Salary Schedule effective July 1, 2026.



Prepared By: _____
Catherine A. Bondanza, Board Secretary/Office Manager



Submitted by: _____
Kevin Rahman, Acting General Manager/District Engineer

SAUSALITO-MARIN CITY SANITARY

RESOLUTION 1113

**A RESOLUTION APPROVING THE BASE SALARY SCHEDULE
EFFECTIVE
JULY 1, 2025 PURSUANT TO THE CALIFORNIA CODE OF
REGULATIONS, SUBCHAPTER 1, EMPLOYEES' RETIREMENT
SYSTEM REGULATIONS SECTION 570.5 and 571.1.**

WHEREAS, the Sausalito-Marín City Sanitary District has contracted with CalPERS to provide certain retirement benefits to its employees; and

WHEREAS, the governance of retirement benefits provided to public employees in the state of California is governed by California Government Code Title 2, Division 5, Part 3 Public Employees' Retirement System; and

WHEREAS, the Board of Administration of the Public Employees' Retirement System has promulgated regulations to implement requirements of the governing law; and

WHEREAS, the California Code of Regulations, Subchapter 1, Employees' Retirement System Regulations section 570.5 and 571.1 (2 CCR§ 570.5 and § 571.1) states that

"(a) For purposes of determining the amount of "compensation earnable" pursuant to Government Code Sections 20630, 20636, and 20636.1, payrate shall be limited to the amount listed on a pay schedule that meets all of the following requirements:

- (1) Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meeting laws;
- (2) Identifies the position title for every employee position;
- (3) Shows the payrate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
- (4) Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
- (5) Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;

- (6) Indicates an effective date and date of any revisions;
- (7) Is retained by the employer and available for public inspection for not less than five years; and
- (8) Does not reference another document in lieu of disclosing the payrate.

WHEREAS, the California Code of Regulations, Subchapter 1, Employees' Retirement System Regulations section 571.1 (2 CCR § 571.1) states that

(a)(4) "Pensionable compensation" is paid pursuant to a publicly available pay schedule which meets all the following criteria;

- (A) Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
- (B) Identifies the position title for every employee position used by the agency;
- (C) Specifies the pensionable compensation amount of each identified position, which may be stated as a single amount or as multiple amounts within a range;
- (D) Indicates the conditions for payment of the item of pensionable compensation, including, but not limited to, eligibility for, and amount of each component of pay;
- (E) Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
- (F) Indicates an effective date and date of any revisions;
- (G) Is retained by the employer and available for public inspection for not less than five years; and
- (H) Does not reference another document in lieu of disclosing the item of pensionable compensation other than those outlined in Government Code section 20049.

THEREFORE, BE IT RESOLVED that the Board of Directors of the Sausalito-Marín City Sanitary District does hereby adopt Resolution 1113 Approving the Base Salary Schedule Effective July 1, 2026, which includes a 4% cost of living (COLA) increase and is attached as Exhibit A by reference, in accordance with the requirements of the California Code of Regulations, Subchapter 1, Employees' Retirement System Regulations section 570.5 and 571.1 (2 CCR § 570.5 and §571.1).

I certify that the foregoing Resolution was duly and regularly adopted by the Board of Directors of the Sausalito-Marín City Sanitary District, Marin County, California, at a meeting held on June 2, 2026 by the following vote:

AYES, and in favor thereof, Directors:

NOES, Directors:

ABSTAIN, Directors:

ABSENT, Directors:

APPROVED:

Dan Rheiner, Board President

Catherine A. Bondanza, Board Secretary

Sausalito-Marin City Sanitary District

MONTHLY BASE SALARY SCHEDULE (in dollars)

Board Approved June 2, 2026 - Exhibit A of Resolution No 1113

STEPS	A	B	C	D	E	F *	G *	H *	I *
General Manager <small>(7/1/26 to 7/10/26)</small>	30814	Salary							
Acting General Manager/ District Engineer <small>(7/1/26 to 7/10/26)</small>	21391	Salary							
General Manager <small>(New 7/11/26)**</small>	24500	Salary							
Office Manager/Board Sec	10842	11384	11953	12551	13179	13508	13837	N/A	N/A
Administrative Assistant II	9364	9832	10324	10840	11382	11667	11951	N/A	N/A
Administrative Assistant I	8088	8492	8917	9363	9831	10077	10323	N/A	N/A
District Engineer	20372	Salary							
Associate Engineer	13363	14031	14733	15469	16243	N/A	N/A	N/A	N/A
Assistant Engineer	11237	11799	12389	13008	13659	N/A	N/A	N/A	N/A
Engineer in Training	7232	7594	7973	8372	8791	N/A	N/A	N/A	N/A
Operations Superintendent	18125	Salary							
Operations Supervisor	15218	15979	16778	17617	18498	N/A	N/A	N/A	N/A
Electrical/Mechanical Maintenance Technician III	11087	11642	12224	12835	13477	13814	14151	N/A	N/A
Lead Operator	11105	11660	12243	12856	13498	13836	14173	14511	14848
O & M Tech III	10325	10841	11383	11953	12550	12864	13178	13492	13805
O & M Tech II	8980	9429	9901	10396	10916	11189	11462	11734	12007
O & M Tech I	8161	8569	8997	9447	9920	10168	10416	10664	10912
Operator in Training	7232	7594	7973	8372	8791	9011	9230	9450	9670
Lab Director	12496	13120	13776	14465	15188	15568	15948	N/A	N/A
Lab Technician II	10281	10796	11335	11902	12497	12810	13122	N/A	N/A
Lab Technician I	8458	8881	9325	9792	10281	10538	10795	N/A	N/A

- Per Board approval of the Certification Incentive Program on July 1, 2017. Incentive pay is approved at 2.5% increments for each technical certificate above what is required under the job classification up to a maximum of 10% for four technical certificates.
- For Steps A through E of the salary schedule, certification incentive pay is available from 0% up to a max of 10% for certain classifications. For example, an employee at Step A who has two certifications, or a 5% incentive pay, will be placed at Step B of the classification salary range. Also for example, an employee at Step A who has one certification, or a 2.5% incentive pay, will be placed at a salary between Step A and Step B.
- * Steps F through I reflect possible technical certification incentive pay above the top step for each classification based on the approved certifications for each classification. For example, a classification that shows Step F and G above the top Step E means this classification has two possible incentive certifications up to 5%. Each Step F through I is set a 2.5% increments for a maximum of 10% for certain classifications as indicated.
- All "Classic" employees reimburse SMCS D 8% of their total gross payroll for their portion of the required Employer Paid Member Contribution (EPMC)
- All "PEPRA" employees pay a member contribution equal to 50% of the total normal cost of the PERS Benefit. New Members are not eligible to receive EPMC from the District.
- New General Manager as of 7/11/26** does not receive automatic COLAs. Must be reviewed and approved by the Board.

Adopt Resolution No. 1114 - Establishing the District’s General Tax Appropriations Limit for Fiscal Year 2026/2027

Background: Pursuant to Article XIII B of the California Constitution (Proposition 4), public entities are required to comply with the budgetary guidelines established by the Gann Initiative. The purpose of Article XIII B is to limit the growth of government spending by restricting the amount of tax proceeds that may be appropriated each year. The annual appropriations limit may be adjusted based on changes in the cost of living, as measured by California per capita income, and population growth. The limit may also be modified in the event of a transfer of fiscal responsibility.

Only proceeds from taxes are subject to the appropriations limit. Revenues derived from charges for services, regulatory fees, grants, loans, donations, and other non-tax sources are excluded from the limitation. Additional exemptions apply to voter-approved debt, debt existing prior to January 1, 1979, and costs associated with compliance with court orders or federal mandates. Any tax revenues received in excess of the appropriations limit must be returned to taxpayers within two years. Voters may also approve increases to the appropriations limit; however, such increases must be reauthorized every four years to remain in effect.

For Fiscal Year 2026/2027, the District’s appropriations limit has been calculated at \$1,638,320. Based on the net proceeds of taxes subject to limitation, the proposed FY 2026/2027 District appropriation of \$800,000 is below the legal limit.

Recommendation: Adopt Resolution No. 1114 Establishing the District’s General Tax Appropriations Limit for Fiscal Year 2026/2027.

Attachment: Resolution No. 1114 Establishing the District’s General Tax Appropriations Limit for FY 2026/2027.



Prepared By: _____
Catherine A. Bondanza, Board Secretary/Office Manager



Submitted by: _____
Kevin Rahman, Acting General Manager/District Engineer

SAUSALITO-MARIN CITY SANITARY DISTRICT

RESOLUTION NO. 1114

**A RESOLUTION ESTABLISHING THE DISTRICT'S GENERAL TAX APPROPRIATIONS
LIMIT FOR FISCAL YEAR 2026/27**

RESOLVED, by the Board of Directors of the Sausalito-Marín City Sanitary District, Marin County, California as follows:

- 1. Pursuant to Article XIII B of the Constitution of the State of California (Gann Amendment), the District's maximum limit for the appropriations of tax proceeds for Fiscal Year 2026/27 is \$1,638,320; and
- 2. The appropriations limit amount included in the adopted FY 2026/27 budget of \$800,000 does not exceed the limitations pursuant to Article XIII B of the Constitution of the State of California; and
- 3. By State law, the Sausalito-Marín City Sanitary District Board of Directors must adopt an appropriations limitation.

Computation of Appropriations Limit for FY 2026/2027

Per Capita Cost of Living Change =	4.95
Sausalito Population Change =	-0.69
Marin County Population Change =	-0.70
Prior Year Appropriation Limit =	\$1,571,832

Per Capita Cost of Living Converted to Ratio:

$$\frac{4.95 + 100}{100} = 1.0495$$

Population Converted to Ratio:

(use greater of County or Sausalito % change)

$$\frac{-0.69 + 100}{100} = .9931$$

Calculation of factor for FY 2026/27:

$$1.0495 \times 0.9931 = 1.0423$$

Calculation of Appropriation Limit:

$$1.0423 \times \$1,571,832 = \$1,638,320$$

* * * * *

I certify that the foregoing Resolution was duly and regularly adopted by the Board of Directors of the Sausalito-Marín City Sanitary District, Marin County, California, at a meeting held on June 2, 2026 by the following vote:

AYES, and in favor thereof, Directors:

NOES, Directors:

ABSTAIN, Directors:

ABSENT, Directors:

APPROVED:

Dan Rheiner, Board President

Catherine A. Bondanza, Board Secretary

Affirm the Scheduled Increase in Sewer Service Charges for Fiscal Year 2026/2027 in Conformance with District Code

Background:

On May 7, 2024, the SMCSD Board of Directors adopted a five-year sewer service rate plan through the Proposition 218 process to fund operating costs and required capital improvements. As part of this action, the Board adopted Ordinance No. 102, establishing sewer service rates for Fiscal Years 2024/2025 through 2028/2029. These rates include conveyance and treatment charges for all ratepayers, as well as collection rates for the unincorporated area within the District’s boundaries, which is predominantly Marin City.

In August 2025, the City of Sausalito transferred its sewer collection system to the District. To enable the District to collect the associated revenue, the Board adopted the City’s collection rates in January 2026 through the Proposition 218 process by adopting Ordinance No. 104. These rates were based on a rate study previously adopted by the City and prepared by an independent third-party consultant, covering Fiscal Years 2025/2026 through 2028/2029.

