

# BUDGET IN BRIEF

FY 2025 - 2026

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

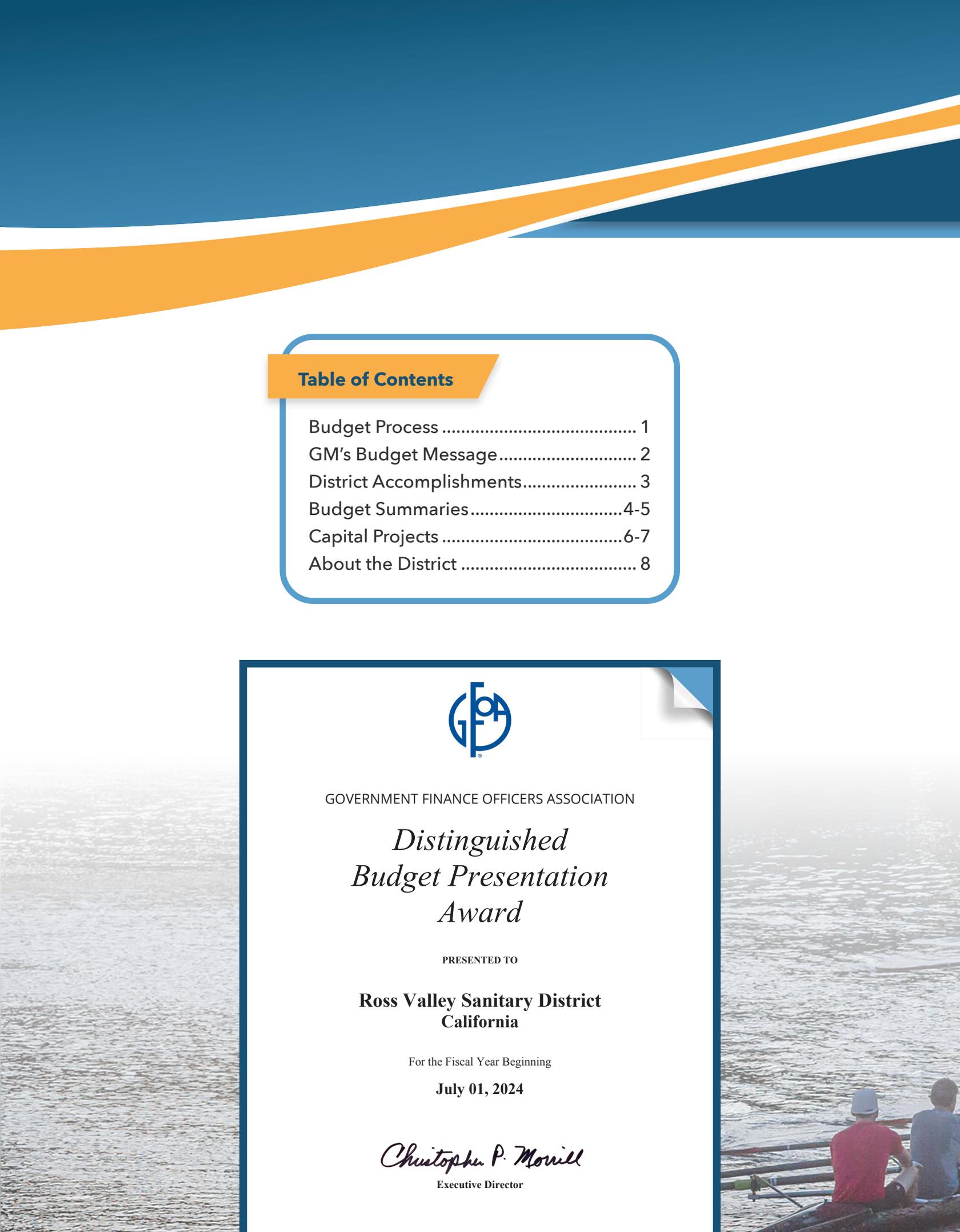
**Ross Valley Sanitary District  
California**

For the Fiscal Year Beginning

**July 01, 2024**

*Christopher P. Morill*

Executive Director



# BUDGET PROCESS

**01**

## January

Develop upcoming budget calendar and analyze current year performance.

