

**NOTICE AND AGENDA
Special Board Meeting
at Sanitary District No. 5 of Marin County
Thursday, June 29th, 2023**

5:00 P.M. SPECIAL BOARD MEETING

Teleconference Location:
Director Richard Snyder
10 Pomander Walk
Belvedere CA 94920

PURSUANT TO THE RALPH M. BROWN ACT, ALL VOTES SHALL BE BY ROLL CALL DUE TO DIRECTOR SNYDER TELECONFERENCE FROM 10 Pomander Walk Belvedere CA 94920

ROLL CALL:

PUBLIC COMMENTS: The public is invited to address the Board on items that do not appear on the agenda and are within the subject matter jurisdiction of the Board. The Brown Act does not allow the Board to take action on any public comment. Please limit public comments to no more than three minutes.

DIRECTORS' COMMENTS AND/OR AGENDA REQUESTS:

CONSENT CALENDAR:

1. Approval of June 22nd, 2023 Special Board Meeting Minutes (Rubio)

MANAGEMENT REPORTS:

NEW BUSINESS:

2. Consideration of Adoption and Second Reading of Ordinance No. 2023-01: An ordinance of the Board of Directors establishing a base sewer service rate and increasing the Sewer Service Charges district wide – Action (Rubio)

UNFINISHED BUSINESS:

COMMITTEE REPORTS:

OTHER BUSINESS:

ENVIRONMENTAL:

CORRESPONDENCE:

INFORMATIONAL ITEMS:

ADJOURNMENT:

The Board will be asked to adjourn the meeting to a Regular Board Meeting on July 20, 2023, at 5:00 P.M.

At its discretion, the Board of Directors may consider the above-agenda items out of the order in which they appear currently. Accessible public meetings: Upon request, the District will provide written agenda materials in appropriate alternate formats, or disability-related modification or accommodation, including auxiliary aids or services to enable individual with disabilities to participate in public meetings. Please submit written requests to the District at P.O. Box 227, Tiburon, CA 94920 or rdohrmann@sani5.org at least two days prior to the meeting.

**Special Board Meeting Minutes
at Sanitary District No. 5 of Marin County
Thursday, June 22nd, 2023**

5:00 P.M. SPECIAL BOARD MEETING

ROLL CALL:

Directors Present: 1702 hrs.

Tod Moody, President

Omar Arias-Montez, Vice President

John Carapiet, Secretary

Catharine Benediktsson (5:07 p.m.)

Staff Present: Tony Rubio, Robin Dohrmann

**Consultants: Rick Simonson, Gabe Sasser
(HF&H Consultants)**

Megan A. Burke, Esq.
(Burke, Williams, Sorensen, LLC)

**Public: L.Ferris, Tiburon
L Stoer, Belvedere**

PUBLIC COMMENTS: The public is invited to address the Board on items that do not appear on the agenda and are within the subject matter jurisdiction of the Board. The Brown Act does not allow the Board to take action on any public comment. Please limit public comments to no more than three minutes.

No public comments

DIRECTORS' COMMENTS AND/OR AGENDA REQUESTS:

Director Benediktsson requested a formal survey for/from 2088 Paradise Drive, Tiburon

CONSENT CALENDAR:

1. Approval of May 24th, 2023 Special Board Meeting Minutes (Rubio)
2. Review and receive all electronic fund transfers (EFTs) and approve warrants from May 12th, 2023, through June 15th, 2023 (JP Morgan Chase Bank), check no. 9764 through check no. 9837, all transactions totaling \$360,080.97) and receive May 2023, payroll, in the sum of \$147,496.69 (Dohrmann)
3. Receipt of Financial Reports for May 2023 (Dohrmann)

Discussion by the Board. Motion (Arias-Montez/Carapiet) to approve the Consent Calendar. Passed (3-0-0-2). (Benediktsson absent)

MANAGEMENT REPORTS:

4. District Manager Summary Report (Rubio)

District Manager Rubio answered questions from the Board.

