



# Ross Valley Sanitary District

## Operating & Capital Budget *Adopted June 21, 2017*

Fiscal  
Year  
2017/18

ROSS VALLEY SANITARY DISTRICT  
RVSD.ORG  
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SAN RAFAEL, CALIFORNIA 94901

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## ***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 2017/18 Ross Valley Sanitary District Operating and Capital Budget (FY 2017/18 Budget). The Ross Valley Sanitary District (District/RVSD) serves approximately 15,200 residential and commercial connections. The service area covers approximately 20 square miles, with an estimated population of 46,675. The District conveys an average daily dry weather flow of four million gallons per day (MGD), and peak wet weather flows of over 50 MGD to the Central Marin Sanitation Agency's (CMSA) wastewater treatment plant, for treatment and discharge to the San Francisco Bay.

The draft FY 2017/18 Budget represents the fourth year of the five-year financial plan developed to support the 2013 Infrastructure Asset Management Plan and the regulatory requirements of the 2013 RWQCB Cease and Desist Order. During this time, RVSD has implemented sound financial planning systems and practices, which have improved the financial health and resiliency of the District. The following are significant factors influencing the draft Budget. Total labor costs are stable at \$5.2M due to the offsetting impacts of reduced staffing levels (35 FTE positions, down from 38), cost of living adjustment wage increases, and increased employee cost share for retirement benefits and medical insurance premiums. Wastewater utility rate revenue is anticipated to increase 5.4% (\$980k) due to the scheduled rate adjustment. The capital program has projected expenditures of \$48.1M with \$28M in current or pending construction activity. This includes \$7M for remediation of the District parcel at 2000 Larkspur Landing. The capital program spending is supported by \$9.6M in recurring revenues (\$6.7M in ad valorem tax revenue, and \$2.9M in rate revenue net of operations and maintenance costs) and long term debt issuance of \$25M. All fund balance and reserve balance targets are met with the exception of the capital reserves fund.

The new FY 2017/18 Budget supports 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.
- Continue progress on critical infrastructure improvements preventative maintenance.
- Selective use of capital debt to smooth cash flow and support a transition to pay-go funding.
- Fund emergency and capital reserves to ensure greater financial resiliency in the future.

## *Budget Document Guide*

The FY 2017/18 Budget document is organized into the following sections:

- FY 2017/18 Budget Overview
- Operations & Maintenance (O&M) Budget
- Capital Budget
- Five-Year Financial Forecast

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

## ***FY 2017/18 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 are addressed in greater detail in later sections of this report. Table 1 below summarizes the District's FY 2016/17 Budget and compares it to the proposed FY 2017/18 Budget. More specific discussions regarding revenues and expenditures occur in the following subsections and are accompanied by illustrative charts and graphs. In summary, the proposed Budget includes \$51.5M in total revenue, \$64.8M in total spending, and an ending fiscal year cash balance of \$23M. The Capital Budget for FY 2017/18 of \$48.1M will be funded in part by the projected fund balance for FY 2016/17 of \$22.3M, recurring revenue of \$9.6M and proceeds from financing of \$25M.

**Table 1 – FY 2017/18 Budget Summary**

	<b>FY 2016/17</b>	<b>FY 2017/18</b>
<b>Type</b>	<b>Budget</b>	<b>Budget</b>
1 Sewer Service Charges	18,207,719	19,190,000
2 Property Tax - Ad Valorem	6,014,865	6,706,000
3 Proceeds from Finance Activities	8,266,000	25,000,000
4 Other Revenue	504,645	624,000
5 <b>Expected Revenues</b>	<b><u>\$ 32,993,229</u></b>	<b><u>\$ 51,520,000</u></b>
6 CMSA Charges	7,170,668	7,610,700
7 Operations	6,042,520	5,839,200
8 Administration	1,731,100	2,076,000
9 Outside Services	666,195	1,148,100
10 Debt Service	3,028,382	3,530,000
11 Capital Budget	31,891,490	44,590,000
12 <b>Total Expenditures</b>	<b><u>\$ 50,530,355</u></b>	<b><u>\$ 64,794,000</u></b>
13 <b>Net Revenue Less Expenditures</b>	<b><u>\$ (17,537,126)</u></b>	<b><u>\$ (13,274,000)</u></b>
14 Operations & Maintenance Fund Balance	8,414,363	8,337,000
15 Capital Improvement Fund Balance	11,652,604	11,926,900
16 Bond Funds - Fully Restricted for Capital Projects	-	-
17 Capital Improvement Reserve Balance	-	-
18 Emergency Reserve Balance	2,000,000	2,000,000
19 Other Post Employment Benefit Reserve Balance	270,000	640,000
20 <b>Total Ending Reserve/Fund (Cash) Balance</b>	<b><u>\$ 22,336,967</u></b>	<b><u>\$ 22,903,900</u></b>

## Summary Revenues

Total revenues for FY 2017/18 are budgeted at \$51.5M. Chart 1 shows the relative contribution from each revenue source, and Chart 2 shows the five-year trend of revenue including the forecasted FY 2016/17 and budgeted FY 2017/18.

Sewer service charge revenue (rate revenue) of approximately \$19.2M provides 37% of the District's total revenue in FY 2017/18. This revenue is used primarily for Operations & Maintenance (O&M) expenses, with any remaining balance used for capital expenses. Table 2 shows the five-year schedule of rates approved in 2014. Rate revenue will contribute approximately \$2.9M towards capital expenses in FY 2017/18, net of O&M costs.

Ad valorem property tax revenue of \$6.7M provides 13% of total revenue. Ad valorem revenue is dedicated to capital expenditures, including debt service. This revenue is expected to increase by approximately \$690K from the prior fiscal year budget due to increases in assessed property values (see Schedule A1).

One-time revenue of \$25M, 49% of total revenue, is anticipated to be provided by a long term debt issuance. Based on current cash flow projections, this next increment of capital program financing will be needed by November 2017. The draft Budget reflects a single bond issuance for this amount. See the *Evaluation of Long Term Debt Financing Options* discussion at the end of this Budget report for details on financing options and the basis for developing the draft Budget using the bond issuance option. This \$25M issuance was anticipated in the 2014 rate schedule and five-year financial plan, but is occurring approximately one year later than originally forecasted.

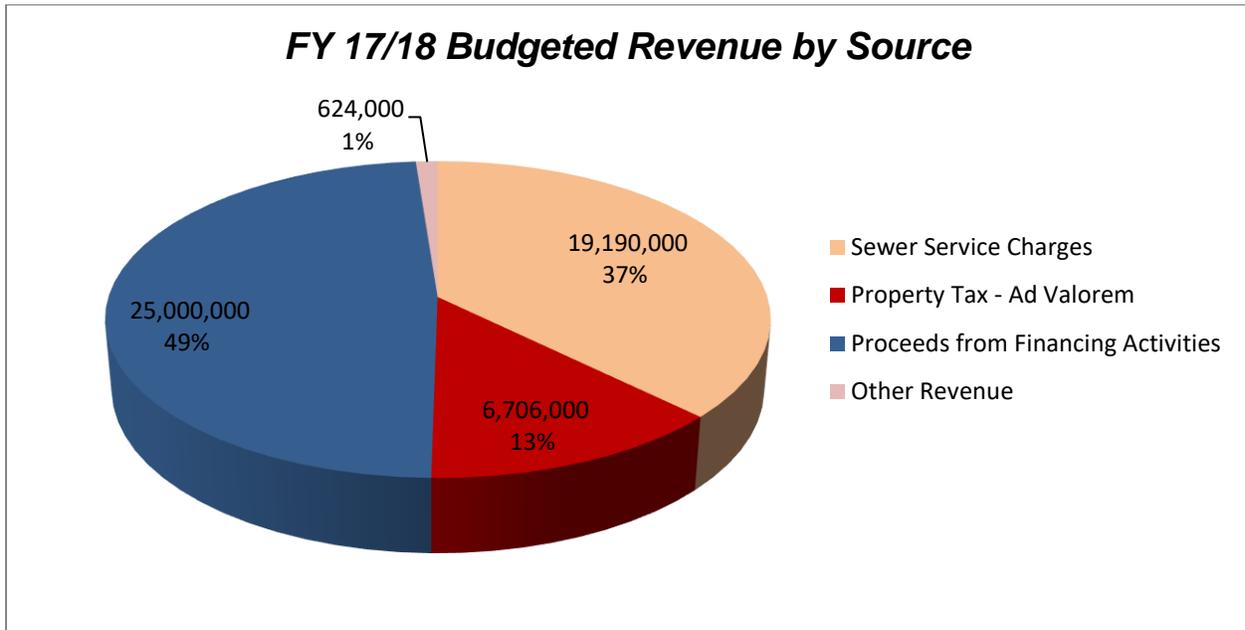
Other revenue sources increased by approximately 24% due to the increase in connection and inspection fees, lateral replacement permitting fees, and new service connection activity. Revenues from these sources represent approximately 1% of the total revenues received.

**Table 2 – Five-Year Rate Plan**

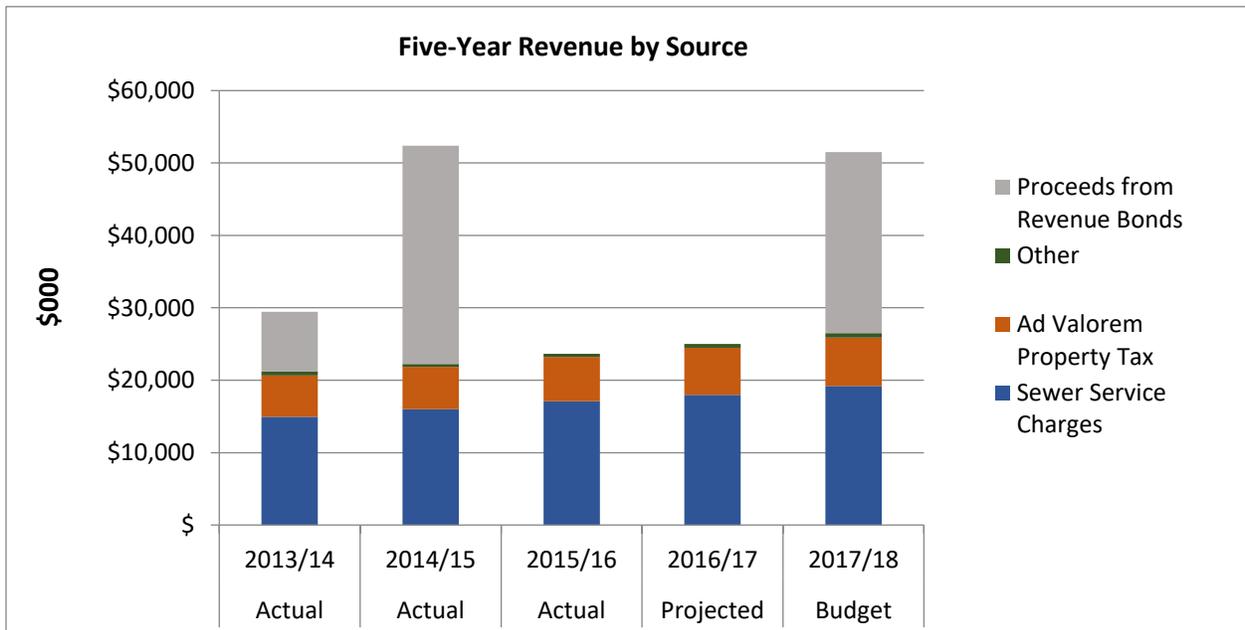


Rate Zone/Customer Class	FY 2014/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19	
		% change								
<b>Ross Valley Rate Zone</b>										
Single Family Residential	\$692	8.5%	\$743	7.4%	\$797	7.3%	\$856	7.4%	\$909	6.2%
Multi Family Residential	\$625	-2.0%	\$665	6.4%	\$714	7.4%	\$766	7.3%	\$817	6.7%
Commercial	\$692	8.5%	\$743	7.4%	\$797	7.3%	\$856	7.4%	\$909	6.2%
<b>Larkspur Rate Zone</b>										
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%

**Chart 1 – FY 2017/18 Budgeted Revenue by Source**



**Chart 2 – Five-Year Revenue by Source**



## *Summary Expenditures*

Expenditures are classified into two basic categories: O&M/Administration and Capital Improvements. Chart 3 shows the breakdown of major expenditure categories in FY 2017/18, with O&M/Administration totaling 26% and capital spending totaling 74%. Within the O&M portion, CMSA treatment charges make up 46% of expenses, with the remainder made up of RVSD operations, administration, and outside services. Chart 4 shows the five-year trend, including the FY 2017/18 Budget for comparison.

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. CMSA costs are allocated based on the trailing three years of average wastewater flow and strength. The District's allocation for FY 2017/18 is 50% of the CMSA Operating Budget and 43% of CMSA's debt service requirements, which together totals \$7.6M in FY 2017/18, up from a projected \$7.4M in FY 2016/17.

Personnel costs for O&M activities (including direct wages/salaries, payroll taxes, and benefits) are forecasted to remain relatively flat year-over-year. Total personnel costs for the District, including O&M and reduced by capital budget funded labor, will remain unchanged compared to budgeted costs for FY 2016/17. The stability of this expenditure is due to a change in employee headcount, from 38 to 35, resulting from the 2016 reorganization and subsequent refinement of staffing needs. This is offset by anticipated salary and wage increases based on both regular merit increases and anticipated cost of living adjustments of 3.8%.

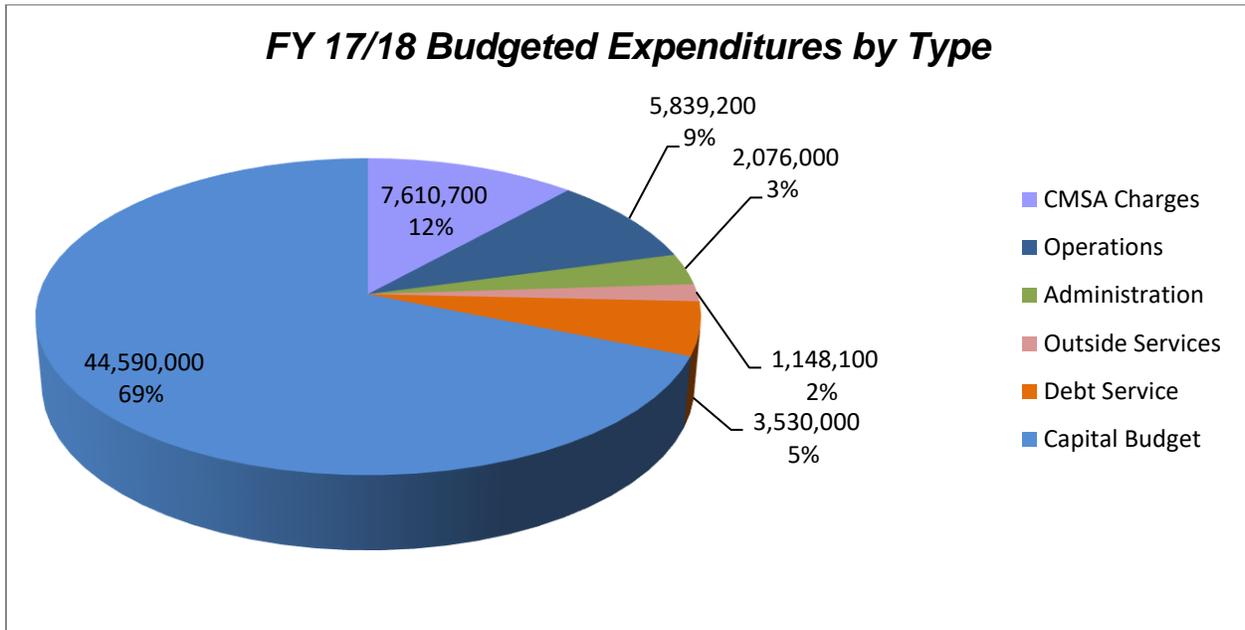
Additional personnel cost savings result from changes to the *Memo of Understanding (MOU)* for represented employees. As of July 1, 2017, all employees will be responsible for the employee portion of their CalPERS retirement contribution. The District portion of this contribution was phased out over the course of the current MOU agreement, effective July 1, 2015 through June 30, 2018. FY 2016/17 is the final year that the District will partially fund these employee retirement contributions. Also, employees hired under the *Terms and Conditions of Employment for Unrepresented Employees*, effective July 1, 2016 through June 30, 2018, are responsible for 20% of their health care coverage premium. All other employees are covered up to 100% of the Kaiser Bay Area premium.