**02**

## February

Budget kick-off with department managers for estimating projected expenditures and developing operational and capital budget expenditures.

**03**

## March

Finalize District personnel and related insurance costing and revenue analysis.

**04**

## April

Prepare preliminary budget tables/charts/graphs for District management review.

**05**

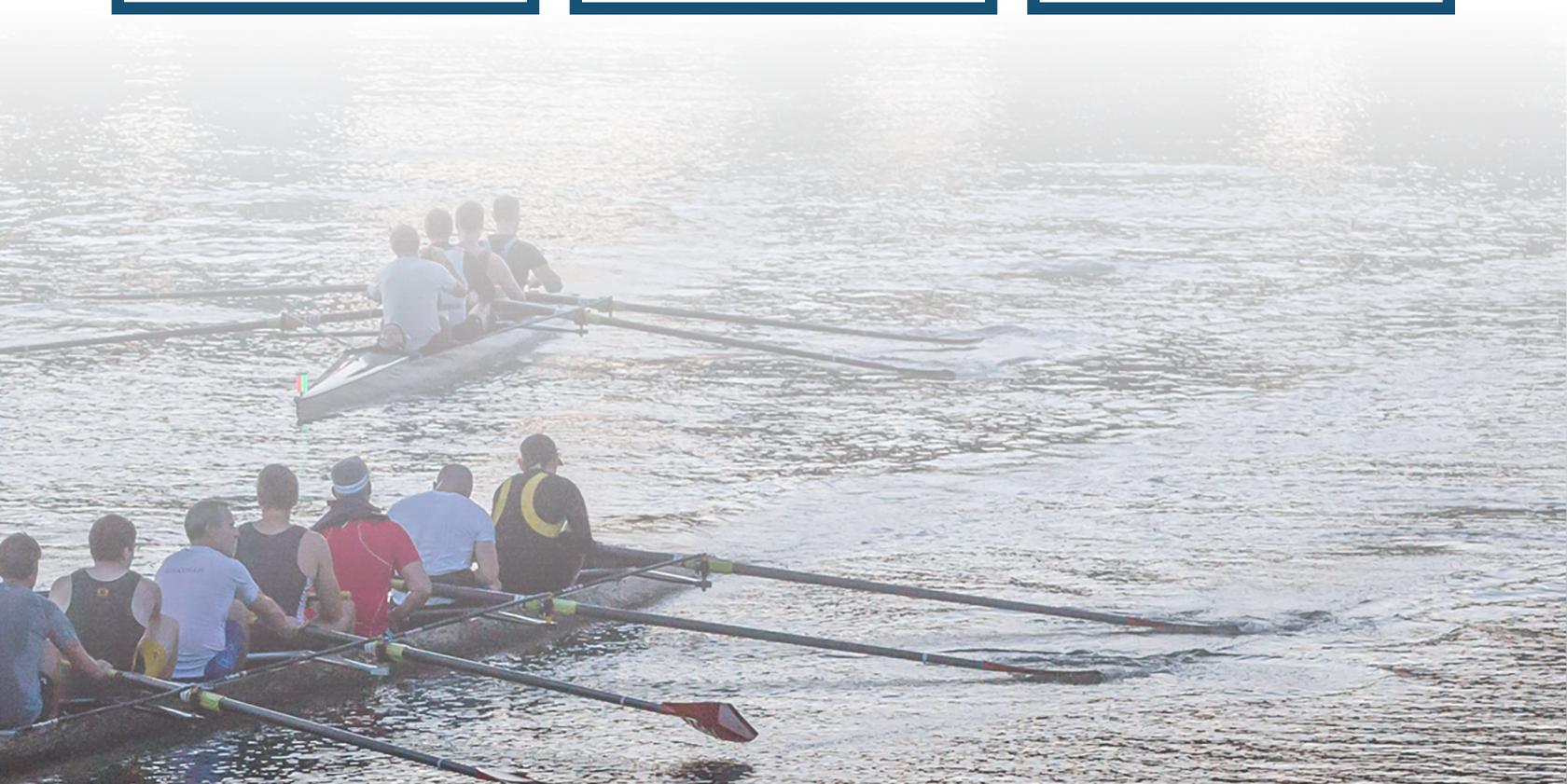
## May

Prepare final proposed budget document for public/Finance Committee/Board of Director review and comments.