District Code Section 3.05.120 Rates includes a provision for the Board to evaluate and affirm the scheduled sewer service charges on an annual basis. As part of the FY 2026/2027 annual budget review, staff included the sewer service charge revenue based on the rates adopted in ordinances No 102 and No 104.

Based on the results of the financial evaluation, the staff recommends that the Board affirm the following sewer service charge rates for FY 2026/2027:

Conveyance & Treatment Residential Sewer Service Charges for All.

The annual sewer service charge payable by each residential customer class, per dwelling unit, will be charged as follows:

Single Family	\$1,074
Multi Family	\$910
Floating Homes	\$797

Conveyance & Treatment Non-Residential Sewer Service Charges for All.

The annual sewer service charge payable for each non-residential (commercial) customer will be charged as follows:

Non-Residential	\$1,074
-----------------	---------

Supplementary Collection Charges for **Unincorporated** Area Customers. All residential and non-residential customers whose premises are located in the Marin City Community or in other unincorporated areas of the District's boundaries shall pay an additional charge as follows:

Single Family		\$460
Multi Family		\$389
Floating Homes		\$341
Non-Residential	\$	460

Supplementary Collection Charges for **City of Sausalito** Area Customers. All residential and non-residential customers whose premises are in the boundaries of the City of Sausalito shall pay an additional charge as follows:

Residential

Fixed Charges

Single Family		\$702.92
Single Family Attached		\$460.34
Duplexes		\$417.10
Multi-Family		\$342.96

Volumetric Charges (\$ per CCF per year)		\$3.06
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Non-Residential Customers

Fixed Charges

Commercial & Industrial		\$702.92
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Volumetric Charges (\$ per CCF per year)		\$3.06
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Staff will publish a public notice in the *Marin Independent Journal* newspaper of the proposed sewer service rates for FY 2026/2027 to inform the public prior to the July 1, 2026 effective date.

Recommendation: Affirm the scheduled increase in sewer service charge for Fiscal Year 2026/27 in conformance with District Code.

Attachment:

1. Ordinance No. 102
2. Ordinance No. 104
3. Draft Public Notice for *Marin Independent Journal*



Prepared by:

Catherine A. Bondanza, Board Secretary/Office Manager



**Reviewed &
Submitted by:**

Kevin Rahman, Acting General Manager/District Engineer

SAUSALITO-MARIN CITY SANITARY DISTRICT**ORDINANCE NO. 102****ORDINANCE ADOPTING SEWER SERVICE CHARGE RATES
FOR FISCAL YEARS 2024/25, 2025/26, 2026/27, 2027/28 and 2028/29**

WHEREAS, in adopting this Ordinance, the Board of Directors ("Board") of the Sausalito-Marín City Sanitary District, Marin County, California ("District") finds that:

A. On July 8, 2019, the Board adopted Ordinance No. 101 pertaining to Sewer Service Charge Rates; and

B. Ordinance No. 101 was codified and reflected in Chapter 3.05 of the Sausalito-Marín City Sanitary District Code, entitled "Sewer Service Charges"; and

C. HF& H Rate Consultants prepared an updated sewer model and rate study, which forecasts five-years of operating revenues and expenses and sets forth a proposed rate schedule that will ensure that rate revenues do not exceed the District's costs of providing sewer services and that the rates are proportionately charged to each customer for sewer services ("Rate Study"); and

D. The Board of the District has reviewed the present sewer service charge rate schedule and has determined that the annual sewer service charge rates should be increased in compliance with Article XIID of the California Constitution (Proposition 218), in order to meet operating expenses, purchase materials, meet financial reserve needs, and provide for capital projects necessary to maintain service within the existing service area; and

E. A Notice of Public Hearing containing information on the proposed fee increase was duly mailed to every property owner receiving sewer service from the District at least 45 days prior to the public hearing on the proposed increase conducted on May 7, 2024; and

F. The District conducted a public hearing on May 7, 2024, and at the public hearing, residents and property owners who wished to comment on this matter were heard; and

G. All written protests presented by the affected property owners were considered and tallied at the meeting, and the District was not presented with protests by a majority of the owners of the identified parcels affected by this change; and

H. The amount of the charges imposed does not exceed the proportional cost of the service attributable to the properties receiving service, and revenues from the charges and fees are not being used for any other purpose than that for which they are imposed; and

I. The charge is imposed only on those properties receiving service or those for which service is immediately available; and

J. This action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273(a) (1), (2), (3), and (4) of the State CEQA Guidelines, in that the sewer service fee is being charged to meet operating expenses, purchase materials, meet financial reserve needs and provide for capital projects necessary to maintain service within the existing service area.

NOW, THEREFORE, IT IS ORDAINED by the Board of the Sausalito-Marín City Sanitary District as follows:

Section 1. Recitals. The Board of the Sausalito-Marín City Sanitary District does hereby find that the above-referenced recitals are true and correct and material to the adoption of this Ordinance.

Section 2. Amended. Section 3.05.120(A) of the District Code, pertaining to Residential Sewer Service Charges, is hereby amended as follows (deletions in ~~strike-through~~, additions in underline):

A. Residential Sewer Service Charges. Pursuant to District code 3.05.050(A), the annual sewer service charge payable by each residential customer class, per dwelling unit, shall be as follows:

Customer Class	FY 2019/20 <u>2024/25</u>	FY 2020/21 <u>2025/26</u>	FY 2021/22 <u>2026/27</u>	FY 2022/23 <u>2027/28</u>	FY 2023/24 <u>2028/29</u>
Single Family	\$866 <u>\$1,033</u>	\$906 <u>\$1,053</u>	\$942 <u>\$1,074</u>	\$970 <u>\$1,096</u>	\$999 <u>\$1,117</u>
Multi Family	\$771 <u>\$874</u>	\$793 <u>\$892</u>	\$824 <u>\$910</u>	\$849 <u>\$928</u>	\$875 <u>\$947</u>
Floating Homes	\$659 <u>\$765</u>	\$683 <u>\$781</u>	\$710 <u>\$797</u>	\$731 <u>\$813</u>	\$753 <u>\$829</u>

If applicable, residential customers shall also be subject to the supplementary sewer service charge provided for in subsection (C) of this section.

Section 3. Amended. Section 3.05.120(B) of District Code, pertaining to Nonresidential Sewer Service Charges, is hereby amended as follows (deletions in ~~strike-through~~, additions in underline):

B. Non-Residential Sewer Service Charges. Pursuant to District code Section 3.05.050(B), the annual sewer service charge payable for each nonresidential customer shall be calculated based upon the following sewer service charge rates:

Customer Class	FY 2019/20 <u>2024/25</u>	FY 2020/21 <u>2025/26</u>	FY 2021/22 <u>2026/27</u>	FY 2022/23 <u>2027/28</u>	FY 2023/24 <u>2028/29</u>
Nonresidential	\$866 <u>\$1,033</u>	\$906 <u>\$1,053</u>	\$942 <u>\$1,074</u>	\$970 <u>\$1,096</u>	\$999 <u>\$1,117</u>

If applicable, nonresidential customers shall also be subject to the supplementary sewer service charge provided for in subsection (C) of this section.

Section 3. Amended. Section 3.05.120 (C) of the District Code, pertaining to Supplementary Charges for Unincorporated Customers, is hereby amended as follows (deletions in ~~strike through~~, additions in underline):

C. Supplementary Charges for Unincorporated Area Customers. Pursuant to District Code Section 3.05.050(C), customers whose premises are located in the Marin City community or in other unincorporated areas of the district shall pay an additional charge as set forth below:

1. All residential customers shall pay a supplementary charge as follows:

Customer Class	FY 2019/20 <u>2024/25</u>	FY 2020/21 <u>2025/26</u>	FY 2021/22 <u>2026/27</u>	FY 2022/23 <u>2027/28</u>	FY 2023/24 <u>2028/29</u>
Single Family	\$192 <u>\$446</u>	\$198 <u>\$453</u>	\$220 <u>\$460</u>	\$291 <u>\$467</u>	\$387 <u>\$474</u>
Multi Family	\$169 <u>\$378</u>	\$174 <u>\$384</u>	\$194 <u>\$389</u>	\$256 <u>\$395</u>	\$341 <u>\$401</u>
Floating Homes	\$144 <u>\$331</u>	\$148 <u>\$336</u>	\$165 <u>\$341</u>	\$218 <u>\$346</u>	\$290 <u>\$351</u>

2. All nonresidential customers shall pay a supplementary charge calculated based upon the following rates:

Customer Class	FY 2019/20 <u>2024/25</u>	FY 2020/21 <u>2025/26</u>	FY 2021/22 <u>2026/27</u>	FY 2022/23 <u>2027/28</u>	FY 2023/24 <u>2028/29</u>
Non-Residential	\$192 <u>\$446</u>	\$198 <u>\$453</u>	\$220 <u>\$460</u>	\$291 <u>\$467</u>	\$387 <u>\$474</u>

Section 4. Amended. Section 3.05.120 (D) of the District Code, pertaining to Automatic Increases, is hereby amended as follows (deletions in ~~strike through~~, additions in underline):

D. Automatic Increases – Exceptions. The increases in sewer service charges and sewer service charge rates for Fiscal Years ~~2019/20, 2021/22, 2022/23, and FY 2023/24~~ 2024/25, 2025/26, 2026/27, 2027/28, and 2028/29 shall occur automatically on July 1st of each respective fiscal year without further approval or other action by the District’s Board. Notwithstanding the automatic nature of those increases, the Board shall review scheduled increases prior to the beginning of each fiscal year and may, in its discretion, reduce the amount to be imposed pursuant to this section for that following fiscal year.

If the Board concludes by a majority vote that the sewer service charges or supplementary charges in amounts less than the maximum amounts as set forth in this chapter for the then following fiscal year will produce adequate revenues for that fiscal year, the Board may by resolution make appropriate findings and determine that it will impose sewer service charges in a lesser amount for that year.

Any such reduction for one fiscal year shall not affect the sewer service charges and rates for the following fiscal years, absent additional actions by the Board. Therefore, at the end of any fiscal year for

which the Board has acted to impose less than the full amount of sewer services charges authorized by this chapter, the following years' charges as set forth by this chapter will automatically take effect unless the Board takes appropriate actions to set or impose alternative sewer service charge amounts.

E. The rates and charges imposed by the Board under this ordinance shall continue thereafter in effect until further action of the Board.

Section 5. Amended. Section 3.05.050 (A) of the District Code, pertaining to Determination of Charges, is hereby amended as follows (deletions in ~~strike-through~~, additions in underline):

A. Determination of Charges: A. Residential Customer Sewer Service Charge. Each residential customer shall pay an annual sewer service charge, which is equivalent to the annual charge as established by the district's Board of Directors. 1. Residential – single-family customer's annual sewer service charge shall be the equivalent of one EDU. 2. Residential – multifamily customer's annual sewer service charge shall be the equivalent of ~~ninety-seven hundredths~~ eighty-five hundredths EDU. 3. Residential – floating home customer's annual sewer service charge shall be the equivalent of ~~ninety-two hundredths~~ seventy-four hundredths EDU.

Section 6. Publication. Upon adoption of this Ordinance it shall be entered in the minutes of the Board and it shall be published one time in a newspaper of general circulation in the District.

Section 7. Effective Date. This Ordinance shall be effective 30 days from the date of passage and adoption.

Section 8. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board hereby declares that it should have adopted the Ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections subsections, sentences, clauses or phrases be declared unconstitutional.