Other operational expenditures are costs associated with the general operations of the District and are categorized as: professional services, system maintenance, general and administrative costs, facilities and utilities, and board expenditures. Overall these expenditures remained relatively stable from the prior year's budget.

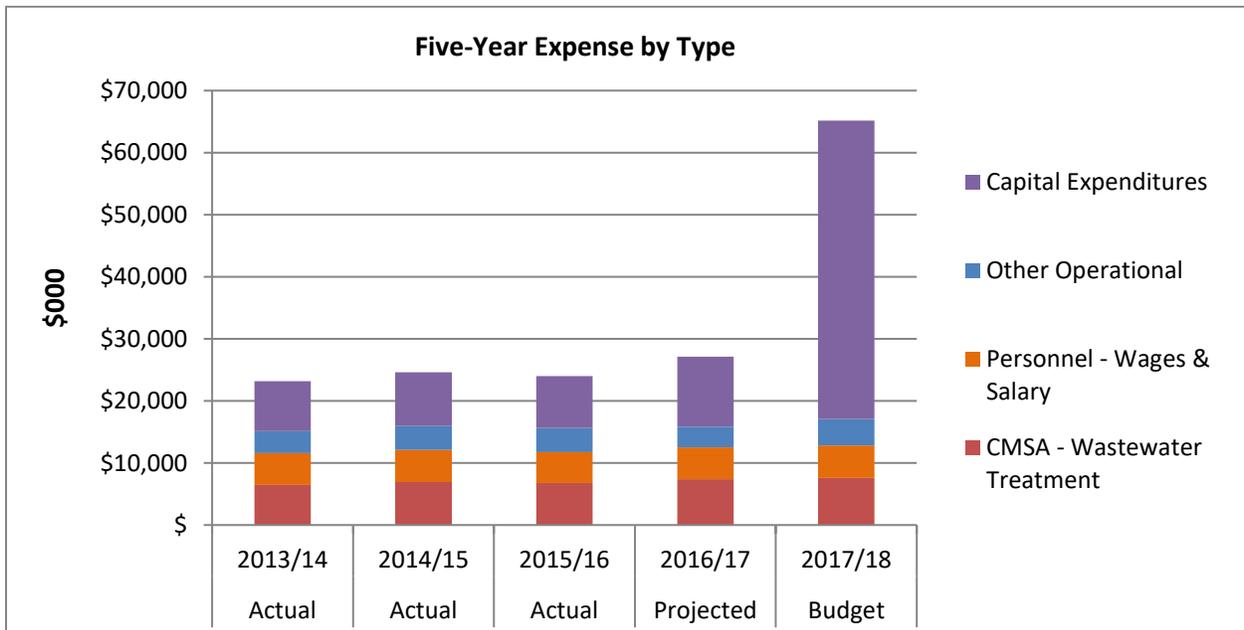
Capital expenditures include costs incurred to purchase or build any capital asset, or to rehabilitate and extend the useful life of the District's existing assets. Details of these expenditures can be found in *Schedule 9 - Capital Asset Summary* and *Schedule 10 - Capital Improvement Projects*.

The total capital expenditures for FY 2017/18 are approximately \$48.1M, which includes \$42.2M for capital projects, \$1.9M for various capital studies and programs, \$3.5M for debt service, and \$0.5M for vehicle and equipment replacement. This is represented by the Capital Budget and Debt Service portions of Chart 3 shown below.

**Chart 3 – FY 2017/18 Budgeted Expenditures by Type**



**Chart 4 – RVSD Five-Year Expenditure Trend by Type**



## ***Operations and Maintenance Budget***

### ***Operations and Maintenance Fund***

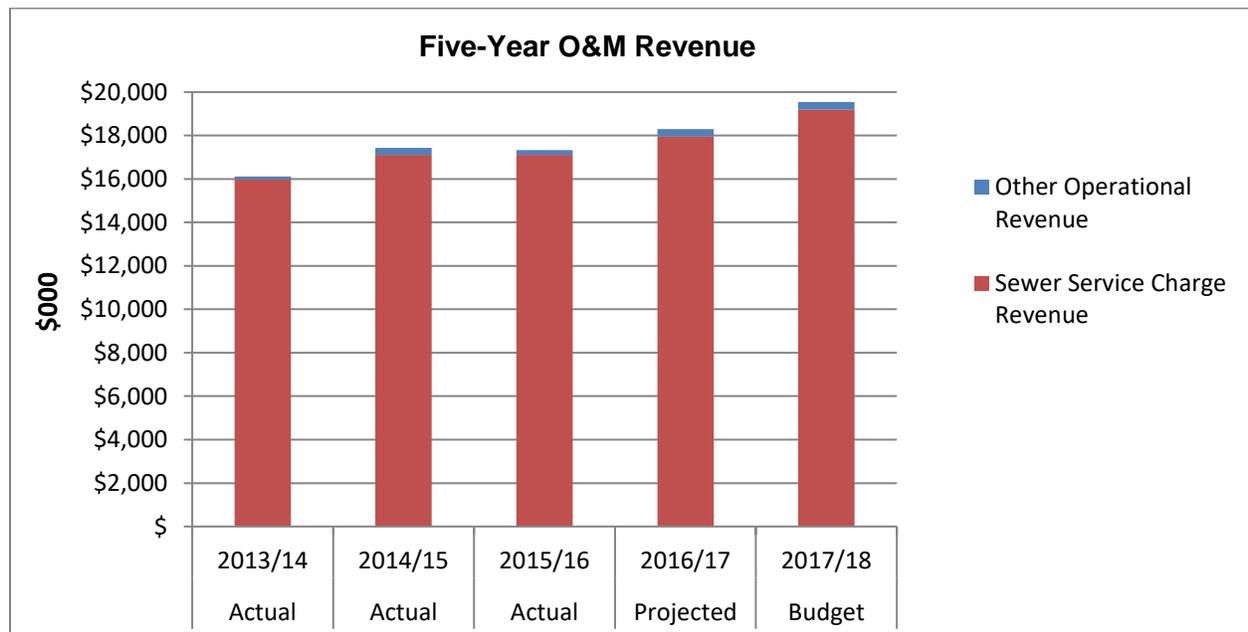
The operations and maintenance fund is used for all operational expenditures and is funded primarily by annual sewer service charges. The operations and maintenance fund balance target is intended to cover the cash flow imbalances that predictably occur between the months when the lump sum revenue payments are received from Marin County (April and December, tied to the tax rolls), while regular monthly O&M expenses continue to incur requiring payment. As set by the District’s Board-approved reserve policy, the target balance is calculated as budgeted operating expenses from July 1 to December 31.

### ***Operations and Maintenance Revenue***

Total operations and maintenance revenue is budgeted at \$19.5M. The sewer service charges are a primary and stable source of revenue and will increase approximately 5% or \$980K in FY 2017/18. Chart 5 shows the five-year trend in O&M revenue. Other operational revenue is the revenue received by the District for inspection services, interest earned on bank deposits, and other miscellaneous income. The other operational revenue budgeted for FY 2017/18 is \$357K is \$83K higher than the previous year due to increased inspection fees and interest earned.

The total rate revenue reflects a reduction of \$50K in support of the low income assistance program. In FY 2016/17 the District implemented a sewer service charge rebate program for qualified low income customers. During the pilot year of this program, there were 76 applications approved with \$17K in total rebates granted. The \$50K included in the FY 2016/17 Budget anticipates an increase in customer participation due to continued public outreach and customer awareness.

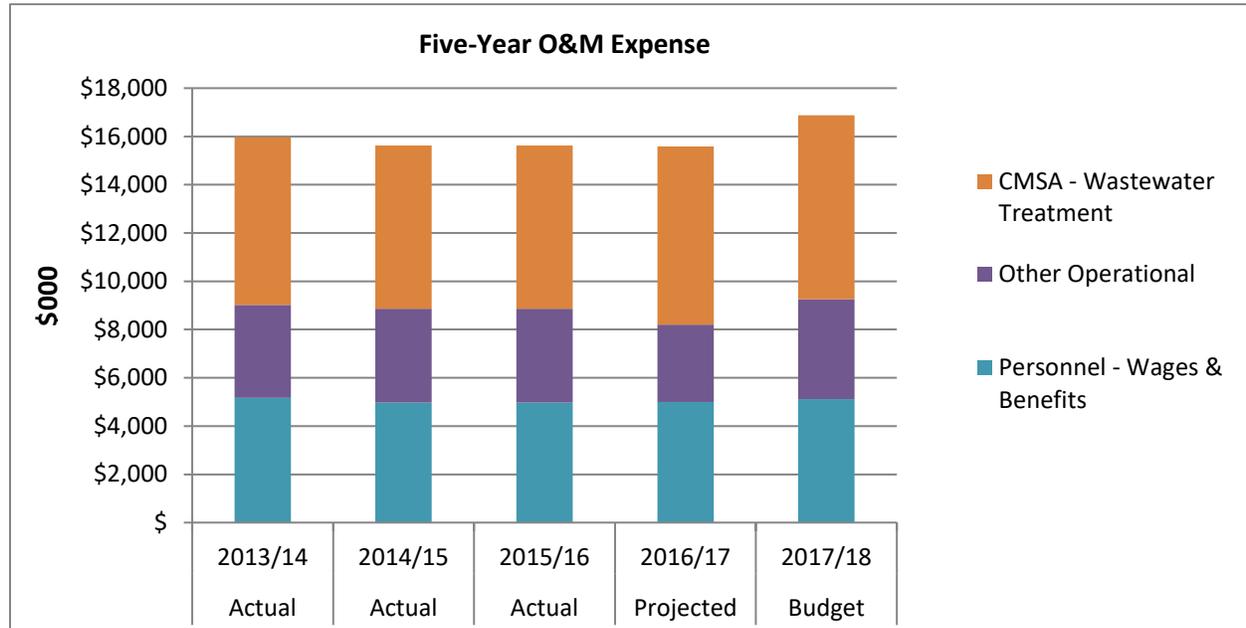
**Chart 5 – Five-Year O&M Revenue Trend by Source**



## 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 approximately \$15.8M annually.

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



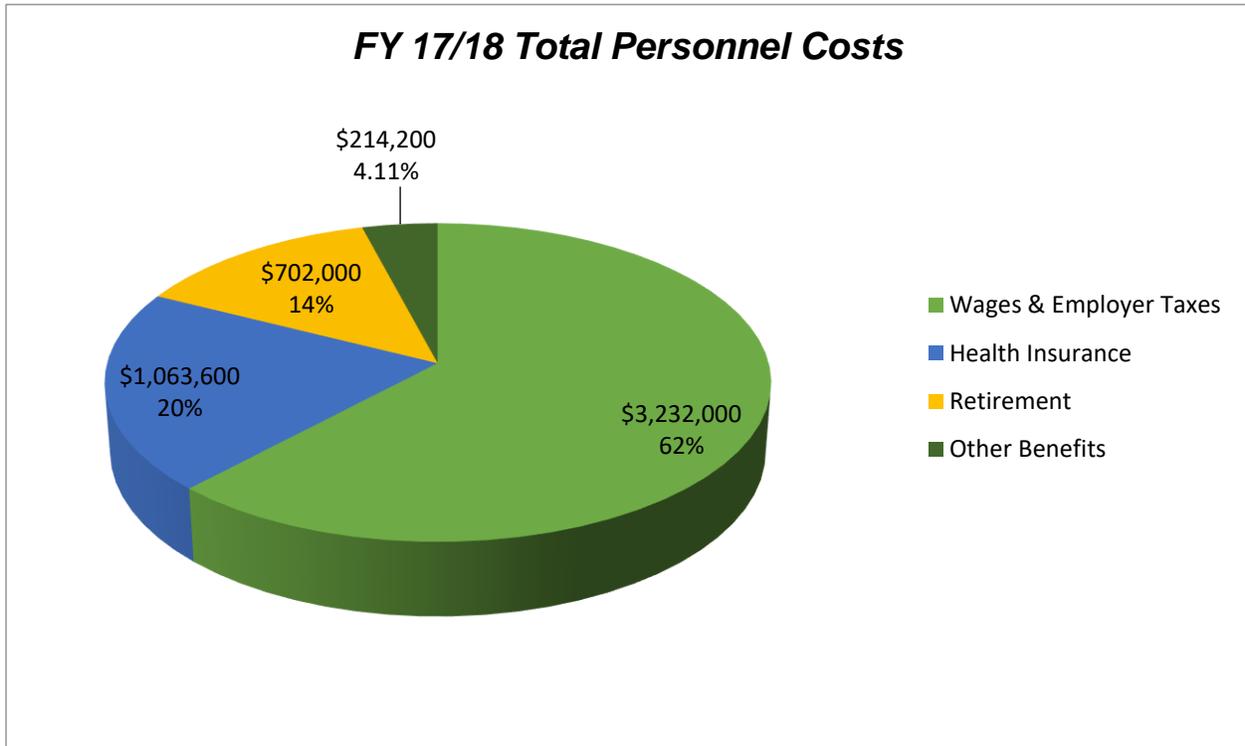
### *CMSA Wastewater Treatment*

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 member agency’s wastewater flow. The budgeted treatment charge allocation is 50.3% to RVSD or \$5.5M. The debt service charge component for RVSD is fixed at 43.05% of total CMSA debt service, in accordance with the October 2016 MOU between the JPA members. CMSA debt service cost for RVSD is estimated at \$2.1M for FY 2017/18.