**06**

## June

Final proposed budget presented to public/Finance Committee/Board of Directors for final review and adoption. Adopted budget published and distributed to stakeholders.





## Message from the General Manager

It is my honor on behalf of the Ross Valley Sanitary District Board of Directors and staff to present the District's Fiscal Year 2026 (FY26) budget. This document lays out the financial plan for the upcoming fiscal year, detailing the resource requirements to successfully manage our wastewater collection and conveyance infrastructure for District's ratepayers.

Our intention is to present a high-quality budget that clearly articulates the ways the District effectively and efficiently provides its services in a readily accessible and understandable format. All referenced financial documents in this budget are available online at [www.rvsd.org](http://www.rvsd.org).

### FY 2026 Budget Highlights

The District's FY26 annual budget is expected to be balanced where funding requirements are sufficiently covered with funding sources.

Operating revenue is forecast to be \$31.2 million, an increase of 3.2% over the prior year budget. Operating expenditures are forecast to be \$25 million, an increase of approximately 4.3% as compared to the FY25 Budget. The FY26 Budget includes expected net operating revenue of approximately \$6.2 million to be used to fund its committed reserves and capital projects.

Capital revenue is anticipated to remain flat at \$10.4 million. Capital expenditures are forecast to be \$18.7 million including \$10.8 million on capital improvement projects, \$650,000 for fixed asset purchases, \$6.7 million for debt service and \$550,000 for lateral loans and grants. This is the second year running with an aggressive capital improvement program and the District has been fortunate to have the flexibility to accelerate the implementation of certain projects in order to take advantage of conditions in the field. The net expenditure in the Capital fund will be funded with a transfer from the Operating fund as well as with appropriated fund balance.

Total funding requirements (Operating and Capital funds combined) for FY26 are \$43.7 million, an increase of 2.4% year over year. Budgeted expenditures include a 5% cost of living adjustment (COLA) for District Staff.

Total funding sources (Operating and Capital funds combined) are \$43.7 million. Total funding sources include \$41.6 million of revenue proceeds, an increase of 2.3% over the previous year. Revenue increases include a 4% increase in sewer-service rates according to the District's most recent rate plan. Property taxes are forecast to increase slightly at 2.4%. The District proposes \$2.1 million of appropriated fund balance to supplement revenue proceeds. Use of fund balance reserves as an additional funding source increased by \$64,000 as compared to the previous year's budget. The District intends to use restricted reserves held in a 115 with CalPERS to fund pension costs in the coming year. This will indirectly help the District fund the capital improvement program while continuing to maintain board committed reserves.

The District is recognized as a high-performing and financially stable wastewater utility within Marin County and the San Francisco Bay Area. The District continues to be recognized by state and national organizations in the areas of facility operations, safety, and financial reporting.

On behalf of all our employees, I would like to express our thanks and gratitude to the District Board of Directors for its ongoing support of the District's Mission and Values, and in securing the necessary resources to enable us to achieve a recognized level of high performance.

We hope that this annual budget will be insightful and clear in understanding how the District allocates its resources. We welcome your comments and feedback for improving future budget publications.

Respectfully,

**Steve Moore, P.E.**  
General Manager

# RECENT ACCOMPLISHMENTS

01

Received "Small Collection System of the Year" award from the Redwood Empire Section of the California Water Environmental Association (CWEA). This is the third such award received in the last six years.

02

Received the Certificate of Achievement for Excellence in Financial Reporting, the Award for Outstanding Achievement in Popular Financial Reporting, and the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA).

03

Completed the renovation at 1111 Andersen Drive, relocated all District operations to this facility, and installed a generator for backup power.

04

Sold former headquarters at 2960 Kerner Blvd. in accordance with the Surplus Land Act in a competitive bidding process to a nonprofit organization that provides music lessons and instruments to the local disadvantaged community.

05

Declared the 10-acre former treatment plant site at 2000 Larkspur Landing Circle in Larkspur as Surplus Land and initiated the process of its disposal in accordance with the Surplus Land Act.

