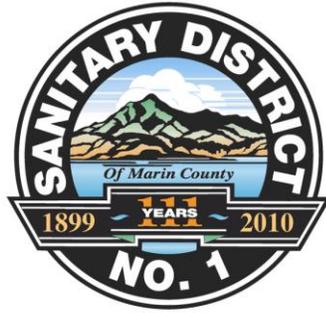


**Sanitary District #1 of Marin County
dba: Ross Valley Sanitary District**



**Fiscal
Year
2016/17**

**Operating & Capital Budget
Adopted June 23, 2016**



Fiscal Year 2016/17

Table of Contents

| | |
|--|-----------|
| Introduction | |
| Mission and Values Statement | 1 |
| Introduction | 2 |
| Budget Document Guide | 2 |
| Budget Overview | |
| Summary | 3 |
| Revenues | 4-5 |
| Expenditures | 6-7 |
| Operations & Maintenance Budget | |
| Operations & Maintenance Fund | 8 |
| Operations & Maintenance Revenue | 8 |
| Operations & Maintenance Expenditures | 8-11 |
| Capital Budget | |
| Introduction | 12 |
| Capital Revenue | 13 |
| Capital Expenditures | 14-15 |
| Sewer Line Trenchless and Open Cut Rehabilitation Crew | 15 |
| Factors Affecting Future Personnel Costs | |
| Overview | 16 |
| Headcount | 16 |
| Cost of Living Adjustments | 16 |
| Pension Reform | 16 |
| Health Insurance | 16 |
| 5-Year Financial Forecast | 17 |
| Appendix A - Financial/Budget Schedules | |
| Schedule 1 – Budget Summary | A1-A1.1 |
| Schedule 2 – Funding Sources | A2 |
| Schedule 3 – Funding Requirements | A3 |
| Schedule 4 – Monthly Cash Requirements | A4 |
| Schedule 5 – Reserves & Fund Balances | A5 |
| Schedule 6 – Department Budgets | |
| District Total | A6 |
| Administration | A6.1-A6.3 |
| Outside Services | A6.4 |
| Operations | A6.5-A6.7 |
| Schedule 7 – Debt Service | A7 |
| Schedule 8 – Staffing Plan | A8 |
| Schedule 9 – Capital Assets Summary | A9 |
| Schedule 10 – Capital Projects | A10 |
| Schedule 11 – 5-Year Forecast | A11 |

Our Mission:

We provide our customers with high quality wastewater collection service, through a system that has no avoidable sanitary sewer overflows, at the lowest sustainable cost, in order to protect public health and the environment.

Our Core Values:

Individually and as a team, we value the following:

- *Being fiscally responsible*
- *Protecting our natural resources*
- *Developing solutions that work today and for future generations*
- *Providing excellent quality service and creating quality work products*
- *Collaborating with each other and our stakeholders*
- *Being industry leaders*
- *Supporting efficiency and alignment with the mission of the Ross Valley Sanitary District through our resources and work*

Introduction

This report presents the draft Fiscal Year (FY) 2016/17 Ross Valley Sanitary District Operating and Capital Budget (FY 2016/17 Budget). The Ross Valley Sanitary District (District/RVSD) serves approximately 15,200 residential and commercial connections within its service area. The service area covers approximately 27 square miles, with a total population of approximately 50,000. The District conveys an average daily flow of 4 million gallons per day (MGD), and peak wet weather flows of 50 MGD or more, to the Central Marin Sanitation Agency's (CMSA) wastewater treatment plant, for treatment and discharge to the San Francisco Bay.

RVSD has made substantial progress over the past three fiscal years towards improving the financial planning, management, and resiliency of the District. The FY 2016/17 Budget will continue and build off of that progress. Key factors influencing this year's Budget include the following. RVSD has a new three year labor agreement with AFSCME and updated salary and benefit terms for all staff, which clarifies labor costs through FY 2017/18. RVSD has completed a Strategic Plan establishing clear goals for financial management and fiscal drivers such as O&M and asset management standards. RVSD's capital program, guided by an asset management approach, has achieved increased momentum with over \$50M in critical infrastructure rehabilitation currently in design or construction. The capital program continues to rely on long term debt financing (bonds), but is also supported by approximately \$9M in annual combined revenue from ad valorem tax (\$6M) and wastewater service rate revenue (\$3M) provided by the 5-year rates schedule approved in 2014. The next increment of long term capital financing, anticipated to be either a bond sale or State Revolving Fund (SRF) loan, will be needed by approximately February 2017 to avoid a capital funding shortfall for the remainder of the new FY.

The new FY 2016/17 Budget support the following Strategic Plan goals:

- Utilize best practices of public utility financial planning.
- Manage utility rates to ensure predictable, smooth trends in rates.
- Achieve and maintain the highest possible bond credit rating.
- Track and adequately fund long-term pension and OPEB liabilities.
- Maintain a sufficient level of preventative maintenance and rehabilitation, ensuring reliable customer service and minimizing Sanitary Sewer Overflow (SSO) risk.
- Continue progress on critical infrastructure improvements.
- Selective use of capital debt to smooth cash flow and support a transition to pay-go funding.
- Meet the requirements of the 2013 Cease and Desist Order from the RWQCB.
- Fund emergency and capital reserves to ensure greater financial resiliency in the future.

Budget Document Guide

The FY 2016/17 Budget document is organized into the following sections:

- FY 2016/17 Budget Overview
- Operations & Maintenance (O&M) Budget
- Capital Budget
- Factors Affecting Future Personnel Costs
- 5-Year Financial Forecast

A complete set of financial schedules for the Budget are included in the Appendix A to this report.

FY 2016/17 Budget Overview

Summary

This section presents a summary of the Budget, by revenue sources and expenses, and between O&M/Administration and Capital. Each of these areas is addressed in greater detail in later sections of this report. Table 1 below summarizes the District’s FY 2015/16 Budget and compares it to the proposed FY 2016/17 Budget. More specific discussions regarding revenues and expenditures occur in the following subsections and are accompanied by illustrative charts & graphs. In summary, the proposed Budget includes \$33.1M in total revenue, \$50.5M in total spending, and an ending FY cash balance of \$22.4M. The Capital Budget for FY 2016/17 of \$34.9M will be funded in part by projected fund balance for FY 2015/16 of \$29.6M and additional proceeds from financing of approximately \$8.3M.

Table 1 – FY 2016/17 Budget Summary

| Type | | FY 2015/16 Budget | FY 2016/17 Budget |
|------|--|------------------------|------------------------|
| 1 | Sewer Service Charges | 17,027,637 | 18,207,719 |
| 2 | Property Tax - Ad Valorem | 5,483,400 | 6,014,865 |
| 3 | Proceeds from Finance Activities | - | 8,266,000 |
| 4 | Other Revenue | 390,500 | 504,645 |
| 5 | Expected Revenues | \$ 22,901,537 | \$ 32,993,229 |
| 6 | CMSA Charges | 6,665,207 | 7,170,668 |
| 7 | Operations | 5,474,003 | 6,042,520 |
| 8 | Administration | 1,840,151 | 1,731,100 |
| 9 | Outside Services | 689,621 | 666,195 |
| 10 | Debt Service | 3,089,493 | 3,028,382 |
| 11 | Capital Budget | 24,868,400 | 31,891,490 |
| 12 | Total Expenditures | \$ 42,626,875 | \$ 50,530,355 |
| 13 | Net Revenue Less Expenditures | \$ (19,725,338) | \$ (17,537,126) |
| 14 | Operations & Maintenance Fund Balance | 7,669,409 | 8,414,363 |
| 15 | Capital Improvement Fund Balance | 11,637,200 | 11,652,604 |
| 16 | Bond Funds - Fully Restricted for Capital Projects | 2,573,921 | - |
| 17 | Capital Improvement Reserve Balance | - | - |
| 18 | Emergency Reserve Balance | 2,000,000 | 2,000,000 |
| 19 | Other Post Employment Benefit Reserve Balance | 140,000 | 270,000 |
| 20 | Total Ending Reserve/Fund (Cash) Balance | \$ 24,020,530 | \$ 22,336,967 |

Revenues

Total District revenue from all sources is forecasted to increase about \$10.1M, primarily due to the addition of \$8.3M of new long term debt financing to fund Capital Improvement Programs. Revenue from Sewer Service Charges are projected to increase by approximately \$1.2M due to the planned rate increase, effective July 1, 2016. The other major revenue sources, their trends, and any recommended actions are discussed below. Chart 1 shows the relative contribution from each revenue source in FY 2016/17, and Chart 2 shows the 5-year trend of revenue including the forecasted FY 2015/16 and budgeted FY 2016/17.

Sewer service charge revenue (rate revenue) of just over \$18.2M makes up about 55% of the District’s total revenue in FY 2016/17. This revenue is used primarily for Operations & Maintenance (O&M) related expenses, with any remaining balance then used for capital expenses. Rate revenue will increase approximately \$1.3M for FY 2016/17, based on the five year schedule of rates approved in 2014 and shown in Table 2. Rate revenue will contribute approximately \$3M towards capital expenses in FY 2016/17, but will leave a substantial deficit in needed capital funding as noted below.

Ad Valorem property tax funds of \$6M provide about 18% of total revenue, and are also collected through the Marin County tax rolls in two major annual payments. This revenue is dedicated to capital expenditures, including debt service. Ad Valorem revenue is expected to increase by approximately \$500K from the prior fiscal year due to increases in assessed property values.

The FY 2016/17 Capital Budget will be funded with remaining proceeds from the November 2014 revenue bonds, Ad Valorem tax revenue, and additional long term debt financing. At this time, the District is considering a State Revolving Fund (SRF) low interest loan or a new bond sale to provide approximately \$26M in additional capital funding, with \$8.3M for FY 2016/17 and the balance for future FY’s capital project funding . These funds will be needed by February 2017 based on current cash flow projections.

Other revenue sources, such as connection fees and inspection fees, increased by approximately 29% due primarily to the increase in connection and inspection fees, lateral replacement permitting fees, and new service connection activity. However, revenues from these sources still represent less than 2% of the total revenues received.

Chart 1 – FY 2016/17 Budgeted Revenue by Source

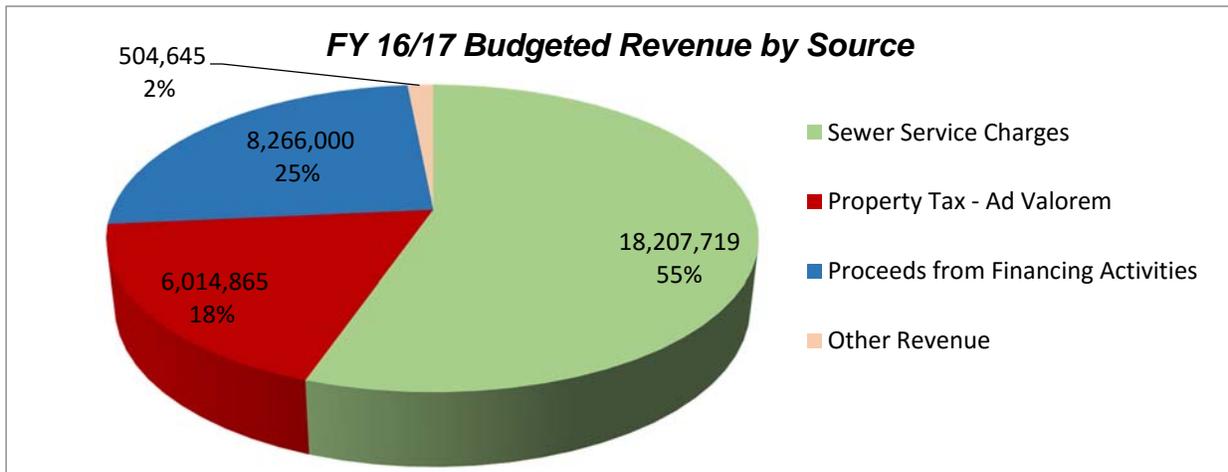


Chart 2 – 5-Year Revenue Trend, by Source

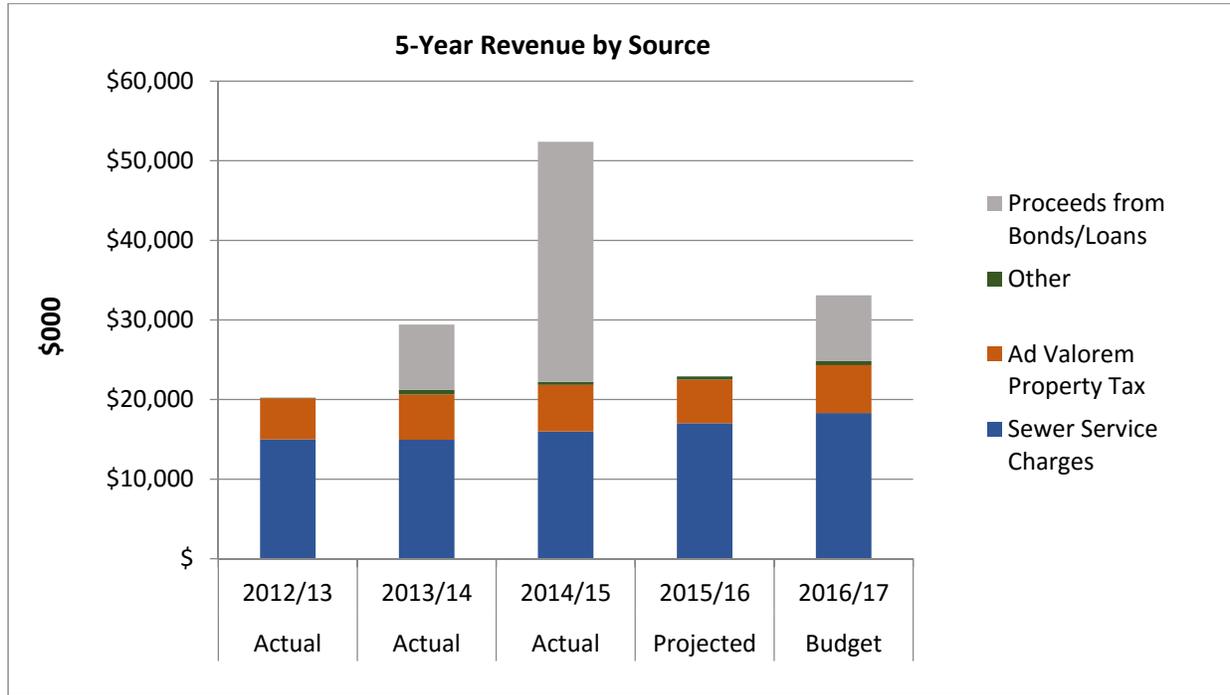


Table 2 – 5-Year Rate Plan



| Rate Zone/Customer Class | FY 2014/15 | | FY 2015/16 | | FY 2016/17 | | FY 2017/18 | | FY 2018/19 | |
|------------------------------|------------|----------|------------|----------|------------|----------|------------|----------|------------|----------|
| | | % change |
| Ross Valley Rate Zone | | | | | | | | | | |
| Single Family Residential | \$692 | 8.5% | \$743 | 7.4% | \$797 | 7.3% | \$856 | 7.4% | \$909 | 6.2% |
| Multi Family Residential | \$625 | -2.0% | \$665 | 6.4% | \$714 | 7.4% | \$766 | 7.3% | \$817 | 6.7% |
| Commercial | \$692 | 8.5% | \$743 | 7.4% | \$797 | 7.3% | \$856 | 7.4% | \$909 | 6.2% |
| Larkspur Rate Zone | | | | | | | | | | |
| Single Family Residential | \$961 | 11.2% | \$1,012 | 5.3% | \$1,067 | 5.4% | \$1,125 | 5.4% | \$1,178 | 4.7% |
| Multi Family Residential | \$865 | 0.1% | \$906 | 4.7% | \$955 | 5.4% | \$1,007 | 5.4% | \$1,055 | 4.8% |
| Commercial | \$961 | 11.2% | \$1,012 | 5.3% | \$1,067 | 5.4% | \$1,125 | 5.4% | \$1,178 | 4.7% |

Expenditures

Expenditures are classified into two basic categories: those supporting Operations & Maintenance (O&M) and Administration, and those supporting Capital Improvements. Chart 3 shows the breakdown of all major expenditure categories in FY 2016/17, with capital spending and O&M spending making up roughly 70% and 30% of the total respectively. Within the O&M portion, CMSA treatment charges make up 46% of all operational expenses, with the remainder made up of operations, administration, and outside services. Chart 4 shows the five year trend, including FY 2016/17 for comparison, which highlights the influence of capital spending on total spending.

CMSA costs for wastewater treatment and disposal are established by CMSA and apportioned to the member agencies, which then must collect the required cost of service in their respective rates, for payment to CMSA. CMSA costs are allocated based on the trailing three years of average wastewater flow and strength. The District's allocation is estimated to be approximately 48.3% of the CMSA Operating Budget and 43% of CMSA's debt service requirements, which together totals \$7.2M in FY 2016/17, up from a projected \$6.7M in FY 2015/16.

Personnel costs for O&M activities (including direct wages/salaries, payroll taxes, and benefits) are forecasted to remain relatively flat year-over-year, due primarily to capitalized labor costs for work on capital projects, which is covered under the capital budget. Total personnel costs for the District, including both O&M and capital budget funded labor, will increase by 2% compared to budgeted costs for FY 2015/16. The primary drivers for this increase are anticipated salary and wage increases based on both regular merit increases, estimated cost of living adjustments of 3%, and a reduction of estimated capitalized labor costs. Other factors influencing personnel costs are discussed in more detail later in this report.