PUBLIC HEARING:

5. Consider Proposed Increase in District Wide Sewer Service Charges
 - a. Open Public Hearing
 - b. Receive Public Comment
 - Received Public comment from L. Ferris about preference for flow based rates/equity in respect to larger households.
 - Received Public comment from L Stoer, stated a protest letter was submitted and verified by staff that it was received.
 - c. Close Public Hearing
 - d. Tabulate Proposition 218 Protest Letters
 - Majority protest **not reached**- Five (5) total protest letters submitted from SD5 District residents and received by the District before the Public hearing date of June 22, 2023
 - e. Accept Final Report by HF&H Consultants regarding the Rate Analysis for proposed increase in sewer service charges - Action (Rubio)
 - Discussion by the Board. Motion (Arias-Montez/Carapiet) to accept the final Report by HF&H Consultants regarding the Rate Analysis for proposed increase in sewer service charges. Passed (4-0-0-1).
 - f. Consideration of Introduction and First Reading of Ordinance No. 2023-01: An ordinance of the Board of Directors establishing a base sewer service rate and increasing the Sewer Service Charges District wide – Action (Rubio)
 - Discussion by the Board. Motion (Carapiet/Benediktsson) to accept First Reading of Ordinance No. 2023-01: An ordinance of the Board of Directors establishing a base sewer service rate and increasing the Sewer Service Charges District wide. Passed (4-0-0-1).
6. Fiscal Year 2023-2024 Final Budget
 - a. Public Comment
 - b. Consideration of adoption of Resolution No. 2023-04: A Resolution Approving and Adopting Fiscal Year 2023-2024 Final Budget and Fixing the District's Tax Allocation for the Fiscal Year. (Rubio) – Action
 - Discussion by the Board. Motion (Arias-Montez/Carapiet) to approve and adopt Fiscal Year 2023-2024 Final Budget and Fixing the District's Tax Allocation for the Fiscal Year. Passed (4-0-0-1).
 - c. Consideration of adoption of Resolution No. 2023-05 A Resolution Approving and Adopting Fiscal Year 2023-2024 Final SD5 Reserve Policies for the District (Rubio) – Action
 - Discussion by the Board. Motion (Carapiet/Benediktsson) to approve and adopt Resolution No. 2023-05 A Resolution Approving and Adopting Fiscal Year 2023-2024 Final SD5 Reserve Policies for the District. Passed (4-0-0-1).

NEW BUSINESS:

7. Review and discuss quotes for the replacement of the HVAC unit for the Staff Break Room and provide authorization to the District Manager to proceed with the replacement with the lowest bid vendor (Rubio) – Action
 - Discussion by the Board. Motion (Arias-Montez/Benediktsson) to authorize the District Manager to proceed with the replacement with the lowest bid vendor. Passed (4-0-0-1).

NEW BUSINESS: (cont'd):

8. Acceptance and discussion of Marin County Civil Grand Jury Report Titled “Build More ADUs – An Rx for Increasing Marin’s Housing Supply” and provide direction to the District Manager to work with the Governance Committee to draft a response for Board consideration and approval prior to September 15, 2023 (Rubio) - Action

No action taken, direction given.

UNFINISHED BUSINESS: None

COMMITTEE REPORTS: None

9. Capital Improvement Program Committee (Carapiet/Arias-Montez) None
10. Finance & Fiscal Oversight Committee (Arias-Montez/Snyder) None
11. Governance Committee (Snyder/Benediktsson) None
12. Personnel Committee (Snyder/Carapiet) None
13. Ad Hoc Committee – Paradise Drive (Carapiet/Benediktsson) None

OTHER BUSINESS: None

ENVIRONMENTAL: None

CORRESPONDENCE: None

14. Letter to Congressman Huffman expressing the Districts support for the *Wastewater Infrastructure Pollution Prevention and Environmental Safety (WIPPES) Act* (H.R. 2964)
15. Letter to Senator Feinstein expressing the Districts support for the *Wastewater Infrastructure Pollution Prevention and Environmental Safety (WIPPES) Act* (S. 1350)

INFORMATIONAL ITEMS: None

CLOSED SESSION: None

ADJOURNMENT: 1746 hrs.

The Board will be asked to adjourn the meeting to a Special Board Meeting on June 29, 2023, at 5:00 P.M.