Section 9. Upon this Ordinance's effective date, the Sewer Service Charges set forth herein shall supersede those set forth in Ordinance No. 101 and all other ordinances, resolutions, motions, and other orders and actions of the Board to the extent inconsistent with this Ordinance. To the extent that this Ordinance No. 102, or the Sewer Service Charges set forth herein, is challenged and set aside for any reason, Ordinance No. 101 and the Sewer Service Charges specified therein shall be immediately restored and effective until further action of the Board of Directors.

Section 10. CEQA. This action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273(a) (1), (2), (3), and (4) of the State CEQA Guidelines, in that the sewer service fee is being charged to meet operating expenses, purchase materials, meet financial reserve needs and provide for capital projects necessary to maintain service within the existing service area.


* * * * *

I certify that the foregoing Ordinance was duly and regularly adopted by the Board of Directors of the Sausalito-Marín City Sanitary District, Marin County, California, at a meeting held on May 7, 2024, by the following vote.

AYES, and in favor thereof,
NOES,
ABSTAIN,
ABSENT,

Directors: Beers, DeLano, Rheiner, Ring & Thornton
Directors:
Directors:
Directors:

APPROVED:

DocuSigned by:

5745EC19C865474...
Dan Rheiner, President

DocuSigned by:
Catherine A. Bondanza
4280DDF62E00430...
Catherine A. Bondanza, Board Secretary

**SAUSALITO-MARIN CITY SANITARY DISTRICT
ORDINANCE NO. 104**

**ORDINANCE ADOPTING SEWER COLLECTION
SERVICE CHARGE RATES FOR PARCELS WITHIN
THE CITY OF SAUSALITO FOR FISCAL YEARS
2025/26, 2026/27, 2027/28 AND 2028/29**

WHEREAS, in adopting this Ordinance, the Board of Directors (“Board”) of the Sausalito-Marin City Sanitary District, Marin County, California (“District”) finds that:

A. On May 7, 2024, the Board adopted Ordinance No. 102 pertaining to Sewer Service Charge Rates, which reflects the District’s costs of providing sewer treatment services to parcels served by the District for fiscal years 2024/25 through 2028/29, which includes serving parcels within the jurisdictional boundaries of the City of Sausalito (“City”); and

B. Ordinance No. 102 was codified and reflected in Chapter 3.05 of the Sausalito-Marin City Sanitary District Code, entitled “Sewer Service Charges”; and

C. On August 22, 2025, the District entered into a Bill of Sale and Confirmation of Operational System Transfer with the City by which (generally), effective fiscal year 2025/2026: (1) the City agreed to transfer the City sewer collection system to the District, and the District agreed to undertake the operation of the City sewer collection system; (2) the City agreed to cease directly charging parcels for the cost of providing the City sewer collection services, and the District would undertake charging parcels for costs to be incurred by the District; and

D. The City had previously set rates for the cost of providing the City sewer collection services based on the “City of Sausalito FY 2024-25 Sewer Rate Study dated April 25, 2024 (“Rate Study”) prepared by HF& H Consultants LLC, which included an analysis of costs and rates through fiscal year 2028/29; and the rates set forth in this resolution are based on the analysis of costs set forth in that Rate Study; and

E. The Board of the District has reviewed the proposed sewer service charge rate schedule set forth in this resolution, to cover the cost of providing City sewer collection services to parcels within the jurisdictional boundaries of the City, and has determined that the annual sewer service charge rates should be established in compliance with Article XIID of the California Constitution (Proposition 218), in order to meet operating expenses, purchase materials, meet financial reserve needs, and provide for capital projects necessary to maintain service for the City sewer collection system; and

F. A Notice of Public Hearing containing information on the proposed sewer service charge rate schedule was duly mailed to every property owner receiving the City sewer collection service from the District at least 45 days prior to the public hearing scheduled for January 27, 2026; and

G. The District conducted a public hearing on January 27, 2026, and at the public hearing, residents and property owners who wished to comment on this matter were heard; and

H. All written protests presented by the affected property owners were considered and tallied at the meeting, and the District was not presented with protests by a majority of the owners of the identified parcels affected by the proposed City sewer collection service changes; and

I. The amount of the charges imposed does not exceed the proportional cost of the service attributable to the properties receiving service, and revenues from the charges and fees are not being used for any other purpose than that for which they are imposed; and

J. The charge is imposed only on those properties receiving service or those for which service is immediately available; and

K. This action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273(a) (1), (2), (3), and (4) of the State CEQA Guidelines, in that the sewer service fee is being charged to meet operating expenses, purchase materials, meet financial reserve needs and provide for capital projects necessary to maintain service within the existing service area.

NOW, THEREFORE, IT IS ORDAINED by the Board of the Sausalito-Marín City Sanitary District as follows:

Section 1. Recitals. The Board of the Sausalito-Marín City Sanitary District does hereby find that the above-referenced recitals are true and correct and material to the adoption of this Ordinance.

Section 2. Amended. Section 3.05.120 of the District Code is hereby amended to re-letter subsection “3.05.120(D)” from “(D)” to “(E).” Thus, as re-lettered, the entirety of former subsection “3.05.120(D)” will now be labeled: “3.05.120(E) Automatic Increases – Exceptions.”

Section 3. Amended. Section 3.05.120 of the District Code is hereby amended to re-letter subsection “3.05.120(E)” from “(E)” to “(F).” Thus, as re-lettered, the entirety of former subsection “3.05.120(E)” will now be labeled: “3.05.120(F).”

Section 4. Amended. A new Section 3.05.120(D) is hereby adopted and inserted into the District Code as follows:

D.Charges for City Collection Services. For customers whose parcels are located within the City limits of the City of Sausalito, in addition to the charge required under District code 3.05.120(A) and 3.05.120(B) for sewer treatment costs, the customers shall pay a charge for the cost of providing City Collection services as set forth below:

1. All residential customers shall pay a supplementary charge as follows:

Customer Class	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>FY 2027/28</u>	<u>FY 2028/29</u>
<u>Fixed Charges (\$/Year/Dwelling Unit)</u>				
Single-Family	<u>\$669.45</u>	<u>\$702.92</u>	<u>\$738.07</u>	<u>\$774.97</u>
Single-Family Attached	<u>\$438.42</u>	<u>\$460.34</u>	<u>\$483.36</u>	<u>\$507.53</u>
Duplexes	<u>\$397.24</u>	<u>\$417.10</u>	<u>\$437.96</u>	<u>\$459.86</u>
Multi-Family	<u>\$326.63</u>	<u>\$342.96</u>	<u>\$360.11</u>	<u>\$378.12</u>
<u>Volumetric Charges (\$ per CCF per year)</u>				
All Residential Customers	<u>\$2.91</u>	<u>\$3.06</u>	<u>\$3.21</u>	<u>\$3.37</u>

2. All nonresidential customers shall pay a supplementary charge as follows:

Customer Class	<u>FY 2025/26</u>	<u>FY 2026/27</u>	<u>FY 2027/28</u>	<u>FY 2028/29</u>
<u>Fixed Charges (\$/Year/Dwelling Unit)</u>				
All Commercial and Industrial	<u>\$669.45</u>	<u>\$702.92</u>	<u>\$738.07</u>	<u>\$774.97</u>
<u>Volumetric Charges (\$ per CCF per year)</u>				
All Commercial and Industrial	<u>\$2.91</u>	<u>\$3.06</u>	<u>\$3.21</u>	<u>\$3.37</u>

Section 5. Publication. Upon adoption of this Ordinance it shall be entered in the minutes of the Board and it shall be published one time in a newspaper of general circulation in the District.

Section 6. Effective Date. This Ordinance shall be effective 30 days from the date of passage and adoption.

Section 7. Severability. If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board hereby declares that it should have adopted the Ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections subsections, sentences, clauses or phrases be declared unconstitutional.

Section 8. To the extent that this Ordinance No. 104, or the Sewer Service Charges set forth herein, is challenged and set aside for any reason, Ordinance No. 102 and the Sewer Service Charges specified therein shall be immediately restored and effective until further action of the Board of Directors.


Section 9. CEQA. This action is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15273(a) (1), (2), (3), and (4) of the State CEQA Guidelines, in that the sewer service fee is being charged to meet operating expenses, purchase materials, meet financial reserve needs and provide for capital projects necessary to maintain service within the existing service area.

* * * * *


I certify that the foregoing Ordinance was duly and regularly adopted by the Board of Directors of the Sausalito-Marín City Sanitary District, Marin County, California, at a meeting held on January 27, 2026, by the following vote.

AYES,	and in favor thereof, Directors: Beers, McKibben, Rheiner, Rycerski & Thornton
NOES,	Directors:
ABSTAIN,	Directors:
ABSENT,	Directors:

APPROVED:

DocuSigned by:


 5745EC19C865474...
 Dan Rheiner, President

DocuSigned by:


 4250DDF62E00430...
 Catherine A. Bondanza, Board Secretary

Notice is hereby given that the SAUSALITO-MARIN CITY SANITARY DISTRICT Board of Directors has affirmed sewer service charges for fiscal year 2026/2027 as previously approved under Ordinance No. 102 adopted on May 7, 2024 and Ordinance No. 104 adopted on January 27, 2026. The sewer service charges will be placed on the fiscal year 2026/27 property tax roll and invoices for all customers.

WHEREAS, District Code Section 3.05.120 Rates (Ordinance No. 102 & Ordinance 104) the Board has reviewed the scheduled sewer service charges for fiscal year 2026/2027 and has concluded and affirmed, at a publicly noticed meeting held on June 2, 2026, that the scheduled sewer service charge increase is needed to produce adequate revenues for fiscal year 2026/27.

The 2026/2027 Sewer Service Charges shall be as follows:

Residential Sewer Service Charges for Conveyance & Treatment. The annual sewer service charge payable by each residential customer class, per dwelling unit, shall be as follows:

Customer Class	FY 2026/27
Single Family	\$1,074
Multi Family	\$910
Floating Homes	\$797

Non-Residential Sewer Service Charges for Conveyance & Treatment. The annual sewer service charge payable for each non-residential customer shall be calculated based upon the following sewer service charge rates:

Customer Class	FY 2026/27
Non-Residential	\$1,074

Supplementary Collection Charges for Unincorporated Area Customers. All residential and non-residential customers whose premises are located in the Marin City Community or in other unincorporated areas of the District shall pay an additional charge as set forth below:

Customer Class	FY 2026/27
Single Family	\$460
Multi Family	\$389
Floating Homes	\$341
Non-Residential	\$460

Supplementary Collection Charges for City of Sausalito Area Customers. All residential and non-residential customers whose premises are in the City of Sausalito area of the District shall pay an additional charge as set forth below:

Fixed Charges (Dwelling Unit /Year/\$)

Customer Class	FY 2026/27
Single Family	\$702.92
Single Family – Attached	\$460.34
Duplexes	\$417.10
Multi-Family	\$342.96
Commercial/Industrial	\$702.92

Volumetric Charges (\$ per CCF per year)

Customer Class	FY 2026/27
All Residential	\$3.06
All Commercial/Industrial	\$3.06

Adopt Resolution No. 1115 Approving the Fiscal Year 2026/2027 Budget

Background: Staff developed the FY 2026/2027 District Budget and reviewed it with SMCSO Finance Consultant Kathryn Harris CPA, the SMCSO Finance Committee on April 28, 2026, and May 7, 2026, and the full Board on May 12, 2026. Based on the Board's input, staff finalized the budget and recommends adoption of Resolution No. 1115 approving the FY 2026/2027 District Budget. The Budget, together with the General Manager's Executive Summary, is attached to the resolution. The adopted Budget will take effect on July 1, 2026.