Other operational expenditures are costs associated with the general operations of the District and are categorized as: fines and settlements, professional services, system maintenance, general and administrative costs, facilities and utilities, and board expenditures. Overall these expenditures increased by 17% from the prior year's budget, approximately \$350K. This is primarily due to the costs associated with professional services, system maintenance and facilities.

Capital expenditures include costs incurred to purchase or build any capital asset, or to rehabilitate and extend the useful life of the District's existing assets. Details of these expenditures can be found in Schedule 9 – Capital Asset Summary and Schedule 10 – Capital Improvement Projects. A notable aspect of this year's capital projects is that just four in-progress projects make up 75% of the budgeted expenditures, reflecting the improved project delivery capacity relative to prior years.

The total capital expenditures for FY 2016/17 are approximately \$34.9M, which includes \$27.8M for capital projects, \$3.6M for various capital studies and programs, \$3M for debt service, and \$0.5M for rolling stock (vehicles and equipment) replacement. This is represented in Chart 3 by the Capital Budget and Debt Service portions of the chart.

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Chart 3 – FY 2016/17 Budgeted Expenditures by Type

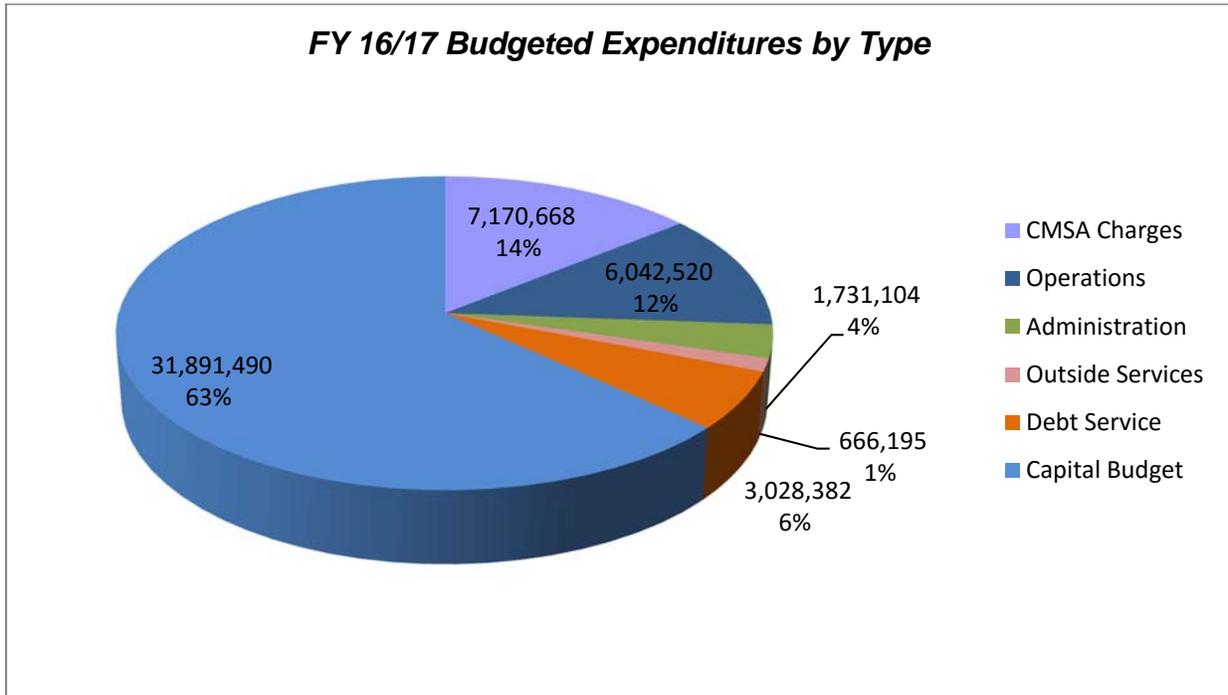
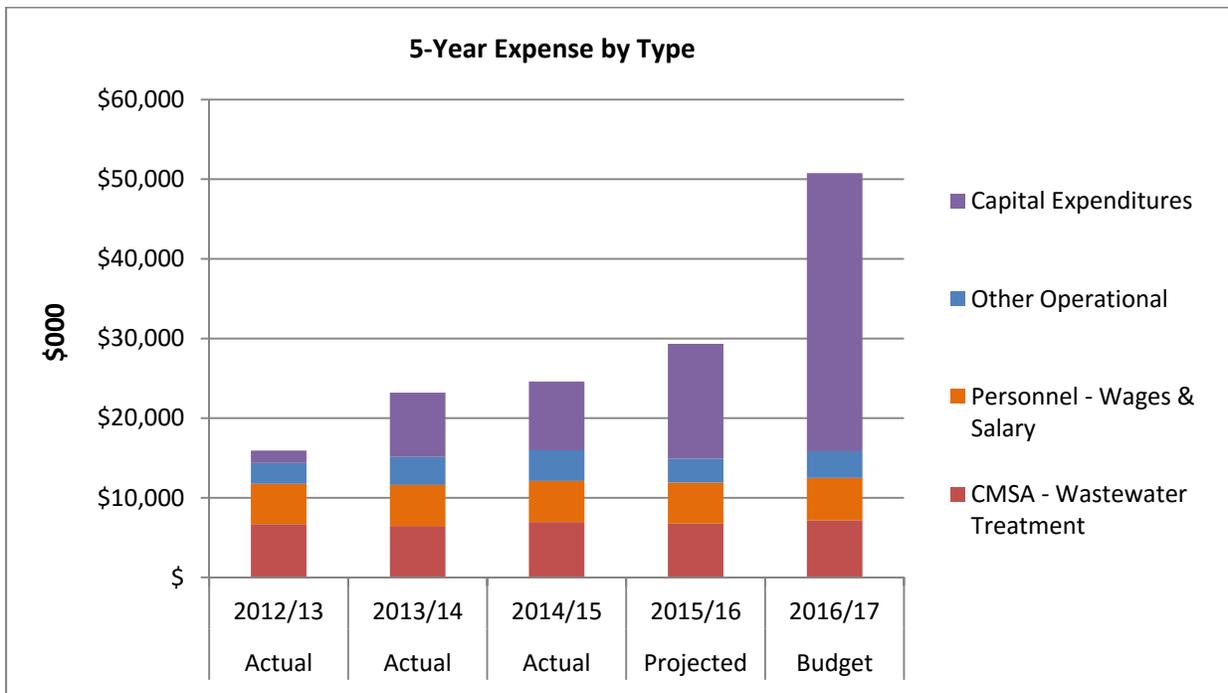


Chart 4 – RVSD 5-Year Expenditure Trend by Type



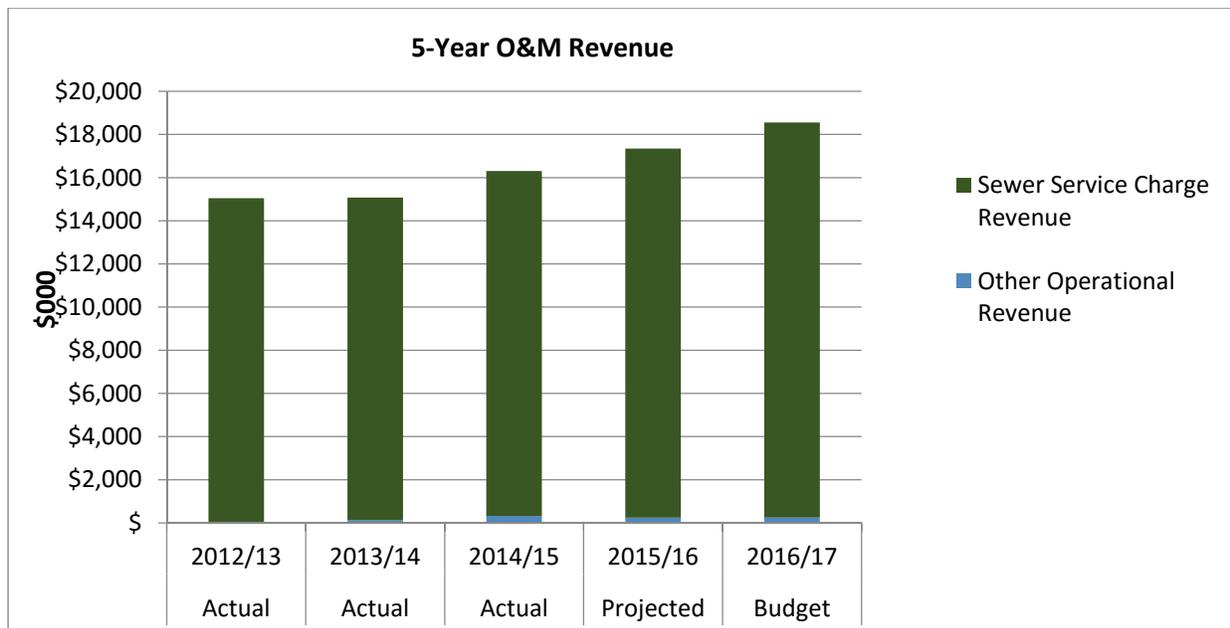
Operations & Maintenance Budget
Operations & Maintenance Fund

The Operations and Maintenance fund is used for all operational expenditures and is funded primarily by annual sewer service charges. The Operations and Maintenance fund balance target is intended to cover the cash flow imbalances that predictably occur between the months when the lump sum revenue payments are received from Marin County (April and December, tied to the tax rolls), while regular monthly O&M expenses continue to incur requiring payment. The target balance is calculated using the operational expense equal to budgeted operating expenses from July 1st to December 31st.

Operations & Maintenance Revenue

Total operations and maintenance revenue is budgeted at \$18.5M. The sewer service charges (SSCs) are the primary stable source of revenue and will increase approximately by 7% or \$1.2M in FY 2016/17. The total rate revenue reflects a reduction of \$100K to support the proposed low income assistance program. Chart 5 shows the trailing 5 year trend in O&M revenue. Other operational revenue is the revenue received by the District for inspection services, nominal interest earned on bank deposits, dividends received, and other miscellaneous income. The Other Revenue budgeted for FY 2016/17 is \$270K which is \$43K higher than the previous year due to increased inspection fees and interest earned.

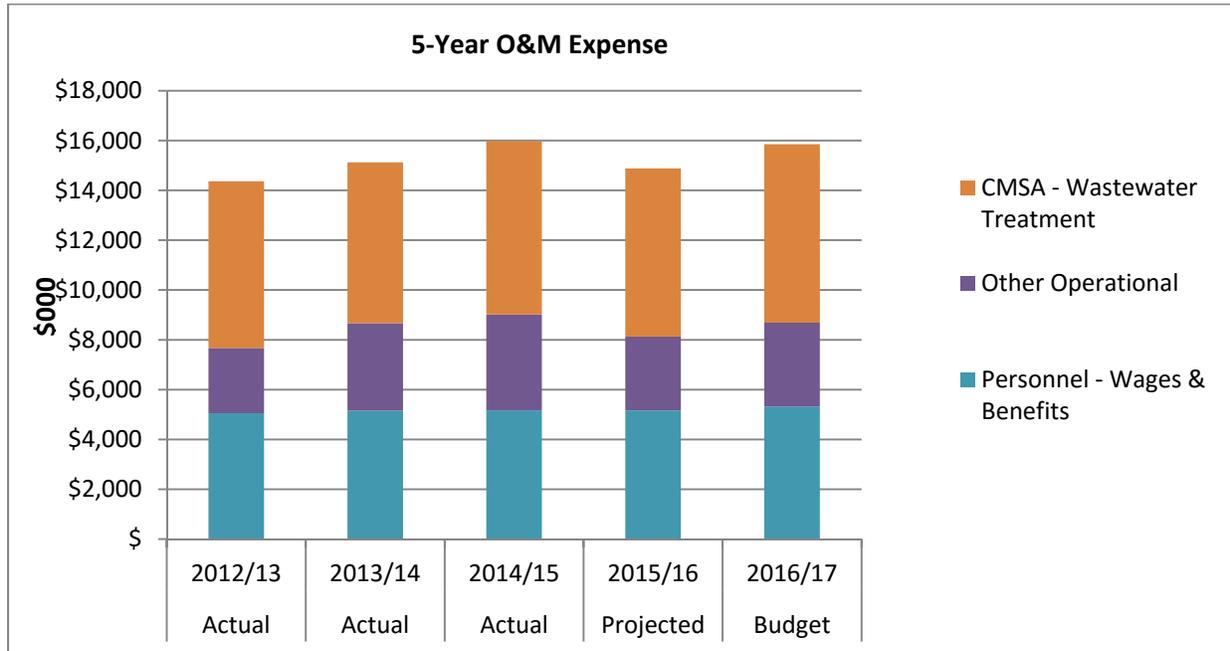
Chart 5 – 5-Year O&M Revenue Trend by Source



Operations & Maintenance Expenditures

Operational Expenditures are costs associated with the general operations of the District and can be categorized as follows: CMSA wastewater treatment; personnel costs; and other operational expenses. The five year trend indicates stability in the amount spent on normal operations and maintenance and averages around \$15.5M annually.

Chart 6 – 5-Year O&M Expenditures Trend by Type



Central Marin Sanitation Agency (CMSA) charges are allocated for the wastewater treatment charges and debt service from the CMSA annual budget and represent the District’s largest operating expenditure. There are both treatment charges and debt service components included in the CMSA charges. The treatment charge is based on a percentage allocation to each member agency. This is calculated using 36 months of flow data and 24 months of strength data from each District’s wastewater flow. The District’s allocation is 48.3% to RVSD or \$5M for treatment charges. The debt service charge component is based on the annual EDU count and results in an allocation of approximately 43% to RVSD or \$2.2M in FY 2016/17. Last fiscal year, CMSA refinanced debt resulting in savings of \$530K to the allocation of debt service. The subsequent years’ savings will result in annual savings of approximately \$350K.

Personnel wages and benefits are those expenditures related to payroll and staffing. They include salary and wages of employees, overtime, payroll taxes, health insurance benefits and retirement benefits. This category also includes costs for the other post-employment benefits. Chart 7 shows the breakdown of total personnel costs for the new FY. Chart 8 shows the 5-year trend in total personnel costs. There is no change to the total authorized position count, which has remained steady at 38 total staff. Salaries were adjusted for a CPI factor estimated at 3%. Individual employees were also adjusted to higher steps in the salary chart assuming continued employment and satisfactory performance evaluations. These increases affect the salaries, payroll taxes and retirement contributions. Insurance costs are estimated with increases of approximately 5%, depending on the type of insurance. Retirement benefits were budgeted based on a percentage of the employee’s base salary.

Chart 7 – FY 2016/17 Total Budgeted Personnel Costs

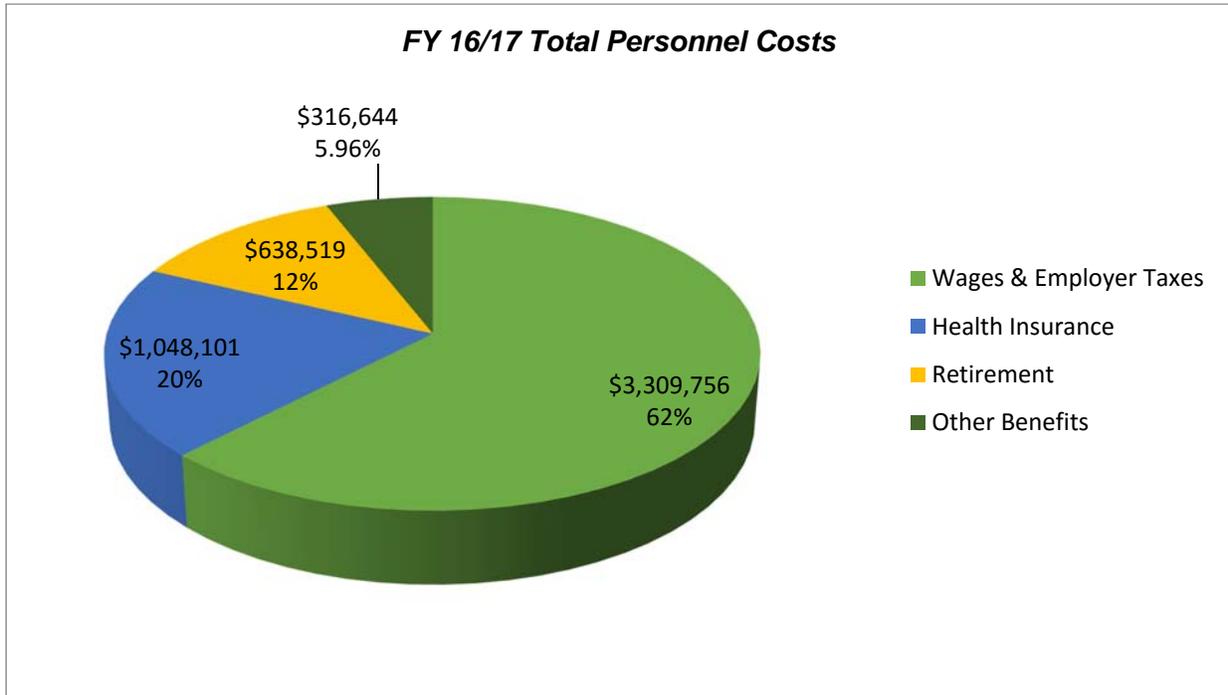
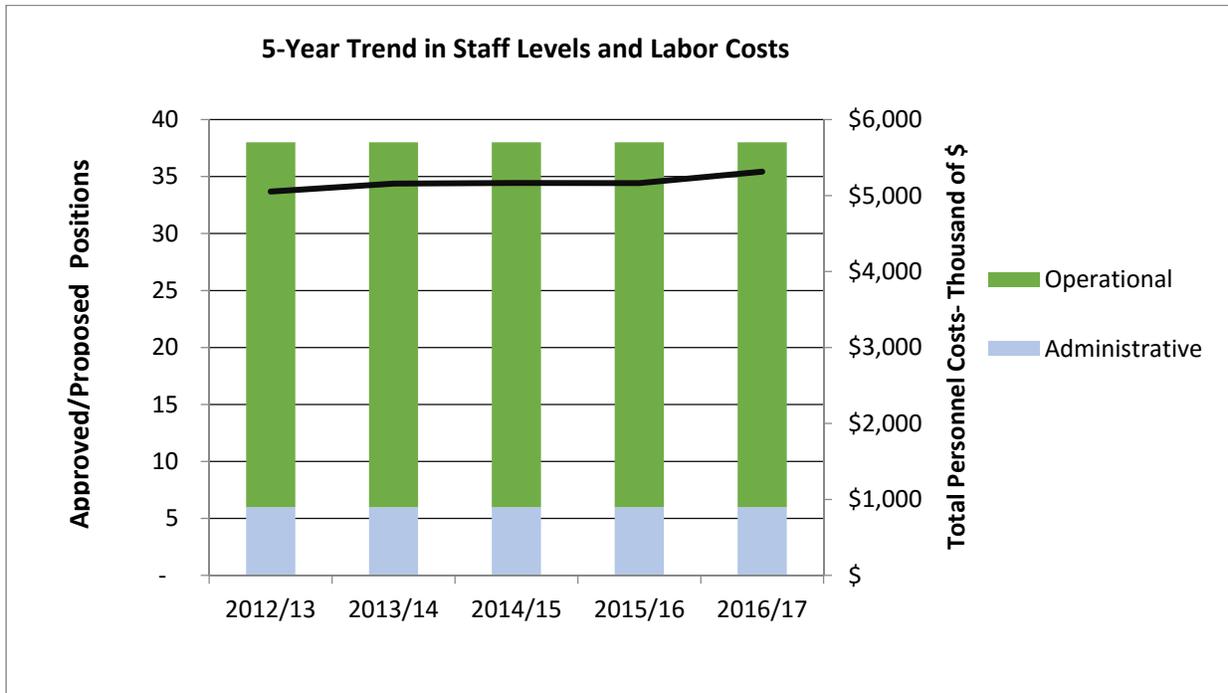