Approved:

Attest:

Tod Moody
President, Board of Directors

John Carapiet
Secretary, Board of Directors

ORDINANCE NO. 2023-01

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF SANITARY DISTRICT NO. 5
OF MARIN COUNTY INCREASING THE SEWER SERVICE CHARGES FOR THE
DISTRICT**

WHEREAS, the Tiburon Zone has been a portion of Sanitary District Number 5 of Marin County (“SD No. 5”) since the creation of the District;

WHEREAS, the Tiburon Zone includes all parcels receiving sanitary sewer services from SD No. 5 within the Town of Tiburon;

WHEREAS, Ordinance No. 78-1 established and prescribed Sewer Service Charges for Sanitary District No.5 (“SD No. 5”);

WHEREAS, in June 2005, the City of Belvedere established a Sewer Service Charge of \$890 per Equivalent Dwelling Unit (“EDU”) for the Belvedere Zone prior to annexation into the District;

WHEREAS, the Belvedere Zone includes all parcels receiving sanitary sewer services from SD No. 5 within the City of Belvedere;

WHEREAS, upon the annexation of the Belvedere Zone sewer system to SD No. 5 in July 2005, SD No. 5 continued to charge the existing \$890 Sewer Service Charge per EDU to the Belvedere Zone;

WHEREAS, in 2007 it became necessary to increase the Belvedere Zone Sewer Service Charge for the first time since annexation. Ordinance No. 2007-01 increased the Sewer Service Charge for Fiscal Year 2007-2008 to \$1,139 and increased the Sewer Service Charge for Fiscal Year 2009-2010 to \$1,185. An approved 9% Sewer Service Charge increase for Fiscal Year 2008-2009 was not implemented by the Board of Directors;

WHEREAS, the Sewer Service Charge is supplemented in the Tiburon Zone by a portion of property taxes paid by parcels in the Town of Tiburon;

WHEREAS, to pay for needed District improvements and costs, the Sewer Service Charge in the Tiburon Zone was increased to \$478 per Equivalent Dwelling Unit (“EDU”) in 2008;

WHEREAS, in 2010 it became necessary to increase the Belvedere Zone Sewer Service Charge and the Tiburon Zone Sewer Service Charge. Ordinance No. 2010-03 increased the Sewer Service Charge in the Tiburon Zone for Fiscal Year 2010-2011 to \$598, FY 2011-2012 to \$717, FY2012-2013 to \$825, FY2013-2014 to \$923 and FY2014-2015 to \$1034 and Ordinance No. 2010-04 increased the Sewer Service Charge in the Belvedere Zone for Fiscal Year 2010-2011 to \$1,457, FY2011-2012 to \$1748, FY2012-2013 to \$1836, FY2013-2014 to \$1928 and FY2014-2015 to \$1985.

Ordinance No. 2023-01
June 22, 2023

WHEREAS, in the 7 years from 2015 to 2023, there were no District Sewer Service Charge increases in the Tiburon Zone and/or Belvedere Zone.

WHEREAS, SD No. 5 has determined that the Tiburon and Belvedere Zones should be combined and that the same Base Parcel Rate Sewer Service Charge should apply to all parcels in the District because all customers are served by and benefit from the entire sanitary sewer system;

WHEREAS, the Base Rate Parcel Sewer Service Charges will be charged to parcels that are located in a jurisdiction that does not contribute property tax revenues to SD No. 5 and the Ad Valorem Credited Parcel Rate will be charged to parcels that are located in a jurisdiction that does contribute property tax revenues;

WHEREAS, it is now necessary for SD No. 5 to increase Sewer Service Charges in the District for the following reasons:

- \$8.8 million in average annual maintenance, upgrades, and improvements are needed to ensure reliable service across the District;
- To establish sufficient District reserves in order to fund needed system improvements and to pay for emergencies;
- To avoid spills or other violations resulting in costly penalties;
- To protect the public health and safety;
- To help the District comply with increasingly strict regulations that are designed to protect the San Francisco Bay;

WHEREAS, SD No. 5 commissioned, and approved, on April 20, 2023, a Sewer Rate Study, performed by HF&H Consultants, which serves as the basis for the increases in Sewer Service Charges contained herein and is attached hereto as Exhibit A;

WHEREAS, the Sewer Service Charges contained herein are based on the actual cost to collect, transport, and treat wastewater from customers within the District;

WHEREAS, the Sewer Service Charges are calculated to include a Base Rate Parcel Sewer Service Charge and an Ad Valorem Credited Parcel Rate Sewer Service Charge;

WHEREAS, the SD No. 5 Board finds and determines that, based on the entire record before the Board, including but not limited to the Staff Report and attachments thereto:

- 1) Revenues derived from the proposed Sewer Service Charges will not exceed the funds required to provide sewer service, respectively.
- (2) Revenues derived from the proposed Sewer Service Charges will not be used for any purpose other than that for they were imposed.