Recommendation: Adopt Resolution No. 1115 Approving the Fiscal Year 2026/2027 Budget.

Attachments: Resolution No. 1115 Approving the Fiscal Year 2026/2027 Budget.



Prepared by:

Catherine A. Bondanza, Board Secretary/Office Manager



Reviewed &

Submitted by:

Kevin Rahman, Acting General Manager/District Engineer

SAUSALITO-MARIN CITY SANITARY DISTRICT

RESOLUTION NO. 1115

A RESOLUTION APPROVING THE FISCAL YEAR 2026/2027 BUDGET

RESOLVED, by the Board of Directors of the Sausalito-Marín City Sanitary District, Marin County, California as follows:

1. The attached Fiscal Year 2026/2027 Budget is approved.

* * * * *

I certify that the foregoing Resolution was duly and regularly adopted by the Board of Directors of the Sausalito-Marín City Sanitary District, Marin County, California, at a meeting held on June 2, 2026, by the following vote:

AYES, and in favor thereof, Directors:

NOES, Directors:

ABSTAIN, Directors:

ABSENT, Directors:

APPROVED:

Dan Rheiner, Board President

Catherine A. Bondanza, Board Secretary



Budget FY 2026/2027

Board Adopted by Resolution No. 1115
June 2, 2026





Sausalito-Marín City Sanitary District

Budget FY 2026/2027

Executive Summary

OVERVIEW

The Sausalito-Marín City Sanitary District (SMCSD) is governed by an elected five-member Board of Directors and provides wastewater collection, conveyance and treatment services to the City of Sausalito and unincorporated areas within the District's boundaries including Marin City. Wastewater conveyance and treatment services are also provided on a contract basis to the Tamalpais Community Services District (TCSD) which includes Muir Woods National Monument, and to the National Park Service (Forts Baker, Barry and Cronkite, Marine Mammal Center and Cavallo Point Resort). The District operates and maintains a complex infrastructure system, thereby protecting our community's public health, the environment and San Francisco Bay. It serves approximately 10,000 equivalent dwelling units (EDUs) and a population of approximately 18,000.

On behalf of all ratepayers and the community, the District operates and maintains a wastewater treatment plant designed to fully treat wastewater under: Primary (I), Secondary (II) and Tertiary (III) treatment levels up to 1.8 million gallons per day (MGD) during average dry weather flow. During wet weather flow, the plant is designed to provide up to 9.0 MGD of full primary and secondary treatment and up to 6.0 MGD of tertiary treatment. The treatment plant is capable of receiving up to 12.0 MGD through blending of secondary and tertiary treatment. The conveyance system consists of eleven pump stations, and approximately five miles of pipelines. The District's treatment plant is located in Fort Baker and has a ground lease agreement with the National Park Service through 2049.

BUDGET

In preparation for the FY 2026/2027 Budget, many factors and assumptions are made in a conservative approach to maintain a sustainable financial condition. Utilizing extensive financial planning, accurate expense projections, and timely rate setting has allowed the District to maintain a strong financial position and capacity to undertake many capital projects. These major improvements in the wastewater system operations, maintenance, and capital infrastructure improve redundancy, reliability, capacity, and safety.

In 2017, a significant long-term commitment was made with the sale of revenue bonds to fund the Treatment and Wet Weather Flow Upgrade Project, Coloma Pump Station Replacement Project and Generator Reliability Improvement Project. The bonds were issued for \$33,630,000 with an annual average debt service of \$2,158,000 over 25 years and the funds have been fully utilized. The current capital projects budgeted for FY 2026/2027 are rate funded. These projects include rehabilitation of the City of Sausalito collection system, design of primary digester improvements and nutrient reduction study.

The District maintains a stable financial condition by proactively addressing its future funding needs with an adopted 5-year rate plan using the Proposition 218 process. In March 2024, the District completed a rate study to develop the sewer service charges for FY 2024/2025 to FY 2028/2029. The study 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 fixed (72%) and volumetric (28%) component to determine the rate for our ratepayers equitably.

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, maintenance, and capital obligations. Establishment of the policy prepares and strengthens the District's financial stability against uncertainty and risk, provides adequate reserves for debt covenants, and minimizes potential customer sewer service charge fluctuations caused by unanticipated expenditures.

In March 2024, the Reserve Policy was amended to include a category for the pension and medical unfunded accrued liabilities (UAL). The District continues to address the pension and medical liabilities with the implementation of the two trusts, California Employers' Pension Prefunding Trust (CEPPT) and California Employers Retiree Benefit Trust (CERBT), but added the UAL to the Reserve Policy as these amounts will be partially rate-funded per the 2024 Rate Study.

REVENUE

The FY 2026/2027 Budget includes a total revenue projection of \$16,351,093, a 30% increase (\$3,764,810) from the previous fiscal year resulting from the transfer of Interprise funds from the City of Sausalito. The Operating Revenue (service contracts, sewer service charges, and miscellaneous income) increased from \$10,764,282 to \$14,525,093, a total increase of 35%. The sewer service charge revenue projection increased from \$7,916,290 to \$11,932,217, a total increase of 51%.

The budgeted Non-Operating Revenue which consists of property tax and interest revenue, increased from \$1,822,000 to \$1,826,000. The District optimizes its investments between Local Agency Investment Fund (LAIF) and the United States Treasury Bills with JP Morgan Chase.

On May 7, 2024, the SMCS D Board adopted the 5-year rate study by HF&H, Inc. (a third-party financial consultant) and new rates for FY 2024/2025 to FY 2028/2029 (see tables below).

The objective of the study was to allocate charges in the best possible manner to District customers and provide the necessary revenue for the District to support its operations and maintenance activities along with making progress on its capital improvement program over the next five years. An important feature of the study report is the phasing in of rate changes to minimize rate increases to the District's customers. The result of the phasing is a smoother rate transition over the five years.

An extensive analysis of the District's long-term financial condition was completed. The analysis considers operating and capital improvement expenses projected over the next ten years. The financial analysis has determined that the sewer service charge rates for the conveyance and treatment services should be increased to keep up with the cost of goods, services, supplies, equipment, and construction costs. These increases will maintain customer rate stability and limit possible larger increases at the end of the five-year rate plan period if there are no small annual adjustments to keep pace with expenses.

Lastly, staff completed an analysis of operational expenses and capital improvement costs specific to sewer collection service for the unincorporated areas of the District's jurisdiction, including Marin City and floating homes. This funding pays for sewer collection pipeline and pump station maintenance, repair, and upgrades in the unincorporated service areas. The study report recommended increasing the annual unincorporated sewer collection charge over the next five years to cover District expenses.

On August 22, 2025, SMCS D took ownership of the sewer collection system serving the City of Sausalito. The SMCS D adopted the sewer collection rate schedule previously adopted by the City of Sausalito which extends through FY 2028/29. The rate schedule is shown in Table #2 below. Starting in FY 26/27, all ratepayers will have a single line item on their property tax bills for sewer service charges. This charge will include collections, conveyance and treatment. The collections portion of the sewer service charge differs for the City of Sausalito and Unincorporated areas. See Table #1 for the Unincorporated Collection Charges or Table #2 for the City of Sausalito Collection Charges.

TABLE 1: Annual Unincorporated Sewer Collection Charges

Customer Class	Current Rates	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Single Family (Per EDU)	\$387	\$446	\$453	\$460	\$467	\$474
Multifamily (Per DU)	\$341	\$378	\$384	\$389	\$395	\$401
Floating Homes (Per DU)	\$290	\$331	\$336	\$341	\$346	\$351
Non-Residential (Per EDU)	\$387	\$446	\$453	\$460	\$467	\$474

TABLE 2: Annual City of Sausalito Sewer Collection Charges

City of Sausalito Residential Rates

FIXED CHARGE: Residential customers are charged on a per Dwelling Unit (DU) basis, according to the unit rate assigned for each customer classification.

VOLUMETRIC CHARGE: A volumetric charge is also added to each parcel’s bill based on the prior February water usage, annualized over 12 months, for that parcel in the prior fiscal year.

The volumetric charge is based on 100 cubic feet (CCF) of water use. One CCF = 748 gallons.

Customer Class	Current Rates	Proposed Rates				
		2024/25 (COS)	2025/26 (5%)	2026/27 (5%)	2027/28 (5%)	2028/29 (5%)
Fixed Charges (\$/Year/Dwelling Unit)						
Single-Family	\$730.27	\$637.57	\$669.45	\$702.92	738.07	\$774.97
Single-Family Attached	\$396.84	\$417.54	\$438.42	\$460.34	\$483.36	\$507.53
Duplexes	\$396.89	\$378.32	\$397.24	\$417.10	\$437.96	\$459.86
Multi-Family	\$351.44	\$311.08	\$326.63	\$342.96	\$360.11	\$378.12
Volumetric Charges (\$ per CCF per year)						
All Residential Customers	\$1.27	\$2.77	\$2.91	\$3.06	\$3.21	\$3.37

City of Sausalito Non-Residential (Industrial/Commercial) Rates

FIXED CHARGE: Non-Residential customers are charged on a per Equivalent Dwelling Unit (EDU), with one EDU equal to 61 hundred Cubic Feet (CCF) of water use per year. One CCF = 748 gallons.

VOLUMETRIC CHARGE: A volumetric charge is also added based on the annual water meter usage for the prior fiscal year across all customer classifications.

The volumetric charge is based on 100 cubic feet (CCF) of water use.

Customer Class	Current Rates	Proposed Rates				
		2024/25 (COS)	2025/26 (5%)	2026/27 (5%)	2027/28 (5%)	2028/29 (5%)
Fixed Charges (\$/Year/Dwelling Unit)						
All Commercial and Industrial	\$657.08	\$637.57	\$669.45	\$702.92	\$738.07	\$774.97
Volumetric Charges (\$ per CCF per year)						
All Commercial and Industrial	\$1.27	\$2.77	\$2.91	\$3.06	\$3.21	\$3.37

TABLE 3: Total Annual Sewer CONVEYANCE and TREATMENT Charges

	Current Rate	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Single Family (per EDU)	\$999	\$1,033	\$1,053	\$1,074	\$1,096	\$1,117
Multifamily (per DU)	\$875	\$874	\$892	\$910	\$928	\$947
Floating Homes (per DU)	\$753	\$765	\$781	\$797	\$813	\$829
Non-Residential (per EDU)	\$999	\$1,033	\$1,053	\$1,074	\$1,096	\$1,117

OPERATING EXPENSES

The District is responding to increased utility, insurance, cybersecurity, and regulatory costs, while also identifying opportunities to reduce expenses through careful analysis and planning. Taking ownership of the City of Sausalito collection system has substantially increased maintenance and repair costs resulting in an overall increase in Operating Expenses by 23% (\$371,784).

- Salaries and benefits, which make up a significant portion of the Operating Budget (54%), increased by 8% (\$223,978). This increase is the result of budgeting for 11 full-time employees in FY 2026/2027, compared to 9 employees in the previous fiscal year.

The salaries of all employees were analyzed, with qualified incentives and a 4% cost-of-living increase, as outlined in the Memorandum of Understanding, factored into the calculations. In addition, overtime, on-call, and vacation buy-back expenses from the previous year were reviewed to allow for a more accurate projection.