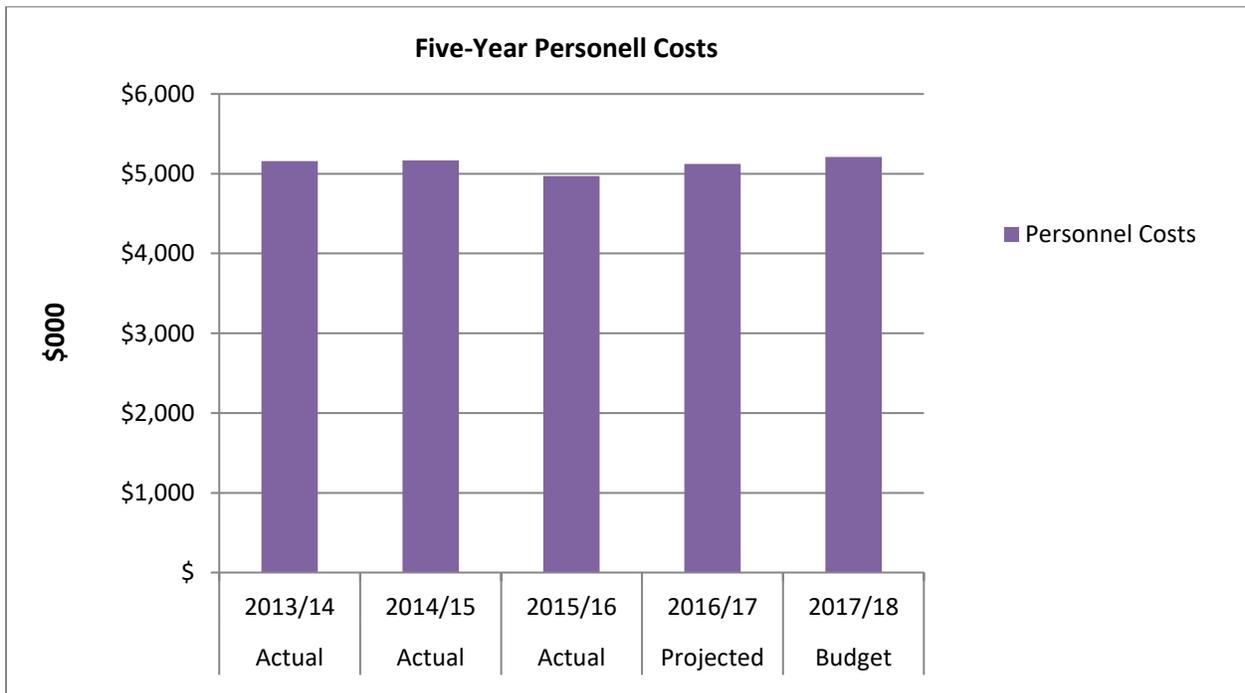
### *Personnel – Wages and Benefits*

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 other post-employment benefits. Chart 7 shows the breakdown of total personnel costs for the new fiscal year and Chart 8 shows the five-year trend in total personnel costs. The FY 2017/18 budget includes a decreased authorized position count, from 38 to 35 staff. Salaries were adjusted for a CPI factor of 3.8%. These increases affect the salaries, payroll taxes and retirement contributions. Insurance costs are estimated based on actual costs adjusted for inflation. Retirement benefit contributions were budgeted based on a percentage, as provided by CalPERS, of the employee’s base salary.

**Chart 7 – FY 2017/18 Total Budgeted Personnel Costs**



**Chart 8 – Five-Year Trend in Personnel Costs**



### *Other Operational Expenditures*

Other operational expenditures are made up of system maintenance, general and administration, facilities and utilities, outside services, and Board related expenditures. Total other operational expenditures for FY 2017/18 are budgeted at \$3.8M. The five-year trend indicates some variation in the amount spent in other operational expenditures and averages \$3.4M. The FY 2017/18 Budget is higher than the prior year budget of \$3.2M due to increased spending on outside services and increased spending on materials, equipment rentals, and pump station gas and electric charges.

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 are the types of expenditures that contribute to the general operations of the district, such as liability insurance and deductibles, office equipment, software and maintenance, and printing. Facilities and utilities are overhead costs incurred in the daily 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.

Outside services include contracted services to provide community outreach, legal services, human resource management services, competency based training, professional services, information technology (IT), and annual financial audits. The FY 2017/18 Budget for outside services is \$1.1M, a 72% increase over the FY 2016/17 Budget. Specific outside services include the following:

- **Community Outreach** - \$160K is budgeted for all aspects of the communications program, including the new RVSD website development and continued support from NV5 for regular communications activities.
- **Legal Services** - \$400K is budgeted in the new fiscal year and is anticipated to include the following activities and costs. General legal services are budgeted at \$180,000 for work related to Board meetings facilitation, regular business contracts, and miscellaneous work such as Ordinance updates. Construction contracts services are budgeted at \$10,000 for review and advising on major capital program contracts. Employment matters legal services are budgeted at \$30,000 for support of labor negotiations beginning in early 2018. Regulatory compliance legal services are budgeted at \$30,000 for the Larkspur Landing remediation work. Litigation legal services are budgeted at \$150,000 for two anticipated individual personnel litigation matters and one anticipated construction contract litigation matter.
- **Human Resource Management** - \$112K is budgeted for continued use of Regional Government Services (RGS) to provide outside HR support, a 50% reduction from the prior year.
- **Competency Based Training Program** - \$207K is budgeted for the second of two phases to implement competency based training and qualifications for all areas of RVSD operations. This item was previously budgeted partially under the capital program and partially under the safety program and is now included in outside services. The first phase of work is being completed, and focused on pump stations. The second phase will cover all aspects of gravity sewer lines, force mains, and related systems, equipment, and processes. Similar to phase one, standard operating procedures will be developed in parallel with the competency based training and qualifications program.
- **Professional Services** - \$147K is budgeted for consulting services which includes safety program support, financial services, and labor negotiations.

## *Capital Budget*

### *Introduction*

The FY 2017/18 Capital Budget reflects the influence of two significant factors. First, the expenditure levels are influenced by a convergence of construction costs which were originally expected to occur last fiscal year. These projects did not move through design and into construction at the pace originally anticipated in past budget reports. The result is a fairly concentrated amount of construction activity and related costs, now that the capital program delivery capacity has reached its intended level. This trend of delayed costs was anticipated and discussed in the FY 2016/17 Budget. Second, construction cost trends have continued upward, resulting in higher actual construction bid results and higher unit costs for forecasting of future work. The net impact for FY 2017/18 is a notable increase in the expenditures, but with a much higher degree of certainty relative to past fiscal years, due to the projects now in construction.

The total capital program expenditures of \$48.1M include the following major categories: \$28M in construction, \$5.4M in design and technical support, \$7M for remediation of the District parcel at 2000 Larkspur Landing Circle (LLC), \$1.1M in capitalized labor, \$0.5M for fleet and equipment, \$0.7M for LLC and Kerner property improvements, \$1.9M for the lateral replacement program financial assistance and other studies, and \$3.5M for long term debt service.

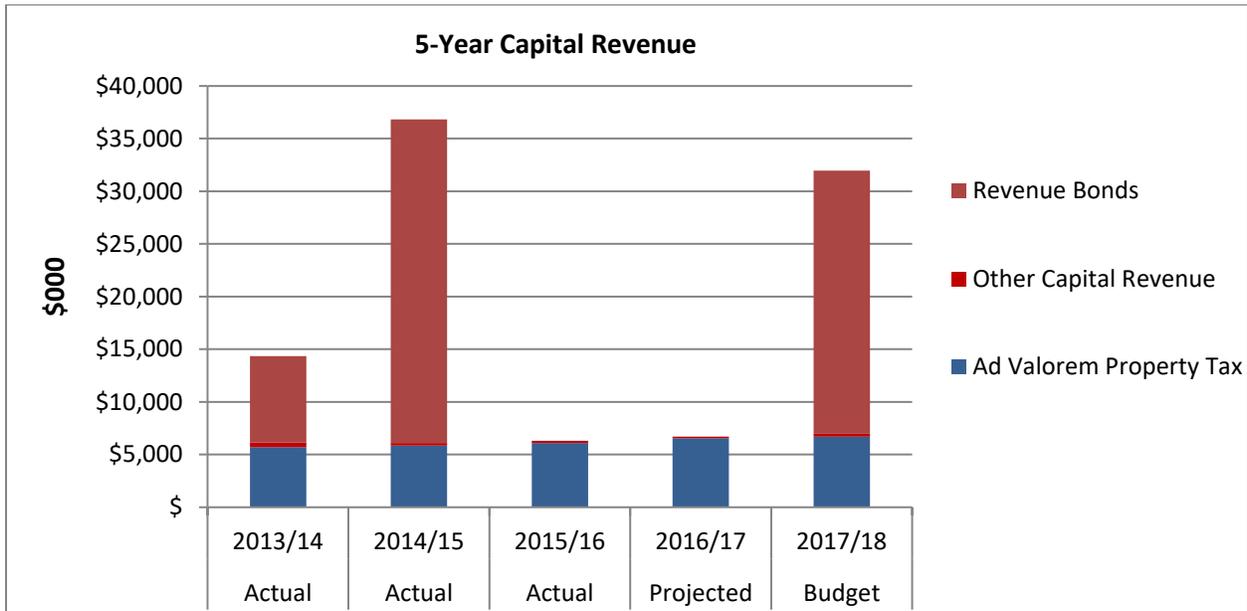
Funding sources for the FY 2017/18 Capital Budget include \$11M in remaining funds from the FY 2014/15 bond sale, a new bond issuance of \$25M, \$6.7M from ad valorem tax revenue, and \$2.9M from rate revenue net of O&M expenses.

### *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 can utilize long term debt in the form of bonds and/or government loan programs such as the Clean Water State Revolving Fund (SRF). Chart 10 shows the five-year trend for revenues to fund capital improvements. The following revenue sources will support the FY 2017/18 capital budget:

- **Ad Valorem Tax** - This revenue source has steadily increased at an average rate of 6% per year over a four year period, and is budgeted at \$6.7M. The recent increases reflect trends in property values and turnover in real estate sales. Due to the unpredictable nature of this revenue stream, a more modest 2.5% increase over forecasted revenue for FY 2016/17 was projected.
- **Connection Fees** - New development or major remodels of existing structures represent less than 4% of recurring capital revenue sources and are based on limited growth expectations in the communities served by the District.
- **Debt Financing** - In 2013 and 2014, the District issued revenue bonds of \$17.8M and \$30.7M respectively. Proceeds from 2013 bond was used to retire debt and to fund capital projects beginning in FY 2013/14, and are fully expended. The 2014 Bond issuance was the first of two anticipated under the 2014 Rate Study and five-year financial plan. Proceeds have been used to fund the capital program over the past two years, and the remaining proceeds will be expended by October 2017. As anticipated in the five-year financial plan, a second bond issuance of \$25M will be used in FY 2017/18 to fund the next two fiscal years' capital program.

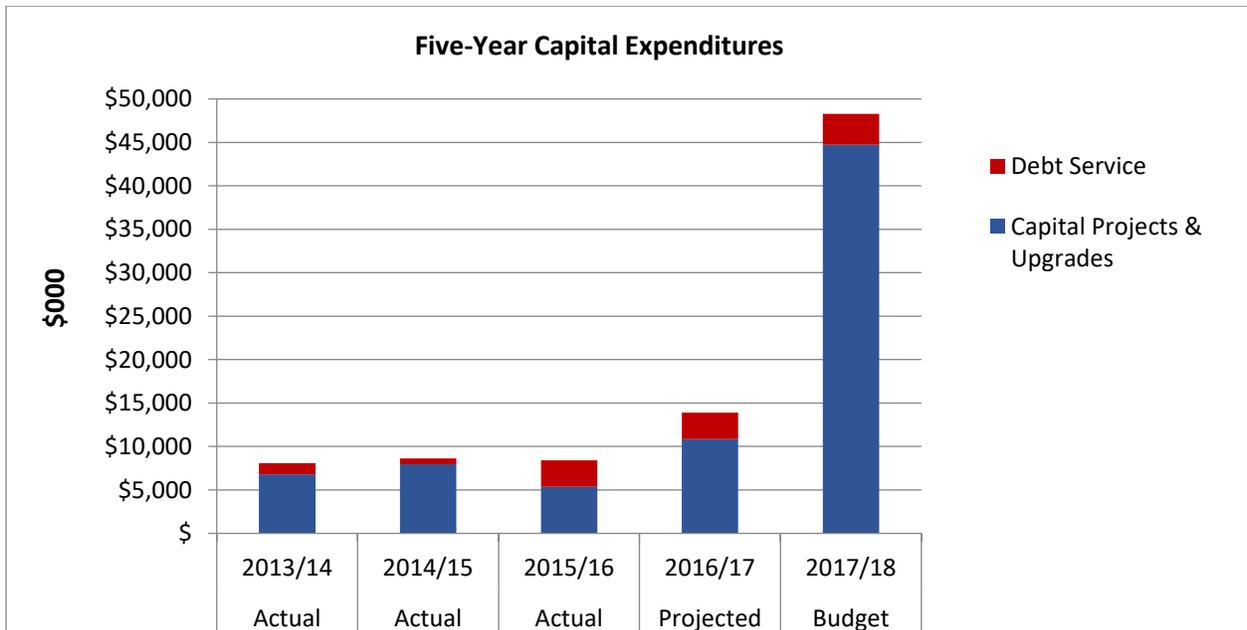
**Chart 10 – Five-Year Capital Revenues Trend by Source**



**Capital Expenditures**

The five-year trend in the District’s capital spending has shown variability, as shown in Chart 11. Under the current five-year capital plan and the related five-year financial forecast and rate schedule, the District has achieved a more stable, consistent level of capital expenditures. In the FY 2017/18 Budget, approximately 93% of the budgeted \$48.3M in capital spending will be for direct project execution, and 7% will be for long term debt financing. See Table 3 below for the detail of planned capital expenditures in FY 2017/18.

**Chart 11 – Five-Year Capital Expenditure Trend by Type**



For budgeting purposes, the District groups its planned capital expenditures into three main categories: capital improvement projects, fixed assets, and other capital. Table 3 summarizes expenses under each of these three categories for FY 2017/18.

Capital improvement projects refer to spending associated with activities that construct, repair, or rehabilitate the District’s infrastructure. These make up about 95% of total capital expenditures, and are for the major gravity sewer projects, pump station rehabilitation, and other projects as listed in Schedule 10.

Fixed assets are items such as vehicles, equipment, and land & buildings purchased and used in support of the construction, operation, and maintenance of the District infrastructure. Fixed assets make up 1% of total capital expenditures.

Other capital includes a broad spectrum of activities that provide support of the CIP, such as the lateral replacement grant and loan programs, updates to the infrastructure asset management plan (IAMP) and hydraulic model, and the inflow and infiltration reduction program. Also captured in other capital is \$108K for new licenses for the District’s computerized maintenance management system (CMMS) and information system upgrades, including a network server upgrade. Other capital makes up about 4% of total capital expenditures.

Financial assistance levels for lateral replacement are established as part of each new fiscal year’s budget. For FY 2017/18, total grant funding is proposed to be \$800K and would be allocated into three specified categories of criteria for use as follows:

- \$400K will be allocated to provide individual grants of \$4,000 for designated critical inflow and infiltration (I&I) basins as determined by prior RVSD flow studies
- \$100K will be allocated to provide individual grants of \$2,500 for properties along streets with Paving Condition Index (PCI) values of 30 or lower or which are planned for future paving by local agencies within the next 12 to 18 months
- For all other lateral replacements, the allocation will be \$300K for individual grants of \$1,500. This uniform grant amount is the same as the prior year.

Funding for lateral replacement loans is \$400K which is the same as the prior fiscal year. The maximum loan amount will be increased from \$10,000 to \$15,000 for properties which face higher paving costs due to post-moratorium paving restoration costs or require removal of illegal storm drain connections.