Chart 8 – 5-Year Trend in Staff Levels and Labor Costs



RVSD FY 2016/17 BUDGET

Other operational expenditures are made up of system maintenance, general and administration, facilities and utilities and board related expenditures. Total other operational expenditures for FY 2016/17 are budgeted at \$3.1M. The five year trend indicates some variation in the amount spent on other operational expenditures and averages \$2.8M annually with a low of \$1.8 million and a high of \$3.5M. The FY 2016/17 budget is higher than the prior year projection of \$2.6M due to increased spending on tools, materials, and equipment repair.

Outside services include contracted services to provide community outreach, information technology (IT), annual financial audits, legal services, and human resources management services. The new FY budget for outside services is \$666K, a 3% decrease over last FY. The District will be retaining professional services for public outreach, including updating its website, conducting a baseline public survey, and developing regular newsletters and social media platforms. Legal Services are budgeted at \$244K, a 2% increase over last FY's budget and 34% decrease from the projected FY 2015/16 actuals. Human Resources management services costs are anticipated to be \$220K, with about half of the services focused on the transitional needs of the reorganization implementation and half focused on on-going regular HR support services.

The system maintenance costs are the expenditures related to the general costs of maintaining the sewer system; some of the costs included in this category are vehicle fuel and repair, equipment repair, materials, parts and tools and emergency repairs. General and administration (G&A) are the types of expenditures that contribute to the general operations of the district. The G&A is primarily made up of liability insurance and deductibles, office equipment, software and maintenance and printing. Facilities and utilities are overhead type costs that allow the day to day operations of the District. Utilities include gas, electric and water use for pump stations and for the District headquarters, and telephone related costs. Facilities include rent, garbage, security and janitorial services. Board expenditures are the fees paid to board members for participation in regular and special meetings.

Regulatory fines, legal settlements, and legal services have been a significant expenditure category for the District in past years. However, the last three fiscal years have seen a steady decrease in these costs. This favorable trend is expected to continue for the following reasons. There are no pending federal regulatory actions. At the state regulatory level, the 2013 Cease and Desist Order has provided a clear path for regulatory compliance, and the District has maintained 100% compliance with all aspects of the CDO, including achieving the required decreases in SSO occurrence. For litigation, settlements, and legal fees, similar downward trends are clear. The District has no current litigation that is expected to result in significant future settlement costs. Legal fees for the current FY 2015/16 are projected to be \$368,000, with about 50% of that due to one-time litigation actions including the criminal and civil proceedings related to the former General Manager, and to the resolution of the lawsuit related to San Quentin sewer service contracting.

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Capital Budget

Introduction

The FY 2016/17 capital budget funds expenditures for major capital projects, various equipment and fleet purchases, and capitalized labor costs for District staff resources used in supporting the capital projects. Funding sources include approximately \$16.5M in remaining funds from the FY 2014/15 bond sale, \$6.1M from Ad Valorem tax revenue, \$4M from rate revenue, and \$8.3M to be provided from either a bond sale or an SRF loan.

The FY 2016/17 capital budget funds expenditures for major capital projects, various equipment and fleet purchases, and capitalized labor costs for District staff resources used in supporting the capital projects. See schedule 10 for the breakdown of major capital project costs. Funding for the next two fiscal years' capital projects is sufficient due to the \$30.7M in bond revenues secured in FY 2014/15, combined with the increased rate revenue from the five year rates schedule approved in June 2014, and the plan to apply for a loan from the Clean Water State Revolving Fund.

Total capital expenditures for FY 2016/17, excluding debt service, are \$31.9M, with \$27.8M in capital projects. Because of the relatively long lead time for capital projects, from planning through design and construction, the District has seen a lag in planned versus actual project delivery, following the overhaul of the capital program in FY 2013/14. This is reflected in the FY 2015/16 budget versus projected capital expenditures (\$27.9M vs. \$14.5M). This gap between planned and actual capital project expenditures is now closing, as the strategy of larger and more efficient project packaging has been implemented. There are four projects under design or construction which account for approximately 75% of the FY 2016/17 capital project costs. These include the FY 2015/16 Gravity Sewer Rehabilitation, Large Diameter Sewer Rehabilitation Project II A/B, PS 12/13, and the Forcemain Appurtenances Project. Based on the advanced stage of implementation and more efficient project delivery methods for these projects, it is much more likely that RVSD will meet the projected capital spending needed to complete these critical projects.

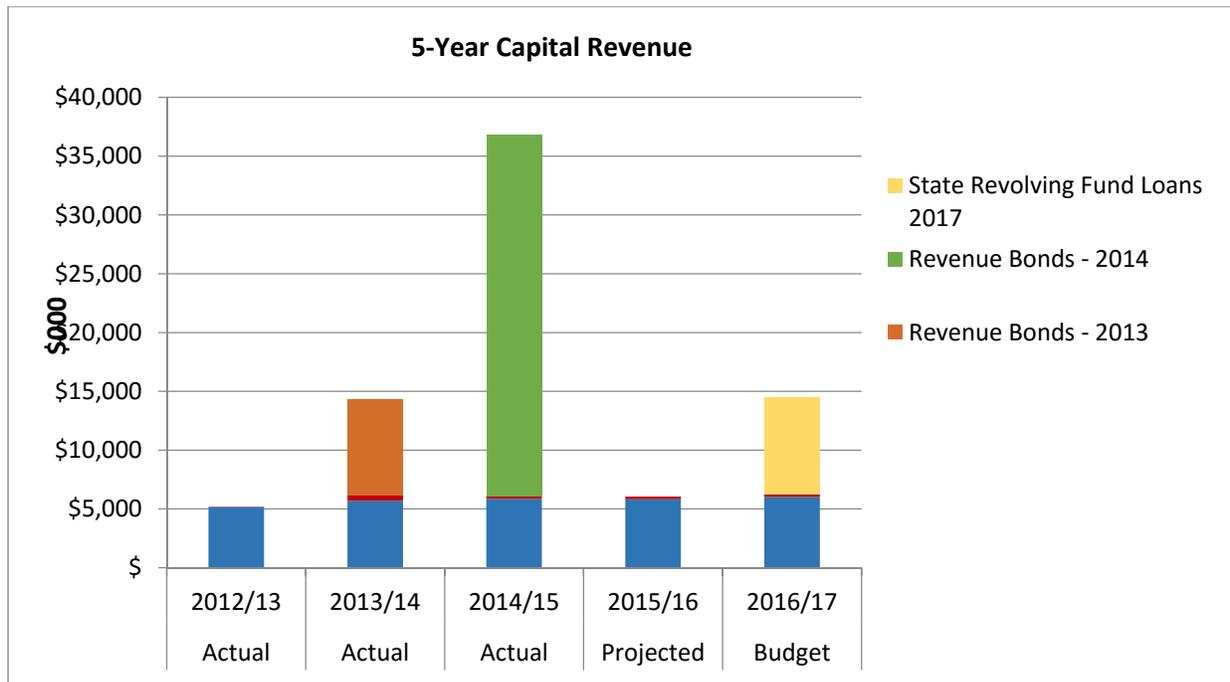
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Capital Revenues

The District has two steady sources of annual revenue that have been identified as primary sources for the Capital Fund: Ad Valorem taxes and Connection Fees. In addition, the District has the ability to incur debt as a method of financing capital projects with debt instruments such as Revenue Bonds or State Revolving Fund (SRF) Loans. Chart 10 shows the five year trend for revenues to fund capital improvements, and clearly illustrates that, in contrast to the capital spending trends, supporting revenues (exclusive of bond debt) have been essentially flat.

- Ad Valorem tax as a revenue source, has been stable but flat due to the relative stability of Ross Valley property values and low turn-over rate in real estate sales in the area.
- Connection Fees for new development or major remodels of existing structures represent less than 3% of capital revenue sources and are expected to remain at this level, given low to no growth expectations in the communities served by the District.
- Debt financing has been utilized by the District in the past.
 - Revenue Bonds - In 2013 and 2014 the District issued revenue bonds of \$17.8M and \$30.7M respectively. Proceeds from the bond issuances were used to retire debt of approximately \$9.4M and to fund capital projects beginning in FY 2013/14. The 2013 bond funds were exhausted in the early part of 2015. The District will continue to use these proceeds from the 2014 bonds to fund capital projects in FY 2016/17.
 - State Revolving Funds Loans – These low interest loans are provided by the Clean Water State Revolving fund for specifically identified projects. The budget for FY 2016/17 includes \$8.3M of SRF loans for capital project financing. The projects identified to be funded by SRF loans are the Large Diameter Gravity Sewer Rehabilitation Project IIB, FY 2016/17 Gravity Sewer Improvements, and PS 12 Bon Air and PS 13 Greenbrae Pump Station Rehabilitation Projects.

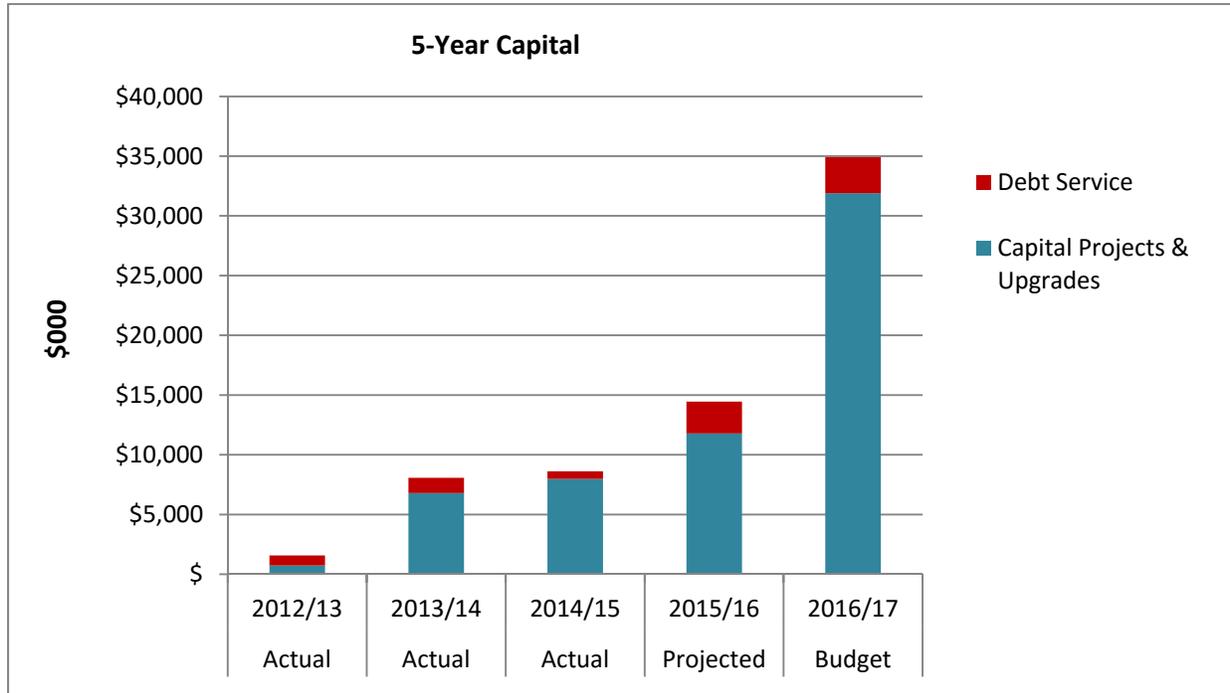
Chart 10 – 5-Year Capital Revenues Trend, by Source



Capital Expenditures

The 5-year trend in the District’s capital spending has shown variability (see Chart 11). In FY 2012/13 the District temporarily suspended its major capital projects due to budget constraints. Under the current 5-year capital plan and the related 5-year financial forecast and rates schedule, the District has achieved a more stable, consistent level of capital expenditures. Under the FY 2016/17 Budget, approximately 91% of the budgeted \$34.9M in spending will be for direct project execution, and 9% for long term debt financing. See table 3 below for the detail of planned capital expenditures in FY 2016/17.

Chart 11 – 5-Year Capital Expenditure Trend, by Type



For budgeting purposes, the District groups its planned capital expenditures into three main categories: Capital Improvement Projects, Other Capital, and Fixed Assets. Table 3 summarizes expenses under each of these three categories for FY 2016/17.

Capital Improvement Projects refer to spending associated with activities that construct, repair, or rehabilitate the sewer infrastructure. These make up about 87% of total capital expenditures, and are for the major gravity sewer and pump station rehabilitation projects listed in Schedule 10.

Other Capital includes a broad spectrum of activities that provide support of the CIP, such as general engineering studies & assessments, the lateral replacement grant and loan programs, and supplemental environmental projects. The \$500K in lateral replacement grant funding is based on an average individual grant amount of \$1,500 per lateral and a target of 325 grant applications. The lateral replacement loan funding of \$400K is based upon an estimate of 40 loans at a maximum level of \$10K. The loan program was implemented in FY 2014/15 and the level of interest is not yet established. Outreach efforts are ongoing to promote the program in areas identified for District capital project and other agencies’ paving projects. Also included in Other Capital is \$700K for studies/reviews/software/miscellaneous which include the next phase of force main condition assessment, remaining costs for the Creekside Park Culvert Supplemental

RVSD FY 2016/17 BUDGET

Environmental Program, and information system upgrades. Other Capital makes up about 11% of total capital expenditures.

Fixed Assets are items such as vehicles, equipment, and land & buildings purchased and used in support of the construction, operation, and maintenance of the sewer infrastructure. Table 3 below summarizes the FY 2016/17 capital spending plan. Fixed Assets make up 2% of total capital expenditures.

