



**SAUSALITO-MARIN CITY SANITARY DISTRICT**

**1 EAST ROAD**

**SAUSALITO, CALIFORNIA**

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

# **Adopted Budget FY 2018/19**

**Adopted by Board Action  
June 4, 2018**



# SAUSALITO-MARIN CITY SANITARY DISTRICT

## FY 2018/19 BUDGET

### EXECUTIVE SUMMARY

#### OVERVIEW

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

The District operates and maintains a 6.5 million-gallon per day secondary wastewater treatment plant, eleven (11) sewage pump stations, and approximately ten (10) miles of pipelines. Four (4) of these pump stations are operated and maintained by SMCSD for the City of Sausalito on a contract basis. The District's treatment plant site, located in Fort Baker, recently renewed its property lease agreement with the National Park Service for an additional 32 years. There are thirteen (13) full-time funded staff positions in the District. There is also an intern program where up to two temporary part-time (non-benefited) positions may be filled. The District successfully operates and maintains a complex system, protecting our community's public health, the environment and the Bay. It serves a population of approximately 18,000.

#### BUDGET

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

The District maintains a stable financial condition by proactively addressing its future funding needs by maintaining a current rate structure utilizing the Proposition 218 process. This process determines the funding needed for the system's operating, capital and debt service costs over the next 5 years. The residential sewer rate

structure includes both a base (63%) and volumetric (37%) component to equitably determine the rate for our rate payers. The District’s wastewater treatment and conveyance annual cost are 88% fixed.

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

**REVENUE**

The fiscal year 2018/19 budget includes a total revenue projection of \$9,562,621, a 3.2% increase over the previous fiscal year. The fiscal year 2018/19 budget’s Operating Revenue is \$8,724,514 which includes a sewer service charge revenue projection of \$6,391,810 an estimated increase of 2% in the anticipated funding from the adopted 5-year sewer service rates. (Table 1 below shows the five-year schedule of rates approved in 2014). The budget includes Non-Operating Revenue of \$838,107 which includes an estimated County property tax allocation \$570,000.

The District is in the last year of a five-year sewer service rate adopted by the Board in FY 2014/15. The rate is based upon a 3<sup>rd</sup> party sewer service rate study and the Proposition 218 Process. The rate used in preparing the budget is the user charge for FY 2018/19 from Table 1 below. In order to meet projected revenue requirements, the sanitary sewer rate will be \$866 for single family and non-residential commercial customers, \$771 for multi-family and \$658 for floating homes. The District also charges an additional \$78 for residential and non-residential customers located in the unincorporated areas of the District’s jurisdiction, including Marin City, for collection system maintenance and rehabilitation. The City of Sausalito, which is responsible for the City’s collection system, charges City residents a separate collection system charge.

Table 1 – Five-Year Rate Plan

Customer Class	FY 2014/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19	
	Rate	% Change	Rate	% Change	Rate	% Change	Rate	% Change	Rate	% Change
Single Family Incorporated	770	6%	817	6%	833	2%	850	2%	866	2%
Single Family Unincorporated	831	7%	883	6%	904	2%	926	2%	944	2%
Multi-Family Incorporated	715	2%	726	2%	741	2%	756	2%	771	2%
Multi-Family Unincorporated	776	2%	792	2%	812	3%	832	2%	849	2%
Floating Homes Unincorporated	708	-3%	687	-3%	705	3%	722	2%	736	2%
Non-Residential Incorporated	770	6%	817	6%	833	2%	850	2%	866	2%
Non-Residential Unincorporated	831	7%	883	6%	904	2%	926	2%	944	2%

**OPERATING EXPENSES**

The overall operation, maintenance and administrative expenses are budgeted at \$143,135 more than last fiscal year from \$3,971,390 to \$4,114,525, a 3.6% increase over last year. The projected operating budget includes salary and benefits for 13 full-time positions.

Last year the Board adopted a Labor Memorandum of Understanding (MOU) with the Operating Engineers Union Local No. 3 (OE3) for a five (5) year term from FY 17/18 to FY 21/22. The MOU included an annual Cost of Living Allowance (COLA). This fiscal year salaries and benefits increased by 4.1% due to the Labor MOU and increased benefit costs due to inflation.

Due to the Post Employment Pension Reform Act, known as PEPRA, District Employees continue to contribute to the California Public Employee Retirement System (CalPERS) retirement plan/pension to share in the cost of the District's CalPERS retirement plan to reduce annual costs. The District's CalPERS member employees combined contribute 40.5% of the total District CalPERS retirement plan costs.

In November 2017, the District funded the CalPERS California Employers' Retiree Benefit Trust (CERBT), funding the District's retired and current employee medical retirement benefit (GASB 75 unfunded liability). A transfer of \$2,143,737 from the District Reserve was approved by the Board to fund the CERBT. By funding the CERBT, the retiree medical expenses are reimbursed annual from the CERBT proceeds.

The District treatment plant is sited on property leased from the National Park Service (NPS). In lieu of payment, the District provides wastewater treatment services as an "in-kind" payment for the land use. The value of the "in-kind" expense this year is \$263,569. This transaction is in the budget as both an expense for the land lease in addition to the operating expenses and a revenue for the treatment.