**Table 3 – FY 2017/18 Capital Expenditures Summary**

Description	Asset Type	FY 2017/18 Budget
1 Gravity Sewer Improvement Projects	Capital Improvement Projects - Sewer Lines	25,910,000
2 Pump Station Projects	Capital Improvement Projects - Sewer Lines	8,551,000
4 Other Capital Projects	Capital Improvement Projects - Other	7,725,000
5	<b>Total Capital Improvement Projects</b>	<b>42,186,000</b>
6 Lateral Replacement Grant Program	Other Capital	800,000
7 Lateral Replacement Loan Program	Other Capital	300,000
8 Infrastructure Asset Management Plan (IAMP) & Hydraulic Model	Other Capital	500,000
9 Inflow and Infiltration Reduction Program	Other Capital	160,000
10 Studies/Reviews/Software/Miscellaneous	Other Capital	108,000
11	<b>Total Other Capital</b>	<b>1,868,000</b>
12 Vehicles	Fixed Assets - Vehicles & Equipment	436,000
13 Other Field Equipment	Fixed Assets - Vehicles & Equipment	100,000
14	<b>Total Fixed Assets - Other</b>	<b>536,000</b>
15	<b>Total Budgeted Capital Assets</b>	<b>44,590,000</b>

## Five-Year Financial Forecast

### Overview

As part of the District’s budget process, a rolling five-year financial forecast is developed each fiscal year. Influential financial variables such as service rates, capital program costs, O&M costs, CMSA annual charges, and debt service schedules are updated and incorporated into the forecast. Other factors that may be reasonably estimated, such as inflation factors and wage and benefit adjustments, are also incorporated. A summary of the five-year financial forecast is shown in Table 4, with detailed information presented in Schedule 11. See the following sections of this report for a discussion of key assumptions and sources of uncertainty in the forecast, and of capital debt financing options. A notable milestone in the forecast is FY 2018/19, which is the last year of the original five-year financial plan adopted in 2014/15. That plan integrated the 2013 Infrastructure Asset Management Plan (IAMP) capital program costs with a five-year rates schedule running through FY 2018/19. Beyond FY 2018/19, the level of certainty decreases for key variables such as capital program costs and rate revenue, as discussed in the next section.

The updated five-year financial forecast supports the following summary observations and conclusions. In FY 2017/18, rate revenue is sufficient to cover O&M expenses, with approximately \$2.8M left for capital program uses. Combined with \$6.8M in ad valorem tax revenue, RVSD will have approximately \$9M in revenue to support capital expenditure including debt service. Capital funding requirements will continue to exceed available revenues, but the deficit will decrease as expenditures decrease and level off beginning in FY 2020/21. Use of long term debt will be required for the capital program, with a \$25M bond issuance in FY 2017/18. Recognizing the limitations in forecasting influential cost and revenue factors, the forecast results indicate RVSD can maintain sound financial health through FY 2022/23, with timely and reasonable adjustments to revenue and expenses each new fiscal year.

**Table 4 – Five-Year Financial Forecast Summary**

Type	FY 2017/18 Budget	FY 2018/19 Forecast	FY 2019/20 Forecast	FY 2020/21 Forecast	FY 2021/22 Forecast	FY 2022/23 Forecast
1 Sewer Service Charges	19,190,000	20,434,000	21,047,000	21,678,000	22,328,000	22,998,000
2 Property Tax - Ad Valorem	6,706,000	6,873,000	7,045,000	7,221,000	7,402,000	7,587,000
3 Proceeds from Financing Activities	25,000,000	-	15,000,000	3,000,000	3,000,000	3,000,000
4 Other Revenue	624,000	636,000	648,000	659,000	672,000	685,000
5 <b>Expected Revenues</b>	<b>51,520,000</b>	<b>27,943,000</b>	<b>43,740,000</b>	<b>32,558,000</b>	<b>33,402,000</b>	<b>34,270,000</b>
6 CMSA Charges	7,610,700	7,617,000	7,769,000	7,923,000	8,092,000	8,261,000
7 Operations & Maintenance	9,063,300	9,328,000	9,649,000	9,984,000	10,330,000	10,689,000
8 Debt Service	3,530,000	4,510,000	5,029,000	5,535,000	5,958,000	6,160,000
9 Capital Budget	44,590,000	18,247,000	18,591,000	11,700,000	11,700,000	11,900,000
10 <b>Total Expenditures</b>	<b>64,794,000</b>	<b>39,702,000</b>	<b>41,038,000</b>	<b>35,142,000</b>	<b>36,080,000</b>	<b>37,010,000</b>
11 <b>Net Revenue Less Expenditures</b>	<b>(13,274,000)</b>	<b>(11,759,000)</b>	<b>2,702,000</b>	<b>(2,584,000)</b>	<b>(2,678,000)</b>	<b>(2,740,000)</b>
12 <b>Debt Service Ratio (Net Operating Revenues/Debt Service)</b>	<b>2.8</b>	<b>2.4</b>	<b>2.3</b>	<b>2.1</b>	<b>2.0</b>	<b>2.0</b>
13 Operations & Maintenance Fund Balance	8,337,000	8,472,500	8,709,000	8,953,500	9,211,000	9,475,000
14 Capital Improvement Fund Balance	11,926,900	212,400	2,657,900	12,589,400	9,633,900	6,609,900
15 Emergency Reserve Balance	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
16 Other Post Employment Benefit Reserve Balance	640,000	460,000	480,000	500,000	520,000	540,000
17 <b>Total Ending Reserve/Fund (Cash) Balance</b>	<b>22,903,900</b>	<b>11,144,900</b>	<b>13,846,900</b>	<b>24,042,900</b>	<b>21,364,900</b>	<b>18,624,900</b>

## *Key Assumptions and Sources of Uncertainty in the Five Year Forecast*

The five-year forecast relies on a mix of projections for key financial variables. It is important to recognize the relative level of certainty influencing the projections when making conclusions or decisions based on the forecast. The following is a summary of key factors influencing the forecast, and how these could vary from the projection.

**Asset Management Program Focus** – RVSD is nearing completion of the capital program work identified in the 2013 Infrastructure Asset Management Plan (IAMP). The 2013 IAMP was developed in close coordination with the Regional Water Quality Control Board (RWQCB) in support of the 2013 Cease and Desist Order. Most of the related capital projects will be completed by 2018/19. This initial five year IAMP focused on restoring structural integrity to the gravity sewer lines, addressing critical pump station and force main improvements, accelerating the pace of lateral replacements, and lowering overall sanitary sewer overflow (SSO) risk. The focus of the next five years of the RVSD asset management program is expected to be on a programmatic approach to inflow and infiltration (I&I) reduction, special conditions such as landslide and creek crossing zones, sustaining the current asset condition levels, and continued SSO risk reduction. The transition from the 2013 through 2018 “catch up” phase to a sustainable asset management program is expected to occur from 2018/19 through 2020/21. During FY 2017/18, RVSD will be completing a new five-year IAMP to develop a detailed schedule of updated asset management activities and costs. The 2018 IAMP will support the next five-year financial forecasts and rate study beginning in late FY 2017/18. An assumed capital expenditure rate, excluding debt service, of \$10M is used for FY 2020/21 and beyond.

**RWQCB Requirements** – Although the bulk of the 2013 Cease and Desist Order work will be complete by 2018/19, the RWQCB’s support will be needed to make the transition from the “catch-up” phase to a sustaining asset management phase. For example, the current prescriptive requirement for a rolling average four miles per year of pipe replacement/rehabilitation should be reconsidered, as supported by the rapidly decreasing value in measurable risk reduction beyond the FY 2018/19 gravity sewer rehabilitation projects. There is a compelling case to be made by RVSD, based on the results of the asset management program’s first five years, to shift away from such prescriptive targets and towards performance and condition metrics based targets. As a result, the perspective of the RWQCB will have a significant impact on the capital program costs over the next five years.

**CMSA Capital Program Costs** – CMSA recoups 100% of its operating and capital costs through charges to its member agencies and its contract services revenue. CMSA is currently updating its ten-year capital program to address existing asset replacements based on the facility’s 40-year service life and changes to regulatory requirements such as wet weather flows and nutrient loading reduction. The results of the update will not be available for year or more, but are expected to result in significant increases in capital funding needs compared to the current ten-year forecast. RVSD will work closely with CMSA to evaluate the financial impacts of their updated ten-year capital program cost.

**Wastewater Utility Service Rates** – The District last updated its rates in 2014, adopting a five year schedule of rates. This rate schedule had relatively steep increases, reflective of the lack of infrastructure investment and timely rate adjustments in the past. Beyond FY 2018/19, the forecast reflects modest rate adjustments of 3% per year as an assurance toward financial sustainability.

**Larkspur Landing Property Sale** – The RVSD parcel at 2000 Larkspur Landing Circle had an appraised value of \$12.8M, as reflected in the November 2010 report. The five-year forecast assumes a sale or other transaction equal to this appraised value. This projected one-time revenue impacts the forecast and resulting cash balances and reserve targets.

**Capital Borrowing Costs** – In the later years of the forecast, debt service costs represent approximately 30% of total capital costs. Therefore the cost of capital borrowing is a significant variable. The forecast reflects a \$25M bond issuance in FY 2017/18, but reflects increasing use of lower cost (lower interest rate) SRF loans. The SRF interest rates are expected to remain about one-half of market rates. RVSD’s success in applying for and securing SRF financing will have a significant impact on the actual versus forecast cost of capital, and justifies a dedicated effort to maximize use of SRF financing.

### *Evaluation of Capital Debt Financing Options*

The District’s current financial planning is founded in the 2014 Rate Study and related five-year financial forecast. These two efforts integrated the capital plan elements of the 2013 Infrastructure Asset Management Plan (IAMP) into a comprehensive financial plan that relies on a combination of increasing rate revenue and long term debt financing. The 2013 IAMP anticipated a total of approximately \$67M in long term debt financing to pay for the related five years of the capital program, from FY 2013/14 through FY 2018/19. Four years into the plan, the capital financing activities are aligning relatively well with the forecast. The District issued a \$30M bond in 2014, and is now positioned for a second bond issuance of \$25M. The timing of this second bond issuance is about one year later than forecasted, due to delays in the capital program’s project delivery pace. RVSD maintains a favorable A+ rating from S&P and Fitch, and a favorable debt service ratio of 2.8, making the District a competitive borrower.

The evaluation of options for this next increment of long term capital debt financing considered both the near term goal of the \$25M to complete the current five-year capital plan (FY 2013/14 through FY 2018/19) and the longer term financial forecasts for future financing needs (FY 2019/20 forward). The following finance options were evaluated in terms of process lead time, available funding levels, total costs for issuance, and administration costs.

#### *Public Finance Bond Issue*

The advantages of a public finance bond issue are short lead time with funding available within 60 to 120 days, access to tax-exempt interest rates, use of the proceeds for multiple and varied projects, and the flexibility of the debt repayment schedule. The disadvantages are the initial high cost of issuance, a coordinated issuance process involving outside consultant resources, limitations on refunding before ten years, and ongoing higher administration costs.

#### *Clean Water State Revolving Fund (SRF) Loan*

The advantages of the Clean Water State Revolving Fund (CWSRF) loan program are below market interest rates, no initial or ongoing issuance or other costs, no prepayment penalties, and a fixed annual payment starting 12 months after end of construction. The disadvantages are an application process with a lengthy review and approval timeline in which funding is limited to specific projects. Applications are placed on a competitive list with other statewide projects for unguaranteed and/or limited funding resulting in funding agreements at 18 to 24 months from the start of the process. SRF loans require ongoing higher administrative oversight and costs.

#### *Recommended Near Term Debt Financing Action*

The key consideration for debt financing over the next two years is the availability of funding to meet cash flow needs, while keeping capital projects on schedule at the lowest cost to the District. The FY 2017/18 Budget proposes a standard public offering bond sale of \$25M for near term needs. The longer term financing strategy should include incremental rate revenue adjustment, prioritizing lower cost SRF financing over market rate bonds, and refining the asset management program to optimize its value within the constraints of recurring revenues from rates and ad valorem taxes (pay-as-you-go).

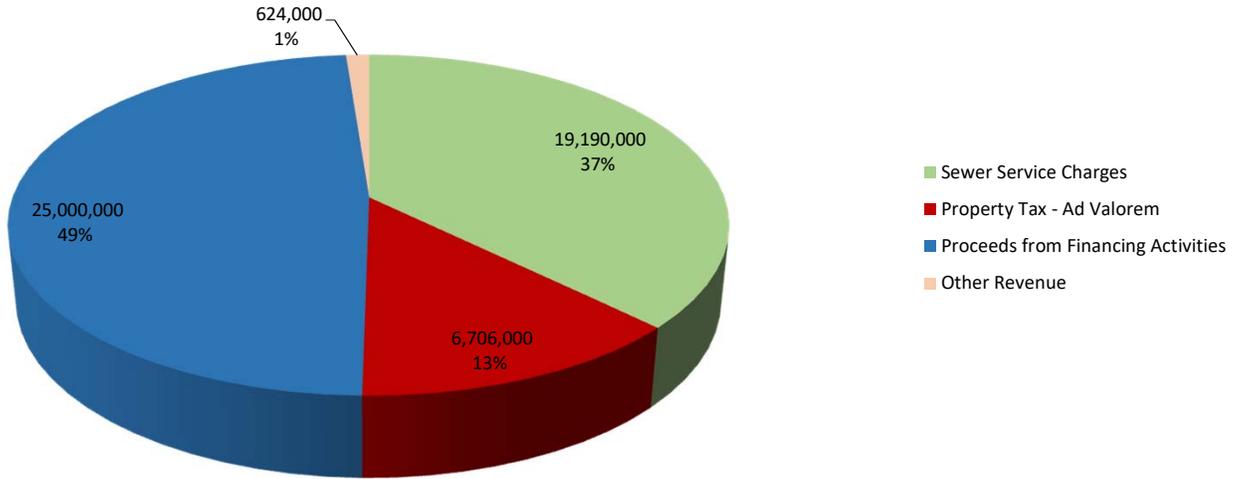
# Appendix

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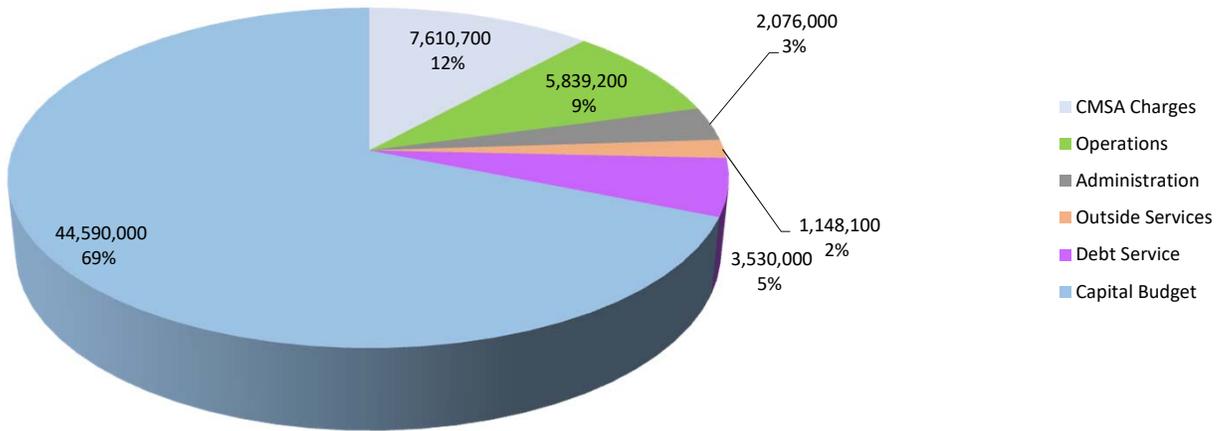
**Sanitary District No. 1 of Marin County  
dba Ross Valley Sanitary District  
Schedule 1 - FY 2017/18 Budget Summary**