Table 3 – FY 2016/17 Capital Expenditures Summary

| | Description | Asset Type | FY 2016/17 Budget |
|----|--|--|-------------------|
| 1 | Gravity Sewer Improvement Projects | Capital Improvement Projects - Sewer Lines | 20,539,000 |
| 2 | Pump Station Projects | Capital Improvement Projects - Sewer Lines | 5,065,000 |
| 3 | Force Main Projects | Capital Improvement Projects - Sewer Lines/Pump Stations | 2,232,000 |
| 4 | | Total Capital Improvement Projects | 27,836,000 |
| 5 | Lateral Replacement Grant Program | Other Capital | 500,000 |
| 6 | Lateral Replacement Loan Program | Other Capital | 400,000 |
| 7 | Inflow and Infiltration Reduction Program | Other Capital | 160,000 |
| 8 | Larkspur Landing Locker/Shower Facility Upgrades | Other Capital | 500,000 |
| 9 | Larkspur Landing EPA Clearance Activities | Other Capital | 300,000 |
| 10 | Kerner Building Improvements | Other Capital | 356,000 |
| 11 | Manhole Condition Assessment Project | Other Capital | 300,000 |
| 12 | Pump Station Standard Operating Procedures | Other Capital | 206,000 |
| 13 | Manhole Smart Covers | Other Capital | 120,000 |
| 14 | Studies/Reviews/Software/Miscellaneous | Other Capital | 713,100 |
| 15 | | Total Other Capital | 3,555,100 |
| 16 | Vehicles | Fixed Assets - Vehicles & Equipment | 160,000 |
| 17 | Camera Equipment | Fixed Assets - Vehicles & Equipment | 57,890 |
| 18 | Other Field Equipment | Fixed Assets - Vehicles & Equipment | 282,500 |
| 19 | | Total Fixed Assets - Other | 500,390 |
| 20 | | Total Budgeted Capital Assets | 31,891,490 |

Sewer Line Trenchless and Open Cut Rehabilitation Crew

The District's in-house capital assets rehabilitation/repair resources continue to be used as an integral part of the asset management program. The crew work is directed using the Computerized Maintenance Management System (CMMS), which in turn allows coordination between the condition assessment progress (CCTV crew) and the overall capital program. These resources are used to target high priority Grade 4 and 5 defects, using a combination of open cut and trenchless repair methods. Over 90% of the trenchless repair work in the past year has been done in coordination with the FY 2015/16 gravity sewer rehabilitation projects, so that these priority areas from the risk model are comprehensively restored to reliable condition. This strategy of combining targeted in-house repair work with the major construction projects, as envisioned in the IAMP, is supporting steady progress in meeting the 5 miles per year target of the RWQCB CDO, and has resulted in rapid reduction of SSO risk in the highest priority areas of the system. The FY 2016/17 Budget includes \$516K in capitalized labor for this work.

Factors Affecting Future Personnel Costs

Overview

The District's personnel costs are a significant portion of its overall operations and maintenance costs, as discussed under the Operations and Maintenance Fund section earlier in this report. This section summarizes the primary factors affecting future personnel costs. The District's budget reports consider each of these with specific cost data, and incorporate the resulting cost trends into the 5-year forecast.

The District recently negotiated a three year Memo of Understanding with AFSCME Local 2167 which covers the period of July 1, 2015 through June 30, 2018. Also updated was the Resolution of Compensation and Certain Conditions of Employment (Terms and Conditions) for the unrepresented professional and administrative staff which covers the period of July 1, 2015 through June 30, 2016. A resolution authorizing the reorganization of the District was concurrently approved. For unrepresented employees, the FY 2016/17 budget assumes no changes, except cost of living adjustments, which will be reflected in the anticipated Resolution to update the Terms and Conditions.

Headcount

The total authorized staff count will remain at 38 full time employees. The classifications, job specifications and salary ranges have been adjusted. This is shown in the position allocation presented in Schedule 8 of the appendix. The District's average annual fully-burdened cost (wages, taxes, benefits) per employee is approximately \$165,000.

Cost of Living Adjustments (COLA)

Base salaries will be increased by the amount of annual increase in the SF Bay Area Urban Consumer Price Index (CPI), as of April, 2016. This cost of living increase will be effective July 1, 2016 with a minimum increase of 2.5% and a maximum of 4%. For planning purposes, the FY 2016/17 budget uses an assumed 3.0% COLA. This assumption is based on the February 2016 reported SF Bay Area Urban CPI.

Pension Reform

Effective January 1, 2013, the Public Employee Pension Reform Act (PEPRA) defines how pension benefits are offered to all public employees, including those working for RVSD. Existing employees as of that date will continue to receive the same benefit of 2.7% at 55, with minor changes to the calculation of service credits at the time of retirement. For all employees hired prior to January 1, 2013 (Classic Members) an employer contribution of 19% of base salary is paid to CalPERS and for employees hired after this date (PEPRA Members) the employer contribution is 6.6%. These percentages are based on an annual valuation report provided by CalPERS. The District is responsible for 2.5% of the employee portion of payroll contributions, for all employees hired prior to July 1, 2010. All employees hired after that date are responsible for their own contribution (8%). Beginning July 1, 2017 all employees will be responsible for the employee portion of the retirement contribution.

Health Insurance

Other than salaries and wages, the cost of providing health insurance to employees is the costliest of the benefits offered to District employees, surpassing the retirement benefit. The challenges and increasing expense associated with providing access to health insurance to employees are not unique to public agencies. All employers, public and private, are struggling with the issue of how to provide an insurance benefit without placing undue burden on other stakeholders. Over the last FY, actual year on year increases have averaged 4.5%. The anticipated change for FY 2016-17 is 5%.

5-Year Financial Forecast

As part of the District’s standard financial planning process, a rolling 5-year financial forecast is developed for each new fiscal year budget. Beginning with the current budget, this forecast incorporates known factors along with reasonable estimates of future expenditures for both the Operations & Maintenance and Capital budgets. At minimum, the forecast is annual on a rolling basis. This forecast looks forward through FY 2021/22.

The 5-Year Financial Forecast is developed using the same or similar assumptions applied to the current fiscal year budget. Known or planned factors, such as service rate adjustments, the Capital Improvement Plan, CMSA published forecasts, debt service schedules, and established system maintenance schedules are updated and incorporated into the forecast. Other factors that may be reasonably estimated, such as inflation factors and wage & benefit adjustments, are also included.

The forecast presented here is divided into two sections. The first represents the fiscal years for which the service rate schedule, adopted in May 2014 with Ordinance No. 65, is known. The final three fiscal years are presented using the same rates as the final year of the adopted rate schedule. The noted decline in cash fund balances and reserves will be addressed by the District in future actions. A summary of the 5-Year Financial Forecast is shown in Table 4, below. More detailed information is contained in Schedules 11 in the appendix.

The updated 5-year financial forecast supports the following observations and conclusions. Rate revenue is sufficient to cover O&M expenses. Capital funding requirements continue to exceed available revenues (Ad Valorem tax and rate revenue in excess of O&M costs), which will require additional long term capital debt financing for at least the next three fiscal years, with approximately \$36M in total additional financing needed through the end of FY 2018/19. This funding is anticipated to be some combination of low interest SRF loans and traditional bond sale revenues.

Table 4 – 5-Year Financial Forecast Summary

| Type | FY 2016/17 Budget | FY 2017/18 Forecast | FY 2018/19 Forecast | FY 2019/20 Forecast | FY 2020/21 Forecast | FY 2021/22 Forecast |
|--|----------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 1 Sewer Service Charges | 18,207,719 | 19,592,000 | 20,777,000 | 20,777,000 | 20,777,000 | 20,777,000 |
| 2 Property Tax - Ad Valorem | 6,014,865 | 6,075,000 | 6,105,000 | 6,136,000 | 6,139,000 | 6,142,000 |
| 3 Proceeds from Financing Activities | 8,266,000 | 17,300,000 | - | - | - | - |
| 4 Other Revenue | 504,645 | 363,000 | 365,000 | 368,000 | 372,000 | 376,000 |
| 5 Expected Revenues | 32,993,229 | 43,330,000 | 27,247,000 | 27,281,000 | 27,288,000 | 27,295,000 |
| 6 CMSA Charges | 7,170,668 | 7,358,000 | 7,512,000 | 7,660,000 | 7,810,000 | 7,976,000 |
| 7 Operations & Maintenance | 8,439,815 | 8,694,000 | 8,955,000 | 9,223,000 | 9,498,000 | 9,781,000 |
| 8 Debt Service | 3,028,382 | 3,030,000 | 2,982,000 | 3,017,000 | 3,030,000 | 3,027,000 |
| 9 Capital Budget | 31,891,490 | 29,522,000 | 21,287,000 | 21,130,000 | 16,058,000 | 10,282,000 |
| 10 Total Expenditures | 50,530,355 | 48,604,000 | 40,736,000 | 41,030,000 | 36,396,000 | 31,066,000 |
| 11 Net Revenue Less Expenditures | (17,537,126) | (5,274,000) | (13,489,000) | (13,749,000) | (9,108,000) | (3,771,000) |
| 12 Operations & Maintenance Fund Balance | 8,414,363 | 12,094,000 | 1,374,000 | (12,315,000) | (21,343,000) | (25,014,000) |
| 13 Capital Improvement Fund Balance | 11,652,604 | 2,719,000 | - | - | - | - |
| 14 Emergency Reserve Balance | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| 15 Other Post Employment Benefit Reserve Balance | 270,000 | 290,000 | 300,000 | 320,000 | 340,000 | 360,000 |
| 16 Total Ending Reserve/Fund (Cash) Balance | 22,336,967 | 17,103,000 | 3,674,000 | (9,995,000) | (19,003,000) | (22,654,000) |

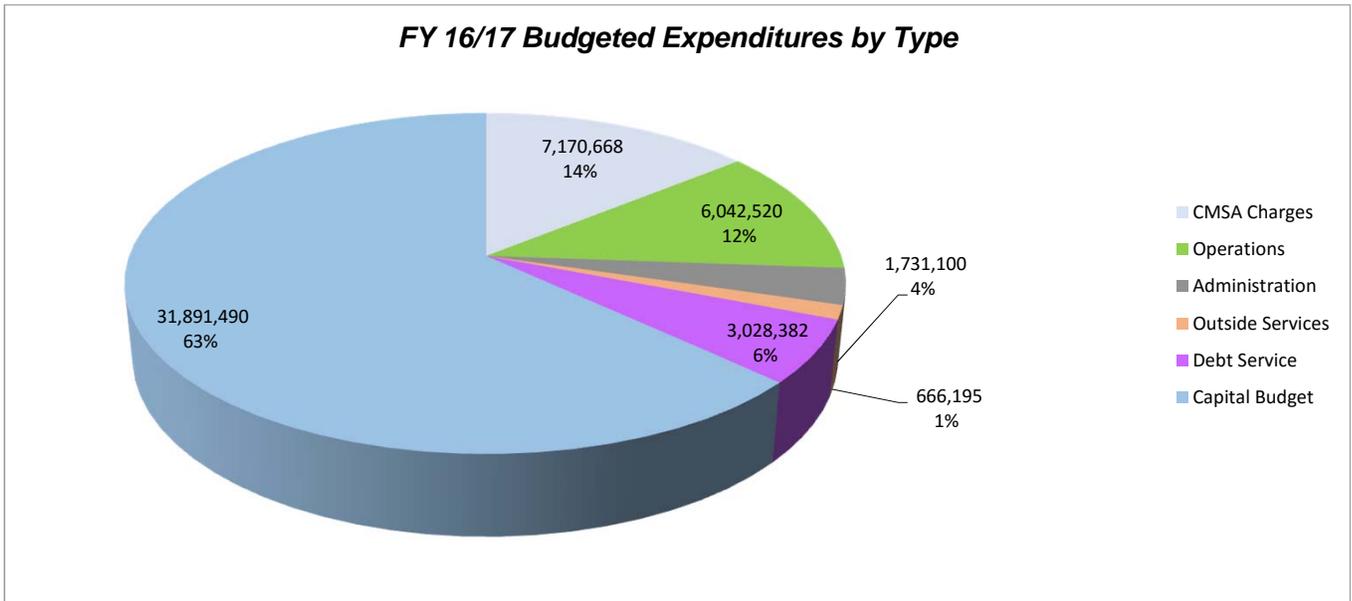
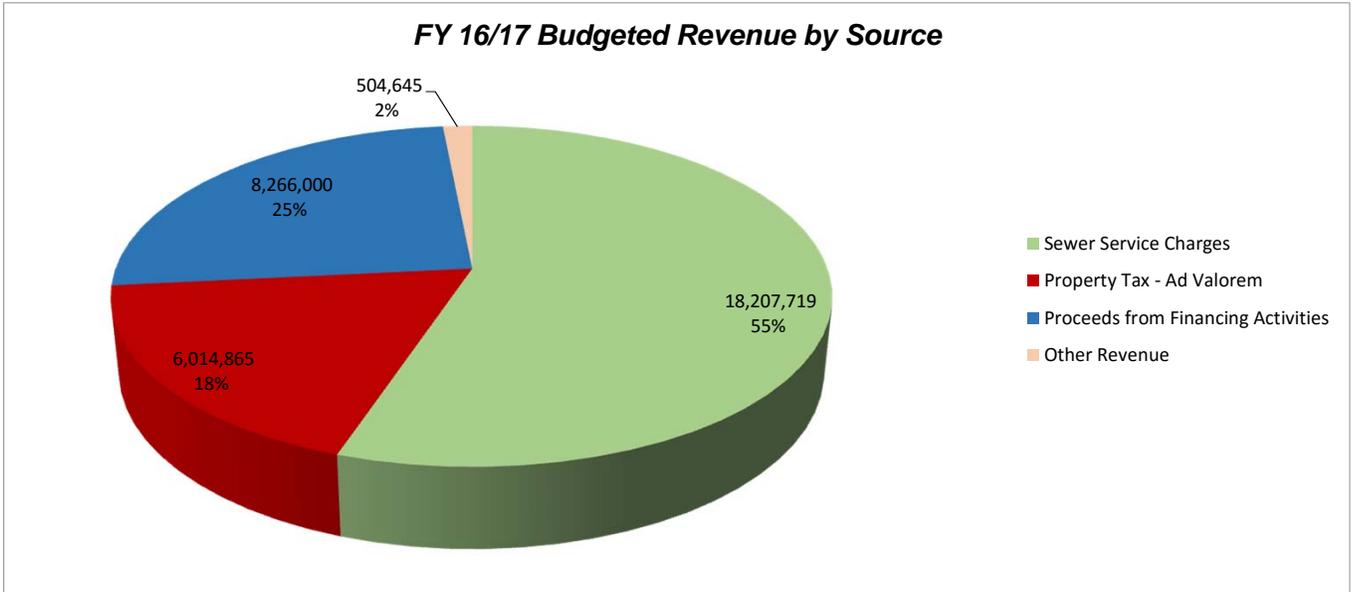
Appendix

RVSD FY 2016/17 BUDGET

Sanitary District No. 1 of Marin County dba Ross Valley Sanitary District Schedule 1 - FY 2016/17 Budget Summary

| | Type | FY 2015/16 Budget | FY 2015/16 Projected | FY 2016/17 Budget |
|----|---|----------------------|-------------------------|----------------------|
| 1 | Sewer Service Charges | 17,027,637 | 17,104,378 | 18,207,719 |
| 2 | Property Tax - Ad Valorem | 5,483,400 | 5,836,398 | 6,014,865 |
| 3 | Proceeds from Financing Activities | - | - | 8,266,000 |
| 4 | Other Revenue | 390,500 | 454,650 | 504,645 |
| 5 | Expected Revenues | 22,901,537 | 23,395,426 | 32,993,229 |
| 6 | CMSA Charges | 6,665,207 | 6,750,698 | 7,170,668 |
| 7 | Operations | 5,474,003 | 5,274,844 | 6,042,520 |
| 8 | Administration | 1,840,151 | 1,706,609 | 1,731,100 |
| 9 | Outside Services | 689,621 | 779,444 | 666,195 |
| 10 | Debt Service | 3,089,493 | 2,658,947 | 3,028,382 |
| 11 | Capital Budget | 24,868,400 | 11,448,579 | 31,891,490 |
| 12 | Total Expenditures | 42,626,875 | 28,619,121 | 50,530,355 |
| 13 | Net Revenue Less Expenditures | (19,725,338) | (5,223,696) | (17,537,126) |
| 14 | Operations & Maintenance Fund Balance | 7,669,409 | 7,669,400 | 8,414,363 |
| 15 | Capital Improvement Fund Balance | 11,637,200 | 13,593,732 | 11,652,604 |
| 16 | Financing - Fully Restricted for Capital Projects | 2,573,921 | 16,360,961 | - |
| 17 | Capital Improvement Reserve Balance | - | - | - |
| 18 | Emergency Reserve Balance | 2,000,000 | 2,000,000 | 2,000,000 |
| 19 | Other Post Employment Benefit Reserve Balance | 140,000 | 250,000 | 270,000 |
| 20 | Total Ending Reserve/Fund (Cash) Balance | 24,020,530 | 39,874,093 | 22,336,967 |