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

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

## **CASH FUNDED CAPITAL**

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

The FY 2018/19 Annual Capital Improvement Plan Budget includes Cash Funded Capital Projects totaling \$1,235,110, Capital Outlay for one time-purchases of equipment totaling \$116,700 and Renewal & Replacement of District facilities totaling \$112,500. The Annual Cash Funded Capital expenditure is budgeted to be approximately \$1,464,310 and is significantly less than previous years due to the construction of the \$28M Treatment and Wet Weather Flow Upgrade Project. The District's Cash Funded Capital Improvement Plan consists of multiyear projects funded annually based upon the phase and timeline of the projects.

### **DEBT SERVICE**

The District's annual debt service payment is \$2,506,468 with a balance of \$36,326,356 as of June 30, 2018. The debt consists of a 2008 City National Bank loan balance of \$1,800,280 maturing in 2028; a 2012 State Revolving Fund (SRF) loan balance of \$1,716,076 maturing in 2032; and the 2017 Revenue Bond with a balance of \$32,810,000 maturing in 2042.

Under the SMCSD/TCSO 2013 Wastewater Services Agreement, TCSO is responsible for a cost share of the capital debt service based upon a percentage share as determined by their peak wet weather flow in the respective 5-year period. Through FY 17/18, TCSO's total annual debt service payment of \$1,076,753 consists of the following as of June 30, 2018: the City National Bank loan and the SRF loan combined payment of \$121,156 with a principal balance of \$1,179,144; an Inter-district loan payment from the 2014 SMCSD/TCSO Financing Agreement of \$74,892 which has a principal balance of \$763,446; the cash funded capital actual annual charge deferrals from FY 13/14 through FY 17/18 payment of \$153,989 with a principal balance of \$2,298,003; and the 2017 Revenue Bond annual payment of \$726,716 having a principal balance of \$11,155,400.

### **REVENUE BOND**

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

The District continues to work on their 10-year Capital Improvement Program (CIP) started in FY 2011/12 which identified \$54 million of sewer infrastructure improvements.

To date, approximately \$20.1 million of collection and treatment plant improvements have been completed. Of the remaining \$33.9 million, approximately \$28.2 million is programmed for the Wet Weather Upgrade Project and \$5.7 million for other capital project expenses.

## **RESERVES**

In December 2017, the District updated the Reserve Policy to better reflect the reserve needs of the District. The initial adjustments made to the minimum and target balances to update the Reserve Policy occurred primarily in the “Capital” and “Repair and Replacement” categories. In January 2018, the District changed the reserve funding priorities to Disaster Recovery, Capital, Self-Insurance and Deductible, Repair & Replacement, and Operating. The District also later changed the minimum and target balances of the “Operating” and “Disaster Recovery” categories.

Under the proposed budget, the District’s cash position continues to improve ensuring stability in the current and future planned rates. Our total FY18/19 Projected Cash Balance is expected to be \$12,315,859. Of that total, the FY18/19 Projected Reserve (Policy) total is expected to be \$8,907,015. The FY18/19 Projected Working Capital is expected to be \$3,408,845 which includes the \$1,213,748 transfer to reserve.

## **FUTURE VISION**

Over the next year, the District will consider adopting a new sewer service rate through the Proposition 218 process. The new rate should maintain adequate reserve funding and the necessary revenue to support the overall District operation and capital costs projected over the next several years and be equitable for all of our customers. The 2017 Revenue Bonds will continue to fund the Treatment and Wet Weather Flow Upgrade Project and other capital projects. Adequate funding and timely implementation of the Capital Improvement Plan allows us achieve our mission to protect human health, the environment and the bay; meet requirements of our National Pollutant Discharge Elimination System (NPDES) Regional Water Quality Control Board Operating Permit; reach compliance of the 2007 EPA order; stay ahead of the ever-changing regulatory environment; and maintain safe and effective working conditions for our staff. The District can only achieve this vision and meet these requirements of efficient and effective wastewater conveyance and treatment by continuing capital and operational improvements to the wastewater system. When the plant upgrade project is completed, the District will file a petition to have the 2007 EPA treatment plant compliance order rescinded. The Bonds additionally may provide funding to other capital improvements projects such as upgrading the primary clarifier and digester; biosolids processing and conveyance; fixed film reactor (FFR) exterior coating; facility waterproofing; and site storm drains.

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

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

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

Lastly, there is a continued effort to keep the District focused on the key areas of the 2018-2023 Strategic Plan. The District recently completed its annual review of the plan. The adoption and annual review signifies the importance of the plan to the District, its Board of Directors, and employees along with the effort placed on achieving continuous improvement in every facet of District operations. The Strategic Plan serves as a framework for decision making over the five-year period.