Regarding staffing, a new law, AB 2561, requires the District to report on the status of job vacancies before the governing body on an annual basis. This requirement is connected to the Memorandum of Understanding (MOU) between the District and the International Union of Operating Engineers (OE3), as both parties are subject to the Meyers-Milias-Brown Act (MMBA). AB 2561 expands the MMBA by imposing new obligations on public agencies to publicly address staffing vacancies.

As it relates to the FY 2026/2027 Budget, the current vacancy rate is 8.3%. The District plans to hire two new employees and the Budget reflects that cost. Additionally, for recruitment purposes, the District approved a three-year MOU dated July 1, 2024, that aligns employee compensation with current market rates—a positive step in maintaining competitiveness and retention.

It should be noted for FY 26/27 the CalPERS Pension Unfunded Accrued Liabilities (UAL) payments of \$214,277 for “classic” employees and \$6,900 for “PEPRA” employees, are not reflected in OPS Budget as these payments will be funded from the California Employers’ Pension Prefunding Trust (CEPPT) 115 Trust.

As a reminder, the District planned for the UAL in May 2022 by contributing \$3 million directly to CalPERS Pension Pool and funded a CEPPT 115 Trust investing \$1.2 million using investment Strategy 2. As of March 31, 2026 the balance in this account is \$1,299,597. By funding the trust, the District can fund required pension contributions, including any pension liabilities, ongoing payroll contributions, and administrative costs. In addition, funds have been allocated in the Reserve Policy that will be rate funded.

The retiree health payments of \$190,686 are not reflected in OPS Budget as these payments will be funded from the California Employer Retiree Benefit Trust (CERBT). In 2013, the Board adopted Resolution No. 993, authorizing a contract with CalPERS to prefund retiree health benefits through participation in CERBT. Since that time, the District has made contributions to the trust, resulting in a balance of \$2,600,186 as of March 31, 2026. In addition, funds have been allocated in the Reserve Policy that will be rate-funded.

- Chemical expenses decreased by 1%. SMCSO utilizes the Bay Area Chemical Consortium (BACC), a cooperative of more than 50 public wastewater and water agency members, to receive optimum pricing contracts for bulk demand rates.
- Fuel costs increased by 24% due to the addition of backup generators at all critical pump stations to improve reliability and maintain capacity.
- The General & Administrative category remain relatively unchanged, showing a decrease of 0.3%.

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, \$30,000 is allocated to the Private Sewer Lateral Rehabilitation Assistance Program to provide grants up to \$2,000 to ratepayers 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 (I&I) into the District’s wastewater conveyance system thereby reducing sanitary sewer overflows.

RATE FUNDED CAPITAL

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

The FY 2026/2027 Annual Capital Improvement Program Budget of \$2,836,699 includes \$2,200,000 for Rate Funded Capital Projects, \$177,699 for Capital Outlay to allow for one-time purchases of equipment, and \$459,000 for Renewal & Replacement of District facilities. The District's Rate Funded Capital Improvement Program consists of multi-year projects funded annually based on the phase and timeline of the projects.

REVENUE BOND & DEBT SERVICE

The debt service included in the FY 2026/2027 Budget relates to the District's 2017 Revenue Bonds, which were issued to finance capital improvements to the wastewater treatment plant and sewer system. The bonds were issued in the original principal amount of \$33,630,000 and carry an average annual debt service of approximately \$2,154,000 over a 25-year term. As of July 1, 2026, the outstanding principal balance is \$25,130,000

RESERVES

The District annually updates the Reserve Policy to accurately reflect the proposed budget. The District's reserve maintains all target balances thereby ensuring stability in the current and future planned rates. The FY 2026/2027 Reserve Policy requirement is \$14,060,575 which includes Medical and Pension Liabilities.

FUTURE VISION

The District continues to plan finances with a long-range outlook. The newly adopted 5-year sewer service rate schedule for FY 2024/25 to FY 2028/29 ensures adequate revenue is available to support the District's operations, maintenance, capital improvements, debt, and reserves. Also, adequate funding and timely implementation of the Capital Improvement Program allows us to achieve our mission of protecting human health, the environment and the San Francisco Bay; meeting requirements of our National Pollutant Discharge Elimination System (NPDES) Regional Water Quality Control Board Operating Permit; staying ahead of the ever-changing regulatory environment; and maintaining 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. The Plant Wet Weather Upgrade Project, Coloma Pump Station Improvements, Generator Reliability Improvements, Primary Clarifier Rehabilitation, Plant Electrical Upgrades, Beach Force Main Rehabilitation and Biosolids Handling Upgrades have been completed. Continued improvements will primarily focus on the City of Sausalito collection system to eliminate sanitary sewer overflows.

The District will continue to provide wastewater conveyance and treatment service to the National Park Service and Tamalpais Community Services District through service agreements.

The District recently renewed its 5-year National Pollutant Discharge Elimination System (NPDES) permit with the State Regional Water Quality Board. 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 2026-2031 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 2026/27 Budget supports the following Strategic Plan goals:

- Protect Public Health and the Environment
- Compliance
- Maintain Financial Stability
- Develop a High Performing Team
- Implementation of the Capital Improvement Program
- Technology
- Tributary Agencies
- Enhance Internal and External Communication

In closing, this year's budget has utilized the District's Budget Development Process, which includes the participation and review by the entire Staff and Board of Directors. The Board, Management, and Staff continue to commit to operating the District innovatively and effectively and ensure that public funds entrusted to us are used efficiently.

Sincerely,



Kevin Rahman, PE
Acting General Manager/District Engineer

SAUSALITO MARIN CITY SANITARY DISTRICT FY 2026/2027 BUDGET

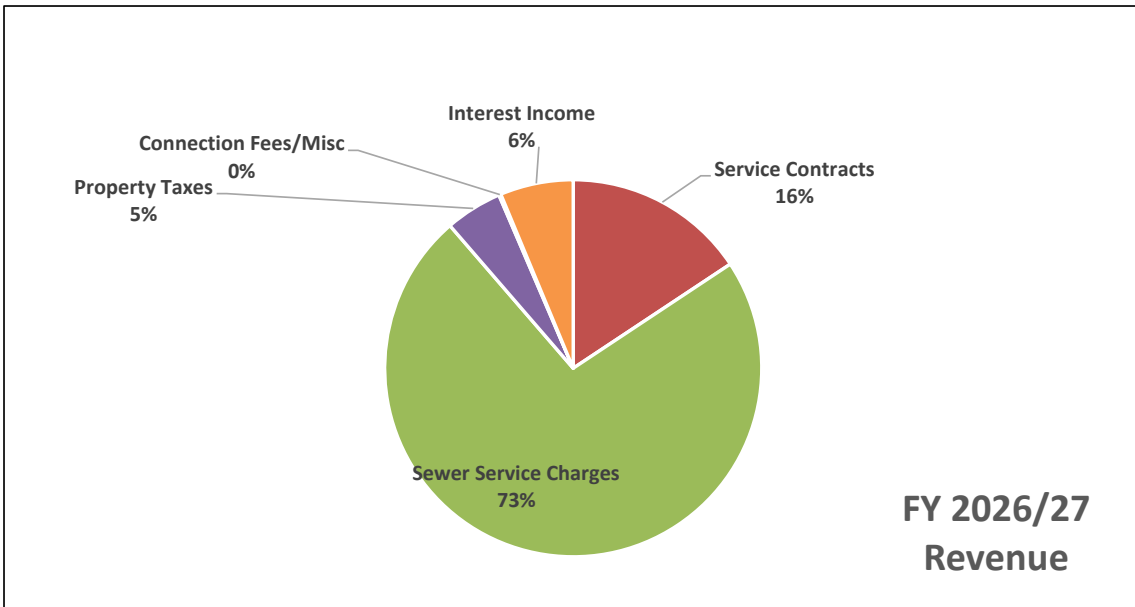
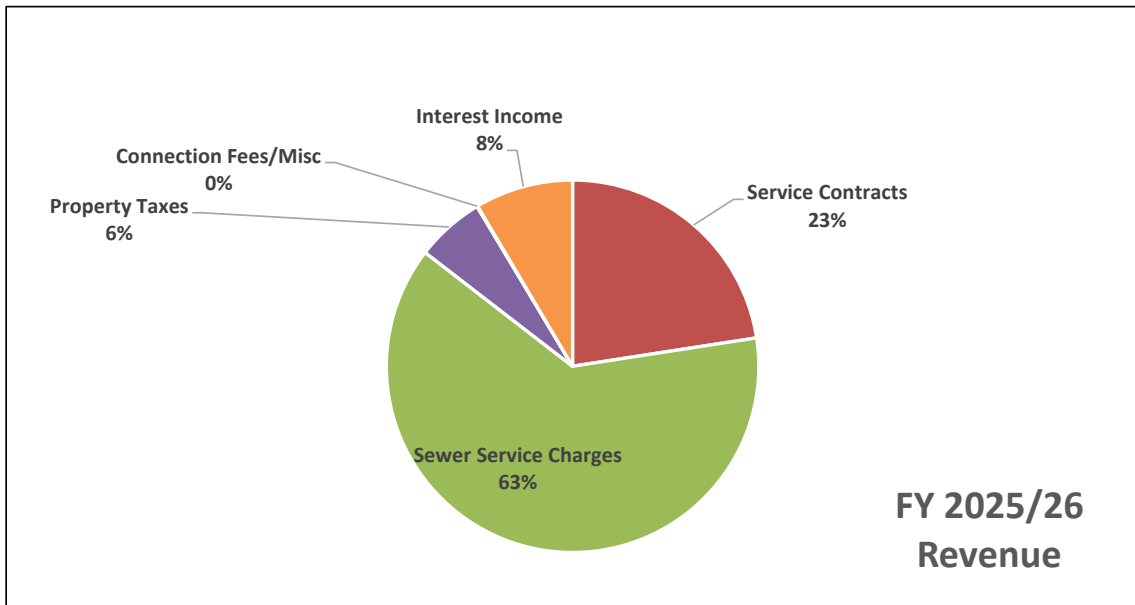
	Budget FY 25/26	Budget FY 26/27	%	%
			Change	Total
Revenue				
5500 · Service Contracts	2,840,062	2,563,936	-10%	16%
5030 · Sewer Service Charges	7,916,290	11,932,217	51%	73%
5040 · Property Taxes	750,000	800,000	7%	5%
5080 · Connection Fees/Misc	7,930	28,940	265%	0%
5200 · Interest Income	1,072,000	1,026,000	-4%	6%
Total Revenue	12,586,283	16,351,093	30%	100%
Expense				
Operating Expense				
6000 · Salaries & Benefits				
6010 · Salary	1,976,068	2,125,324	8%	40%
6020 · Payroll Taxes	134,595	162,587	21%	3%
6030 · Retirement	270,708	230,164	-15%	4%
6040 · Employee Benefits	259,174	331,190	28%	6%
6045 · Workers Comp	46,139	61,397	33%	1%
Total 6000 · Salaries & Benefits	2,686,683	2,910,661	8%	54%
6100 · Operations				
6105 · Chemicals	281,050	277,167	-1%	5%
6110 · Fuel	13,352	16,502	24%	0%
6115 · Permits & Fees	136,998	157,253	15%	3%
6120 · Waste Disposal	119,084	143,644	21%	3%
6130 · Vehicle & Equip Maint	28,351	20,951	-26%	0%
6135 · Safety	30,701	17,798	-42%	0%
6125 · Materials & Supplies	45,252	40,241	-11%	1%
6160 · Monitoring & Testing	82,065	84,635	3%	2%
6210 · Utilities	524,298	544,821	4%	10%
6151 · City of Sausalito M & R	25,425	325,000	1178%	6%
6201 · Unincorp. Collection M & R	84,371	71,371	-15%	1%
6152 · Conveyance & Treatment M & R	253,871	297,219	17%	6%
Total 6100 · Operations	1,624,818	1,996,602	23%	37%
6300 · General & Administrative				
6310 · Professional Development	18,526	21,683	17%	0%
6320 · Professional Services	213,405	195,821	-8%	4%
6330 · Insurance	151,333	155,419	3%	3%
6340 · Administrative Expenses	83,835	92,964	11%	2%
Total 6300 · General & Administrative	467,099	465,887	0%	9%
Total Operating Expense	4,778,600	5,373,150	12%	100%
Net	7,807,683	10,977,943	41%	
Capital Expense				
Capital Projects (Rate Funded)	5,334,916	2,200,000	-59%	78%
Capital Outlay	290,767	177,699	-39%	6%
Repair & Replacement	28,000	459,000	1539%	16%
Total Capital Expense	5,653,683	2,836,699	-50%	100%
6500 · Revenue Bond Expense	2,154,000	2,154,000	0%	76%
Transfer	0	5,987,245	N/A	100%