**Sanitary District No. 1 of Marin County
dba Ross Valley Sanitary District
Schedule 1 - FY 2016/17 Budget Summary**



RVSD FY 2016/17 BUDGET

**Sanitary District No. 1 of Marin County
dba Ross Valley Sanitary District
Schedule 2 - FY 2016/17 Funding Sources**

| Funding | FY 2015/16 Budget | FY 2015/16 Projected | FY 2016/17 Budget | % Change Budget FY 16/17 vs Budget FY 15/16 |
|--|----------------------|-------------------------|----------------------|---|
| <i>Basis for Rate Revenue:</i> | | | | |
| <i>Equivalent Dwelling Units (EDU's)</i> | | | | |
| 1 Sanitary District #1 - Single Family | 10,767 | 11,106 | 11,106 | 3% |
| 2 Sanitary District #1 - Multi Family | 5,572 | 5,321 | 5,321 | -5% |
| 3 Sanitary District #1 - Commercial | 3,328 | 3,273 | 3,273 | -2% |
| 4 City of Larkspur - Single Family | 1,406 | 1,470 | 1,470 | 5% |
| 5 City of Larkspur - Multi Family | 1,119 | 1,130 | 1,130 | 1% |
| 6 City of Larkspur - Commercial | 457 | 419 | 419 | -8% |
| 7 Total # of EDU's | 22,649 | 22,719 | 22,719 | 0% |
| <i>Rate Per EDU</i> | | | | |
| 8 Rate per EDU - Single Family | 743 | 743 | 797 | 7% |
| 9 Rate per EDU - Multi Family | 665 | 665 | 714 | 7% |
| 10 Rate per EDU - Commercial | 743 | 743 | 797 | 7% |
| 11 Rate per EDU - Larkspur Single Family | 1,012 | 1,012 | 1,067 | 5% |
| 12 Rate per EDU - Larkspur Multi Family | 906 | 906 | 955 | 5% |
| 13 Rate per EDU - Larkspur Commercial | 1,012 | 1,012 | 1,067 | 5% |
| <i>Revenue by Source</i> | | | | |
| <i>Sewer Service Revenue - Operations</i> | | | | |
| 14 Sanitary District #1 - Single Family | 7,999,881 | 8,251,758 | 8,851,481 | 11% |
| 15 Sanitary District #1 - Multi Family | 3,705,296 | 3,538,385 | 3,799,194 | 3% |
| 16 Sanitary District #1 - Commercial | 2,472,704 | 2,431,913 | 2,608,661 | 5% |
| 17 City of Larkspur - Single Family | 1,422,872 | 1,487,640 | 1,568,490 | 10% |
| 18 City of Larkspur - Multi Family | 1,013,523 | 1,023,486 | 1,079,150 | 6% |
| 19 City of Larkspur - Commercial | 462,484 | 424,332 | 447,393 | -3% |
| 20 Low Income Assistance Program | | | (100,000) | |
| 21 Collection Fees | (43,123) | (44,610) | (46,650) | 8% |
| 22 Customer Refunds | (6,000) | (8,526) | - | -100% |
| 23 Total Sewer Service Charges | 17,027,637 | 17,104,378 | 18,207,719 | 7% |
| <i>Other Revenue Sources - Operations</i> | | | | |
| 24 Inspections | 150,000 | 178,018 | 201,084 | 34% |
| 25 Interest | 6,500 | 22,039 | 37,920 | 483% |
| 26 Miscellaneous | 19,000 | 11,711 | 27,472 | 45% |
| 27 Dividends | 55,000 | 34,465 | 6,965 | -87% |
| 28 Total Other Revenue - Operations | 230,500 | 246,233 | 273,441 | 19% |
| 29 Total Revenue - Operations | 17,258,137 | 17,350,611 | 18,481,160 | 7% |
| <i>Property Taxes - Capital</i> | | | | |
| 30 Property Taxes Collected - Ad Valorem | 5,550,000 | 5,900,817 | 6,087,920 | 10% |
| 31 Collection Fees - Taxes | (66,600) | (64,419) | (73,055) | 10% |
| 32 Total Property Taxes | 5,483,400 | 5,836,398 | 6,014,865 | 10% |
| <i>Other Revenue Sources - Capital</i> | | | | |
| 33 Proceeds from Financing Activities | - | - | 8,266,000 | |
| 34 Connections | 150,000 | 204,917 | 230,004 | 53% |
| 35 Public Sewer Extensions | 10,000 | 3,500 | 1,200 | -88% |
| 36 Total Other Revenue - Capital | 160,000 | 208,417 | 8,497,204 | 5211% |
| 37 Total Revenue - Capital | 5,643,400 | 6,044,815 | 14,512,069 | 157% |
| 38 Total all Revenue Sources | 22,901,537 | 23,395,426 | 32,993,229 | 44% |

RVSD FY 2016/17 BUDGET

**Sanitary District No. 1 of Marin County
dba Ross Valley Sanitary District
Schedule 3 - FY 2016/17 Funding Requirements**

| Description | FY 2015/16 Budget | FY 2015/16 Projected | FY 2016/17 Budget | % Change Budget FY 16/17 vs Budget FY 15/16 |
|---|----------------------|-------------------------|----------------------|---|
| General Operations | | | | |
| <i>Funding Sources</i> | | | | |
| 1 Sewer Service Charges | 17,027,637 | 17,104,378 | 18,207,719 | 7% |
| 2 Other Operational Revenues | 230,500 | 244,233 | 248,441 | 8% |
| 3 Total Funding Sources | 17,258,137 | 17,348,610 | 18,456,160 | 7% |
| <i>Operational & CMSA Expenditures</i> | | | | |
| 4 <i>Payments: Central Marin Sanitation Agency (CMSA)</i> | | | | |
| 5 Sewage Treatment Charges to CMSA | 4,692,428 | 4,777,956 | 5,018,268 | 7% |
| 6 Debt Service to CMSA | 1,972,779 | 1,972,742 | 2,152,400 | 9% |
| 7 Total CMSA Expenditures | 6,665,207 | 6,750,698 | 7,170,668 | 8% |
| 8 Operational Expenditures | 8,003,775 | 7,760,897 | 8,439,815 | 5% |
| 9 Total Operational & CMSA Expenditures | 14,668,982 | 14,511,595 | 15,610,483 | 6% |
| 10 Operations Funding Surplus/(Deficit) | 2,589,155 | 2,837,015 | 2,845,677 | 10% |
| Debt Service and Capital Improvement Program | | | | |
| <i>Funding Sources</i> | | | | |
| 11 Property Taxes Collected - Ad Valorem | 5,483,400 | 5,836,398 | 6,014,865 | 10% |
| 12 Proceeds from Financing Activities | - | - | 8,266,000 | |
| 13 Lateral Replacement Loan Program | - | 2,000 | 25,000 | |
| 14 Connections | 150,000 | 204,917 | 230,004 | 53% |
| 15 Public Sewer Extensions | 10,000 | 3,500 | 1,200 | -88% |
| 16 Total Funding Sources | 5,643,400 | 6,046,815 | 14,537,069 | 158% |
| <i>Funding Requirements</i> | | | | |
| 17 Debt Service Payments (Principal & Interest) | 3,089,493 | 2,658,947 | 3,028,382 | -2% |
| 18 Capital Improvement Projects | 21,442,000 | 9,861,412 | 27,436,000 | 28% |
| 19 Other Capital Spending | 2,889,525 | 1,136,724 | 3,884,600 | 34% |
| 20 Fixed Assets | 536,875 | 450,443 | 570,890 | 6% |
| 21 Total Funding Requirements | 27,957,893 | 14,107,526 | 34,919,872 | 25% |
| 22 Capital Funding Surplus/(Deficit) | (22,314,493) | (8,060,711) | (20,382,803) | -9% |
| 23 Net Operations and Capital Surplus/(Deficit) | (19,725,338) | (5,223,696) | (17,537,126) | -11% |

Sanitary District No. 1 of Marin County

dba Ross Valley Sanitary District

Schedule 4 - Monthly Cash Requirements

| | July-16 Budget | Aug-16 Budget | Sept-16 Budget | Oct-16 Budget | Nov-16 Budget | Dec-16 Budget | Jan-17 Budget | Feb-17 Budget | Mar-17 Budget | April-17 Budget | May-17 Budget | Jun-17 Budget | FY 2016/2017 Budget |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------------|
| Operating | | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | | |
| 1 Sewer Service Charges | - | - | - | 412,828 | - | 9,787,191 | - | - | - | 7,470,854 | - | 536,846 | 18,207,719 |
| 2 Other Income | 20,123 | 20,123 | 20,123 | 27,088 | 20,123 | 20,123 | 20,123 | 20,123 | 20,123 | 20,123 | 20,123 | 20,123 | 248,441 |
| 3 Gross Revenue | 20,123 | 20,123 | 20,123 | 439,916 | 20,123 | 9,807,314 | 20,123 | 20,123 | 20,123 | 7,490,977 | 20,123 | 556,969 | 18,456,160 |
| Expenditures | | | | | | | | | | | | | |
| CMSA Expenditures | | | | | | | | | | | | | |
| 4 Treatment Charges - CMSA | 1,254,567 | - | - | 1,254,567 | - | - | 1,254,567 | - | - | 1,254,567 | - | - | 5,018,268 |
| 5 Debt Service - CMSA | 1,678,955 | - | - | - | - | - | 473,445 | - | - | - | - | - | 2,152,400 |
| 6 Total CMSA Expenditures | 2,933,522 | - | - | 1,254,567 | - | - | 1,728,012 | - | - | 1,254,567 | - | - | 7,170,668 |
| Maintenance/Repair/Inspection Expenditures | | | | | | | | | | | | | |
| 7 Salaries & Benefits - Operations | 336,169 | 369,530 | 348,581 | 345,636 | 342,318 | 344,803 | 356,866 | 327,891 | 369,960 | 328,968 | 373,640 | 358,644 | 4,203,006 |
| 8 Other Operational Expenditures | 183,580 | 162,500 | 162,071 | 148,030 | 149,672 | 144,195 | 179,732 | 140,846 | 149,910 | 139,650 | 137,360 | 141,974 | 1,839,514 |
| 9 Total General Operating Expenditures | 519,749 | 532,030 | 510,652 | 493,666 | 491,990 | 488,998 | 536,598 | 468,737 | 519,870 | 468,618 | 511,000 | 500,618 | 6,042,520 |
| Administrative Expenditures | | | | | | | | | | | | | |
| 10 Salaries & Benefits - Administration | 85,326 | 91,673 | 88,066 | 84,462 | 87,089 | 86,896 | 89,705 | 83,207 | 92,821 | 83,213 | 92,796 | 144,760 | 1,110,014 |
| 11 Office Supplies & Equipment | 6,168 | 6,168 | 6,168 | 6,168 | 6,168 | 6,168 | 6,168 | 6,168 | 6,168 | 6,168 | 6,168 | 6,168 | 74,016 |
| 12 General Administrative Expenditures | 18,959 | 11,224 | 2,380 | 2,380 | 2,380 | 15,865 | 23,638 | 3,280 | 2,380 | 11,876 | 2,830 | 2,380 | 99,572 |
| 13 Facilities & Utilities - Administration | 5,721 | 5,721 | 5,721 | 5,721 | 5,721 | 6,135 | 5,721 | 5,721 | 5,721 | 6,135 | 5,721 | 5,721 | 69,480 |
| 14 Board Fees & Other Expenditures | 7,002 | 7,002 | 7,002 | 7,002 | 7,002 | 7,002 | 7,002 | 7,002 | 7,002 | 7,002 | 7,002 | 7,002 | 84,018 |
| 15 Insurance (includes Excess Liability) | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 24,500 | 294,000 |
| 16 Total Administrative Expenditures | 147,676 | 146,288 | 133,837 | 130,233 | 132,860 | 146,566 | 156,734 | 129,878 | 138,592 | 138,894 | 139,017 | 190,531 | 1,731,100 |
| Outside Services | | | | | | | | | | | | | |
| 17 Community Outreach | 6,665 | 6,665 | 21,685 | 6,665 | 6,665 | 6,665 | 6,665 | 6,665 | 6,665 | 6,665 | 6,665 | 6,665 | 95,000 |
| 18 Human Resources Consultant | 18,335 | 18,335 | 18,335 | 18,335 | 18,335 | 18,335 | 18,335 | 18,335 | 18,335 | 18,335 | 18,335 | 18,315 | 220,000 |
| 19 Professional Services - Accounting/IT/Other | 7,085 | 21,785 | 7,085 | 7,085 | 14,580 | 7,085 | 7,085 | 7,085 | 7,085 | 7,085 | 7,085 | 7,065 | 107,195 |
| 20 Professional Services - Legal | 20,335 | 20,335 | 20,335 | 20,335 | 20,335 | 20,335 | 20,335 | 20,335 | 20,335 | 20,335 | 20,335 | 20,315 | 244,000 |
| 21 Total Outside Services | 52,420 | 67,120 | 67,440 | 52,420 | 59,915 | 52,420 | 52,420 | 52,420 | 52,420 | 52,420 | 52,420 | 52,360 | 666,195 |
| 22 Total Operating Expenditures | 3,653,366 | 745,437 | 711,928 | 1,930,885 | 684,764 | 687,983 | 2,473,763 | 651,034 | 710,881 | 1,914,498 | 702,436 | 743,508 | 15,610,483 |
| 23 Operating Net Results | (3,633,243) | (725,314) | (691,805) | (1,490,969) | (664,641) | 9,119,331 | (2,453,640) | (630,911) | (690,758) | 5,576,479 | (682,313) | (186,539) | 2,845,677 |
| Capital | | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | | |
| 24 Property Tax - Ad Valorem | - | - | - | - | - | 3,308,176 | - | - | - | 2,526,243 | - | 180,446 | 6,014,865 |
| 25 Connection Fees | 19,267 | 19,267 | 19,267 | 19,267 | 19,267 | 19,267 | 19,267 | 19,267 | 19,267 | 19,267 | 19,267 | 19,267 | 231,204 |
| 26 Proceeds from Financing Activities | - | - | - | - | - | - | - | - | 2,066,500 | 2,066,500 | 2,066,500 | 2,066,500 | 8,266,000 |
| 26 Total Capital Revenue | 19,267 | 19,267 | 19,267 | 19,267 | 19,267 | 3,327,443 | 19,267 | 19,267 | 2,085,767 | 4,612,010 | 2,085,767 | 2,266,213 | 14,512,069 |
| Debt Service | | | | | | | | | | | | | |
| 27 Interest Expense | - | - | 419,444 | - | - | - | 560,347 | - | - | 413,244 | - | 560,347 | 1,953,382 |
| 28 Principal Payments on Debt | - | - | 310,000 | - | - | - | 765,000 | - | - | - | - | - | 1,075,000 |
| 29 Total Debt Service | - | - | 729,444 | - | - | - | 1,325,347 | - | - | 413,244 | - | 560,347 | 3,028,382 |
| Capital Expenditures | | | | | | | | | | | | | |
| 30 Capital Improvement Projects | 2,359,667 | 2,359,667 | 2,359,667 | 2,359,667 | 2,263,667 | 2,263,667 | 2,263,667 | 2,263,667 | 2,263,667 | 2,359,667 | 2,359,667 | 2,359,667 | 27,836,000 |
| 31 Other Capital Spending | 292,883 | 292,883 | 292,883 | 292,883 | 292,883 | 292,883 | 292,883 | 292,883 | 292,883 | 292,883 | 292,883 | 292,883 | 3,514,600 |
| 32 Fixed Assets Purchased | 34,626 | 34,626 | 34,626 | 160,000 | 34,626 | 34,626 | 34,626 | 34,626 | 34,626 | 34,626 | 34,626 | 34,626 | 540,890 |
| 33 Total Capital Expenditures | 2,687,176 | 2,687,176 | 2,687,176 | 2,812,550 | 2,591,176 | 2,591,176 | 2,591,176 | 2,591,176 | 2,591,176 | 2,687,176 | 2,687,176 | 2,687,176 | 31,891,490 |
| 34 Total Debt Service & Capital Expenditures | 2,687,176 | 2,687,176 | 3,416,620 | 2,812,550 | 2,591,176 | 2,591,176 | 3,916,523 | 2,591,176 | 2,591,176 | 3,100,420 | 2,687,176 | 3,247,523 | 34,919,872 |
| 35 Capital Net Results | (2,667,909) | (2,667,909) | (3,397,353) | (2,793,283) | (2,571,909) | 736,267 | (3,897,256) | (2,571,909) | (505,409) | 1,511,590 | (601,409) | (981,310) | (20,407,803) |
| 36 Operating & Capital Net Results | (6,301,152) | (3,393,223) | (4,089,158) | (4,284,252) | (3,236,550) | 9,855,598 | (6,350,896) | (3,202,820) | (1,196,167) | 7,088,069 | (1,283,722) | (1,167,849) | (17,562,126) |
| Additional Cash Effects - Inflow (Outlay) | | | | | | | | | | | | | |
| 37 Adjustments - Lateral Replacement Loan Repayment | - | - | - | - | - | 10,000 | - | - | - | 15,000 | - | - | 25,000 |
| 38 Cash Balance Begin | 39,874,093 | 33,572,941 | 30,179,717 | 26,090,559 | 21,806,307 | 18,569,757 | 28,435,354 | 22,084,458 | 18,881,637 | 17,685,470 | 24,788,539 | 23,504,816 | 39,874,093 |
| 39 Cash Requirements | (6,301,152) | (3,393,223) | (4,089,158) | (4,284,252) | (3,236,550) | 9,865,598 | (6,350,896) | (3,202,820) | (1,196,167) | 7,103,069 | (1,283,722) | (1,167,849) | (17,537,126) |
| 40 Cash Balance End | 33,572,941 | 30,179,717 | 26,090,559 | 21,806,307 | 18,569,757 | 28,435,354 | 22,084,458 | 18,881,637 | 17,685,470 | 24,788,539 | 23,504,816 | 22,336,967 | 22,336,967 |
| 41 Bond Funds - Fully Restricted for Capital Projects | 16,432,313 | 14,072,646 | 11,712,980 | 9,353,313 | 7,089,646 | 4,825,980 | 2,562,313 | 298,646 | 2,167,980 | 1,874,813 | 1,581,646 | - | - |
| 42 Unrestricted Funds | 17,140,628 | 16,107,071 | 14,377,579 | 12,452,994 | 11,480,110 | 23,609,375 | 19,522,145 | 18,582,991 | 15,517,490 | 22,913,726 | 21,923,170 | 22,336,967 | 22,336,967 |
| 43 Ending Cash Balance | 33,572,941 | 30,179,717 | 26,090,559 | 21,806,307 | 18,569,757 | 28,435,354 | 22,084,458 | 18,881,637 | 17,685,470 | 24,788,539 | 23,504,816 | 22,336,967 | 22,336,967 |