The FY 2018/19 budget supports the following Strategic Plan goals:

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

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

Sincerely,



Jeffrey Kingston  
General Manager

# SAUSALITO-MARIN CITY SANITARY DISTRICT

## FY 2018/19 BUDGET

### SUMMARY

#### REVENUE

Category	FY 18/19	% Change	% Total
Operating	\$ 8,724,514	4.0%	91.2%
Non-Operating	\$ 838,107	-4.4%	8.8%
<b>REVENUE TOTAL:</b>	<b>\$ 9,562,621</b>	<b>3.2%</b>	<b>100%</b>

#### EXPENSE

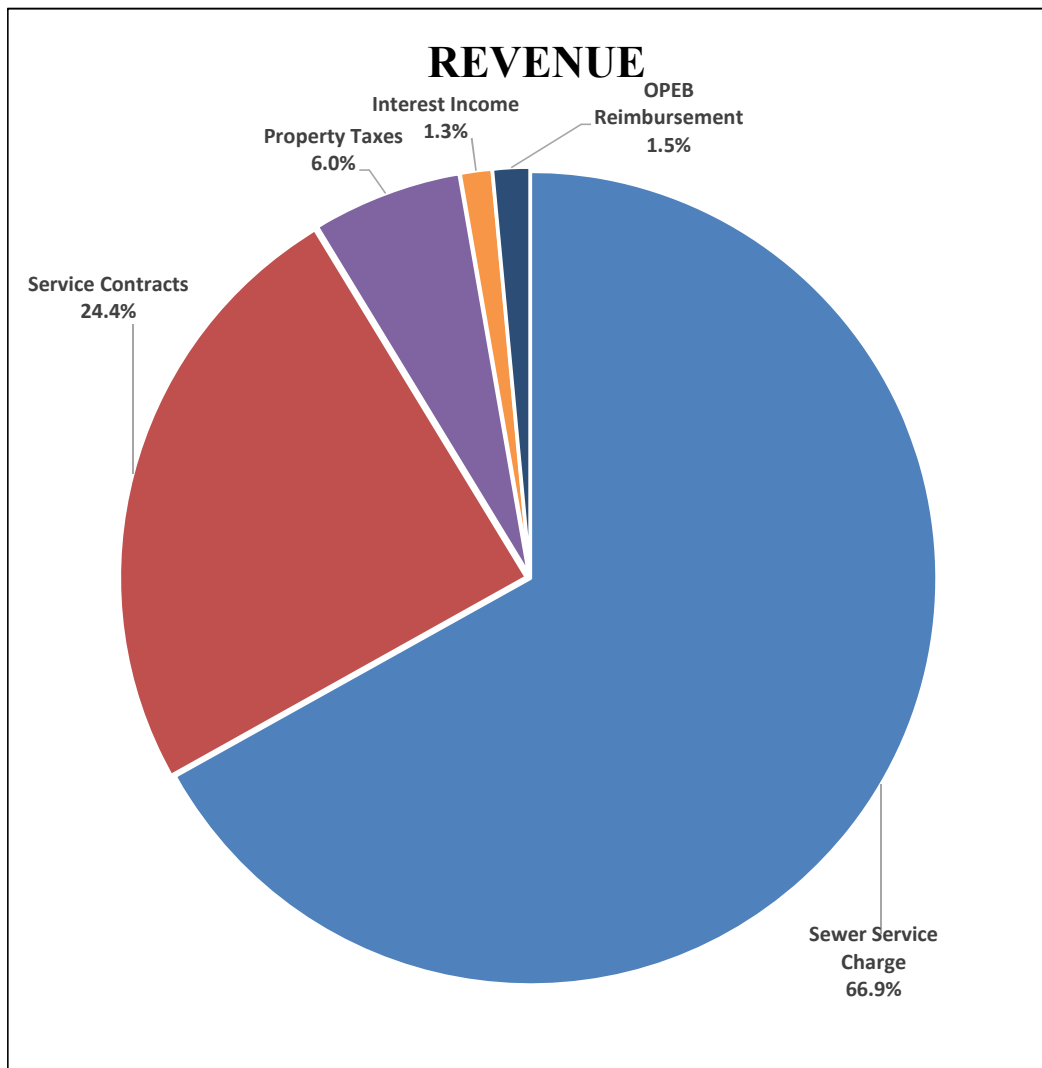
Operating	FY 18/19	% Change	% Total
Salaries and Benefits	\$ 2,479,748	4.1%	29.7%
Operations	\$ 544,744	7.7%	6.5%
System & Plant Maintenance	\$ 297,701	-2.7%	3.6%
Wastewater Monitoring & Testing	\$ 81,253	1.7%	1.0%
Utilities and Communication	\$ 310,875	11.7%	3.7%
General and Administrative	\$ 400,204	-4.8%	4.8%
<b>Operating Total:</b>	<b>\$ 4,114,525</b>	<b>3.6%</b>	<b>49.3%</b>
NPS Property Lease (In kind):	\$ 263,569	39.4%	3.2%
Capital	FY 18/19	% Change	% Total
Cash Funded Capital	\$ 1,464,310	-46.4%	17.5%
Debt Service	\$ 2,506,468	0.1%	30.0%
<b>Capital Total:</b>	<b>\$ 3,970,778</b>	<b>-24.2%</b>	<b>47.6%</b>
<b>EXPENSE TOTAL:</b>	<b>\$ 8,348,872</b>	<b>-11.2%</b>	<b>100%</b>
<b>RESERVE TRANSFER:</b>	<b>\$ 1,213,748</b>		



# SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2018/19 BUDGET

## REVENUE

Category	Account No.	Source of Revenue	FY 18/19	% Total
<b>Operating</b>				
	5030	Sewer Service Charge	\$ 6,391,810	66.8%
	5500	Service Contracts	\$ 2,331,204	24.4%
	5100	Miscellaneous Income	\$ 1,500	0%
<b>Operating Total:</b>			<b>\$ 8,724,514</b>	<b>91.2%</b>
<b>Non-Operating</b>				
	5040	Property Taxes	\$ 570,000	6.0%
	5080	Connection Fees	\$ 6,130	0.1%
	5200	Interest Income	\$ 120,800	1.3%
	5300	OPEB Reimbursement	\$ 141,177	1.5%
<b>Non-Operating Total:</b>			<b>\$ 838,107</b>	<b>8.8%</b>
<b>REVENUE TOTAL:</b>			<b>\$ 9,562,621</b>	<b>100%</b>