	Type	FY 2016/17 Budget	FY 2016/17 Projected	FY 2017/18 Budget
1	Sewer Service Charges	18,207,719	17,958,000	19,190,000
2	Property Tax - Ad Valorem	6,014,865	6,542,000	6,706,000
3	Proceeds from Financing Activities	8,266,000	-	25,000,000
4	Other Revenue	504,645	519,000	624,000
5	<b>Expected Revenues</b>	<b>32,993,229</b>	<b>25,019,000</b>	<b>51,520,000</b>
6	CMSA Charges	7,170,668	7,382,000	7,610,700
7	Operations	6,042,520	5,482,800	5,839,200
8	Administration	1,731,100	1,878,300	2,076,000
9	Outside Services	666,195	747,700	1,148,100
10	Debt Service	3,028,382	3,028,400	3,530,000
11	Capital Budget	31,891,490	8,238,000	44,590,000
12	<b>Total Expenditures</b>	<b>50,530,355</b>	<b>26,757,200</b>	<b>64,794,000</b>
13	<b>Net Revenue Less Expenditures</b>	<b>(17,537,126)</b>	<b>(1,738,201)</b>	<b>(13,274,000)</b>
14	Operations & Maintenance Reserve Balance	8,414,363	8,204,199	8,337,000
15	Capital Improvement Fund Balance	11,652,604	14,583,100	12,026,900
16	Financing - Fully Restricted for Capital Projects	-	11,050,600	-
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	270,000	340,000	540,000
20	<b>Total Ending Reserve/Fund (Cash) Balance</b>	<b>22,336,967</b>	<b>36,177,900</b>	<b>22,903,900</b>

**FY 17/18 Budgeted Revenue by Source**



**FY 17/18 Budgeted Expenditures by Type**



**Sanitary District No. 1 of Marin County  
dba Ross Valley Sanitary District  
Schedule 2 - FY 2017/18 Funding Sources**

<b>Funding</b>	<b>FY 2016/17 Budget</b>	<b>FY 2016/17 Projected</b>	<b>FY 2017/18 Budget</b>	<b>% Change FY 17/18 vs FY 16/17 Budget</b>
<b>Basis for Rate Revenue:</b>				
<i>Equivalent Dwelling Units (EDU's)</i>				
1 Sanitary District #1 - Single Family	11,106	11,100	11,100	0%
2 Sanitary District #1 - Multi Family	5,321	5,300	5,300	0%
3 Sanitary District #1 - Commercial	3,273	2,900	2,900	-11%
4 City of Larkspur - Single Family	1,470	1,500	1,500	2%
5 City of Larkspur - Multi Family	1,130	1,100	1,100	-3%
6 City of Larkspur - Commercial	419	400	400	-5%
7 Total # of EDU's	22,719	22,300	22,300	-2%
<i>Rate Per EDU</i>				
8 Rate per EDU - Single Family	797	797	856	7%
9 Rate per EDU - Multi Family	714	714	766	7%
10 Rate per EDU - Commercial	797	797	856	7%
11 Rate per EDU - Larkspur Single Family	1,067	1,067	1,125	5%
12 Rate per EDU - Larkspur Multi Family	955	955	1,007	5%
13 Rate per EDU - Larkspur Commercial	1,067	1,067	1,125	5%
<b>Revenue by Source</b>				
<b>Sewer Service Revenue - Operations</b>				
14 Sanitary District #1 - Single Family	8,851,481	8,846,700	9,501,600	7%
15 Sanitary District #1 - Multi Family	3,799,194	3,784,200	4,059,800	7%
16 Sanitary District #1 - Commercial	2,608,661	2,311,300	2,482,400	-5%
17 City of Larkspur - Single Family	1,568,490	1,600,500	1,687,500	8%
18 City of Larkspur - Multi Family	1,079,150	1,050,500	1,107,700	3%
19 City of Larkspur - Commercial	447,393	426,800	450,000	1%
20 Low Income Assistance Program	(100,000)	(15,000)	(50,000)	-50%
21 Collection Fees	(46,650)	(47,000)	(49,000)	5%
22 Total Sewer Service Charges	18,207,719	17,958,000	19,190,000	5%
<b>Other Revenue Sources - Operations</b>				
23 Inspections	201,084	190,000	193,850	-4%
24 Interest	37,920	90,000	92,950	145%
25 Miscellaneous	27,472	40,000	45,000	64%
26 Dividends	6,965	25,000	25,000	259%
27 Total Other Revenue - Operations	273,441	345,000	356,800	30%
28 <b>Total Revenue - Operations</b>	18,481,160	18,303,000	19,546,800	6%
<b>Property Taxes - Capital</b>				
29 Property Taxes Collected - Ad Valorem	6,087,920	6,621,500	6,787,000	11%
30 Collection Fees - Taxes	(73,055)	(79,500)	(81,000)	11%
31 Total Property Taxes	6,014,865	6,542,000	6,706,000	11%
<b>Other Revenue Sources - Capital</b>				
32 Proceeds from Financing Activities	8,266,000	-	25,000,000	202%
33 Connections	230,004	172,800	266,000	16%
34 Public Sewer Extensions	1,200	1,200	1,200	0%
35 Total Other Revenue - Capital	8,497,204	174,000	25,267,200	197%
36 Total Revenue - Capital	14,512,069	6,716,000	31,973,200	120%
37 <b>Total all Revenue Sources</b>	<b>32,993,229</b>	<b>25,019,000</b>	<b>51,520,000</b>	<b>56%</b>

**Sanitary District No. 1 of Marin County  
dba Ross Valley Sanitary District  
Schedule 3 - FY 2017/18 Funding Requirements**

Description	FY 2016/17 Budget	FY 2016/17 Projected	FY 2017/18 Budget	% Change FY 17/18 vs FY 16/17 Budget
<b>General Operations</b>				
<b>Funding Sources</b>				
1 Sewer Service Charges	18,207,719	17,958,000	19,190,000	5%
2 Other Operational Revenues	248,441	307,000	313,000	26%
3 <b>Total Funding Sources</b>	<b>18,456,160</b>	<b>18,265,000</b>	<b>19,503,000</b>	<b>6%</b>
<b>Operational &amp; CMSA Expenditures</b>				
4 <i>Payments: Central Marin Sanitation Agency (CMSA)</i>				
5 Sewage Treatment Charges to CMSA	5,018,268	5,229,600	5,478,800	9%
6 Debt Service to CMSA	2,152,400	2,152,400	2,131,900	-1%
7 <b>Total CMSA Expenditures</b>	<b>7,170,668</b>	<b>7,382,000</b>	<b>7,610,700</b>	<b>6%</b>
8 Operational Expenditures	8,439,815	8,108,800	9,063,300	7%
9 <b>Total Operational &amp; CMSA Expenditures</b>	<b>15,610,483</b>	<b>15,490,800</b>	<b>16,674,000</b>	<b>7%</b>
10 Operations Funding Surplus/(Deficit)	<b>2,845,677</b>	<b>2,774,200</b>	<b>2,829,000</b>	<b>-1%</b>
<b>Debt Service and Capital Improvement Program</b>				
<b>Funding Sources</b>				
11 Property Taxes Collected - Ad Valorem	6,014,865	6,542,000	6,706,000	11%
12 Proceeds from Financing Activities	8,266,000	-	25,000,000	202%
13 Lateral Replacement Loan Program	25,000	38,000	43,800	75%
14 Connections	230,004	172,800	266,000	16%
15 Public Sewer Extensions	1,200	1,200	1,200	0%
16 <b>Total Funding Sources</b>	<b>14,537,069</b>	<b>6,754,000</b>	<b>32,017,000</b>	<b>120%</b>
<b>Funding Requirements</b>				
17 Debt Service Payments (Principal & Interest)	3,028,382	3,028,400	3,530,000	17%
18 Capital Improvement Projects	27,436,000	6,508,000	42,186,000	54%
19 Other Capital Spending	3,884,600	1,430,000	1,868,000	-52%
20 Fixed Assets	570,890	300,000	536,000	-6%
21 <b>Total Funding Requirements</b>	<b>34,919,872</b>	<b>11,266,400</b>	<b>48,120,000</b>	<b>38%</b>
22 Capital Funding Surplus/(Deficit)	<b>(20,382,803)</b>	<b>(4,512,400)</b>	<b>(16,103,000)</b>	<b>-21%</b>
23 <b>Net Operations and Capital Surplus/(Deficit)</b>	<b>(17,537,126)</b>	<b>(1,738,200)</b>	<b>(13,274,000)</b>	<b>-24%</b>

**Sanitary District No. 1 of Marin County**

dba Ross Valley Sanitary District

**Schedule 4 - Monthly Cash Requirements**

	July-17 Budget	Aug-17 Budget	Sept-17 Budget	Oct-17 Budget	Nov-17 Budget	Dec-17 Budget	Jan-18 Budget	Feb-18 Budget	Mar-18 Budget	April-18 Budget	May-18 Budget	Jun-18 Budget	FY 2017/2018 Budget
<b>Operating</b>													
<b>Revenue</b>													
1 Sewer Service Charges	-	-	-	527,750	-	10,248,500	-	-	-	7,852,890	-	560,860	19,190,000
2 Other Income	16,605	16,605	16,605	27,605	16,605	40,255	26,705	16,605	16,605	69,370	16,605	76,630	356,800
3 Gross Revenue	<b>16,605</b>	<b>16,605</b>	<b>16,605</b>	<b>555,355</b>	<b>16,605</b>	<b>10,288,755</b>	<b>26,705</b>	<b>16,605</b>	<b>16,605</b>	<b>7,922,260</b>	<b>16,605</b>	<b>637,490</b>	<b>19,546,800</b>
<b>Expenditures</b>													
<b>CMSA Expenditures</b>													
4 Treatment Charges - CMSA	1,369,700	-	-	1,369,700	-	-	1,369,700	-	-	1,369,700	-	-	5,478,800
5 Debt Service - CMSA	1,680,400	-	-	-	-	-	451,500	-	-	-	-	-	2,131,900
6 Total CMSA Expenditures	<b>3,050,100</b>	<b>-</b>	<b>-</b>	<b>1,369,700</b>	<b>-</b>	<b>-</b>	<b>1,821,200</b>	<b>-</b>	<b>-</b>	<b>1,369,700</b>	<b>-</b>	<b>-</b>	<b>7,610,700</b>
<b>Maintenance/Repair/Inspection Expenditures</b>													
7 Salaries & Benefits - Operations	316,200	345,300	315,500	330,400	328,900	315,000	344,300	298,100	329,400	314,500	344,300	314,500	3,896,400
8 Other Operational Expenditures	155,784	188,304	168,244	146,614	150,059	175,129	208,699	178,819	155,959	134,959	134,969	145,261	1,942,800
9 Total General Operating Expenditures	<b>471,984</b>	<b>533,604</b>	<b>483,744</b>	<b>477,014</b>	<b>478,959</b>	<b>490,129</b>	<b>552,999</b>	<b>476,919</b>	<b>485,359</b>	<b>449,459</b>	<b>479,269</b>	<b>459,761</b>	<b>5,839,200</b>
<b>Administrative Expenditures</b>													
10 Salaries & Benefits - Administration	102,350	110,250	102,350	106,350	105,850	101,850	109,750	97,550	105,850	101,850	109,750	161,650	1,315,400
11 Office Supplies & Equipment	11,925	11,425	12,145	4,425	6,425	4,645	4,445	4,425	6,645	4,425	4,425	6,645	80,000
12 General Administrative Expenditures	22,680	16,680	13,095	7,085	10,850	23,805	27,505	6,245	7,920	27,770	6,745	6,320	176,700
13 Facilities & Utilities - Administration	10,900	10,900	11,650	11,000	11,000	12,350	11,060	11,000	11,650	11,860	11,000	11,730	136,100
14 Board Fees & Other Expenditures	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	5,150	61,800
15 Insurance (includes Excess Liability)	14,500	14,500	47,500	14,500	14,500	47,500	14,500	14,500	47,500	14,500	14,500	47,500	306,000
16 Total Administrative Expenditures	<b>167,505</b>	<b>168,905</b>	<b>191,890</b>	<b>148,510</b>	<b>153,775</b>	<b>195,300</b>	<b>172,410</b>	<b>138,870</b>	<b>184,715</b>	<b>165,555</b>	<b>151,570</b>	<b>236,995</b>	<b>2,076,000</b>
<b>Outside Services</b>													
17 Community Outreach	17,500	17,500	17,500	27,500	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	160,000
18 Human Resources Consultant	9,300	9,300	9,300	9,300	9,300	9,300	9,300	9,300	9,300	9,300	9,300	9,300	111,600
19 Professional Services - Accounting/IT/Other	36,165	43,785	36,365	50,365	37,465	41,465	41,465	41,465	41,465	41,465	32,365	32,665	476,500
20 Professional Services - Legal	33,300	33,300	33,300	33,300	33,300	33,300	33,700	33,300	33,300	33,300	33,300	33,300	400,000
21 Total Outside Services	<b>96,265</b>	<b>103,885</b>	<b>96,465</b>	<b>120,465</b>	<b>90,065</b>	<b>94,065</b>	<b>94,465</b>	<b>94,065</b>	<b>94,065</b>	<b>94,065</b>	<b>84,965</b>	<b>85,265</b>	<b>1,148,100</b>
22 Total Operating Expenditures	<b>3,785,854</b>	<b>806,394</b>	<b>772,099</b>	<b>2,115,689</b>	<b>722,799</b>	<b>779,494</b>	<b>2,641,074</b>	<b>709,854</b>	<b>764,139</b>	<b>2,078,779</b>	<b>715,804</b>	<b>782,021</b>	<b>16,674,000</b>
23 <b>Operating Net Results</b>	<b>(3,769,249)</b>	<b>(789,789)</b>	<b>(755,494)</b>	<b>(1,560,334)</b>	<b>(706,194)</b>	<b>9,509,261</b>	<b>(2,614,369)</b>	<b>(693,249)</b>	<b>(747,534)</b>	<b>5,843,481</b>	<b>(699,199)</b>	<b>(144,531)</b>	<b>2,872,800</b>
<b>Capital</b>													
<b>Revenue</b>													
24 Property Tax - Ad Valorem	-	-	-	-	-	3,687,800	-	-	-	2,816,200	-	202,000	6,706,000
25 Connection Fees	22,280	22,280	22,280	22,280	22,280	22,280	22,120	22,280	22,280	22,280	22,280	22,280	267,200
26 Proceeds from Financing Activities	-	-	-	-	25,000,000	-	-	-	-	-	-	-	25,000,000
26 Total Capital Revenue	<b>22,280</b>	<b>22,280</b>	<b>22,280</b>	<b>22,280</b>	<b>25,022,280</b>	<b>3,710,080</b>	<b>22,120</b>	<b>22,280</b>	<b>22,280</b>	<b>2,838,480</b>	<b>22,280</b>	<b>224,280</b>	<b>31,973,200</b>
<b>Debt Service</b>													
27 Interest Expense	-	-	206,620	-	-	545,050	-	-	925,050	-	-	733,280	2,410,000
28 Principal Payments on Debt	-	-	325,000	-	-	-	795,000	-	-	-	-	-	1,120,000
29 Total Debt Service	<b>-</b>	<b>-</b>	<b>531,620</b>	<b>-</b>	<b>-</b>	<b>545,050</b>	<b>795,000</b>	<b>-</b>	<b>925,050</b>	<b>-</b>	<b>-</b>	<b>733,280</b>	<b>3,530,000</b>
<b>Capital Expenditures</b>													
30 Capital Improvement Projects	3,622,000	5,262,667	3,867,667	3,856,667	3,737,167	3,258,167	3,258,167	2,727,100	3,027,100	2,995,100	3,115,600	3,458,600	42,186,000
31 Other Capital Spending	155,667	155,667	155,667	155,667	155,667	155,667	155,667	155,667	155,667	155,667	155,667	155,667	1,868,000
32 Fixed Assets Purchased	44,667	44,667	44,667	44,667	44,667	44,667	44,667	44,667	44,667	44,667	44,667	44,667	536,000
33 Total Capital Expenditures	<b>3,822,333</b>	<b>5,463,000</b>	<b>4,068,000</b>	<b>4,057,000</b>	<b>3,937,500</b>	<b>3,458,500</b>	<b>3,458,500</b>	<b>2,927,433</b>	<b>3,227,433</b>	<b>3,195,433</b>	<b>3,315,933</b>	<b>3,658,933</b>	<b>44,590,000</b>
34 Total Debt Service & Capital Expenditures	<b>3,822,333</b>	<b>5,463,000</b>	<b>4,599,620</b>	<b>4,057,000</b>	<b>3,937,500</b>	<b>4,003,550</b>	<b>4,253,500</b>	<b>2,927,433</b>	<b>4,152,483</b>	<b>3,195,433</b>	<b>3,315,933</b>	<b>4,392,213</b>	<b>48,120,000</b>
35 <b>Capital Net Results</b>	<b>(3,800,053)</b>	<b>(5,440,720)</b>	<b>(4,577,340)</b>	<b>(4,034,720)</b>	<b>21,084,780</b>	<b>(293,470)</b>	<b>(4,231,380)</b>	<b>(2,905,153)</b>	<b>(4,130,203)</b>	<b>(356,953)</b>	<b>(3,293,653)</b>	<b>(4,167,933)</b>	<b>(16,146,800)</b>
36 <b>Operating &amp; Capital Net Results</b>	<b>(7,569,302)</b>	<b>(6,230,509)</b>	<b>(5,332,834)</b>	<b>(5,595,054)</b>	<b>20,378,586</b>	<b>9,215,791</b>	<b>(6,845,749)</b>	<b>(3,598,402)</b>	<b>(4,877,737)</b>	<b>5,486,528</b>	<b>(3,992,852)</b>	<b>(4,312,464)</b>	<b>(13,274,000)</b>
37 Cash Balance Begin	36,177,900	28,608,598	22,378,089	17,045,255	11,450,201	31,828,787	41,044,578	34,198,829	30,600,426	25,722,689	31,209,217	27,216,364	36,177,900
38 Cash Requirements	(7,569,302)	(6,230,509)	(5,332,834)	(5,595,054)	20,378,586	9,215,791	(6,845,749)	(3,598,402)	(4,877,737)	5,486,528	(3,992,852)	(4,312,464)	(13,274,000)
39 <b>Cash Balance End</b>	<b>28,608,598</b>	<b>22,378,089</b>	<b>17,045,255</b>	<b>11,450,201</b>	<b>31,828,787</b>	<b>41,044,578</b>	<b>34,198,829</b>	<b>30,600,426</b>	<b>25,722,689</b>	<b>31,209,217</b>	<b>27,216,364</b>	<b>22,903,900</b>	<b>22,903,900</b>
40 Bond Funds - Fully Restricted for Capital Projects	9,150,833	3,888,166	20,500	-	21,262,833	18,004,667	14,746,500	12,019,400	8,992,300	5,997,200	2,881,600	-	-
41 Unrestricted Funds	19,457,765	18,489,922	17,024,755	11,450,201	10,565,953	23,039,911	19,452,329	18,581,026	16,730,389	25,212,017	24,334,764	22,903,900	22,903,900
42 <b>Ending Cash Balance</b>	<b>28,608,598</b>	<b>22,378,089</b>	<b>17,045,255</b>	<b>11,450,201</b>	<b>31,828,787</b>	<b>41,044,578</b>	<b>34,198,829</b>	<b>30,600,426</b>	<b>25,722,689</b>	<b>31,209,217</b>	<b>27,216,364</b>	<b>22,903,900</b>	<b>22,903,900</b>