RVSD FY 2016/17 BUDGET

**Sanitary District No. 1 of Marin County
dba Ross Valley Sanitary District
Schedule 5 - FY 2016/17 Reserves and Fund Balances**

| Description | FY 2015/16 Budget | FY 2015/16 Projected | FY 2016/17 Budget | FY 2016/17 Target | Difference |
|---|----------------------|-------------------------|----------------------|----------------------|---------------------|
| Operations & Maintenance Fund Balance (O&M) | | | | | |
| 1 Beginning Balance - O&M | 7,766,917 | 7,766,916 | 7,669,400 | | |
| 2 Funding Surplus/(Deficit) - O&M | 2,589,155 | 2,837,015 | 2,845,677 | | |
| 3 Transfers In/(Out) - From/(To) Capital | (2,666,663) | (2,804,531) | (2,080,714) | | |
| 4 Transfers In/(Out) - From/(To) Emergency | - | - | - | | |
| 5 Transfers In/(Out) - From/(To) OPEB | (20,000) | (130,000) | (20,000) | | |
| 6 Ending Balance - O&M Fund | 7,669,409 | 7,669,400 | 8,414,363 | 8,414,363 | - |
| Capital Improvement and Replacement Fund Balance | | | | | |
| 7 Beginning Balance - Capital Fund | 9,843,030 | 8,963,500 | 13,593,732 | | |
| 8 Funding Surplus/(Deficit) - Capital Fund (less: Restricted Funds) | (872,493) | (8,060,711) | (4,021,842) | | |
| 9 Transfers In/(Out) - From/(To) Operations | 2,666,663 | 2,829,531 | 2,080,714 | | |
| 10 Transfers In/(Out) - From/(To) Capital Fund/Reserve | - | 9,861,412 | | | |
| 11 Ending Balance - Capital Improvement Fund | 11,637,200 | 13,593,732 | 11,652,604 | 19,084,814 | (7,432,209) |
| Capital Improvement and Replacement Bond Funds(Restricted) | | | | | |
| 12 Beginning Balance - Bond Funds (Restricted) | 24,015,921 | 26,222,373 | 16,360,961 | | |
| 13 Capital Projects - Funding Uses | (21,442,000) | (9,861,412) | (27,436,000) | | |
| 14 Bond Proceeds - Revenue Bond/SRF Loans | - | - | 8,266,000 | | |
| 15 Transfer to/from Capital Fund - Restricted Funds Adjustment | - | - | 2,809,039 | | |
| 16 Ending Balance - Bond Funds (Restricted) | 2,573,921 | 16,360,961 | - | | |
| Capital Improvement and Replacement Reserve | | | | | |
| 17 Beginning Balance - Capital Reserve | - | - | - | | |
| 18 Funding Surplus/(Deficit) - Capital Reserve | - | - | - | | |
| 19 Transfers In/(Out) - From/(To) Operations | - | - | - | | |
| 20 Transfers In/(Out) - From/(To) Emergency | - | - | - | | |
| 21 Ending Balance - Capital Improvement Reserve | - | - | - | 12,806,676 | (12,806,676) |
| Emergency Reserve | | | | | |
| 22 Beginning Balance - Emergency | 2,000,000 | 2,000,000 | 2,000,000 | | |
| 23 Transfers In/(Out) - From/(To) Operations | - | - | - | | |
| 24 Transfers In/(Out) - From/(To) Capital | - | - | - | | |
| 25 Ending Balance - Emergency Reserve | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | - |
| Other Post Employment Benefit (OPEB) Reserve | | | | | |
| 26 Beginning Balance - OPEB | 120,000 | 120,000 | 250,000 | | |
| 27 Transfers In/(Out) - From/(To) Operations | 20,000 | 130,000 | 20,000 | | |
| 28 Transfers In/(Out) - From/(To) Capital | - | - | - | | |
| 29 Ending Balance - OPEB Reserve | 140,000 | 250,000 | 270,000 | 270,000 | - |
| Begin Cash Balance | | | | | |
| 30 Begin Cash Balance | 43,745,868 | 45,072,789 | 39,874,093 | | |
| 31 Net Change in Reserve and Fund Balances | (19,725,338) | (5,198,696) | (17,537,126) | | |
| 32 Ending Cash Balance | 24,020,530 | 39,874,093 | 22,336,967 | 42,575,853 | (20,238,886) |
| 33 <i>Restricted Funds</i> | 2,573,921 | 16,432,313 | - | | |
| 34 <i>Unrestricted Funds</i> | 21,446,609 | 23,441,780 | 22,336,967 | | |
| 35 Ending Cash Balance | 24,020,530 | 39,874,093 | 22,336,967 | | |

RVSD FY 2016/17 BUDGET

**Sanitary District No. 1 of Marin County
dba Ross Valley Sanitary District
Schedule 6 - FY 2016/17 Department Budgets - Summary**

| District Expenditures by Department | | FY 2015/16 Budget | FY 2015/16 Projected | FY 2016/17 Budget | % Change Budget FY 16/17 vs Budget FY 15/16 |
|-------------------------------------|--|----------------------|-------------------------|----------------------|--|
| Operational Expenditures | | | | | |
| 1 | Treatment Charges | 6,665,207 | 6,750,698 | 7,170,668 | 8% |
| 2 | Operations | 5,474,003 | 5,274,844 | 6,042,520 | 10% |
| 3 | Administration | 1,840,151 | 1,706,609 | 1,731,100 | -6% |
| 4 | Outside Services | 689,621 | 779,444 | 666,195 | -3% |
| 5 | Total Operational Expenditures | 14,668,982 | 14,511,595 | 15,610,483 | 6% |
| 6 | Capital Expenditures | 27,957,893 | 14,107,526 | 34,919,872 | 25% |
| 7 | Total District Expenditures by Department | 42,626,875 | 28,619,121 | 50,530,355 | 19% |

| District Expenditures by Category | | FY 2015/16 Budget | FY 2015/16 Projected | FY 2016/17 Budget | % Change Budget FY 16/17 vs Budget FY 15/16 |
|---------------------------------------|--|----------------------|-------------------------|----------------------|--|
| District Operations | | | | | |
| Salaries & Benefits | | | | | |
| 8 | Salaries | 3,481,166 | 3,442,025 | 3,576,132 | 3% |
| 9 | Benefits & Payroll Taxes | 1,724,859 | 1,722,033 | 1,736,888 | 1% |
| 10 | Total Salaries and Benefits | 5,206,025 | 5,164,058 | 5,313,020 | 2% |
| Other Operational Expenditures | | | | | |
| 11 | Professional Services | 12,000 | 5,834 | 119,340 | 895% |
| 12 | System Maintenance | 962,337 | 813,173 | 1,087,120 | 13% |
| 13 | General & Administration | 666,058 | 550,435 | 706,414 | 6% |
| 14 | Facilities & Utilities | 357,778 | 353,165 | 463,708 | 30% |
| 15 | Board Expenditures | 109,956 | 94,789 | 84,018 | -24% |
| 16 | Total Other Operational Expenditures | 2,108,129 | 1,817,396 | 2,460,600 | 17% |
| Outside Services | | | | | |
| 17 | Outside Services | 689,621 | 779,444 | 666,195 | -3% |
| 18 | Total Operational Expenditures | 8,003,775 | 7,760,898 | 8,439,815 | 5% |
| CMSA Charges | | | | | |
| 19 | Treatment Charges | 6,665,207 | 6,750,698 | 7,170,668 | 8% |
| Capital Expenditures | | | | | |
| 20 | Debt Service | 3,089,493 | 2,658,947 | 3,028,382 | -2% |
| 21 | Capital Budget | 24,868,400 | 11,448,579 | 31,891,490 | 28% |
| 22 | Total Capital Expenditures | 27,957,893 | 14,107,526 | 34,919,872 | 25% |
| 23 | Total District Expenditures by Category | 42,626,875 | 28,619,122 | 50,530,355 | 19% |

RVSD FY 2016/17 BUDGET

**Sanitary District No. 1 of Marin County
dba Ross Valley Sanitary District
Schedule 6 - FY 2016/17 Department Budgets - Summary**

Administration

The Administration Department includes the Board of Directors, General Manager, and other Administrative staff. The Board of Directors is the policy making body that determines the overall direction of the District and services provided to customers. The rules for connecting and discharging to the system, and the rates and charges for services are set by the Board. The Board adopts the annual Budget and sets the financial priorities of the District. The General Manager is employed directly by the Board of Directors and is responsible for all aspects of the administration, operations and planning activities of staff.

Other Administrative staff includes the Customer Support Services Manager, Accounting & Financial Analyst, Executive Assistant to the General Manager and Administrative Coordinators. They are responsible for supporting all other departments, including accounting, financial planning, human resources, customer service and risk management. Additional responsibilities include support of the Board of Directors, responding to public inquiries, and records management.

| Administration Expenditures by Category | FY 2015/16 Budget | FY 2015/16 Projected | FY 2016/17 Budget | % Change Budget FY 16/17 vs Budget FY 15/16 |
|---|------------------------------|---------------------------------|------------------------------|--|
| 1 Salaries | 768,859 | 768,678 | 737,429 | -4% |
| 2 Benefits & Payroll Taxes | 393,281 | 380,428 | 372,585 | -5% |
| 3 Total Salaries and Benefits | <u>1,162,140</u> | <u>1,149,106</u> | <u>1,110,014</u> | <u>-4%</u> |
| 4 System Maintenance | 1,200 | 654 | 720 | -40% |
| 5 General & Administration | 497,805 | 395,736 | 466,868 | -6% |
| 6 Facilities & Utilities | 69,050 | 66,324 | 69,480 | 1% |
| 7 Board Expenditures | 109,956 | 94,789 | 84,018 | -24% |
| 8 Total Other Expenditures | <u>678,011</u> | <u>557,503</u> | <u>621,086</u> | <u>-8%</u> |
| 9 Total Administration Expenditures by Category | <u>1,840,151</u> | <u>1,706,609</u> | <u>1,731,100</u> | <u>-6%</u> |

RVSD FY 2016/17 BUDGET

**Sanitary District No. 1 of Marin County
dba Ross Valley Sanitary District
Schedule 6 - FY 2016/17 Department Budgets - Summary**

Administration - Continued

| Administration Expenditures by Category | FY 2015/16 Budget | FY 2015/16 Projected | FY 2016/17 Budget | % Change Budget FY 16/17 vs Budget FY 15/16 |
|---|----------------------|-------------------------|----------------------|--|
| <i>Salaries & Benefits</i> | | | | |
| 10 Salaries | 764,502 | 763,030 | 730,993 | -4% |
| 11 Overtime | 4,357 | 5,648 | 6,436 | 48% |
| 12 <i>Subtotal Salaries/Wages</i> | <u>768,859</u> | <u>768,678</u> | <u>737,429</u> | <u>-4%</u> |
| <i>Benefits & Payroll Taxes</i> | | | | |
| 13 Employee Fitness | 600 | 800 | 600 | 0% |
| 14 Employee Training | 6,455 | 10,893 | 6,035 | -7% |
| 15 Insurance - Medical/Dental | 176,747 | 177,844 | 199,001 | 13% |
| 16 Insurance - Other | 3,291 | 4,063 | 3,126 | -5% |
| 17 Insurance - Workers Comp & Unemployment | 18,003 | 17,415 | 19,596 | 9% |
| 18 Payroll Taxes | 49,580 | 51,222 | 49,268 | -1% |
| 19 Recruiting/Retention | 2,500 | 833 | 1,200 | -52% |
| 20 Retirement - Employer | 105,355 | 107,108 | 93,759 | -11% |
| 21 Temporary Help | 30,750 | 10,250 | - | -100% |
| 22 <i>Subtotal Benefits & Payroll Taxes</i> | <u>393,281</u> | <u>380,428</u> | <u>372,585</u> | <u>-5%</u> |
| 23 Total Salaries & Benefits | <u>1,162,140</u> | <u>1,149,106</u> | <u>1,110,014</u> | <u>-4%</u> |
| <i>System Maintenance</i> | | | | |
| 24 Vehicle - Fuel | 600 | 454 | 420 | -30% |
| 25 Vehicle - Repair | 600 | 200 | 300 | -50% |
| 26 Total System Maintenance | <u>1,200</u> | <u>654</u> | <u>720</u> | <u>-40%</u> |
| <i>General & Administration</i> | | | | |
| 27 Membership Dues/Certifications | 44,060 | 43,992 | 41,412 | -6% |
| 28 Bank Fees | 1,020 | 1,298 | 1,500 | 47% |
| 29 Business Meals | 4,200 | 3,028 | 4,200 | 0% |
| 30 Computer Equipment | 8,100 | 8,850 | 14,796 | 83% |
| 31 Conferences | 6,500 | 5,754 | 4,200 | -35% |
| 32 Fines and Penalties | - | 1,669 | - | |
| 33 Insurance - Deductibles | 150,000 | 58,580 | 120,000 | -20% |
| 34 Insurance - Liability | 180,000 | 166,458 | 174,000 | -3% |
| 35 Meetings | 1,140 | 798 | 1,200 | 5% |
| 36 Miscellaneous | 360 | 2,060 | 2,304 | 540% |
| 37 Office Equipment | 26,940 | 26,600 | 29,220 | 8% |
| 38 Office Supplies | 28,020 | 28,028 | 30,000 | 7% |
| 39 Postage & Shipping | 3,600 | 4,164 | 3,900 | 8% |
| 40 Printing | 2,100 | 700 | 300 | -86% |
| 41 Property Taxes | 19,000 | 18,968 | 18,992 | 0% |
| 42 Software & Maintenance | 10,325 | 12,898 | 9,504 | -8% |
| 43 Travel - Airfare | 2,600 | 1,640 | 2,100 | -19% |
| 44 Travel - Auto, Ground Transportation | 6,840 | 6,699 | 6,840 | 0% |
| 45 Travel - Hotel | 3,000 | 3,552 | 2,400 | -20% |
| 46 Total General & Administration | <u>497,805</u> | <u>395,736</u> | <u>466,868</u> | <u>-6%</u> |

RVSD FY 2016/17 BUDGET

**Sanitary District No. 1 of Marin County
dba Ross Valley Sanitary District
Schedule 6 - FY 2016/17 Department Budgets - Summary**

Administration - Continued

| Administration Expenditures by Category | FY 2015/16 Budget | FY 2015/16 Projected | FY 2016/17 Budget | % Change Budget FY 16/17 vs Budget FY 15/16 |
|---|----------------------|-------------------------|----------------------|--|
| <i>Facilities & Utilities</i> | | | | |
| 47 Facilities - Garbage | 2,160 | 2,182 | 2,292 | 6% |
| 48 Facilities - Janitorial | 6,540 | 6,605 | 6,960 | 6% |
| 49 Facilities - Landscaping | 6,000 | 5,797 | 5,700 | -5% |
| 50 Facilities - Sewer | 788 | 788 | 828 | 5% |
| 51 Facilities - Security | 3,912 | 6,301 | 4,800 | 23% |
| 52 Utilities - Power | 10,200 | 11,785 | 13,200 | 29% |
| 53 Utilities - Telephone | 37,200 | 30,324 | 32,400 | -13% |
| 54 Utilities - Water | 2,250 | 2,542 | 3,300 | 47% |
| 55 Total Facilities & Utilities | 69,050 | 66,324 | 69,480 | 1% |
| <i>Board Fees</i> | | | | |
| 56 Board Fees | 53,820 | 45,560 | 57,462 | 7% |
| 57 Board Fees - CMSA | 4,776 | 4,776 | 5,136 | 8% |
| 58 Business Meals - Board | 960 | 1,072 | 1,020 | 6% |
| 59 Conferences - Board | 3,900 | 3,050 | 3,900 | 0% |
| 60 Elections Expense - Board | 30,000 | 30,000 | - | |
| 61 Training - Board | 9,420 | 5,478 | 9,420 | 0% |
| 62 Travel - Airfare - Board | 1,200 | 1,488 | 1,200 | 0% |
| 63 Travel - Auto, Ground - Board | 1,080 | 434 | 1,080 | 0% |
| 64 Travel - Hotel - Board | 4,800 | 2,931 | 4,800 | 0% |
| 65 Total Board Expenditures | 109,956 | 94,789 | 84,018 | -24% |
| 66 Subtotal Other Expenditures | 678,011 | 557,503 | 621,086 | -8% |
| 67 Total Administration Expenditures | 1,840,151 | 1,706,609 | 1,731,100 | -6% |

RVSD FY 2016/17 BUDGET

**Sanitary District No. 1 of Marin County
dba Ross Valley Sanitary District
Schedule 6 - FY 2016/17 Department Budgets - Summary**

Outside Services

Outside services are provided to the District for professional services provided by specialty firms. These types of services are generally structured with terms and are facilitated through a contract. Included in Outside Services are the cost of the annual financial statement audit, human resource consulting, information technology services, legal services, and consulting for a strategic plan.

| Operating Expenditures by Category | FY 2015/16 Budget | FY 2015/16 Projected | FY 2016/17 Budget | % Change Budget FY 16/17 vs Budget FY 15/16 |
|---|----------------------|-------------------------|----------------------|--|
| <i>Outside Services</i> | | | | |
| 1 Audit | 19,621 | 16,621 | 22,195 | 13% |
| 2 Community Outreach - Public Outreach | 120,000 | 66,267 | 95,000 | -21% |
| 3 Human Resources Consultant | 200,000 | 215,441 | 220,000 | 10% |
| 4 Information Technology (IT) | 30,000 | 41,859 | 60,000 | 100% |
| 5 Legal - General | 180,000 | 284,609 | 150,000 | -17% |
| 6 Legal - Litigation | 40,000 | 26,719 | - | -100% |
| 7 Legal - Regulatory | | - | 52,000 | |
| 8 Legal -Employment Matters | 20,000 | 56,932 | 42,000 | 110% |
| 9 Professional Services - Other | 80,000 | 70,996 | 25,000 | -69% |
| 10 <i>Total Outside Services</i> | 689,621 | 779,444 | 666,195 | -3% |

RVSD FY 2016/17 BUDGET

**Sanitary District No. 1 of Marin County
dba Ross Valley Sanitary District
Schedule 6 - FY 2016/17 Department Budgets - Summary
Operations**

The Operations Department includes Engineering, Maintenance, Repair, Pump Stations, Line Management and other Operational staff. The primary responsibilities of the Operations Department include cleaning and maintaining the gravity sewer lines, repairs of damaged sewer pipes, inspection services, large scale repairs, pump station maintenance and closed circuit televising.