# SAUSALITO-MARIN CITY SANITARY DISTRICT

## FY 2018/19 BUDGET

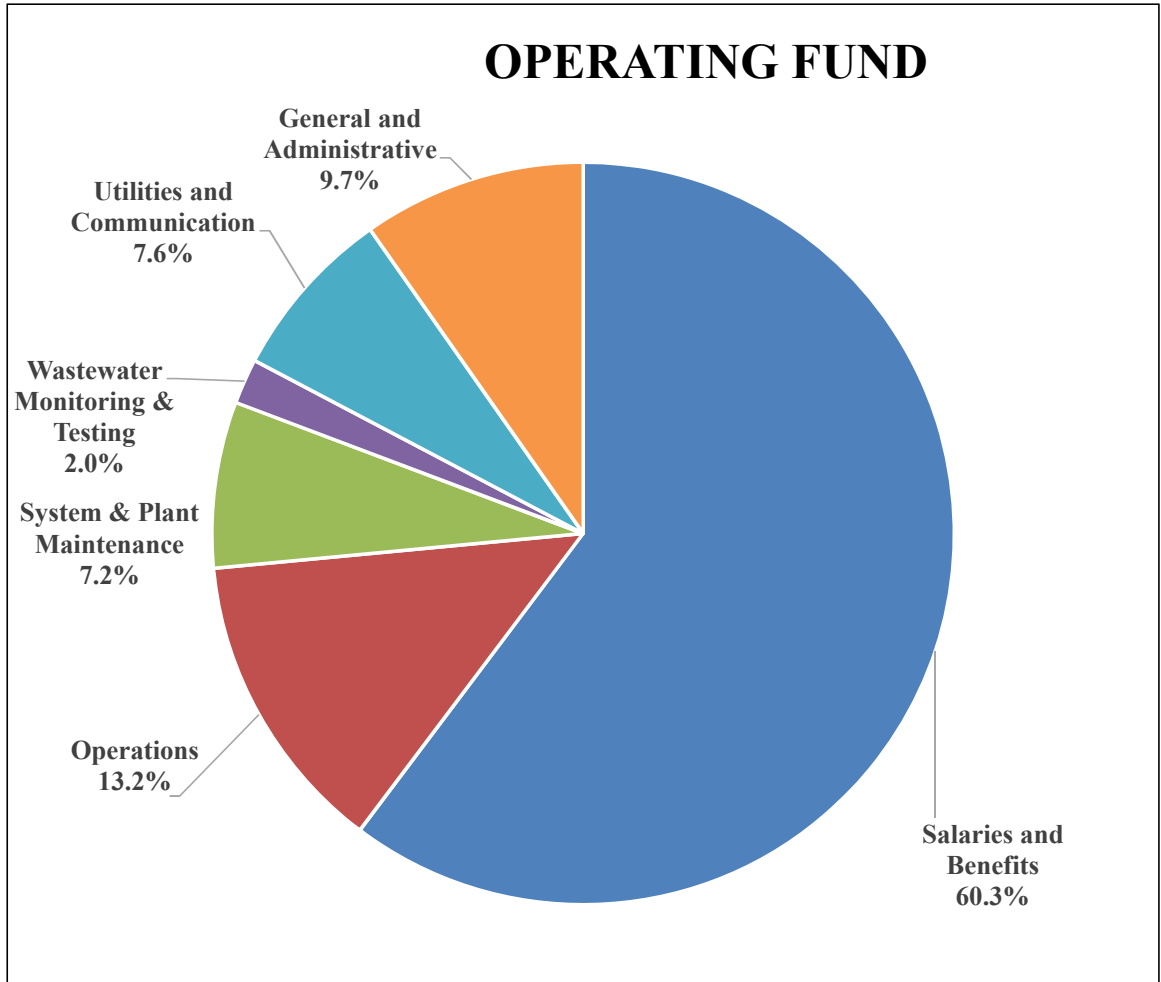
### EXPENSE

<b>Operating</b>				
Category	Account No.	Account Name	FY 18/19	% Total
<b>Salaries and Benefits</b>				
	6000	Salary	\$ 1,621,115	19.4%
	6020	Payroll Taxes	\$ 115,636	1.4%
	6030	Retirement	\$ 301,321	3.6%
	6040	Employee Benefits	\$ 393,230	4.7%
	6045	Worker's Compensation	\$ 48,447	0.6%
<b>Salaries and Benefits Total:</b>			<b>\$ 2,479,748</b>	<b>29.7%</b>
<b>Operations</b>				
	6050	Chemicals	\$ 184,872	2.2%
	6110	Fuel	\$ 12,850	0.2%
	6150	Permits and Fees	\$ 126,994	1.5%
	6300	Waste Disposal	\$ 108,690	1.3%
	6330	Parts, Tools, Materials & Supplies	\$ 61,759	0.7%
	6500	Vehicles	\$ 13,800	0.2%
	6550	Safety	\$ 35,780	0.4%
<b>Operations Total:</b>			<b>\$ 544,744</b>	<b>6.5%</b>
<b>System &amp; Plant Maintenance</b>				
	6200	Treatment & Collection System	\$ 210,951	2.5%
	6201	Unincorporated Area Collection System	\$ 70,000	0.8%
	8999	City of Sausalito Pump Stations	\$ 16,750	0.2%
<b>System &amp; Plant Maintenance Total:</b>			<b>\$ 297,701</b>	<b>3.6%</b>
<b>Wastewater Monitoring &amp; Testing</b>			<b>\$ 81,253</b>	<b>1.0%</b>
<b>Utilities and Communication</b>				
	6400	Communication (Formerly Telephone)	\$ 30,239	0.4%
	6160	Electricity	\$ 275,136	3.3%
	6570	Water	\$ 5,500	0.1%
<b>Utilities and Communication Total:</b>			<b>\$ 310,875</b>	<b>3.7%</b>
<b>General and Administrative</b>				
	6070	Professional Development (Formerly Conference & Training)	\$ 28,800	0.3%