06

Updated the service area boundary with neighboring Sanitary District No. 2 of Marin County in cooperation with Marin County Local Agency Formation Commission (LAFCo) based on our staff's field verification of service laterals to specific addresses.

07

Implemented a successful initiative to reduce the number of sewer lines cleaned more than once per year (high frequency cleaning or HFC) by using system condition data in the computerized maintenance management system (CMMS) and presented the methodology to the annual statewide conference of CWEA.

08

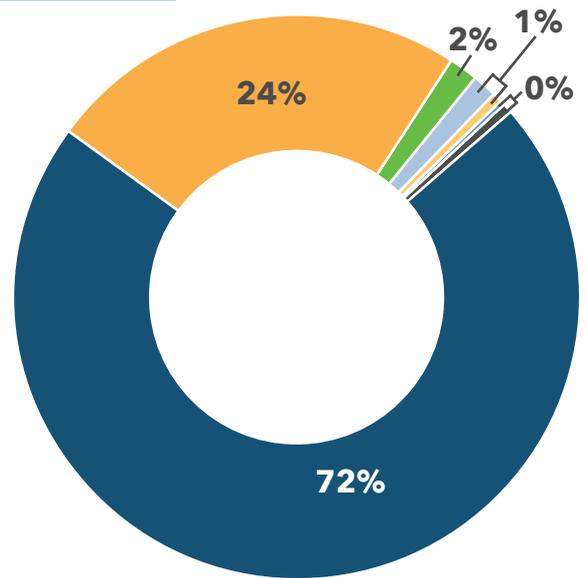
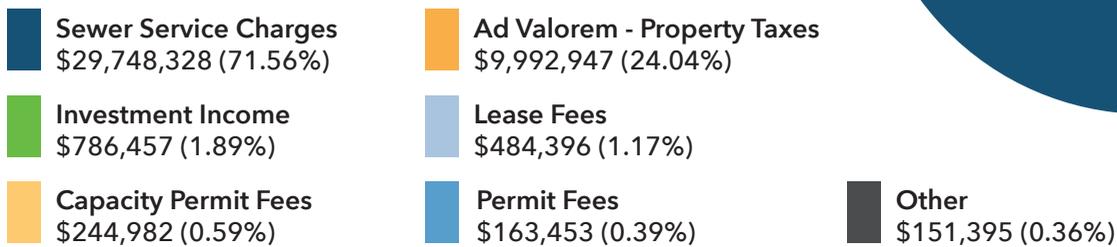
Maintained a high level of service to our ratepayers for a safe and effective wastewater collection and conveyance system, including maintaining a record low number of spills for three years in a row.

# REVENUE BUDGET

## How Is The District Funded?

The District's primary funding source is sewer service fees paid by the district customer base and is budgeted at \$29.8M for FY26. Sewer Service rates are set approximately every five years according to an in depth rate study and are designed to pay the cost of operating the system as well as infrastructure and other capital maintenance and repair. Property taxes, budgeted at \$9.9M for FY26, are the District's secondary revenue source and are dedicated to infrastructure and other capital maintenance and repair. The District has various other minor revenue sources.