Operational staff also work on capital projects which substantially extend the life of the District's assets. The labor costs and benefits that are directly associated with these capital projects are capitalized and depreciated over the estimated life of the asset. The expenditures related to these capitalizable costs are transferred from the operations budget to the capital budget and are reflected as such in the budget schedules.

| Operating Expenditures by Category | FY 2015/16 Budget | FY 2015/16 Projected | FY 2016/17 Budget | % Change Budget FY 16/17 vs Budget FY 15/16 |
|---|-------------------------|-------------------------|-------------------------|--|
| 1 Salaries | 2,712,307 | 2,673,346 | 2,838,703 | 5% |
| 2 Benefits & Payroll Taxes | 1,331,578 | 1,341,605 | 1,364,303 | 2% |
| 3 Total Salaries and Benefits | <u>4,043,885</u> | <u>4,014,951</u> | <u>4,203,006</u> | 4% |
| 4 Professional Services | 12,000 | 5,834 | 119,340 | 895% |
| 5 System Maintenance | 961,137 | 812,519 | 1,086,400 | 13% |
| 6 General & Administration | 168,253 | 154,699 | 239,546 | 42% |
| 7 Facilities & Utilities | 288,728 | 286,841 | 394,228 | 37% |
| 8 Total Other Expenditures | <u>1,430,118</u> | <u>1,259,893</u> | <u>1,839,514</u> | 29% |
| 9 Total Operations- All Depts. - Expenditures by Category | <u>5,474,003</u> | <u>5,274,844</u> | <u>6,042,520</u> | 10% |

RVSD FY 2016/17 BUDGET

**Sanitary District No. 1 of Marin County
dba Ross Valley Sanitary District
Schedule 6 - FY 2016/17 Department Budgets - Summary**

Operations - Continued

| Operating Expenditures by Category | FY 2015/16 Budget | FY 2015/16 Projected | FY 2016/17 Budget | % Change Budget FY 16/17 vs Budget FY 15/16 |
|---|----------------------|-------------------------|----------------------|--|
| Salaries & Benefits | | | | |
| <i>Salaries/Wages</i> | | | | |
| 10 Salaries | 3,130,518 | 2,859,611 | 3,172,214 | 1% |
| 11 Overtime | 119,695 | 90,384 | 124,213 | 4% |
| 12 Standby Overtime | 93,304 | 107,620 | 112,802 | 21% |
| 13 Capitalized Labor | (631,210) | (384,269) | (570,526) | -10% |
| 14 <i>Subtotal Salaries/Wages</i> | <u>2,712,307</u> | <u>2,673,346</u> | <u>2,838,703</u> | <u>5%</u> |
| <i>Benefits & Payroll Taxes</i> | | | | |
| 15 Boot Allowance | 6,500 | 4,581 | 6,768 | 4% |
| 16 Employee Exams | 9,100 | 5,246 | 6,036 | -34% |
| 17 Employee Fitness | 3,900 | 3,380 | 3,300 | -15% |
| 18 Employee Training | 73,453 | 59,353 | 110,249 | 50% |
| 19 Insurance - Medical/Dental | 673,396 | 613,435 | 706,000 | 5% |
| 20 Insurance - Other | 16,457 | 15,846 | 16,692 | 1% |
| 21 Insurance - Workers Comp & Unemployment | 96,019 | 86,352 | 104,526 | 9% |
| 22 Payroll Taxes | 237,214 | 221,147 | 254,042 | 7% |
| 23 Recruiting/Retention | 7,500 | 2,500 | 8,400 | 12% |
| 24 Retirement - Employee | 118,789 | 97,663 | 35,578 | -70% |
| 25 Retirement - Employer | 527,887 | 499,136 | 509,182 | -4% |
| 26 Capitalized Benefits | (438,637) | (267,034) | (396,470) | -10% |
| 27 <i>Subtotal Benefits & Payroll Taxes</i> | <u>1,331,578</u> | <u>1,341,605</u> | <u>1,364,303</u> | <u>2%</u> |
| 28 Total Salaries & Benefits | <u>4,043,885</u> | <u>4,014,951</u> | <u>4,203,006</u> | <u>4%</u> |
| Professional Services | | | | |
| 29 Outside Engineering | 12,000 | 5,834 | 119,340 | 895% |
| 30 Total Professional Services | <u>12,000</u> | <u>5,834</u> | <u>119,340</u> | <u>895%</u> |
| System Maintenance | | | | |
| 31 Concrete, Soil & Rock | 84,000 | 85,281 | 84,000 | 0% |
| 32 Rehab Materials | - | - | 60,000 | |
| 33 Dump Fees | 18,000 | 7,269 | 5,160 | -71% |
| 34 Emergency Repairs | 180,000 | 84,900 | 180,000 | 0% |
| 35 Equipment Rental | 5,075 | 10,944 | 16,800 | 231% |
| 36 Equipment Repair | 135,000 | 70,114 | 83,400 | -38% |
| 37 Fats, Oils, & Grease (FOG) Program | 25,000 | 23,103 | 25,000 | 0% |
| 38 Permits | 22,587 | 19,261 | 22,980 | 2% |
| 39 Safety Equipment | 41,456 | 33,304 | 38,640 | -7% |
| 40 Safety Compliance | 52,140 | 18,142 | 49,200 | -6% |
| 41 Materials & Parts | 271,800 | 228,043 | 183,828 | -32% |
| 42 Tools | 140,791 | 118,442 | 117,672 | -16% |
| 43 Uniforms | 51,780 | 37,377 | 40,560 | -22% |
| 44 Vehicle - Fuel | 109,980 | 81,072 | 78,060 | -29% |
| 45 Vehicle - Repair | 106,681 | 107,025 | 125,100 | 17% |
| 46 Capitalized System Maintenance | (283,153) | (111,758) | (24,000) | -92% |
| 47 Total System Maintenance | <u>961,137</u> | <u>812,519</u> | <u>1,086,400</u> | <u>13%</u> |

RVSD FY 2016/17 BUDGET

**Sanitary District No. 1 of Marin County
dba Ross Valley Sanitary District
Schedule 6 - FY 2016/17 Department Budgets - Summary**

Operations - Continued

| Operating Expenditures by Category | FY 2015/16 Budget | FY 2015/16 Projected | FY 2016/17 Budget | % Change Budget FY 16/17 vs Budget FY 15/16 |
|--|----------------------|-------------------------|----------------------|--|
| <i>General & Administration</i> | | | | |
| 48 Membership Dues/Certifications | 10,308 | 19,838 | 23,202 | 125% |
| 49 Business Meals | 2,674 | 1,311 | 2,130 | -20% |
| 50 Conferences | 2,800 | 1,704 | 2,520 | -10% |
| 51 Meetings | 1,700 | 800 | 2,760 | 62% |
| 52 Office Equipment | 45,740 | 52,190 | 59,016 | 29% |
| 53 Office Supplies | 7,800 | 10,745 | 12,300 | 58% |
| 54 Printing | 600 | 2,965 | 6,000 | 900% |
| 55 Software & Maintenance | 86,296 | 60,340 | 10,718 | -88% |
| 56 CMMS Maintenance/Support | - | - | 115,140 | |
| 57 Travel - Airfare | 1,100 | - | - | -100% |
| 58 Travel - Auto, Ground Transportation | 2,710 | 1,760 | 1,560 | -42% |
| 59 Travel - Hotel | 6,525 | 3,046 | 4,200 | -36% |
| 60 Total General & Administration | 168,253 | 154,699 | 239,546 | 42% |
| <i>Facilities & Utilities</i> | | | | |
| 61 Facilities - Garbage | 8,400 | 8,378 | 9,000 | 7% |
| 62 Facilities - Janitorial | 2,469 | 2,392 | 2,400 | -3% |
| 63 Facilities - Rent | 42,480 | 43,584 | 71,748 | 69% |
| 64 Facilities - Landscaping | 16,604 | 25,054 | 26,200 | 58% |
| 65 Facilities - Security | 13,152 | 13,824 | 13,200 | 0% |
| 66 Utilities - Power | 144,900 | 137,379 | 145,080 | 0% |
| 67 Utilities - Telephone | 32,115 | 33,121 | 48,924 | 52% |
| 68 Utilities - Internet | - | 1,420 | 57,696 | |
| 69 Utilities - Water | 28,608 | 21,689 | 19,980 | -30% |
| 70 Total Facilities & Utilities | 288,728 | 286,841 | 394,228 | 37% |
| 71 Subtotal Other Expenditures | 1,430,118 | 1,259,893 | 1,839,514 | 29% |
| 72 Total Operations - All Departments | 5,474,004 | 5,274,844 | 6,042,520 | 10% |

RVSD FY 2016/17 BUDGET

Sanitary District No. 1 of Marin County dba Ross Valley Sanitary District Schedule 7 - FY 2016/17 Debt Service

| FY | 2013 Revenue Bonds (1.) | | | 2014 Revenue Bonds (2.) | | | Total Debt Service | | |
|--------------|-------------------------|-------------------|-------------------|-------------------------|-------------------|-------------------|--------------------|-------------------|-------------------|
| | Principal | Interest | Total Paid | Principal | Interest | Total Paid | Principal | Interest | Total Paid |
| 2013/2014 | - | 503,287 | 503,287 | - | - | - | - | 503,287 | 503,287 |
| 2014/2015 | 220,000 | 427,319 | 647,319 | - | - | - | 220,000 | 427,319 | 647,319 |
| 2015/2016 | 305,000 | 843,463 | 1,148,463 | 590,000 | 1,296,866 | 1,886,866 | 895,000 | 2,140,329 | 3,035,329 |
| 2016/2017 | 310,000 | 832,688 | 1,142,688 | 765,000 | 1,120,694 | 1,885,694 | 1,075,000 | 1,953,381 | 3,028,381 |
| 2017/2018 | 325,000 | 820,394 | 1,145,394 | 795,000 | 1,090,094 | 1,885,094 | 1,120,000 | 1,910,488 | 3,030,488 |
| 2018/2019 | 335,000 | 807,600 | 1,142,600 | 830,000 | 1,058,294 | 1,888,294 | 1,165,000 | 1,865,894 | 3,030,894 |
| 2019/2020 | 350,000 | 792,150 | 1,142,150 | 860,000 | 1,025,094 | 1,885,094 | 1,210,000 | 1,817,244 | 3,027,244 |
| 2020/2021 | 370,000 | 774,150 | 1,144,150 | 895,000 | 990,694 | 1,885,694 | 1,265,000 | 1,764,844 | 3,029,844 |
| 2021/2022 | 385,000 | 757,200 | 1,142,200 | 930,000 | 954,894 | 1,884,894 | 1,315,000 | 1,712,094 | 3,027,094 |
| 2022/2023 | 400,000 | 739,500 | 1,139,500 | 975,000 | 908,394 | 1,883,394 | 1,375,000 | 1,647,894 | 3,022,894 |
| 2023/2024 | 420,000 | 719,000 | 1,139,000 | 1,025,000 | 859,644 | 1,884,644 | 1,445,000 | 1,578,644 | 3,023,644 |
| 2024/2025 | 440,000 | 697,500 | 1,137,500 | 1,075,000 | 808,394 | 1,883,394 | 1,515,000 | 1,505,894 | 3,020,894 |
| 2025/2026 | 465,000 | 677,200 | 1,142,200 | 1,130,000 | 754,644 | 1,884,644 | 1,595,000 | 1,431,844 | 3,026,844 |
| 2026/2027 | 485,000 | 658,200 | 1,143,200 | 1,165,000 | 720,744 | 1,885,744 | 1,650,000 | 1,378,944 | 3,028,944 |
| 2027/2028 | 500,000 | 636,000 | 1,136,000 | 1,200,000 | 685,794 | 1,885,794 | 1,700,000 | 1,321,794 | 3,021,794 |
| 2028/2029 | 525,000 | 610,375 | 1,135,375 | 1,235,000 | 649,794 | 1,884,794 | 1,760,000 | 1,260,169 | 3,020,169 |
| 2029/2030 | 555,000 | 583,375 | 1,138,375 | 1,275,000 | 612,744 | 1,887,744 | 1,830,000 | 1,196,119 | 3,026,119 |
| 2030/2031 | 580,000 | 555,000 | 1,135,000 | 1,315,000 | 572,900 | 1,887,900 | 1,895,000 | 1,127,900 | 3,022,900 |
| 2031/2032 | 610,000 | 525,250 | 1,135,250 | 1,355,000 | 530,163 | 1,885,163 | 1,965,000 | 1,055,413 | 3,020,413 |
| 2032/2033 | 640,000 | 494,000 | 1,134,000 | 1,400,000 | 486,125 | 1,886,125 | 2,040,000 | 980,125 | 3,020,125 |
| 2033/2034 | 675,000 | 461,125 | 1,136,125 | 1,445,000 | 438,875 | 1,883,875 | 2,120,000 | 900,000 | 3,020,000 |
| 2034/2035 | 705,000 | 426,625 | 1,131,625 | 1,500,000 | 388,300 | 1,888,300 | 2,205,000 | 814,925 | 3,019,925 |
| 2035/2036 | 740,000 | 390,500 | 1,130,500 | 1,550,000 | 335,800 | 1,885,800 | 2,290,000 | 726,300 | 3,016,300 |
| 2036/2037 | 780,000 | 352,500 | 1,132,500 | 1,610,000 | 273,800 | 1,883,800 | 2,390,000 | 626,300 | 3,016,300 |
| 2037/2038 | 820,000 | 312,500 | 1,132,500 | 1,675,000 | 209,400 | 1,884,400 | 2,495,000 | 521,900 | 3,016,900 |
| 2038/2039 | 860,000 | 270,500 | 1,130,500 | 1,745,000 | 142,400 | 1,887,400 | 2,605,000 | 412,900 | 3,017,900 |
| 2039/2040 | 900,000 | 226,500 | 1,126,500 | 1,815,000 | 72,600 | 1,887,600 | 2,715,000 | 299,100 | 3,014,100 |
| 2040/2041 | 945,000 | 180,375 | 1,125,375 | - | - | - | 945,000 | 180,375 | 1,125,375 |
| 2041/2042 | 995,000 | 131,875 | 1,126,875 | - | - | - | 995,000 | 131,875 | 1,126,875 |
| 2042/2043 | 1,045,000 | 80,875 | 1,125,875 | - | - | - | 1,045,000 | 80,875 | 1,125,875 |
| 2043/2044 | 1,095,000 | 27,375 | 1,122,375 | - | - | - | 1,095,000 | 27,375 | 1,122,375 |
| 2044/2045 | - | - | - | - | - | - | - | - | - |
| 2045/2046 | - | - | - | - | - | - | - | - | - |
| 2046/2047 | - | - | - | - | - | - | - | - | - |
| Total | 17,780,000 | 16,314,399 | 34,094,399 | 30,155,000 | 16,987,141 | 47,142,141 | 47,935,000 | 33,301,540 | 81,236,540 |

1. The proceeds for the bonds were received in August 2013. The debt service for these bonds is estimated based on a the repayment schedule.

2. The proceeds for the bonds were received in November 2014. The debt service for these bonds is estimated based on a the repayment schedule.

RVSD FY 2016/17 BUDGET

**Sanitary District No. 1 of Marin County
dba Ross Valley Sanitary District
Schedule 8 - FY 2016/17 Position Allocation**

| Position | Monthly *** | | 2016/17 |
|---|-------------|-----------|-----------|
| | Step 1 | Step 6 | |
| Administration | | | |
| General Manager * | \$ 16,671 | | 1 |
| Customer Support Services Manager ** | \$ 9,500 | \$ 12,500 | 1 |
| Accounting & Financial Analyst | \$ 7,828 | \$ 9,991 | 1 |
| Executive Assistant to the General Manager/Clerk of the Board | \$ 6,115 | \$ 7,805 | 1 |
| Administrative Coordinators | \$ 4,931 | \$ 6,293 | 2 |
| Administration Total | | | 6 |
| Operations | | | |
| Operations & Maintenance Manager ** | \$ 9,500 | \$ 12,500 | 1 |
| Line Maintenance Supervisor | \$ 7,269 | \$ 9,277 | 1 |
| Pump Station Supervisor | \$ 7,269 | \$ 9,277 | 1 |
| Crew Lead | \$ 6,750 | \$ 8,615 | 2 |
| Collection System Worker | \$ 5,405 | \$ 6,898 | 7 |
| Operations Total | | | 12 |
| Capital Assets Program | | | |
| Infrastructure Assets Manager ** | \$ 11,900 | \$ 14,300 | 1 |
| Engineer | \$ 9,538 | \$ 12,173 | 1 |
| Engineering Technician | \$ 6,115 | \$ 7,805 | 1 |
| Capital Assets Analyst | \$ 6,919 | \$ 8,830 | 1 |
| Repair Supervisor | \$ 7,269 | \$ 9,277 | 1 |
| Crew Lead | \$ 6,750 | \$ 8,615 | 3 |
| Collection System Worker | \$ 5,405 | \$ 6,898 | 8 |
| Inspection Superintendent | \$ 8,224 | \$ 10,496 | 1 |
| Inspector | \$ 6,919 | \$ 8,830 | 2 |
| Condition Assessment Supervisor | \$ 7,269 | \$ 9,277 | 1 |
| Capital Assets Program Total | | | 20 |
| Total Employee Count (All positions are full time) | | | 38 |

* The General Manager's salary is an annual amount that is set by contract.