**SAUSALITO MARIN CITY SANITARY DISTRICT
FY 2026/2027 BUDGET
Revenue/Expense Detail by Category**

	Unincorporated Collections	City of Sausalito Collections	Conveyance & Treatment	Budget FY 26/27
Revenue				
5500 · Service Contracts			2,563,936	2,563,936
5030 · Sewer Service Charges	831,379	3,774,349	7,326,488	11,932,217
5040 · Property Taxes			800,000	800,000
5080 · Connection Fees/Misc			28,940	28,940
5200 · Interest Income			1,026,000	1,026,000
Total Revenue	831,379	3,774,349	11,745,364	16,351,093
Expense				
Operating Expense				
6000 · Salaries & Benefits	204,064	204,064	2,502,532	2,910,661
6100 · Operations	71,371	341,284	1,583,947	1,996,602
6300 · General & Administrative	-	43,628	422,259	465,887
Total Operating Expense	275,435	588,976	4,508,738	5,373,150
Net	555,944	3,185,373	7,236,626	10,977,943
Capital Expense				
Capital Projects (Rate Funded)		2,000,000	200,000	2,200,000
Capital Outlay			177,699	177,699
Repair & Replacement			459,000	459,000
Total Capital Expense	0	2,000,000	836,699	2,836,699
6500 · Revenue Bond Expense			2,154,000	2,154,000
Transfer	555,944	1,185,373	4,245,927	5,987,245

SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2026/2027 BUDGET

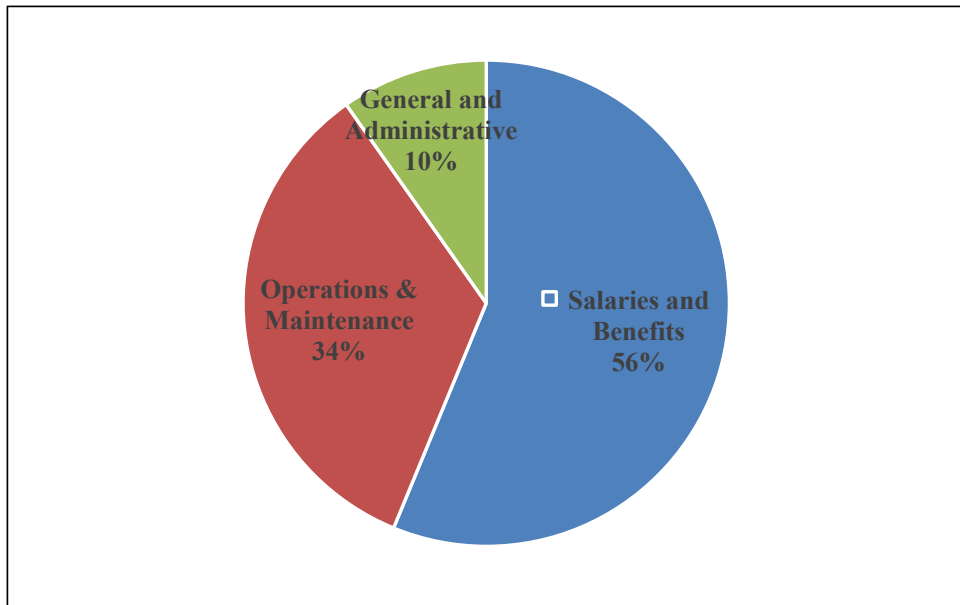
REVENUE	FY 25/26	% Total	FY 26/27	% Total
Service Contracts	2,840,062	23%	2,563,936	16%
Sewer Service Charges	7,916,290	63%	11,932,217	73%
Property Taxes	750,000	6%	800,000	5%
Connection Fees/Misc	7,930	0%	28,940	0%
Interest Income	1,072,000	9%	1,026,000	6%
REVENUE TOTAL	12,586,282	100%	16,351,093	100%



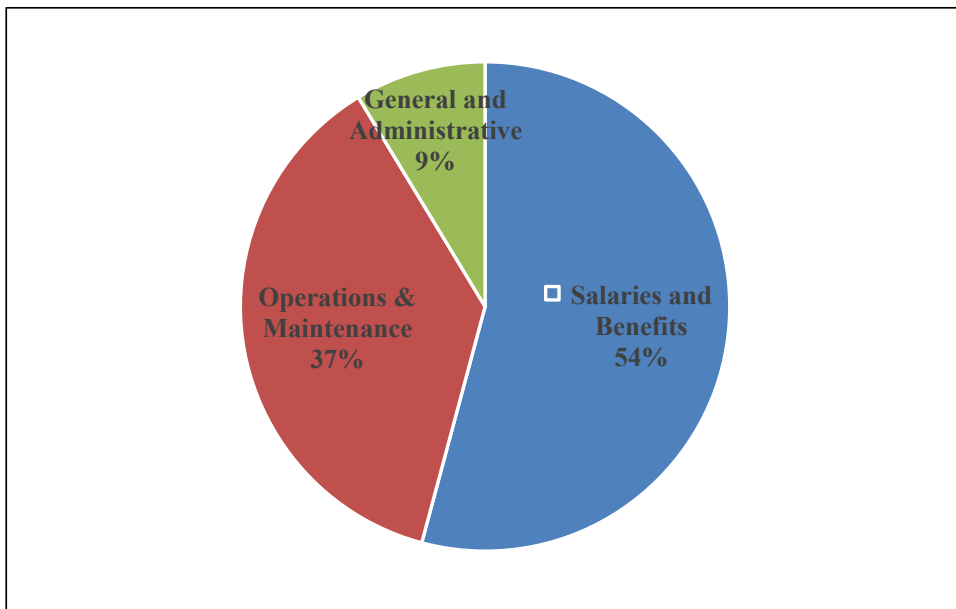
SAUSALITO MARIN CITY SANITARY DISTRICT FY 2026/2027 BUDGET

OPERATING EXPENSE	FY 25/26	% Total	FY 26/27	% Total
Salaries and Benefits	2,686,683	56%	2,910,661	54%
Operations & Maintenance	1,624,818	34%	1,996,602	37%
General and Administrative	467,099	10%	465,887	9%
OPERATING EXPENSE TOTAL	4,778,600	100%	5,373,150	100%

FY 25/26



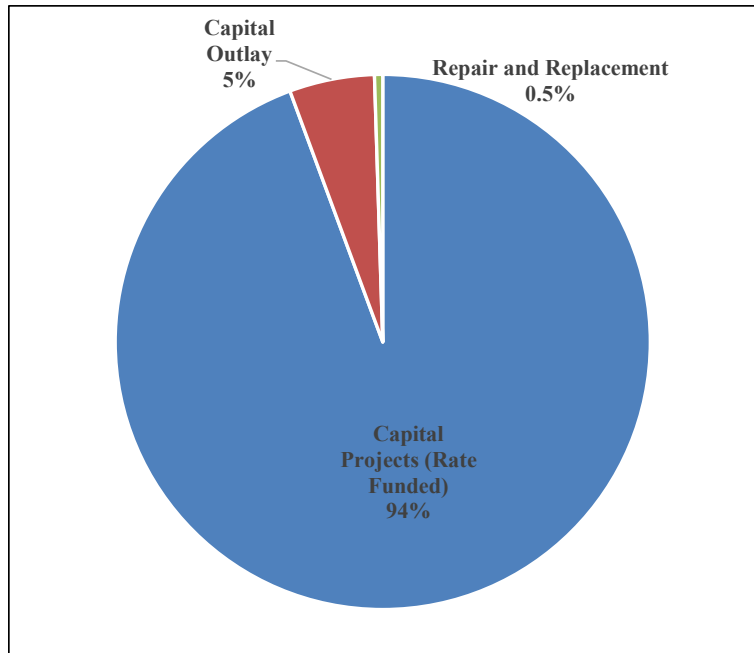
FY 26/27



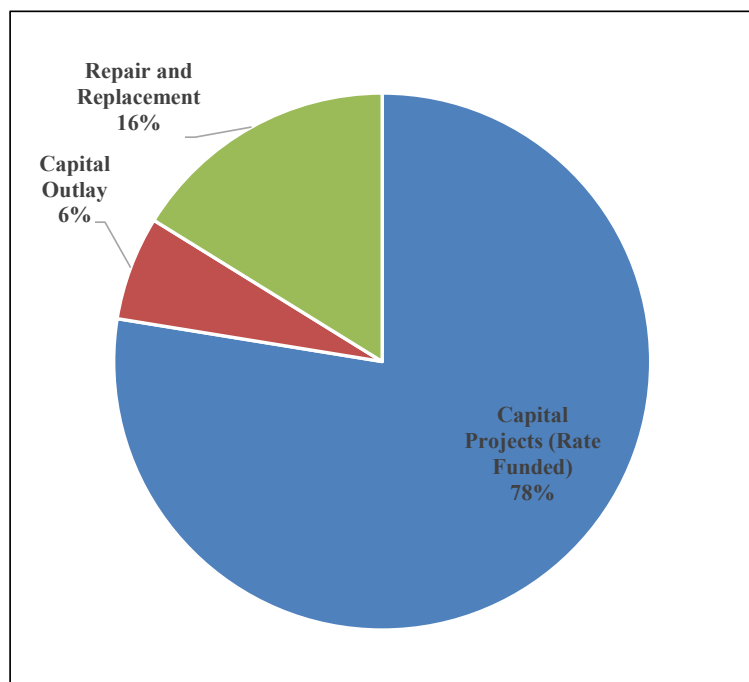
SAUSALITO MARIN CITY SANITARY DISTRICT FY 2026/2027 BUDGET

CAPITAL	FY 25/26	% Total	FY 26/27	% Total
Capital Projects (Rate Funded)	5,334,916	94.4%	2,200,000	78%
Capital Outlay	290,767	5.1%	177,699	6%
Repair and Replacement	28,000	0.5%	459,000	16%
CAPITAL TOTAL	5,653,683	100%	2,836,699	100%