**Total \$41,571,958**

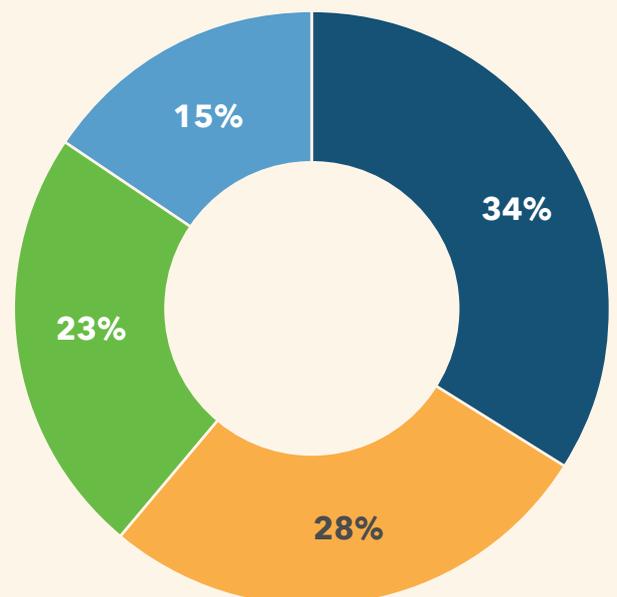


# EXPENDITURE BUDGET

## Where Do The Funds Go?

The District has two main operating costs; Operations and Maintenance of the collection and conveyance system is budgeted in FY26 at \$14.8M. Once wastewater is conveyed to the treatment plant, the District pays a treatment charge to the Central Marin Sanitation Agency, with \$10.2 M budgeted in the upcoming year. Capital Costs include current year projects and purchases budgeted at \$12M for FY26. Additionally, debt service is a capital cost and the \$6.7M budgeted in the coming year is a payment against debt used to finance over \$90M worth of capital investment in prior years.

**Total \$43,701,323**



# BUDGET SUMMARY

## Budget Summary

Revenue	\$ 41,571,958
Appropriated Fund Balance	2,129,365
Expenditures	(43,701,323)
Balanced Budget	\$ -

## Fund Balance

Beginning Balance	23,369,760
Appropriated Fund Balance	(2,129,365)
Ending Balance	\$ 21,240,395

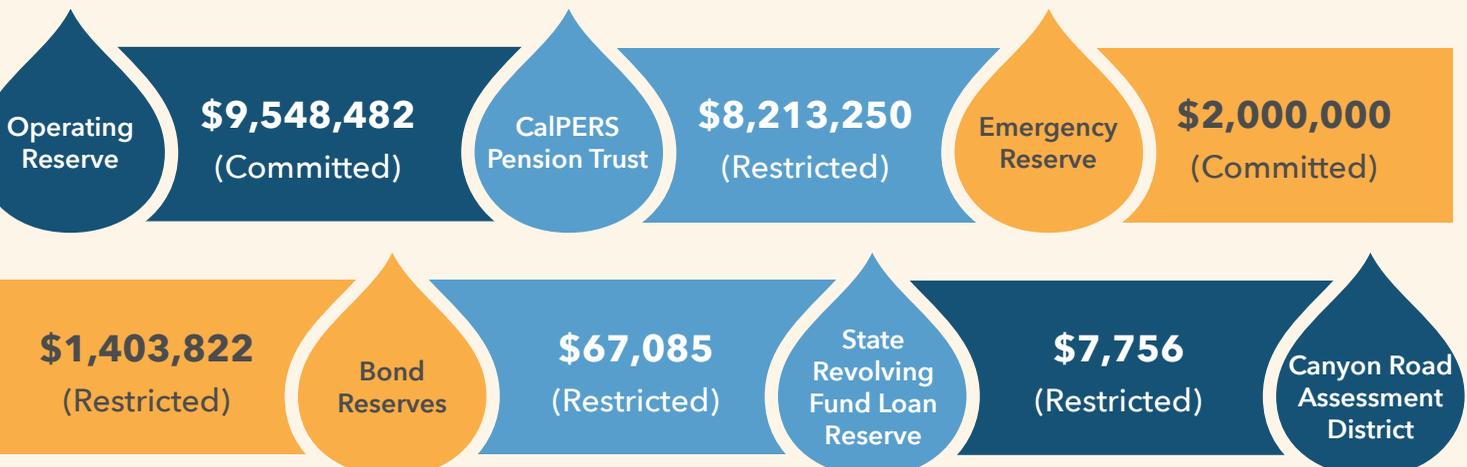
## Where We Stand

For FY26 total budgeted revenue is less than budgeted expenditures by \$2.1M. The primary driver of the variance is the robust capital improvement plan. The difference will be made up by using existing fund balance drawn first from the capital reserve and secondly from the operating reserve. The draw down is expected since the District recently began financing capital improvements with a pay-as-you-go system rather than issuing debt.

# RESERVES

## RVSD Is Prepared

Some reserves are restricted in use by other Agencies, by contract or by law. For example, the District has \$8.2M in restricted pension reserves that may only be used for pension costs. Other reserves have been set aside by the Board of Directors for specific purposes and are labeled as committed. The District is planning to set aside \$9.5 M in the Operating Reserve to ensure the cash flow requirements of day-to-day operations. Additionally, the District will set aside \$2M in the Emergency Reserve in case of significant unforeseen events that cause a dramatic or immediate impact. The Capital Reserve is currently depleted as the District is undertaking a third year of significant capital project expenditures. This reserve will be replenished over the next few years.