	6080	Professional Services	\$ 246,500	3.0%
	6170	Insurance	\$ 48,633	0.6%
	6090	Administrative	\$ 76,271	0.9%
<b>General and Administrative Total:</b>			<b>\$ 400,204</b>	<b>4.8%</b>
<b>Operating Total:</b>			<b>\$ 4,114,525</b>	<b>49.3%</b>
<b>NPS Property Lease (In kind):</b>			<b>\$ 263,569</b>	<b>3.2%</b>
<b>Capital:</b>				
Category	Account No.	Account Name	FY 18/19	% Total
<b>Cash Funded Capital</b>				
		Capital Projects	\$ 1,235,110	14.8%
		Capital Outlay	\$ 116,700	1.4%
		Repair and Replacement	\$ 112,500	1.3%
<b>Cash Funded Capital Total:</b>			<b>\$ 1,464,310</b>	<b>17.5%</b>
<b>Debt Service</b>				
	6180	2008 City National Bank Loan (Mature 2028 - 4.1%)	\$ 221,262	2.7%
	6179	2012 State Revolving Fund Loan (Mature 2032 - 2.6%)	\$ 147,806	1.8%
	6181	2017 Revenue Bonds (Mature 2042 - 3.49%)	\$ 2,137,400	25.6%
<b>Debt Service Total:</b>			<b>\$ 2,506,468</b>	<b>30.0%</b>
<b>Capital Total:</b>			<b>\$ 3,970,778</b>	<b>47.6%</b>
<b>EXPENSE TOTAL:</b>			<b>\$ 8,348,872</b>	<b>100%</b>
<b>RESERVE TRANSFER:</b>			<b>\$ 1,213,748</b>	

# SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2018/19 BUDGET

## OPERATING FUND

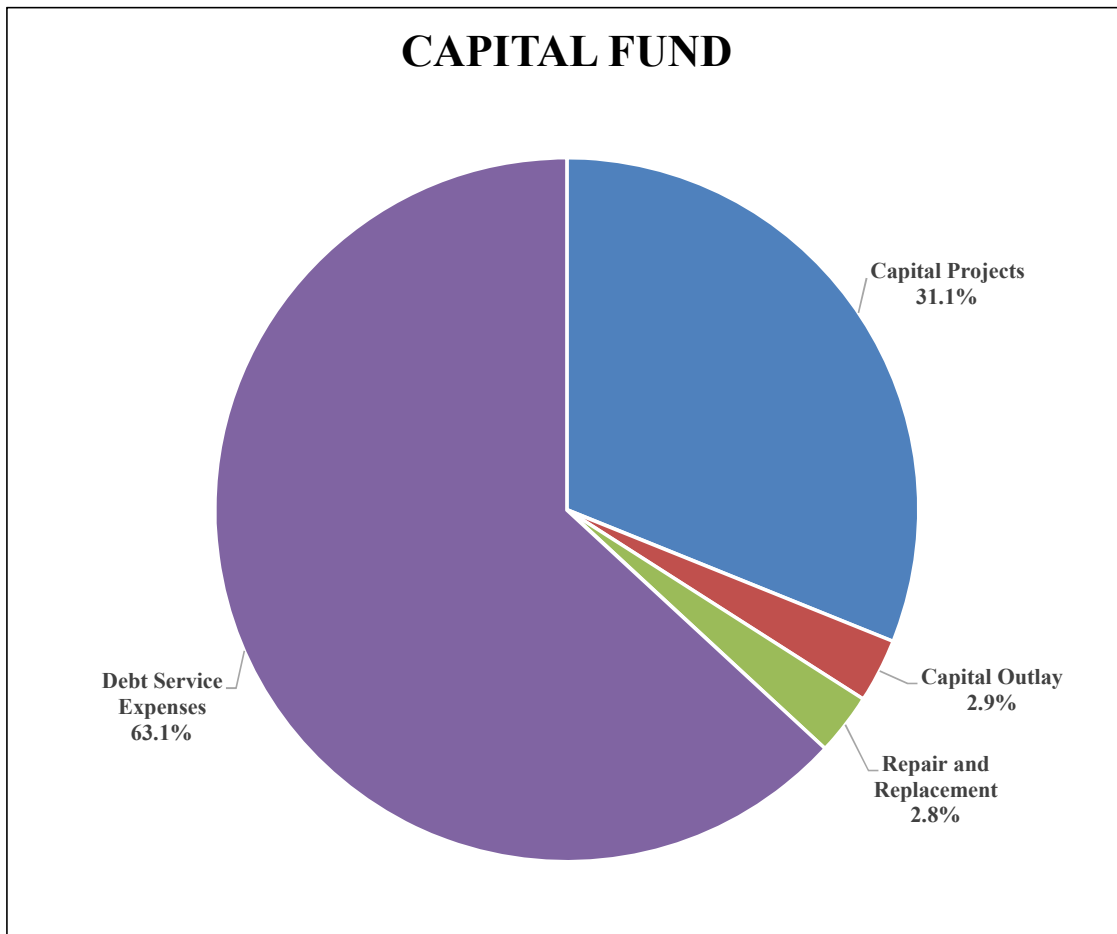
Category	FY 18/19	%	Total
Salaries and Benefits	\$ 2,479,748		60.3%
Operations	\$ 544,744		13.2%
System & Plant Maintenance	\$ 297,701		7.2%
Wastewater Monitoring & Testing	\$ 81,253		2.0%
Utilities and Communication	\$ 310,875		7.6%
General and Administrative	\$ 400,204		9.7%
<b>OPERATING TOTAL:</b>	<b>\$ 4,114,525</b>		<b>100%</b>



# SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2018/19 BUDGET

## CAPITAL FUND

Category	Account Name	FY 18/19	% Total
<b>Cash Funded Capital</b>			
	Capital Projects	\$ 1,235,110	31.1%
	Capital Outlay	\$ 116,700	2.9%
	Repair and Replacement Projects	\$ 112,500	2.8%
<b>Debt Service</b>		\$ 2,506,468	63.1%
<b>Capital Total:</b>		<b>\$ 3,970,778</b>	<b>100%</b>



# SAUSALITO-MARIN CITY SANITARY DISTRICT

## FY 2018/19 BUDGET

### CAPITAL FUND

Category	Annual				Cummulative to Date - Update through 4/26/2018				
	Budget	Actual to Date	Budget Remaining	% Budget	Total Budget	Actual to Date	Budget Remaining	% Budget	% Complete
<b>Cash Funded Capital</b>									
<b>Capital Projects</b>									
Coloma Pump Station Improvement	\$500,000				\$1,600,000	\$172,159	\$1,427,841	10.8%	5.0%
Whiskey Springs Pump Station Improvement	\$500,000				\$900,000	\$152,249	\$747,751	16.9%	5.0%
Princess St. Pump Station Scoping and Pre-Design	\$50,000				\$400,000	\$200	\$399,800	0.1%	0%
Beach Force Main Rehabilitation Pre-Design	\$24,009				\$600,000	\$575,991	\$24,009	96.0%	0%
Engineering and Project Management	\$161,101				\$1,512,000	\$1,197,976	\$314,024	79.2%	
<b>Capital Projects Total:</b>	<b>\$1,235,110</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$5,012,000</b>	<b>\$2,098,575</b>	<b>\$2,913,425</b>	<b>41.9%</b>	
<b>Capital Outlay</b>									
Technology Upgrades	\$57,500				\$57,500			0%	0%
Sampler - Primary Clarifier	\$6,000				\$6,000			0%	0%
Flatbed Truck	\$45,000				\$45,000			0%	0%
Safety - Personal Gas Monitors & Calibration Unit	\$8,200				\$8,200			0%	0%
<b>Capital Outlay Total:</b>	<b>\$116,700</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$116,700</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	
<b>Repair and Replacement</b>									
Pump Service - Main Street	\$17,000				\$17,000			0%	0%
Pump Service - Princess Street	\$11,500				\$11,500			0%	0%
Pump Service - Locust	\$6,500				\$6,500			0%	0%
Pump Service - Drake Street	\$7,500				\$7,500			0%	0%
Main Street Pump 1 Rebuild - Phase 2	\$11,500				\$11,500			0%	0%
Plant Roof and Waterproofing Repair	\$30,000				\$30,000			0%	0%
Princess Control Upgrade	\$28,500				\$28,500			0%	0%
<b>Repair and Replacement Total:</b>	<b>\$112,500</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$112,500</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	
<b>Cash Funded Capital Total:</b>	<b>\$1,464,310</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$5,241,200</b>	<b>\$2,098,575</b>	<b>\$2,913,425</b>	<b>40.0%</b>	
<b>Debt Service</b>									
2008 City National Bank Loan (Mature 2028 - 4.1%)	\$221,262				\$4,425,247	\$2,212,624	\$2,212,624	50%	
2012 State Revolving Fund Loan (Mature 2032 - 2.6%)	\$147,806				\$2,956,115	\$886,835	\$2,069,281	30%	
2017 Revenue Bonds (Mature 2042 - 3.49%)	\$2,137,400				\$53,818,317	\$2,134,717	\$51,683,600	4%	
<b>Debt Service Total:</b>	<b>\$2,506,468</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$61,199,679</b>	<b>\$5,234,175</b>	<b>\$55,965,504</b>	<b>8.6%</b>	
<b>CAPITAL TOTAL:</b>	<b>\$3,970,778</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$66,440,879</b>	<b>\$7,332,750</b>	<b>\$58,878,929</b>	<b>11.0%</b>	