**Sanitary District No. 1 of Marin County  
 dba Ross Valley Sanitary District  
 Schedule 5 - FY 2017/18 Reserves and Fund Balances**

Description	FY 2016/17 Budget	FY 2016/17 Projected	FY 2017/18 Budget	FY 2017/18 Target	Difference
<b>Operations &amp; Maintenance Fund Balance (O&amp;M)</b>					
1 Beginning Balance - O&M	7,669,400	7,669,400	8,204,199		
2 Funding Surplus/(Deficit) - O&M	2,845,677	2,774,200	2,829,000		
3 Transfers In/(Out) - From/(To) Capital	(2,080,714)	(2,139,401)	(2,496,199)		
4 Transfers In/(Out) - From/(To) Emergency	-	-	-		
5 Transfers In/(Out) - From/(To) OPEB	(20,000)	(100,000)	(200,000)		
6 <b>Ending Balance - O&amp;M Fund Reserve (50% of O&amp;M Expenses)</b>	<b>8,414,363</b>	<b>8,204,199</b>	<b>8,337,000</b>	<b>8,337,000</b>	<b>-</b>
<b>Capital Improvement and Replacement Fund Balance</b>					
7 Beginning Balance - Capital Fund	13,593,732	10,448,099	14,583,100		
8 Funding Surplus/(Deficit) - Capital Fund (less: Restricted Funds)	(4,021,842)	(4,512,400)	(30,052,399)		
9 Transfers In/(Out) - From/(To) Operations	2,080,714	2,139,401	2,496,199		
10 Transfers In/(Out) - From/(To) Capital Fund/Reserve	-	6,508,000	25,000,000		
11 <b>Ending Balance - Capital Improvement Fund</b>	<b>11,652,604</b>	<b>14,583,100</b>	<b>12,026,900</b>	<b>28,336,650</b>	<b>(16,309,750)</b>
<b>Capital Improvement and Replacement Bond Funds(Restricted)</b>					
12 Beginning Balance - Bond Funds (Restricted)	16,360,961	17,558,600	11,050,600		
13 Capital Projects - Funding Uses	(27,436,000)	(6,508,000)	(11,050,600)		
14 Bond Proceeds - Revenue Bond/SRF Loans	8,266,000	-	25,000,000		
15 Transfer to/from Capital Fund - Restricted Funds Adjustment	2,809,039	-	(25,000,000)		
16 <b>Ending Balance - Bond Funds (Restricted)</b>	<b>-</b>	<b>11,050,600</b>	<b>-</b>		
<b>Capital Improvement and Replacement Reserve</b>					
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 <b>Ending Balance - Capital Improvement Reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,253,350</b>	<b>(16,253,350)</b>
<b>Emergency Reserve</b>					
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 <b>Ending Balance - Emergency Reserve</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>-</b>
<b>Other Post Employment Benefit (OPEB) Reserve</b>					
26 Beginning Balance - OPEB	250,000	240,000	340,000		
27 Transfers In/(Out) - From/(To) Operations	20,000	100,000	200,000		
28 Transfers In/(Out) - From/(To) Capital	-	-	-		
29 <b>Ending Balance - OPEB Reserve</b>	<b>270,000</b>	<b>340,000</b>	<b>540,000</b>	<b>640,000</b>	<b>(100,000)</b>
30 <b>Begin Cash Balance</b>	<b>39,874,093</b>	<b>37,916,100</b>	<b>36,177,899</b>		
31 Net Change in Reserve and Fund Balances	(17,537,126)	(1,738,200)	(13,273,999)		
32 <b>Ending Cash Balance</b>	<b>22,336,967</b>	<b>36,177,900</b>	<b>22,903,900</b>	<b>55,567,000</b>	<b>(32,663,100)</b>
33 <i>Restricted Funds</i>	-	11,050,600	-		
34 <i>Unrestricted Funds</i>	22,336,967	25,127,300	22,903,900		
35 <b>Ending Cash Balance</b>	<b>22,336,967</b>	<b>36,177,900</b>	<b>22,903,900</b>		

**Sanitary District No. 1 of Marin County  
 dba Ross Valley Sanitary District  
 Schedule 6 - FY 2017/18 Department Budgets - Summary**

District Expenditures by Department		FY 2016/17 Budget	FY 2016/17 Projected	FY 2017/18 Budget	% Change FY 17/18 vs FY 16/17 Budget
<b>Operational Expenditures</b>					
1	Treatment Charges	7,170,668	7,382,000	7,610,700	6%
2	Operations	6,042,520	5,482,800	5,839,200	-3%
3	Administration	1,731,100	1,878,300	2,076,000	20%
4	Outside Services	666,195	747,700	1,148,100	72%
5	<b>Total Operational Expenditures</b>	<b>15,610,483</b>	<b>15,490,800</b>	<b>16,674,000</b>	<b>7%</b>
6	Capital Expenditures	34,919,872	11,266,400	48,120,000	38%
7	<b>Total District Expenditures by Department</b>	<b>50,530,355</b>	<b>26,757,200</b>	<b>64,794,000</b>	<b>28%</b>

District Expenditures by Category		FY 2016/17 Budget	FY 2016/17 Projected	FY 2017/18 Budget	% Change FY 17/18 vs FY 16/17 Budget
<b>District Operations</b>					
<b>Salaries &amp; Benefits</b>					
8	Salaries	3,576,132	3,440,600	3,544,200	-1%
9	Benefits & Payroll Taxes	1,620,604	1,681,900	1,667,600	3%
10	<b>Total Salaries and Benefits</b>	<b>5,196,736</b>	<b>5,122,500</b>	<b>5,211,800</b>	<b>0%</b>
<b>Other Operational Expenditures</b>					
11	Professional Services	119,340	57,200	127,000	6%
12	System Maintenance	1,086,400	950,500	1,045,600	-4%
13	General & Administration	823,418	675,000	810,400	-2%
14	Facilities & Utilities	463,708	494,600	658,600	42%
15	Board Expenditures	84,018	61,300	61,800	-26%
16	<b>Total Other Operational Expenditures</b>	<b>2,576,884</b>	<b>2,238,600</b>	<b>2,703,400</b>	<b>5%</b>
<b>Outside Services</b>					
17	Outside Services	666,195	747,700	1,148,100	72%
18	<b>Total Operational Expenditures</b>	<b>8,439,815</b>	<b>8,108,800</b>	<b>9,063,300</b>	<b>7%</b>
<b>CMSA Charges</b>					
19	Treatment Charges	7,170,668	7,382,000	7,610,700	6%
<b>Capital Expenditures</b>					
20	Debt Service	3,028,382	3,028,400	3,530,000	17%
21	Capital Budget	31,891,490	8,238,000	44,590,000	40%
22	<b>Total Capital Expenditures</b>	<b>34,919,872</b>	<b>11,266,400</b>	<b>48,120,000</b>	<b>38%</b>
23	<b>Total District Expenditures by Category</b>	<b>50,530,355</b>	<b>26,757,200</b>	<b>64,794,000</b>	<b>28%</b>

## 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 Business & Administrative Services Manager, Accounting & Financial Analyst, Administrative Specialist, 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, outside IT service contract management, and records management.

<b>Administration Expenditures by Category</b>		<b>FY 2016/17 Budget</b>	<b>FY 2016/17 Projected</b>	<b>FY 2017/18 Budget</b>	<b>% Change FY 17/18 vs FY 16/17 Budget</b>
1	Salaries	737,429	774,000	879,400	19%
2	Benefits & Payroll Taxes	366,550	454,500	436,000	19%
3	<b>Total Salaries and Benefits</b>	<b>1,103,979</b>	<b>1,228,500</b>	<b>1,315,400</b>	<b>19%</b>
4	General & Administration	473,623	507,000	562,700	19%
5	Facilities & Utilities	69,480	81,500	136,100	96%
6	Board Expenditures	84,018	61,300	61,800	-26%
7	<b>Total Other Expenditures</b>	<b>627,121</b>	<b>649,800</b>	<b>760,600</b>	<b>21%</b>
8	<b>Total Administration Expenditures by Category</b>	<b>1,731,100</b>	<b>1,878,300</b>	<b>2,076,000</b>	<b>20%</b>

**Administration - Continued**

Administration Expenditures by Category				FY 2017/18	% Change
	FY 2016/17	FY 2016/17	FY 2017/18	FY 17/18 vs	
	Budget	Projected	Budget	FY 16/17	
				Budget	
<b>Salaries &amp; Benefits</b>					
9	Salaries	730,993	768,695	867,500	19%
10	Overtime	6,436	5,305	11,900	85%
11	<i>Subtotal Salaries/Wages</i>	<u>737,429</u>	<u>774,000</u>	<u>879,400</u>	<u>19%</u>
<b>Benefits &amp; Payroll Taxes</b>					
12	Employee Fitness	600	600	1,200	100%
13	Insurance - Medical/Dental/Vision	199,001	185,900	211,800	6%
14	Insurance - Other	3,126	4,500	6,000	92%
15	Insurance - Workers Comp & Unemployment	19,596	35,700	34,600	77%
16	Payroll Taxes	49,268	52,200	59,100	20%
17	Recruiting/Retention	1,200	200	2,000	67%
18	Retirement - Employer	93,759	97,600	121,300	29%
19	Temporary Help	-	77,800	-	
20	<i>Subtotal Benefits &amp; Payroll Taxes</i>	<u>366,550</u>	<u>454,500</u>	<u>436,000</u>	<u>19%</u>
21	<b>Total Salaries &amp; Benefits</b>	<u>1,103,979</u>	<u>1,228,500</u>	<u>1,315,400</u>	<u>19%</u>
<b>General &amp; Administration</b>					
22	Memberships Dues/Certifications	41,412	45,900	46,500	12%
23	Bank Fees	1,500	5,000	5,700	280%
24	Conferences/Trainings/Meetings	15,635	24,800	42,500	172%
25	Insurance - Deductibles	120,000	126,000	132,000	10%
26	Insurance - Liability	174,000	174,000	174,000	0%
27	Miscellaneous	3,024	900	600	-80%
28	Office Equipment	44,016	39,300	51,800	18%
29	Office Supplies	30,300	29,900	28,200	-7%
30	Postage & Shipping	3,900	5,200	5,700	46%
31	Property Taxes	18,992	19,400	20,800	10%
32	Software & Maintenance	9,504	25,000	35,300	271%
33	Travel & Meals	11,340	11,600	19,600	73%
34	<b>Total General &amp; Administration</b>	<u>473,623</u>	<u>507,000</u>	<u>562,700</u>	<u>19%</u>