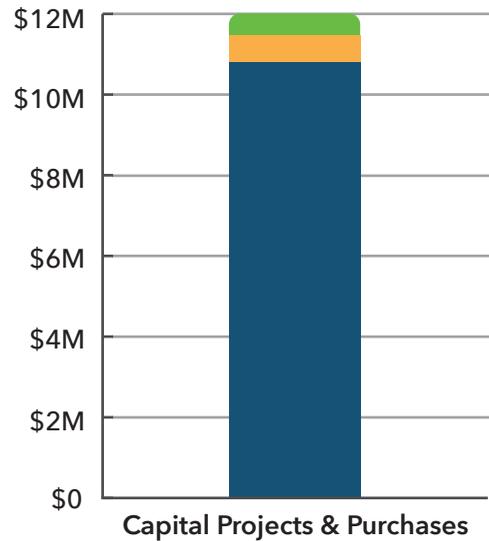
# CAPITAL BUDGET

RVSD is working to rehabilitate underground wastewater pipelines through a construction program that is spread out over roads and easements throughout the Ross Valley communities.

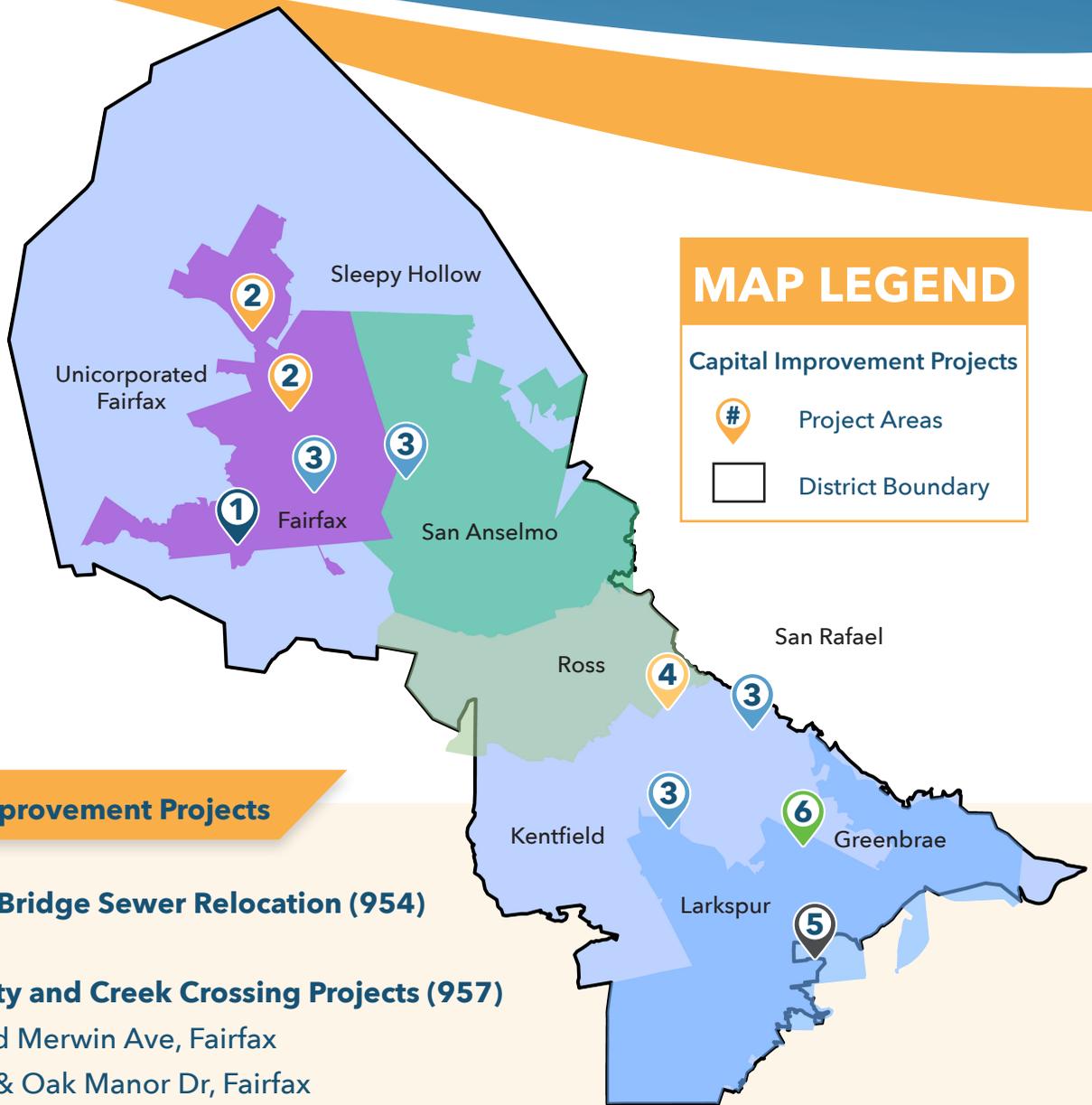
The Capital Improvement Program (CIP) consists of construction projects needed to upgrade pipeline and pump station assets to protect public health and the environment by reducing the risk of sewer spills and reducing infiltration and inflow (I&I) impacts to the system and the treatment plant.