**SAUSALITO-MARIN CITY SANITARY DISTRICT  
FY 2018/19 BUDGET**

**REVENUE BOND**

**REVENUE**

Category	Annual				Cumulative to Date - Update through 4/26/2018				
	Budget	Actual to Date	Budget Remaining	% Budget	Total Budget	Actual to Date	Budget Remaining	% Budget	% Complete
Revenue Bond Proceeds	\$ -				\$ 35,493,155	\$ 35,493,155	\$ -	100%	100%
Interest - LAIF	\$ 163,080				\$ -	\$ 304,297	\$ (304,297)	100%	0%
<b>REVENUE TOTAL:</b>	<b>\$ 163,080</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$ 35,493,155</b>	<b>\$ 35,797,452</b>	<b>\$ (304,297)</b>	<b>100.9%</b>	

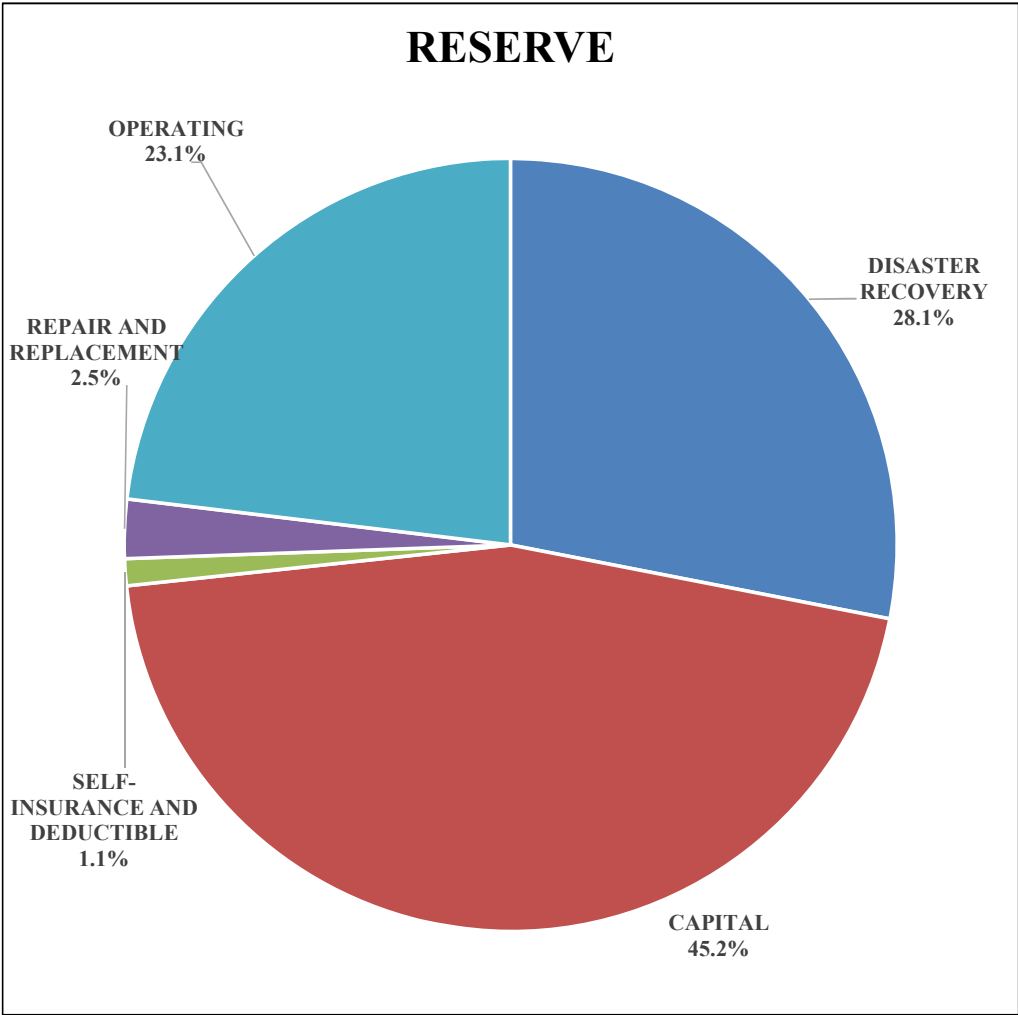
**EXPENSE**

Category	Annual				Cumulative to Date - Update through 4/26/2018				
	Budget	Actual to Date	Budget Remaining	% Budget	Total Budget	Actual to Date	Budget Remaining	% Budget	% Complete
Treatment & Wet Weather Flow Upgrade Project	\$ 13,000,000				\$ 28,190,000	\$ 10,250,000	\$ 17,940,000	36.4%	40.0%
Primary Clarifier & Digester Pre-Design	\$ 50,000				\$ 1,900,000	\$ 245,479	\$ 1,654,521	12.9%	5%
Sludge Drag Conveyor Project	\$ 150,000				\$ 400,000	\$ -	\$ 400,000	0%	10%
Shop Level Storm Drain Rehab	\$ 75,000				\$ 75,000	\$ -	\$ 75,000	0%	0%
Re-Roof Digester (West)	\$ 40,000				\$ 40,000	\$ -	\$ 40,000	0%	0%
FFR Exterior Coating Project	\$ 150,000				\$ 150,000	\$ -	\$ 150,000	0%	0%
Engineering and Management	\$ 242,370				\$ 3,075,500	\$ -	\$ 3,075,500	0%	0%
<b>EXPENSE TOTAL:</b>	<b>\$ 13,707,370</b>	<b>\$0</b>	<b>\$0</b>	<b>0%</b>	<b>\$ 33,830,500</b>	<b>\$ 10,495,479</b>	<b>\$ 23,335,021</b>	<b>31.0%</b>	