(3) The amount of the Sewer Service Charges imposed upon any parcel or person as an incident of property ownership will not exceed the proportional cost of the service attributable to the parcel.

(4) The Sewer Service Charges are imposed for a service for services that are actually used by, or immediately available to, the owner of the property in question.

(5) The Sewer Service Charges are not being imposed for general government services;

WHEREAS, pursuant to the provisions of Article 13D, Section 6, of the California Constitution (e.g., Proposition 218), prior to extending, imposing or increasing Sewer Service Charges, property owners shall be provided at least 45 days' notice of a public hearing to consider such modifications to the Sewer Service Charges together with an explanation of: (1) the amount of the propose rates, (2) the basis on which the rates are calculated, (3) the reason for the rate modifications, and (4) the date, time and place of a public hearing to consider the rate modifications, together with an explanation of the rights of property owners to submit written protests to the proposed rate modifications. The proposed rate modifications may not be imposed if, prior to the close of the public hearing, written protests are submitted by property owners or tenants representing a majority of the properties subject to the modified rates ("majority protest");

WHEREAS, on May 10, 2023 and May 24, 2023, SD No. 5 conducted a community workshop to present the details of the fee increases contained herein and to answer questions from the public regarding the fee increases contained herein;

WHEREAS, Notice of the public hearing to consider proposed adjustments to the Sewer Service Charges was mailed at least 45 days prior to the scheduled public hearing and contained all information required by Proposition 218;

WHEREAS, On June 22, 2022, the SD No. 5 Board conducted a public hearing, considered testimony, and at the conclusion of the hearing determined that a majority protest did not exist.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF SANITARY DISTRICT NO. 5 OF MARIN COUNTY DOES HEREBY ORDAIN AS FOLLOWS:

- A. The above recitations are true and correct and, accordingly, are incorporated as a material part of this Ordinance.

- B. That the Sewer Service Charge increase is exempt from the California Environmental Quality Act (“CEQA”) under the "General Rule", Section 15061 (b) (3), in that it can be seen with certainty that no environmental impacts will result from these actions, and under CEQA Guideline section 15273 as these actions apply only to rates and fees to obtain funds necessary to operate and maintain the wastewater system.
- C. Annual Sewer Service Charge for the users below shall be as follows:
1. **Residential Sewer Service Charges:** The annual Sewer Service Charge payable by each single family dwelling unit (1 EDU), exclusive of Hotels and Inns, shall be as follows:
 - a. Base Rate Parcel= Fiscal Year 2023-2024: \$1,848
Ad-Valorem Credited Parcel= Fiscal Year 2023-2024: \$1,358
 - b. Base Rate Parcel= Fiscal Year 2024-2025: \$2,033
Ad-Valorem Credited Parcel= Fiscal Year 2024-2025: \$1,534
 - c. Base Rate Parcel= Fiscal Year 2025-2026: \$2,237
Ad-Valorem Credited Parcel= Fiscal Year 2025-2026: \$1,728
 - d. Base Rate Parcel= Fiscal Year 2026-2027: \$2,460
Ad-Valorem Credited Parcel= Fiscal Year 2026-2027: \$1,942
 - e. Base Rate Parcel= Fiscal Year 2027-2028: \$2,706
Ad-Valorem Credited Parcel= Fiscal Year 2027-2028: \$2,179
 - a. The following definitions shall apply to the Residential Sewer Service Charges above:
 - i. Base Rate Parcel = A parcel that is located in a jurisdiction that does not contribute property tax revenues to SD No. 5.
 - ii. Ad-Valorem Credited Parcel = A parcel that is located in a jurisdiction that does contribute property tax revenues to SD No. 5.
2. **Non-Residential Use (Includes Hotels and Inns):** The annual Sewer Service Charge payable for each Non-Residential customer shall be calculated based upon the following:
 - b. Non-Residential users shall be assessed a Sewer Service Charge based upon annual metered water readings and wastewater strengths. A strength factor (EDU factor) will be used to recover costs for wastewater strengths

greater than residential wastewater strengths. The non-residential use groups and EDU factors are as follows:

<u>User Group*</u>	<u>EDU Factor</u>
Non-Residential, Miscellaneous	1.0
Hotels, Inns with Dining	1.7
Delicatessens	2.0
Groceries with Grinders	2.2
Restaurants	2.4

* Any use not listed herein shall be assigned the most appropriate/similar of the above EDU Factors by SD No. 5.