## Total \$12,000,000

- Capital Projects  
\$10,800,000
- Capital Equipment Purchases  
\$650,000
- Lateral Grant Program  
\$550,000



# CAPITAL PROJECT DETAILS



## FY 2026 Capital Improvement Projects

- 1 Meadow Way Bridge Sewer Relocation (954)**
- 2 Fairfax Capacity and Creek Crossing Projects (957)**
  - Broadway and Merwin Ave, Fairfax
  - Westbrae Dr & Oak Manor Dr, Fairfax
- 3 FY 2024/25 Gravity Sewer Improvements Project (958)**
  - Bolinas Rd & Sherman Ave, Fairfax
  - McAllister Ave, Kentfield
  - Sir Francis Drake Blvd and Suffield Ave, San Anselmo & Fairfax
- 4 Palm-Mann-Cypress Gravity Sewer Improvements Project (959)**
- 5 LS 30 Heather Gardens Lift Station Improvements (908)**
- 6 Lower FM-14 Bypass Force Main Replacement (961)**

# THE DISTRICT AT WORK

## ABOUT

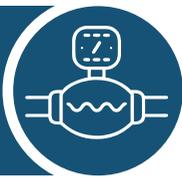


**Established:** May 27, 1899

**Service Area:** Fairfax, Greenbrae, Kentfield, Larkspur, Ross, San Anselmo, and Sleepy Hollow

**Fun Fact:** California's oldest sanitary district

## INFRASTRUCTURE



- 205 miles of collection sewer lines
- 19 pumping stations
- 3.8 million gallons of wastewater transported per day
- 45% installed prior to 1955

## RVSD STAFFING (FY 26 Full-Time)



**Operations & Maintenance:** 23 Employees

**Administrative Services:** 8 Employees

**Engineering & Inspections:** 6 Employees

## POPULATION

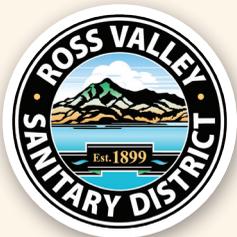


**Population:** 43,736

**Per Capita Income:** \$180,575

**Unemployment Rate:** 3.8%

## Contact Information



### Ross Valley Sanitary District

1111 Andersen Dr.,  
San Rafael, CA 94901

[rvsd.org](http://rvsd.org)

Call: 415-259-2949

Email: [info@rvsd.org](mailto:info@rvsd.org)

### Executive Team

Steve Moore, P.E. ....General Manager

Felicia Newhouse .....Assistant General Manager

Paul Bruemmer .....Operations & Maintenance Manager

### Board of Directors

Mary Sylla.....President  
Elected June 2012

Doug Kelly.....Secretary  
Elected June 2016

Michael Boorstein .....Treasurer  
Elected June 2014

Pamela Meigs ..... Director  
Elected June 2010

Thomas Gaffney..... Director  
Elected June 2014