**Administration - Continued**

<b>Administration Expenditures by Category</b>				<b>% Change</b>	
	<b>FY 2016/17</b>	<b>FY 2016/17</b>	<b>FY 2017/18</b>	<b>FY 17/18 vs</b>	
	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>FY 16/17</b>	
				<b>Budget</b>	
<b>Facilities &amp; Utilities</b>					
35	Utilities - Admin	17,328	21,000	25,000	44%
36	Utilities - Telephone/Internet	32,400	29,000	26,600	-18%
37	Facilities - Maintenance	19,752	31,500	84,500	328%
38	<b>Total Facilities &amp; Utilities</b>	<b>69,480</b>	<b>81,500</b>	<b>136,100</b>	<b>96%</b>
<b>Board Fees</b>					
39	Board Fees	57,462	40,000	42,000	-27%
40	Board Fees - CMSA	5,136	3,200	-	-100%
41	Travel & Meals - Board	8,100	6,100	6,600	-19%
42	Conferences/Trainings/Meetings	13,320	12,000	13,200	-1%
43	<b>Total Board Expenditures</b>	<b>84,018</b>	<b>61,300</b>	<b>61,800</b>	<b>-26%</b>
44	<b>Subtotal Other Expenditures</b>	<b>627,121</b>	<b>649,800</b>	<b>760,600</b>	<b>21%</b>
45	<b>Total Administration Expenditures</b>	<b>1,731,100</b>	<b>1,878,300</b>	<b>2,076,000</b>	<b>20%</b>

## 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 an employee training program.

<b>Operating Expenditures by Category</b>		<b>FY 2016/17 Budget</b>	<b>FY 2016/17 Projected</b>	<b>FY 2017/18 Budget</b>	<b>% Change FY 17/18 vs FY 16/17 Budget</b>
<b>Outside Services</b>					
1	Audit	22,195	22,800	27,000	22%
2	Community Outreach - Public Outreach	95,000	101,400	160,000	68%
3	Human Resources Consultant	220,000	196,700	111,600	-49%
4	Information Technology (IT)	60,000	67,900	96,000	60%
5	Competency Based Training	-	-	206,500	
6	Legal - General	150,000	196,000	190,000	27%
7	Legal - Regulatory	52,000	57,000	30,000	-42%
8	Legal - Employment Matters	42,000	92,500	180,000	329%
9	Professional Services - Other	25,000	13,400	147,000	488%
10	<b>Total Outside Services</b>	<b>666,195</b>	<b>747,700</b>	<b>1,148,100</b>	<b>72%</b>

## Operations

The Operations Department includes General Operations, Capital Assets, Maintenance, Repair, Pump Stations, Inspections, and Condition Assessment. 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 2016/17	FY 2016/17	FY 2017/18	% Change
	Budget	Projected	Budget	FY 17/18 vs FY 16/17 Budget
1 Salaries	2,838,703	2,666,600	2,664,800	-6%
2 Benefits & Payroll Taxes	1,254,054	1,227,400	1,231,600	-2%
3 Total Salaries and Benefits	4,092,757	3,894,000	3,896,400	-5%
4 Professional Services	119,340	57,200	127,000	6%
5 System Maintenance	1,086,400	950,500	1,045,600	-4%
6 General & Administration	349,795	168,000	247,700	-29%
7 Facilities & Utilities	394,228	413,100	522,500	33%
8 Total Other Expenditures	1,949,763	1,588,800	1,942,800	0%
9 Total Operations- All Depts. - Expenditures by Category	6,042,520	5,482,800	5,839,200	-3%

## Operations - Continued

Operating Expenditures by Category				% Change FY 17/18 vs FY 16/17 Budget
	FY 2016/17 Budget	FY 2016/17 Projected	FY 2017/18 Budget	
<b>Salaries &amp; Benefits</b>				
<i>Salaries/Wages</i>				
10 Salaries	3,172,214	2,818,700	2,966,300	-6%
11 Overtime	124,213	227,200	177,900	43%
12 Standby Overtime	112,802	115,400	135,900	20%
13 Capitalized Labor	(570,526)	(494,700)	(615,300)	8%
14 <i>Subtotal Salaries/Wages</i>	<u>2,838,703</u>	<u>2,666,600</u>	<u>2,664,800</u>	<u>-6%</u>
<i>Benefits &amp; Payroll Taxes</i>				
15 Boot Allowance	6,768	3,600	6,000	-11%
16 Employee Exams	6,036	3,400	6,000	-1%
17 Employee Fitness	3,300	2,000	3,600	9%
18 Insurance - Medical/Dental/Vision	706,000	584,100	598,800	-15%
19 Insurance - Other	16,692	16,900	24,000	44%
20 Insurance - Workers Comp & Unemployment	104,526	171,900	188,400	80%
21 Payroll Taxes	254,042	232,800	244,000	-4%
22 Recruiting/Retention	8,400	1,900	4,000	-52%
23 Retirement - Employee	35,578	26,600	-	-100%
24 Retirement - Employer	509,182	514,000	580,700	14%
25 Capitalized Benefits	(396,470)	(329,800)	(423,900)	7%
26 <i>Subtotal Benefits &amp; Payroll Taxes</i>	<u>1,254,054</u>	<u>1,227,400</u>	<u>1,231,600</u>	<u>-2%</u>
27 <b>Total Salaries &amp; Benefits</b>	<u>4,092,757</u>	<u>3,894,000</u>	<u>3,896,400</u>	<u>-5%</u>
<b>Professional Services</b>				
28 Consultant Services - Capital Assets	119,340	57,200	127,000	6%
29 <b>Total Professional Services</b>	<u>119,340</u>	<u>57,200</u>	<u>127,000</u>	<u>6%</u>
<b>System Maintenance</b>				
30 Concrete, Soil & Rock	89,160	42,000	207,400	133%
31 Emergency Repairs	180,000	136,100	100,000	-44%
32 Emergency Response	-	-	42,000	
33 Equipment Rental	16,800	24,100	45,900	173%
34 Equipment Repair	83,400	76,000	77,200	-7%
35 Fats, Oils, & Grease (FOG) Program	25,000	20,400	25,000	0%
36 Permits	22,980	18,400	16,900	-26%
37 Safety Equipment & Gear	38,640	39,300	26,700	-31%
38 Safety Compliance	49,200	30,500	-	-100%
39 Materials & Parts	243,828	199,400	191,200	-22%
40 Tools	117,672	126,100	110,400	-6%
41 Uniforms	40,560	43,500	18,400	-55%
42 Vehicle - Fuel	78,060	63,100	65,800	-16%
43 Vehicle - Repair	125,100	131,600	123,800	-1%
44 Capitalized System Maintenance	(24,000)	-	(5,100)	-79%
45 <b>Total System Maintenance</b>	<u>1,086,400</u>	<u>950,500</u>	<u>1,045,600</u>	<u>-4%</u>

**Operations - Continued**

Operating Expenditures by Category		FY 2016/17 Budget	FY 2016/17 Projected	FY 2017/18 Budget	% Change
					FY 17/18 vs FY 16/17 Budget
<b>General &amp; Administration</b>					
46	Membership Dues/Certifications	23,202	21,700	31,200	34%
47	Conferences/Trainings/Meetings	115,529	35,300	41,300	-64%
48	Office Equipment	59,016	37,700	14,100	-76%
49	Office Supplies	18,300	12,400	17,000	-7%
50	Software & Maintenance	10,718	15,200	58,800	449%
51	CMMS Maintenance/Support	115,140	30,600	61,000	-47%
52	Travel & Meals	7,890	15,100	24,300	208%
53	<b>Total General &amp; Administration</b>	<b>349,795</b>	<b>168,000</b>	<b>247,700</b>	<b>-29%</b>
<b>Facilities &amp; Utilities</b>					
54	Facilities - Rent - Ops & Maint	71,748	44,300	45,600	-36%
55	Facilities - Maintenance - Ops & Maint	41,800	43,300	64,200	54%
56	Utilities - Ops & Maint	15,900	11,300	21,800	37%
57	Utilities - Telephone/Internet - Ops & Maint	106,620	84,900	81,600	-23%
58	Utilities - Water Line Maint	13,080	13,700	12,600	-4%
59	Utilities - Power Pumps	145,080	215,600	296,700	105%
60	<b>Total Facilities &amp; Utilities</b>	<b>394,228</b>	<b>413,100</b>	<b>522,500</b>	<b>33%</b>
61	<b>Subtotal Other Expenditures</b>	<b>1,949,763</b>	<b>1,588,800</b>	<b>1,942,800</b>	<b>0%</b>
62	<b>Total Operations - All Departments</b>	<b>6,042,520</b>	<b>5,482,800</b>	<b>5,839,200</b>	<b>-3%</b>

**Sanitary District No. 1 of Marin County  
dba Ross Valley Sanitary District  
Schedule 7 - FY 2017/18 Debt Service**

FY	2013 Revenue Bonds (1.)			2014 Revenue Bonds (2.)			Projected Bond Issuance FY 2017/18			Total Debt Service		
	Principal	Interest	Total Paid	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	1,120,714	1,885,714	-	-	-	1,075,000	1,953,402	3,028,402
2017/2018	325,000	820,394	1,145,394	795,000	1,090,094	1,885,094	-	500,000	500,000	1,120,000	2,410,488	3,530,488
2018/2019	335,000	807,600	1,142,600	830,000	1,058,294	1,888,294	489,139	990,217	1,479,357	1,654,139	2,856,111	4,510,250
2019/2020	350,000	792,150	1,142,150	860,000	1,025,094	1,885,094	634,223	967,750	1,601,973	1,844,223	2,784,994	4,629,217
2020/2021	370,000	774,150	1,144,150	895,000	990,694	1,885,694	659,095	941,884	1,600,978	1,924,095	2,706,727	4,630,822
2021/2022	385,000	757,200	1,142,200	930,000	954,894	1,884,894	688,111	914,939	1,603,051	2,003,111	2,627,033	4,630,145
2022/2023	400,000	739,500	1,139,500	975,000	908,394	1,883,394	712,983	886,918	1,599,901	2,087,983	2,534,811	4,622,794
2023/2024	420,000	719,000	1,139,000	1,025,000	859,644	1,884,644	742,000	857,818	1,599,818	2,187,000	2,436,462	4,623,461
2024/2025	440,000	697,500	1,137,500	1,075,000	808,394	1,883,394	771,016	827,558	1,598,574	2,286,016	2,333,451	4,619,468
2025/2026	465,000	677,200	1,142,200	1,130,000	754,644	1,884,644	808,324	795,971	1,604,294	2,403,324	2,227,815	4,631,138
2026/2027	485,000	658,200	1,143,200	1,165,000	720,744	1,885,744	849,776	762,809	1,612,585	2,499,776	2,141,753	4,641,529
2027/2028	500,000	636,000	1,136,000	1,200,000	685,794	1,885,794	891,229	727,989	1,619,217	2,591,229	2,049,782	4,641,011
2028/2029	525,000	610,375	1,135,375	1,235,000	649,794	1,884,794	936,826	691,428	1,628,254	2,696,826	1,951,596	4,648,423
2029/2030	555,000	583,375	1,138,375	1,275,000	612,744	1,887,744	965,843	653,374	1,619,217	2,795,843	1,849,493	4,645,336
2030/2031	580,000	555,000	1,135,000	1,315,000	572,900	1,887,900	994,860	614,160	1,609,020	2,889,860	1,742,060	4,631,920
2031/2032	610,000	525,250	1,135,250	1,355,000	530,163	1,885,163	1,023,877	573,785	1,597,662	2,988,877	1,629,198	4,618,075
2032/2033	640,000	494,000	1,134,000	1,400,000	486,125	1,886,125	1,057,039	532,167	1,589,206	3,097,039	1,512,292	4,609,331
2033/2034	675,000	461,125	1,136,125	1,445,000	438,875	1,883,875	1,090,201	489,222	1,579,423	3,210,201	1,389,222	4,599,423
2034/2035	705,000	426,625	1,131,625	1,500,000	388,300	1,888,300	1,123,363	444,951	1,568,314	3,328,363	1,259,876	4,588,239
2035/2036	740,000	390,500	1,130,500	1,550,000	335,800	1,885,800	1,160,670	399,270	1,559,940	3,450,670	1,125,570	4,576,240
2036/2037	780,000	352,500	1,132,500	1,610,000	273,800	1,883,800	1,197,977	352,097	1,550,075	3,587,977	978,397	4,566,375
2037/2038	820,000	312,500	1,132,500	1,675,000	209,400	1,884,400	1,243,575	303,266	1,546,841	3,738,575	825,166	4,563,741
2038/2039	860,000	270,500	1,130,500	1,745,000	142,400	1,887,400	1,285,027	252,694	1,537,722	3,890,027	665,594	4,555,622
2039/2040	900,000	226,500	1,126,500	1,815,000	72,600	1,887,600	1,334,770	200,298	1,535,069	4,049,770	499,398	4,549,169
2040/2041	945,000	180,375	1,125,375	-	-	-	1,388,659	145,830	1,534,488	2,333,659	326,205	2,659,863
2041/2042	995,000	131,875	1,126,875	-	-	-	1,446,692	89,123	1,535,815	2,441,692	220,998	2,662,690
2042/2043	1,045,000	80,875	1,125,875	-	-	-	1,504,726	30,095	1,534,820	2,549,726	110,970	2,660,695
2043/2044	1,095,000	27,375	1,122,375	-	-	-	-	-	-	1,095,000	27,375	1,122,375
2044/2045	-	-	-	-	-	-	-	-	-	-	-	-
2045/2046	-	-	-	-	-	-	-	-	-	-	-	-
2046/2047	-	-	-	-	-	-	-	-	-	-	-	-
2047/2048	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>17,780,000</b>	<b>16,314,399</b>	<b>34,094,399</b>	<b>30,155,000</b>	<b>16,987,161</b>	<b>47,142,161</b>	<b>25,000,000</b>	<b>14,945,614</b>	<b>39,945,614</b>	<b>72,935,000</b>	<b>48,247,176</b>	<b>121,182,176</b>

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.