FY 25/26

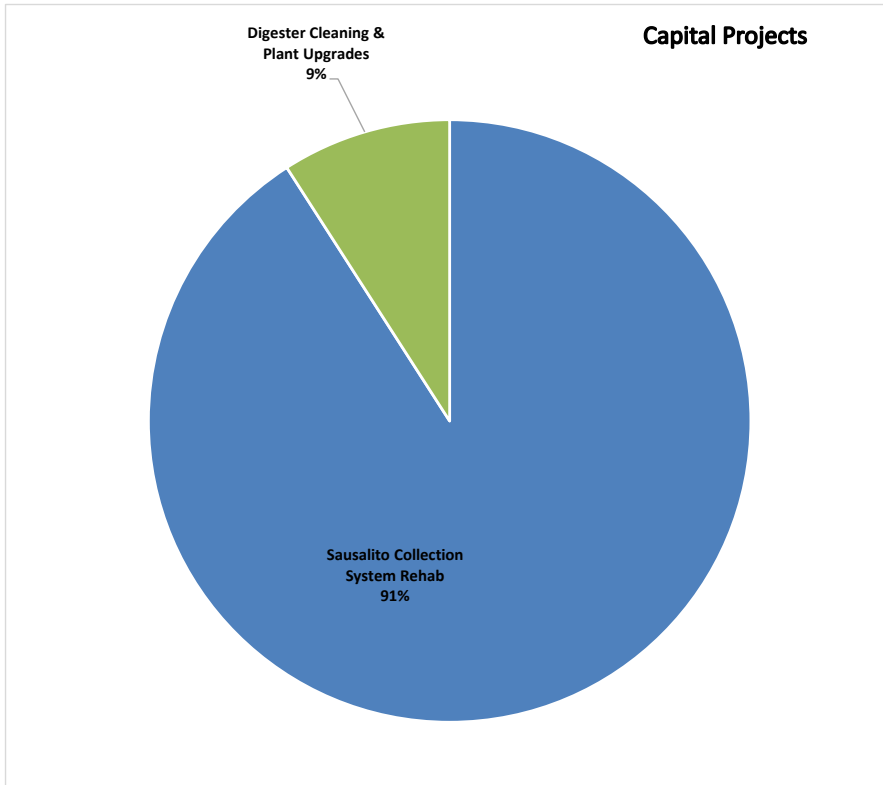


FY 26/27



SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2026/2027 BUDGET

CAPITAL PROJECTS - RATE FUNDED	Phase	FY 26/27	% Total
Sausalito Collection System Rehab Hot Spots	Construction	2,000,000	91%
Digester Cleaning & Plant Upgrades	Construction	200,000	9%
CAPITAL PROJECTS TOTAL		2,200,000	100%

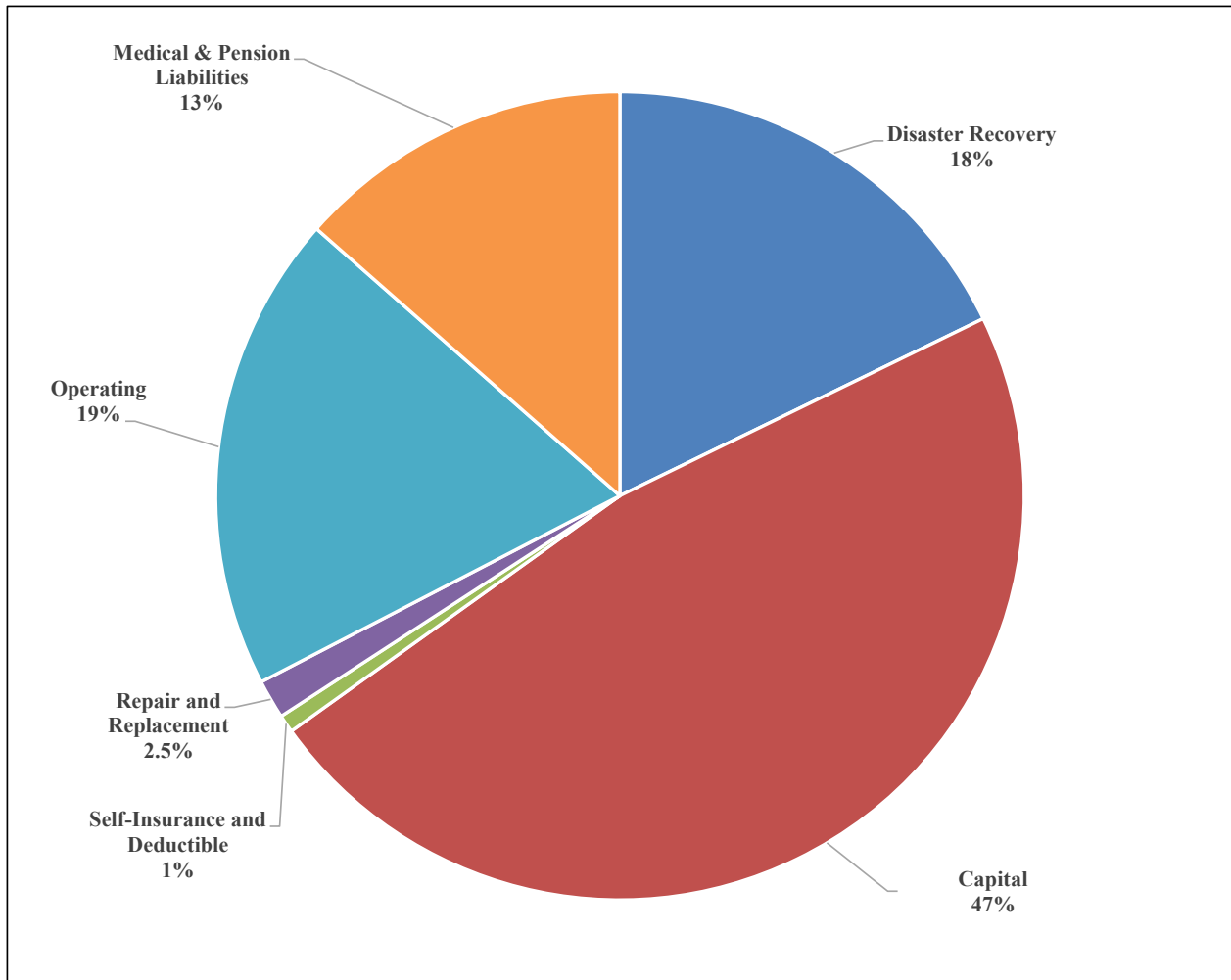


**SAUSALITO-MARIN CITY SANITARY DISTRICT
FY 2026/2027 BUDGET
RESERVE POLICY**

RESERVE TYPE	DISASTER RECOVERY	CAPITAL	SELF-INSURANCE AND DEDUCTIBLE	REPAIR AND REPLACEMENT	WORKING CAPITAL	MEDICAL AND PENSION LIABILITIES	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.	Provide funding for Unfunded Accrued Liabilities (UAL) for Medical (OPEB) & Pension	
<u>CURRENT RESERVE LEVELS</u>							
FY 2026/27 - FISCAL YEAR ENDING BALANCE (Projected)	\$2,500,000	\$6,654,000	\$100,000	\$220,000	\$2,686,575	\$1,900,000	\$14,060,575
<u>LONG RANGE TARGET LEVEL GOALS</u>							
TARGET BALANCE	\$2,500,000	\$6,654,000	\$100,000	\$220,000	\$2,686,575	\$1,900,000	\$14,060,575
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 service payments.	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.	The amount is the difference between balances of established trust accounts & actuarial UAL	
MINIMUM BALANCE	\$1,250,000	\$2,154,000	\$100,000	\$110,000	\$895,525	\$250,000	\$4,509,525
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.	Minimum funding to reduce the UAL for CalPERS Medical (OPEB) & Pension	
**OTHER RESERVE GUIDELINES							
<p>Reserve funding priorities: Disaster Recovery, Capital, Self-Insurance and Deductible, Repair & Replacement, Operating and Medical & Pension Liabilities</p> <p>Maintain adequate Capital Reserve to fund CIP, however debt financing may be required for major upgrades.</p> <p>Maintain R&R Reserve to avoid debt financing of assets needing repair and replacement.</p> <p>Use moderate rate increases 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 entire reserve amount.</p>							

SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2026/2027 BUDGET

RESERVE	FY 26/27	% Total
Disaster Recovery	2,500,000	18%
Capital	6,654,000	47%
Self-Insurance and Deductible	100,000	1%
Repair and Replacement	220,000	2%
Operating	2,686,575	19%
Medical & Pension Liabilities	1,900,000	14%
RESERVE TOTAL	14,060,575	100%



General Manager's Report - Operations

Report Date: May 26, 2026

Plant and Collection System Performance

- a. **High Flow Events** - The SMCSD conveyance and treatment system experienced no high flow related events in May.
- b. **Sewer System Overflows** - There were no District Sewer System Overflows (SSOs) during the period.
- c. **Blending** - There were no blending events or partially treated discharges to the Bay during the period.
- d. **Odor Reports** - There were no reports of odor at the plant or Pump Stations during this period.
- e. **Work Orders** - Staff completed 40 work orders related to the treatment plant, collection system, safety, and grounds.
- f. **Underground Service Alerts** – Staff responded to 116 ticket requests.
- g. **Safety** - There were no accidents or loss time injuries to report during this period.
- h. **EEOC / Harassment Report** - There were no incidents reported during this period.

Operation and Maintenance Activities

- a. Staff worked with Huber to complete repairs on the grit washer. Grit is captured in the treatment plant headworks process and pumped to the grit washer, the grit is then washed of organic material and conveyed to a dumpster and hauled off to the landfill. The gearbox that drives the grit stirrer mechanism failed and was replaced. A technician from Huber was contracted to assist with the repair and train staff on future replacements. Sand was required to re-seed the grit washer, recalibrate the sensor, and prove successful operation.



Crane Truck Used For Lifting

New Gearbox And Motor

- b. Disk Filter #2 cloth media replacement and drive chain repair was completed. After two years of use the cloth media is replaced. The replacement frequency has been established due to the number of backwashing cycles required to maintain water flow through the cloth media. The more backwashing cycles required causes more wear on the cloth's filter fabric and overtime tearing occurs. Cloth media replacement requires removal of 48 triangle shaped pieces. The cloth is removed from a plastic frame, the frame is cleaned, and the new cloth media is installed on the frame. In addition, a repair was made to the drive chain which rotates the cloth media during a backwash cycle, one link was replaced due to failure.



Removal Of Media

- c. Roy's Sewer was contracted to continue cleaning the City of Sausalito collection system. Cleaning of the system has been ongoing since completion of the transfer. Approximately 11,036 linear feet of collection system pipe was cleaned on the northern end of town. Aggressive cleaning frequencies are required to reduce sewer overflows in the City system.

- d. Spinnaker Pump Station pump #1 was removed for service. Pump #1 had been in operation for 5 years and was due for seal replacement and inspection. The pump was replaced with a newly serviced backup which is kept in storage. Replacement requires the crane truck for lifting, and electrical work.



Pump #1 Removed from Wet Well

- e. SCADA Replacement Project Update: The SCADA program portion of the project has been completed. The new software is collecting and monitoring treatment plant and pump station data. Process page graphic displays have been completed for the treatment plant and pump stations. The last step of the project is working with Marin IT to complete safe internal network and remote access to SCADA to prevent hacking and virus threats. This step is nearing completion and once complete the old SCADA system will be phased out.