** Executive Management Salary is a range from from low to high.

*** Base salaries will be increased by the amount of annual increase in the SF Bay Area Urban CPI, when known. This cost of living increase will be effective 07/01/2016 with a minimum increase of 2.5% and a maximum of 4%.

RVSD FY 2016/17 BUDGET

**Sanitary District No. 1 of Marin County
 dba Ross Valley Sanitary District
 Schedule 9 - FY 2016/17 Capital Assets Summary**

| Description | Asset Type | FY 2016/17 Budget |
|--|--|----------------------|
| 1 Gravity Sewer Improvement Projects | Capital Improvement Projects - Sewer Lines/Pump Stations | 20,539,000 |
| 2 Pump Station Projects | Capital Improvement Projects - Pump Station Equipment | 5,065,000 |
| 3 Force Main Projects | Capital Improvement Projects - Sewer Lines | 2,232,000 |
| 4 | Total Capital Improvement Projects | 27,836,000 |
| 5 Lateral Replacement Grant Program | Other Capital | 500,000 |
| 6 Lateral Replacement Loan Program | Other Capital | 400,000 |
| 7 Inflow and Infiltration Reduction Program | Other Capital | 160,000 |
| 8 Larkspur Landing Locker/Shower Facility Upgrades | Other Capital | 500,000 |
| 9 Larkspur Landing EPA Clearance Activities | Other Capital | 300,000 |
| 10 Kerner Building Improvements | Other Capital | 356,000 |
| 11 Manhole Condition Assessment Project | Other Capital | 300,000 |
| 12 Pump Station Standard Operating Procedures | Other Capital | 206,000 |
| 13 Manhole Smart Covers | Other Capital | 120,000 |
| 14 Studies/Reviews/Software/Miscellaneous | Other Capital | 713,100 |
| 15 | Total Other Capital | 3,555,100 |
| 16 Vehicles | Fixed Assets - Vehicles & Equipment | 160,000 |
| 17 Camera Equipment | Fixed Assets - Vehicles & Equipment | 57,890 |
| 18 Other Field Equipment | Fixed Assets - Vehicles & Equipment | 282,500 |
| 19 | Total Fixed Assets - Other | 500,390 |
| 20 | Total Budgeted Capital Assets | 31,891,490 |

a - See Schedule 10 - FY 16/17 Capital Projects, summarized by District Support, Design, Construction Management, Engineering Services during Construction and Construction

Sanitary District No. 1 of Marin County
 aka Ross Valley Sanitary District
 Schedule 10 - FY 2016/17 Capital Improvement Projects

FY 2016/17 Budget

| Project Name | Project Description | Community | Comments | District Support | Design and PM Services | CM/ESDC | Construction and Encroachment Permits | FY 2016/17 Total |
|---|---|------------------------------------|---|------------------|------------------------|------------------|---------------------------------------|-------------------|
| 1 Gravity Sewer Improvement Projects | | | | | | | | |
| 2 FY 2015/16 Gravity Sewer Improvements | SEWER REHABILITATION AND CAPACITY project. Approximately 6.7 miles of rehabilitation/ replacement and additional restoration by repair of gravity sewers in Kent Woodlands Upper, Southwood, and Winship areas. | Kentfield, Ross, San Anselmo | Total estimated project cost is \$9,399,000. | 110,000 | 107,000 | 939,000 | 7,040,000 | 8,196,000 |
| 3 FY 2016/17 Gravity Sewer Improvements | SEWER REHABILITATION AND CAPACITY project. Approximately 4.8 miles of rehabilitation/replacement and additional restoration by repair of gravity sewers in Butterfield/Woodside, Scenic, Tamalpais, and Madrone areas. Lower Butterfield/ Meadowcroft Capacity Improvements of approximately 1.5 miles to relieve hydraulic and structural deficiencies between Butterfield Rd at Kenrick Dr and Sir Francis Drake Blvd at Mountain View Ave with 1,300 LF of new/diversion sewer, 4,550 LF of replacement sewer, and restoration of approximately 1,900 LF of sewer. Nokomis Capacity Improvements of approximately 0.3 miles to relieve hydraulic deficiencies between Sir Francis Drake Blvd at Sais Ave, and San Anselmo Ave at Grove Ln, with 700 LF of new/diversion sewer and 900 LF of replacement sewer. | Fairfax, Larkspur, San Anselmo | Total estimated project cost is \$15,453,000. | 43,000 | 855,000 | 260,000 | 1,365,000 | 2,523,000 |
| 4 FY 2017/18 Gravity Sewer Improvements | SEWER REHABILITATION AND CAPACITY project. Approximately 4 miles of rehabilitation/replacement and additional restoration by repair of gravity sewers in Fairfax Canon, Hawthorne/Heather, Canyon, and Greenbrae North, South, and Mid areas. Westbrae Capacity Improvements. | Fairfax, Larkspur, Ross, Greenbrae | Total estimated project cost is \$12,645,000. | 126,000 | 277,000 | - | - | 403,000 |
| 5 Large Diameter Gravity Sewer Rehabilitation Project IIA | SEWER REHABILITATION AND CAPACITY project. Rehabilitation of high priority Techite and non-reinforced large diameter pipe, ranging from 18 to 36-inch in diameter, on the Ross Valley Trunk Line and the Shady Lane Trunk Sewer. First of two construction bid packages. | Ross, San Anselmo | Total estimated project cost is \$6,545,000. | 39,000 | 175,000 | 510,000 | 5,340,000 | 6,064,000 |
| 6 Large Diameter Gravity Sewer Rehabilitation Project IIB | SEWER REHABILITATION AND CAPACITY project. Rehabilitation of high priority Techite and non-reinforced large diameter pipe, ranging from 18 to 36-inch in diameter, on the Ross Valley Trunk Line and the Shady Lane Trunk Sewer. Includes trunk sewers in downtown San Anselmo. Includes Upper Shady Lane capacity improvements in Shady Lane from Bolinas Ave to Locust Ave. Second of two construction bid packages. | Kentfield, Ross, San Anselmo | Total estimated project cost is \$5,704,000. | 27,000 | 126,000 | 335,000 | 2,325,000 | 2,813,000 |
| 7 District Capitalized Repairs FY 2016/17 | SEWER project. Annual repair, restoration, and improvement of gravity sewer pipeline infrastructure. | Various | Total estimated project cost is \$540,000. | 540,000 | - | - | - | 540,000 |
| 8 Subtotal Gravity Sewer Improvement Projects | | | | 885,000 | 1,540,000 | 2,044,000 | 16,070,000 | 20,539,000 |
| 9 Pump Station Projects | | | | | | | | |
| 10 PS 12 Bon Air and PS 13 Greenbrae Pump Station Rehabilitation Projects | PUMP STATION project. Full pump station rehabilitation to improve the capacity, operation, and reliability of PS 12 Bon Air and PS 13 Greenbrae pump stations. | Larkspur | Total estimated project cost is \$6,631,000. | 33,000 | - | 628,000 | 3,079,000 | 3,740,000 |
| 11 PS 15 Kentfield Pump Station VFD Replacement | PUMP STATION project. Replace variable frequency drives and miscellaneous electrical and instrumentation improvements at PS 15 Kentfield. | Larkspur | Total estimated project cost is \$858,000. | 12,000 | 122,000 | 53,000 | 310,000 | 497,000 |
| 12 LS 33 Riviera Circle Flow Meter | PUMP STATION project. Flow meter on force main at LS 33 Riviera Circle. | Larkspur | Total estimated project cost is \$980,000. | 2,000 | - | 11,000 | 75,000 | 88,000 |
| 13 LS 30 Heather Gardens Lift Station Improvements | PUMP STATION project. Full pump station project to separate from stormwater pump station and lower wet well in order to address problems upstream in gravity system. | Larkspur | Total estimated project cost is \$1,500,000. | 25,000 | 43,000 | - | - | 68,000 |
| 14 Pump Station Equipment Upgrades | PUMP STATION project. Annual maintenance rehabilitation/replacement of pump station mechanical and electrical components. SCADA path study and equipment at 11 stations. | Larkspur | Ongoing | 672,000 | - | - | - | 672,000 |
| 15 Subtotal Pump Station Projects | | | | 744,000 | 165,000 | 692,000 | 3,464,000 | 5,065,000 |
| 16 Force Main Projects | | | | | | | | |
| 17 FY 2014/15 Force Main Appurtenance Project | FORCE MAIN project. Replacement and renovation of five (5) Air Release Valve (ARV) systems on critical force mains, and installation of one (1) new ARV, including: two (2) on the 54-inch FM-1 Ross Valley Interceptor FM, and four (4) on the 42-inch FM-2 Greenbrae Kentfield Relief FM. Installation of corrosion protection systems on the force mains FM-13 Greenbrae and FM-14a Larkspur Bypass, comprised of anode test stations and impressed current system. | Larkspur | Total estimated project cost is \$2,018,000. | 14,000 | - | 196,000 | 1,188,000 | 1,398,000 |
| 18 Kentfield-Larkspur-Greenbrae Force Main System Improvements | FORCE MAIN project. Kentfield-Larkspur-Greenbrae ARV pipeline, bypass force mains, and gravity sewer replacements, rehabilitation, and improvements between South Eliseo Drive, and Bon Air Center and PS 13 Greenbrae. | Larkspur | Total estimated project cost is \$2,853,000. | 15,000 | 324,000 | 65,000 | 430,000 | 834,000 |
| 19 Subtotal Force Main Projects | | | | 29,000 | 324,000 | 261,000 | 1,618,000 | 2,232,000 |
| 20 BUDGETED CAPITAL IMPROVEMENT PROJECTS | | | | 1,658,000 | 2,029,000 | 2,997,000 | 21,152,000 | 27,836,000 |

a - See Schedule 9 - FY 2016/17 Capital Assets Summary

RVSD FY 2016/17 BUDGET

Sanitary District No. 1 of Marin County

dba Ross Valley Sanitary District

Schedule 11 - 5-Year Forecast

| | FY 2016/2017 | FY 2017/2018 | FY 2018/2019 | FY 2019/2020 | FY 2020/2021 | FY 2021/2022 |
|---|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| | Budget | Forecast | Forecast | Forecast | Forecast | Forecast |
| Operating | | | | | | |
| Revenue | | | | | | |
| 1 Sewer Service Charges | 18,207,719 | 19,592,000 | 20,777,000 | 20,777,000 | 20,777,000 | 20,777,000 |
| 2 Other Income | 248,441 | 190,000 | 192,000 | 190,000 | 194,000 | 198,000 |
| 3 Gross Revenue | 18,456,160 | 19,782,000 | 20,969,000 | 20,967,000 | 20,971,000 | 20,975,000 |
| Expenditures | | | | | | |
| CMSA Expenditures | | | | | | |
| 4 Treatment Charges - CMSA | 5,018,268 | 5,209,000 | 5,357,000 | 5,508,000 | 5,664,000 | 5,825,000 |
| 5 Debt Service - CMSA | 2,152,400 | 2,149,000 | 2,155,000 | 2,152,000 | 2,146,000 | 2,151,000 |
| 6 Total CMSA Expenditures | 7,170,668 | 7,358,000 | 7,512,000 | 7,660,000 | 7,810,000 | 7,976,000 |
| Maintenance/Repair/Inspection Expenditures | | | | | | |
| 7 Salaries & Benefits - Operations | 4,203,006 | 4,329,000 | 4,459,000 | 4,593,000 | 4,731,000 | 4,873,000 |
| 8 Other Operational Expenditures | 1,839,514 | 1,895,000 | 1,952,000 | 2,011,000 | 2,071,000 | 2,133,000 |
| 9 Total General Operating Expenditures | 6,042,520 | 6,224,000 | 6,411,000 | 6,604,000 | 6,802,000 | 7,006,000 |
| Administrative Expenditures | | | | | | |
| 10 Salaries & Benefits - Administration | 1,110,014 | 1,143,000 | 1,177,000 | 1,212,000 | 1,248,000 | 1,285,000 |
| 11 Office Supplies & Equipment | 74,016 | 76,000 | 78,000 | 80,000 | 82,000 | 84,000 |
| 12 General Administrative Expenditures | 99,572 | 103,000 | 106,000 | 109,000 | 112,000 | 115,000 |
| 13 Facilities & Utilities - Administration | 69,480 | 72,000 | 74,000 | 76,000 | 78,000 | 80,000 |
| 14 Board Fees & Other Expenditures | 84,018 | 87,000 | 90,000 | 93,000 | 96,000 | 99,000 |
| 15 Insurance (includes Excess Liability) | 294,000 | 303,000 | 312,000 | 321,000 | 331,000 | 341,000 |
| 16 Total Administrative Expenditures | 1,731,100 | 1,784,000 | 1,837,000 | 1,891,000 | 1,947,000 | 2,004,000 |
| Outside Services | | | | | | |
| 17 Community Outreach | 95,000 | 98,000 | 101,000 | 104,000 | 107,000 | 110,000 |
| 18 Human Resources Consultant | 220,000 | 227,000 | 234,000 | 241,000 | 248,000 | 255,000 |
| 19 Professional Services - Accounting/IT/Other | 107,195 | 110,000 | 113,000 | 116,000 | 119,000 | 123,000 |
| 20 Professional Services - Legal | 244,000 | 251,000 | 259,000 | 267,000 | 275,000 | 283,000 |
| 21 Total Outside Services | 666,195 | 686,000 | 707,000 | 728,000 | 749,000 | 771,000 |
| 22 Total Operating Expenditures | 15,610,483 | 16,052,000 | 16,467,000 | 16,883,000 | 17,308,000 | 17,757,000 |
| 23 Operating Net Results | 2,845,677 | 3,730,000 | 4,502,000 | 4,084,000 | 3,663,000 | 3,218,000 |
| Capital | | | | | | |
| Revenue | | | | | | |
| 24 Property Tax - Ad Valorem | 6,014,865 | 6,075,000 | 6,105,000 | 6,136,000 | 6,139,000 | 6,142,000 |
| 25 Connection Fees | 231,204 | 173,000 | 173,000 | 178,000 | 178,000 | 178,000 |
| 26 Proceeds from Financing Activities | 8,266,000 | 17,300,000 | | - | | |
| 27 Total Capital Revenue | 14,512,069 | 23,548,000 | 6,278,000 | 6,314,000 | 6,317,000 | 6,320,000 |
| Debt Service | | | | | | |
| 28 Interest Expense | 1,953,382 | 1,910,000 | 1,817,000 | 1,817,000 | 1,765,000 | 1,712,000 |
| 29 Principal Payments on Debt | 1,075,000 | 1,120,000 | 1,165,000 | 1,200,000 | 1,265,000 | 1,315,000 |
| 30 Total Debt Service | 3,028,382 | 3,030,000 | 2,982,000 | 3,017,000 | 3,030,000 | 3,027,000 |
| Capital Expenditures | | | | | | |
| 31 Capital Improvement Projects | 27,836,000 | 28,249,000 | 20,014,000 | 19,857,000 | 13,985,000 | 9,009,000 |
| 32 Other Capital Spending | 3,514,600 | 790,000 | 790,000 | 790,000 | 1,590,000 | 790,000 |
| 33 Fixed Assets Purchased | 540,890 | 483,000 | 483,000 | 483,000 | 483,000 | 483,000 |
| 34 Total Capital Expenditures | 31,891,490 | 29,522,000 | 21,287,000 | 21,130,000 | 16,058,000 | 10,282,000 |
| 35 Total Debt Service & Capital Expenditures | 34,919,872 | 32,552,000 | 24,269,000 | 24,147,000 | 19,088,000 | 13,309,000 |
| 36 Capital Net Results | (20,407,803) | (9,004,000) | (17,991,000) | (17,833,000) | (12,771,000) | (6,989,000) |
| 37 Operating & Capital Net Results | (17,562,126) | (5,274,000) | (13,489,000) | (13,749,000) | (9,108,000) | (3,771,000) |
| 38 Adjustments - Lateral Replacement Loan Repayment | 25,000 | 40,000 | 60,000 | 80,000 | 100,000 | 120,000 |
| 39 Cash Balance Begin | 39,874,093 | 22,337,000 | 17,103,000 | 3,674,000 | (9,995,000) | (19,003,000) |
| 40 Cash Requirements | (17,537,126) | (5,234,000) | (13,429,000) | (13,669,000) | (9,008,000) | (3,651,000) |
| 41 Cash Balance End | 22,336,967 | 17,103,000 | 3,674,000 | (9,995,000) | (19,003,000) | (22,654,000) |
| 42 Restricted Funds | - | - | - | - | - | - |
| 43 Unrestricted Funds | 22,336,967 | 17,103,000 | 3,674,000 | (9,995,000) | (19,003,000) | (22,654,000) |
| 44 Ending Cash Balance | 22,336,967 | 17,103,000 | 3,674,000 | (9,995,000) | (19,003,000) | (22,654,000) |