**Sanitary District No. 1 of Marin County  
 dba Ross Valley Sanitary District  
 Schedule 8 - FY 2017/18 Position Allocation**

Position	Monthly		2016/17	2017/18
	Step 1	Step 6		
<b>Administration</b>				
General Manager *	\$ 17,121		1	1
Business & Administrative Services Manager**	\$ 9,861	\$ 12,975	1	1
Accounting & Financial Analyst	\$ 8,345	\$ 10,650	1	1
Executive Assistant to the General Manager/Clerk of the Board	\$ 6,519	\$ 8,320	1	1
Administrative Specialist	\$ 6,137	\$ 7,833	0	1
Administrative Coordinators	\$ 5,215	\$ 6,656	2	2
<b>Administration Total</b>			<b>6</b>	<b>7</b>
<b>Operations</b>				
Operations & Maintenance Manager**	\$ 9,861	\$ 12,585	1	1
Line Maintenance Supervisor	\$ 7,749	\$ 9,890	1	1
Pump Station Supervisor	\$ 7,749	\$ 9,890	1	1
Crew Lead	\$ 7,196	\$ 9,184	2	0
Collection System Worker	\$ 5,762	\$ 7,354	7	10
<b>Operations Total</b>			<b>12</b>	<b>13</b>
<b>Capital Assets Program</b>				
Infrastructure Assets Manager**	\$ 12,352	\$ 14,843	1	1
Engineer	\$ 10,168	\$ 12,977	1	1
Engineering Technician	\$ 6,519	\$ 8,320	1	1
Capital Assets Analyst	\$ 7,376	\$ 9,413	1	1
Repair Supervisor	\$ 7,749	\$ 9,890	1	1
Crew Lead	\$ 7,196	\$ 9,184	3	1
Collection System Worker	\$ 5,762	\$ 7,354	8	5
Inspection Superintendent	\$ 9,677	\$ 12,351	1	1
Inspector	\$ 7,376	\$ 9,413	2	2
Condition Assessment Supervisor	\$ 7,749	\$ 9,890	1	1
<b>Capital Assets Program Total</b>			<b>20</b>	<b>15</b>
<b>Total Employee Count (All positions are full time)</b>			<b>38</b>	<b>35</b>

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

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

**Sanitary District No. 1 of Marin County  
 dba Ross Valley Sanitary District  
 Schedule 9 - FY 2017/18 Capital Assets Summary**

<b>Description</b>	<b>Asset Type</b>	<b>FY 2017/18 Budget</b>
1 Gravity Sewer Improvement Projects	Capital Improvement Projects - Sewer Lines/Pump Stations	25,910,000
2 Pump Station Projects	Capital Improvement Projects - Pump Station Equipment	8,551,000
3 Other Capital Projects	Capital Improvement Projects - Other	7,725,000
4	<b>Total Capital Improvement Projects</b>	<b>42,186,000</b>
5 Lateral Replacement Grant Program	Other Capital	800,000
6 Lateral Replacement Loan Program	Other Capital	300,000
7 Infrastructure Asset Management Plan (IAMP) & Hydraulic Model	Other Capital	500,000
8 Inflow and Infiltration Reduction Program	Other Capital	160,000
9 Studies/Reviews/Software/Miscellaneous	Other Capital	108,000
10	<b>Total Other Capital</b>	<b>1,868,000</b>
11 Vehicles	Fixed Assets - Vehicles & Equipment	436,000
12 Other Field Equipment	Fixed Assets - Vehicles & Equipment	100,000
13	<b>Total Fixed Assets - Other</b>	<b>536,000</b>
14	<b>Total Budgeted Capital Assets</b>	<b>44,590,000</b>

**a - See Schedule 10 - FY 17/18 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 2017/18 Capital Improvement Projects

FY 2017/18 Budget

Project Name	Project Description	City/ Town/ Area	Comments	District Support	Design and PM Services	CM and ESDC Services	Construction	FY 2017/18 Total		
<b>Gravity Sewer Improvement Projects</b>										
2	FY 2015/16 Gravity Sewer Improvements	6.7 miles of rehabilitation/replacement of gravity sewers in Kent Woodlands Upper, Southwood, and Winship areas.	Kentfield, Ross, San Anselmo	Total estimated project cost is \$9,662,000.	185,000	60,000	845,000	5,811,000	6,901,000	
	FY 2016/17 Gravity Sewer Rehabilitation	8.4 miles of rehabilitation/replacement and restoration by repair of gravity sewers in Butterfield/Woodside, Scenic, Tamalpais, and Madrone areas. First of two construction bid packages in FY 2016/17 Project.	Fairfax, Larkspur, San Anselmo	Total estimated project cost is \$14,031,000.	67,000	123,000	1,110,000	7,590,000	8,890,000	
3	4	FY 2016/17 Gravity Sewer Improvements	0.5 miles of rehabilitation/replacement and 0.9 miles of new/diversion/relief sewers. Improvements to relieve hydraulic, operational and structural deficiencies, including Lower Butterfield Improvements between Butterfield Rd at Kenrick Dr and Sir Francis Drake Blvd at Mountain View Ave and Nokomis Improvements between Sir Francis Drake Blvd at Sais Ave and San Anselmo Ave at Grove Ln. Second of two construction bid packages in FY 2016/17 Project.	San Anselmo	Total estimated project cost is \$7,257,000.	43,000	440,000	424,000	1,486,000	2,393,000
5	6	Large Diameter Gravity Sewer Rehabilitation Project II-1	Rehabilitation of high priority Techite and non-reinforced concrete large diameter pipe, ranging from 18- to 36-inch diameter, on the Original 1920s Trunk Sewer, Ross Valley Trunk Line and the Shady Lane Trunk Sewer. First of three construction bid packages in Project II.	Ross, San Anselmo	Total estimated project cost is \$4,099,000.	4,000	7,000	459,000	2,350,000	2,820,000
6	7	Large Diameter Gravity Sewer Rehabilitation Project II-2	Rehabilitation of Techite and non-reinforced concrete large diameter pipe, ranging from 18- to 36-inch diameter, on the Original 1920s Trunk Sewer and Ross Valley Trunk Line through Downtown San Anselmo. Second of three construction bid packages in Project II.	San Anselmo	Total estimated project cost is \$2,934,000.	8,000	14,000	344,000	1,828,000	2,194,000
7	8	Large Diameter Gravity Sewer Rehabilitation Project II-3	Rehabilitation of non-reinforced concrete large diameter pipe, 21-inch diameter, on the Shady Lane Trunk Sewer. Includes Upper Shady Lane capacity improvements in Shady Lane from Bolinas Ave to Locust Ave and installation of a parallel collector/relief sewer between Ross Common and the Kentfield border. Third of three construction bid packages in Project II.	Kentfield, Ross	Total estimated project cost is \$5,990,000.	22,000	177,000	254,000	1,489,000	1,942,000
8	9	As-Needed, On Call Sanitary Sewer System Construction Services	As-needed repair and replacement of sewer system infrastructure including urgent and emergency pipe repairs and installation of manholes.	Various	Total estimated project cost is \$900,000.	75,000	-	-	375,000	450,000
9	10	District Capitalized Repairs FY 2017/18	Annual repair, restoration, and improvement of gravity sewer pipeline infrastructure.	Various	Total estimated project cost is \$320,000.	320,000	-	-	-	320,000
<b>Subtotal Gravity Sewer Improvement Projects</b>					<b>724,000</b>	<b>821,000</b>	<b>3,436,000</b>	<b>20,929,000</b>	<b>25,910,000</b>	
<b>Pump Station Projects</b>										
11	12	PS 12 Bon Air and PS 13 Greenbrae Pump Station Rehabilitation	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 \$8,883,688.	31,000	-	717,000	5,887,000	6,635,000
13	14	PS 15 Kentfield Comminutor Replacement	Replacement of the grinders at PS 15 Kentfield.	Kentfield	Total estimated project cost is \$210,000.	5,000	-	10,000	160,000	175,000
14	15	PS 15 Kentfield Pump Station Improvements	Replace variable frequency drives and miscellaneous electrical and instrumentation improvements at PS 15 Kentfield.	Larkspur	Total estimated project cost is \$2,286,000.	14,000	326,000	147,000	1,023,000	1,510,000
15	16	Pump Station Equipment Upgrades	Annual maintenance rehabilitation/replacement of pump station mechanical and electrical components.	Larkspur	Ongoing	231,000	-	-	-	231,000
<b>Subtotal Pump Station Projects</b>					<b>281,000</b>	<b>326,000</b>	<b>874,000</b>	<b>7,070,000</b>	<b>8,551,000</b>	
<b>Other Capital Projects</b>							<b>Total Cost</b>			
17	18	Larkspur Landing EPA Clearance Activities	Complete environmental remediation to remove PCB contamination.	Larkspur	Total estimated project cost is \$7,000,000	-	-	-	7,000,000	7,000,000
19	20	Larkspur Landing Locker/Shower Facilities Upgrades	Upgrade employee workspace and operations base including paving, one new module, and frontage improvements.	Larkspur	Total estimated project cost is \$600,000	-	-	-	600,000	600,000
20	21	Kerner Building Improvements	Planning, construction management, architectural services, new carpet, paint, fixture upgrades, electrical work, landscaping and other site improvements.	Kerner	Total estimated project cost is \$250,000	-	-	-	125,000	125,000
<b>Subtotal Other Capital</b>					<b>-</b>	<b>-</b>	<b>-</b>	<b>7,725,000</b>	<b>7,725,000</b>	
<b>BUDGETED CAPITAL IMPROVEMENT PROJECTS</b>					<b>1,005,000</b>	<b>1,147,000</b>	<b>4,310,000</b>	<b>35,724,000</b>	<b>42,186,000</b>	

a - See Schedule 9 - FY 2017/18 Capital Assets Summary

# Sanitary District No. 1 of Marin County

dba Ross Valley Sanitary District

## Schedule 11 - Five-Year Forecast

	FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023
<b>Operating</b>	<b>Budget</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
<b>Revenue</b>						
1 Sewer Service Charges	19,190,000	20,434,000	21,047,000	21,678,000	22,328,000	22,998,000
2 Other Income	356,800	366,000	375,000	384,000	394,000	404,000
3 Gross Revenue	<b>19,546,800</b>	<b>20,800,000</b>	<b>21,422,000</b>	<b>22,062,000</b>	<b>22,722,000</b>	<b>23,402,000</b>
<b>Expenditures</b>						
<b>CMSA Expenditures</b>						
4 Treatment Charges - CMSA	5,478,800	5,479,000	5,634,000	5,794,000	5,958,000	6,127,000
5 Debt Service - CMSA	2,131,900	2,138,000	2,135,000	2,129,000	2,134,000	2,134,000
6 Total CMSA Expenditures	<b>7,610,700</b>	<b>7,617,000</b>	<b>7,769,000</b>	<b>7,923,000</b>	<b>8,092,000</b>	<b>8,261,000</b>
<b>Maintenance/Repair/Inspection Expenditures</b>						
7 Salaries & Benefits - Operations	3,896,400	4,052,000	4,214,000	4,383,000	4,558,000	4,740,000
8 Other Operational Expenditures	1,942,800	1,970,000	2,029,000	2,090,000	2,153,000	2,218,000
9 Total General Operating Expenditures	<b>5,839,200</b>	<b>6,022,000</b>	<b>6,243,000</b>	<b>6,473,000</b>	<b>6,711,000</b>	<b>6,958,000</b>
<b>Administrative Expenditures</b>						
10 Salaries & Benefits - Administration	1,315,400	1,367,000	1,422,000	1,479,000	1,538,000	1,600,000
11 Office Supplies & Equipment	80,000	67,000	69,000	71,000	73,000	75,000
12 General Administrative Expenditures	176,700	182,000	187,000	193,000	199,000	205,000
13 Facilities & Utilities - Administration	136,100	140,000	144,000	148,000	152,000	157,000
14 Board Fees & Other Expenditures	61,800	64,000	66,000	68,000	70,000	72,000
15 Insurance (includes Excess Liability)	306,000	315,000	324,000	334,000	344,000	354,000
16 Total Administrative Expenditures	<b>2,076,000</b>	<b>2,135,000</b>	<b>2,212,000</b>	<b>2,293,000</b>	<b>2,376,000</b>	<b>2,463,000</b>
<b>Outside Services</b>						
17 Community Outreach	160,000	165,000	170,000	175,000	180,000	185,000
18 Human Resources Consultant	111,600	115,000	118,000	122,000	126,000	130,000
19 Professional Services - Accounting/IT/Other	476,500	491,000	506,000	521,000	537,000	553,000
20 Professional Services - Legal	400,000	400,000	400,000	400,000	400,000	400,000
21 Total Outside Services	<b>1,148,100</b>	<b>1,171,000</b>	<b>1,194,000</b>	<b>1,218,000</b>	<b>1,243,000</b>	<b>1,268,000</b>
22 Total Operating Expenditures	<b>16,674,000</b>	<b>16,945,000</b>	<b>17,418,000</b>	<b>17,907,000</b>	<b>18,422,000</b>	<b>18,950,000</b>
23 <b>Operating Net Results</b>	<b>2,872,800</b>	<b>3,855,000</b>	<b>4,004,000</b>	<b>4,155,000</b>	<b>4,300,000</b>	<b>4,452,000</b>
<b>Capital</b>						
<b>Revenue</b>						
24 Property Tax - Ad Valorem	6,706,000	6,873,000	7,045,000	7,221,000	7,402,000	7,587,000
25 Connection Fees	267,200	270,000	273,000	275,000	278,000	281,000
26 Proceeds from Bonds	25,000,000	-	12,000,000	-	-	-
27 Proceeds from SRF Loans	-	-	3,000,000	3,000,000	3,000,000	3,000,000
28 Total Capital Revenue	<b>31,973,200</b>	<b>7,143,000</b>	<b>22,318,000</b>	<b>10,496,000</b>	<b>10,680,000</b>	<b>10,868,000</b>
<b>Debt Service</b>						
29 Interest Expense	2,410,000	2,856,000	3,115,000	3,362,000	3,440,000	3,439,000
30 Principal Payments on Debt	1,120,000	1,654,000	1,914,000	2,173,000	2,518,000	2,721,000
31 Total Debt Service	<b>3,530,000</b>	<b>4,510,000</b>	<b>5,029,000</b>	<b>5,535,000</b>	<b>5,958,000</b>	<b>6,160,000</b>
<b>Capital Expenditures</b>						
32 Capital Improvement Projects	42,186,000	16,542,000	16,691,000	10,000,000	10,000,000	10,000,000
33 Other Capital Spending	1,868,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
34 Fixed Assets Purchased	536,000	200,000	400,000	200,000	200,000	400,000
35 Total Capital Expenditures	<b>44,590,000</b>	<b>18,247,000</b>	<b>18,591,000</b>	<b>11,700,000</b>	<b>11,700,000</b>	<b>11,900,000</b>
36 Total Debt Service & Capital Expenditures	<b>48,120,000</b>	<b>22,757,000</b>	<b>23,620,000</b>	<b>17,235,000</b>	<b>17,658,000</b>	<b>18,060,000</b>
37 <b>Capital Net Results</b>	<b>(16,146,800)</b>	<b>(15,614,000)</b>	<b>(1,302,000)</b>	<b>(6,739,000)</b>	<b>(6,978,000)</b>	<b>(7,192,000)</b>
38 <b>Operating &amp; Capital Net Results</b>	<b>(13,274,000)</b>	<b>(11,759,000)</b>	<b>2,702,000</b>	<b>(2,584,000)</b>	<b>(2,678,000)</b>	<b>(2,740,000)</b>
39 Beginning Cash Balance	36,177,900	22,903,900	11,144,900	13,846,900	24,042,900	21,364,900
40 Add: Sewer Service Charge and Other Revenue	19,546,800	20,800,000	21,422,000	22,062,000	22,722,000	23,402,000
41 Total Cash Balance	55,724,700	43,703,900	32,566,900	35,908,900	46,764,900	44,766,900
42 Less: Total Operating Expenses	(16,674,000)	(16,945,000)	(17,418,000)	(17,907,000)	(18,422,000)	(18,950,000)
43 Net Cash Balance	39,050,700	26,758,900	15,148,900	18,001,900	28,342,900	25,816,900
44 Less: Cash Requirements (Capital Net Results)	(16,146,800)	(15,614,000)	(1,302,000)	(6,739,000)	(6,978,000)	(7,192,000)
45 Add: Proceeds from Property Sale	-	-	-	12,780,000	-	-
46 Cash Available	<b>22,903,900</b>	<b>11,144,900</b>	<b>13,846,900</b>	<b>24,042,900</b>	<b>21,364,900</b>	<b>18,624,900</b>
47 Less: Target Ops Reserves (50% Ops Budget)	(8,337,000)	(8,472,500)	(8,709,000)	(8,953,500)	(9,211,000)	(9,475,000)
48 Less: Target Emergency Reserves	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)	(2,000,000)
49 Remaining Cash Available	<b>12,566,900</b>	<b>672,400</b>	<b>3,137,900</b>	<b>13,089,400</b>	<b>10,153,900</b>	<b>7,149,900</b>