Prepared by:

Vincent Pasquini, O&M Supervisor

Submitted by:

Kevin Rahman, Acting General Manager

General Manager's Report – Engineering

Report Date: May 26, 2026

Beach Force Main Rehabilitation Project:

This project will provide force main redundancies from the Main Street Pump Station to improve conveyance system reliability, allow for inspection and cleaning of the Alexander Avenue force main and reduce electricity costs. The existing Beach Force Main (BFM) will be slip-lined and additional pumps and controls will be installed at the Main Street PS. Slip lining will be accomplished using a "Primus Liner" system which is constructed with high-strength Kevlar. This liner can be pulled the entire 2,200-foot length of the Beach Force Main thereby minimizing work in the Bay.

This project was awarded to Thompson Builders Corporation at the Board's May 7, 2024, meeting for a total bid price of \$4,181,000. To construct the project, nineteen (19) customers within the City of Sausalito, identified as Block 303, had to be relocated from the BFM to the collection system. All customers were disconnected from the BFM in July 2025.

Thompson Builders have completed wet well work which included installation of piping, pump guide rails, protective polyurethane coatings and a new access hatch. Electrical conduits and control panels have been installed to integrate the additional pumping system. Exterior piping from the wet well to the valve vault has been completed and a flow meter has been installed at the Treatment Plant.

Thompson's subcontractor (Insituform) incurred project delays due to inadequate performance in cleaning and televising the existing force main. However, on April 22, Insituform completed cleaning and inspection. The liner was then installed and successfully pressure testing on May 12, 2026.

Pump Station startup is scheduled for June 9, 2026 at which point the new pump station will remain online to complete performance testing. Final work will include construction of beach access improvements required by the Bay Conservation and Development Commission (BCDC). These improvements will substantially improve both safety and aesthetics for the community.

**Prepared and
Submitted By:**



Kevin Rahman, Acting General Manager/District Engineer

BFM “Primus” Liner System provided by Inisituform



Liner being installed from Plant causeway.



Liner being received at the Main St. PS

General Manager's – Finance & Administrative Report

Report Date: May 26, 2026

Summary: This report summarizes the District's financial performance for fiscal year 2025/2026 by comparing actual revenues and expenditures to the budget. It represents July 1, 2025 to April 30, 2026, the 10th month or 83% of the year.

- **Revenue:** \$13,660,773 or 109% of budget.
The increase in revenue is primarily related to the City of Sausalito collection system transfer, which has resulted in higher collection system income, along with revenue from one installed connection fee and inspection fees relating to laterals.
- **Operating Expenses:** \$4,317,175 or 90% of budget.
Please note that retirement and employee benefits are currently over budget; however, on 6/30/26 these accounts will be reimbursed by the CERBT Trust in the amount of \$162,528 for retiree health expenses and by the CEPPT Trust in the amount of \$168,646 for the retirement UAL payment.

City of Sausalito M&R expenses are over budget because these costs were originally budgeted under the pump station service agreement with the City. The agreement was discontinued in August 2025 when the City transferred the sewer collection system to SMCSO. The majority of these expenses are related to cleaning and assessing the City's sewer lines

- **Capital Expenses:** \$5,558,925 or 98% of budget.
- **Debt Service:** Both installments for the 2017 Revenue Bond have been paid for the year, totaling \$2,154,400.

Other Notes/Activities:

- **City of Sausalito Revenue:** Continued coordinating with the City of Sausalito Finance Department regarding the transfer of sewer collection service charges for FY 25/26. To date, the City has forwarded the following two payments to SMCSO:
 - \$1,866,625.48 (January 2026)
 - \$1,359,325.03 (May 2026)

This brings the total received by SMCSO to \$3,225,950.51, leaving an outstanding balance of approximately \$176,125.81, pending any credits or assessor charges.

- **General Manager Retirement/Office Relocation:** Completed tasks related to the retirement and departure of General Manager Jeffrey Kingston from the District. Coordinated with SMCSO personnel to relocate offices and set up computers and phone systems.

- **New Phone System Installation:** Coordinated with Marin IT on the installation of new Microsoft Teams phone equipment and software. The system became fully operational on May 8th. The previous ShoreTel/Ring Central system was successfully disconnected and removed.
- **Audit FY 2025/26:** Prepared and submitted 84 files to be tested by Nigro & Nigro for the interim audit. On May 21, 2026, a four-person audit team conducted an on-site review of all files and interviewed staff.
- **Board & Committee Packets:** Prepared packets for the Regular Board Meeting (May 5th), Finance Committee Meeting (May 7th), Special Board Meeting (May 12th) and Regular Board Meeting (June 2nd).

Attachments: 1. Revenue and Expenditures Report for July 1, 2025, to April 30, 2026.
2. Capital Expense Report from July 1, 2025, to April 30, 2026.



Prepared By: _____
Catherine A. Bondanza, Board Secretary/Office Manager



Reviewed & Submitted By: _____
Kevin Rahman, Acting General Manager/District Engineer

SAUSALITO-MARIN CITY SANITARY DISTRICT
Statement of Revenue and Operating Expenditures (83% of yr)
 July 1, 2025 to April 30, 2026

	Adopted Budget	Actual	(\$) Differ.	% Budget
Revenue				
5500 · Service Contracts	2,840,063	2,510,804	(329,259)	88%
5030 · Sewer Service Charges	7,916,290	9,440,341	1,524,051	119%
5040 · Property Taxes	750,000	920,013	170,013	123%
5080 · Connection Fees	6,130	6,130	0	100%
5100 · Miscellaneous Income	1,800	26,311	24,511	1,462%
5200 · Interest Income	1,072,000	757,174	(314,826)	71%
Total Revenue	12,586,283	13,660,773	1,074,490	109%
Operating Expenses				
6000 Salaries and Benefits				
6010 · Salary	1,976,068	1,668,034	(308,034)	84%
6020 · Payroll Taxes	134,595	106,955	(27,640)	79%
6030 · Retirement	270,708	376,756	106,048	139%
6040 · Employee Benefits	259,174	393,349	134,175	152%
6045 · Workers Comp	46,139	40,490	(5,649)	88%
Total 6000 Salaries & Benefits	2,686,684	2,585,584	(101,100)	96%
6100 Operations				
6105 · Chemicals	281,050	201,006	(80,044)	72%
6110 · Fuel	13,352	8,093	(5,259)	61%
6115 · Permits & Fees	136,998	104,307	(32,691)	76%
6120 · Waste Disposal	119,084	97,707	(21,377)	82%
6130 · Vehicles	28,351	11,533	(16,818)	41%
6135 · Safety	30,701	4,696	(26,005)	15%
6125 · Material & Supplies	45,252	20,305	(24,947)	45%
6160 · Monitoring & Testing	82,065	51,390	(30,675)	63%
6210 · Utilities	524,298	408,681	(115,617)	78%
6151 · City of Sausalito M&R	25,425	234,498	209,073	922%
6201 · Unincorp. Collection M&R	84,371	74,339	(10,032)	88%
6152 · Conveyance & Treatment M&R	253,871	128,042	(125,829)	50%
Total 6100 Operations	1,624,817	1,344,597	(280,220)	83%
6300 General and Administrative				
6310 · Professional Development	18,526	18,375	(151)	99%
6320 · Professional Services	213,405	169,782	(43,623)	80%
6330 · Insurance	151,333	142,706	(8,627)	94%
6340 · Administrative Expenses	83,835	56,131	(27,704)	67%
Total 6300 General & Administrative	467,099	386,994	(80,105)	83%
Total Operating Expenses	4,778,600	4,317,175	(461,425)	90%
Debt Service - Interest	1,049,000	1,049,400	400	100%
Net Revenue	6,758,683	8,294,198	1,535,515	123%

SAUSALITO-MARIN CITY SANITARY DISTRICT
Statement of Revenue and Operating Expenditures (83% of yr)
 July 1, 2025 to April 30, 2026

Attachment V.C.1.

	Adopted Budget	Actual	(\$) Differ.	% Budget
Capital Expense				
Capital Projects (Rate Funded)	5,334,916	4,997,478	337,438	94%
Capital Outlay	290,767	201,198	89,569	69%
Repair & Replacement	28,000	360,249	(332,249)	1,287%
Total Capital Expense	5,653,683	5,558,925	94,758	98%
Debt Service - Principal				
Revenue Bond	1,105,000	1,105,000	0	100%
Total Debt Service - Principal	1,105,000	1,105,000	0	100%
Total Capital Expense & Debt Service - Principal	6,758,683	6,663,925	94,758	99%
Net Revenue Less Capital Expense & Debt Service - Principal	0	1,630,273	(1,630,273)	
OTHER BUDGETED ITEMS:				
Capital Improvements (Bond Funded)	0	0	0	0%

SAUSALITO-MARIN CITY SANITARY DISTRICT
Capital Projects Expense Report
 July 1, 2025 through April 30, 2026

Attachment V.C.2.

Category	Phase	Annual				Cummulative to Date				
		Budget	Actual to Date	Budget Remaining	% Budget	Total Budget	Actual to Date	Budget Remaining	% Budget	% Complete
Capital Projects										
South Clarifier & Headworks Gates Rehab	Construction	1,005,137	289,925	715,212	29%	5,588,823	5,915,384	(326,561)	106%	100%
Beach Force Main Rehab	Construction	3,006,832	1,710,699	1,296,133	57%	5,266,455	2,879,026	2,387,429	55%	85%
Biosolids Handling	Construction	1,069,176	2,684,791	(1,615,615)	251%	3,415,455	3,553,588	(138,133)	104%	100%
Plant Electrical Upgrades	Construction	178,771	133,732	45,039	75%	912,441	943,761	(31,320)	103%	100%
Nutrient Reduction Study	Study	25,000	-	25,000	0%	25,000	-	25,000	0%	0%
Marin City Sewer Rehab Phase II	Assessment	50,000	-	50,000	0%	50,000	-	50,000	0%	0%
TCSD Flow Meter	Construction	-	178,330	157,697	0%	244,400	265,033	(20,633)	108%	100%
Capital Projects Total		5,334,916	\$ 4,997,478	337,438	94%	15,502,574	13,556,792	1,945,782	87%	0%
Capital Outlay		290,767	201,198	89,569	69%	290,767	201,198	89,569	69%	0%
Repair & Replacement		28,000	360,249	(332,249)	1,287%	28,000	360,249	(332,249)	1,287%	0%
Grand Total		5,653,683	5,558,924	94,759	98%	15,821,341	14,118,239	1,703,102	89%	0%

Sausalito-Marin City Sanitary District Board Calendar

Upcoming Meetings, Trainings & Events:

SMCSD Staff Safety Lunch (Full Board)	Wednesday, June 10, 2026 – 12 p.m. In-Person – Location TBD
Regular Board Meeting (Full Board)	Tuesday, July 7, 2026 – 12 p.m. In-Person
Public Outreach Committee Meeting (Rycerski & Thornton)	June/July – TBD (Discuss Newsletter & Upcoming Events) In Person

Tentative Board Meeting Schedule:

- Regular Board Meeting Tuesday, August 4, 2026 – 12 p.m.
In-Person
- Regular Board Meeting Tuesday, September 1, 2026 – 12 p.m.
In-Person
- Regular Board Meeting Tuesday, October 6, 2026 – 12 p.m.
In-Person
- Regular Board Meeting Tuesday, November 3, 2026 – 12 p.m.
In-Person
- Regular Board Meeting Tuesday, December 1, 2026 – 12 p.m.
In-Person