# SAUSALITO-MARIN CITY SANITARY DISTRICT FY 2018/19 BUDGET

## RESERVE

Category	FY 18/19	% Total
DISASTER RECOVERY	\$ 2,500,000	28.1%
CAPITAL	\$ 4,029,752	45.2%
SELF-INSURANCE AND DEDUCTIBLE	\$ 100,000	1.1%
REPAIR AND REPLACEMENT	\$ 220,000	2.5%
OPERATING	\$ 2,057,263	23.1%
<b>Total</b>	<b>\$ 8,907,015</b>	<b>100%</b>



# SAUSALITO-MARIN CITY SANITARY DISTRICT

## FY 2018/19 BUDGET

### RESERVE POLICY

CATEGORY	DISASTER RECOVERY	CAPITAL	SELF-INSURANCE AND DEDUCTIBLE	REPAIR AND REPLACEMENT	OPERATING	TOTAL
<b>PURPOSE</b>	Provide additional capital funding for emergency recovery until long-term funding is arranged from rate increases, loans, debt.	Provide capital for major capital projects in 10 year capital program.	Provide funding for the deductibles of the various insurance policies carried by the District.	Provide capital for renewal and replacement of equipment and appurtenant assets.	Provide working capital for operating expense cash flow during year.	
<b><u>CURRENT RESERVE LEVELS</u></b>						
<b>FY 2017/18 - PROJECTED FISCAL YEAR ENDING BALANCE</b>	\$2,500,000	\$4,027,981	\$100,000	\$220,000	\$1,978,543	\$8,826,524
<b>FY 2018/19 - PROJECTED FISCAL YEAR ENDING BALANCE</b>	\$2,500,000	\$4,029,752	\$100,000	\$220,000	\$2,057,263	\$8,907,015
<b><u>LONG RANGE TARGET LEVEL GOALS</u></b>						
<b>TARGET BALANCE</b>	\$2,500,000	\$4,029,752	\$100,000	\$220,000	\$2,057,263	\$8,907,015
<b>CRITERIA</b>	One-year of average annual 10-year CIP cash funded capital expense.	1.5 times the average annual 10-year CIP expense. Includes debt service payments.	To be adjusted if there are changes to policy coverages or deductibles.	Two-years of average annual renewal replacement costs	<b>Six-months</b> of annual operation and maintenance expenses.	
<b>MINIMUM BALANCE</b>	\$1,250,000	\$1,779,752	\$100,000	\$110,000	\$685,754	\$3,925,506
<b>CRITERIA</b>	Minimum funding to aid in disaster recovery.	Funding to cover the 10-year CIP debt service and other restricted reserve obligations.	Minimum funding for the deductible portion for the various insurance policies carried by the District.	One-year of average annual renewal and replacement costs.	<b>Two months</b> of annual operation and maintenance expenses. Also funding to cover any restricted reserve obligations.	
<b><u>OTHER FINANCIAL POLICIES AND RATE-MAKING GUIDELINES</u></b>						
<p>Reserve funding priorities: Disaster Recovery, Capital, Self-Insurance and Deductible, Repair &amp; Replacement, and Operating.</p> <p>Maintain adequate Capital Reserve to fund CIP, but debt financing may be required for major upgrades.</p> <p>Maintain adequate R&amp;R Reserve to avoid debt financing minor facilities.</p> <p>Rate increases will be moderated to minimize rate shock (e.g., phase in increases, avoid excessive increases followed by decreases).</p> <p>Rates are adjusted to keep pace with inflationary cost increases.</p> <p>When reserve balances allow, inter-fund borrowing and transfer may occur as a means of rate stabilization and to permit responses justifying spending of any reserve amount.</p>						



**SAUSALITO-MARIN CITY SANITARY DISTRICT  
FY 2018/19 BUDGET  
CASH BALANCE**

<b>FY 17/18 PROJECTED CASH</b>	<b>\$11,102,111</b>
<b>FY 17/18 PROJECTED RESERVE</b>	
DISASTER RECOVERY	\$2,500,000
CAPITAL	\$4,027,981
SELF-INSURANCE AND DEDUCTIBLE	\$100,000
REPAIR AND REPLACEMENT	\$220,000
OPERATING	\$1,978,543
FY 18/19 TRANSFER	\$80,491
<b>FY 18/19 PROJECTED RESERVE TOTAL:</b>	<b>\$8,907,015</b>
<b>FY 18/19 BEGINNING WORKING CAPITAL</b>	
FY 18/19 TRANSFER	\$1,213,748
<b>FY 18/19 PROJECTED WORKING CAPITAL :</b>	<b>\$3,408,845</b>
<b>FY 18/19 PROJECTED CASH</b>	<b>\$12,315,859</b>