- c. The formulae used to calculate the annual Sewer Service Charge for each Non-Residential user shall be the following:
 - i. $(\text{Annual Flow} \times \text{EDU Factor}) \div \text{Annual Residential Flow per EDU} = \text{Non-Residential EDU Units}$
 - ii. $\text{Non-Residential EDU Units} \times \text{Annual Rate} = \text{Annual Non-Residential Sewer Service Charge}$

- d. The following definitions shall apply to the Non-Residential Sewer Service Charge formulae contained in Subsection (b) above:
 - i. Annual Flow: The total volume of water utilized by a commercial property in the previous calendar year as calculated by the Marin Municipal Water District (“MMWD”) meter reading for the property, excluding any MMWD meters designated, or proven to be, only for irrigation purposes or other uses not resulting in water entering the SD No. 5 collection system.
 - ii. Annual Residential Flow per EDU: The annual residential flow per EDU is assumed to be 75 hundred cubic feet (HCF). This is the historic average for single family home and duplex water meters in Southern Marin for the previous calendar year as provided by MMWD, but excluding 1/3 to account for water consumption used for irrigation purposes.

- e. The Annual Rate for use in the calculation of the Non-Residential Sewer Service Charge shall be set as follows:
 - i. Base Rate Parcel= Fiscal Year 2023-2024: \$1,848
Ad-Valorem Credited Parcel= Fiscal Year 2023-2024: \$1,358
 - ii. Base Rate Parcel= Fiscal Year 2024-2025: \$2,033
Ad-Valorem Credited Parcel= Fiscal Year 2024-2025: \$1,534
 - iii. Base Rate Parcel= Fiscal Year 2025-2026: \$2,237
Ad-Valorem Credited Parcel= Fiscal Year 2025-2026: \$1,728
 - iv. Base Rate Parcel= Fiscal Year 2026-2027: \$2,460
Ad-Valorem Credited Parcel= Fiscal Year 2026-2027: \$1,942
 - v. Base Rate Parcel= Fiscal Year 2027-2028: \$2,706
Ad-Valorem Credited Parcel= Fiscal Year 2027-2028: \$2,179
- f. The following definitions shall apply to the Non-Residential Sewer Service Charge contained in Subsection (e) above:
 - i. Base Rate Parcel = A parcel that is located in a jurisdiction that does not contribute property tax revenues to SD No. 5.
 - ii. Ad-Valorem Credited Parcel = A parcel that is located in a jurisdiction that does contribute property tax revenues to SD No. 5.
- g. For all Non-Residential users, the minimum Sewer Service Charge shall be one (1) EDU per parcel.

3. **Sewer Service Charge collection costs:** An additional charge of \$2.00 shall continue to be collected by the County of Marin in addition to each of the above Residential and Non-Residential Sewer Service Charges and used for the purpose of defraying the costs of levying, collecting, and enforcing said charges on each lot or parcel of land against which a charge has been imposed.

D. This Ordinance shall supersede Ordinance No.78-1, 2010-03 and 2010-04, as amended, by setting new rates and clarifying the methods of calculating Sewer Service Charges. All other provisions of Ordinance No. 78-1, 2010-03 and 2010-04 as amended, shall remain the same.

Ordinance No. 2023-01
June 22, 2023

- E. Upon adoption of this Ordinance, it shall be entered in the minutes of the Board of Directors and shall be published once in *The Ark*, a newspaper published in SD No. 5's district.

* * * * *

I certify that the foregoing Ordinance was duly and regularly adopted by the Board of Directors of Sanitary District No. 5 of Marin County, California at a meeting held on June 22, 2023 by the following vote:

AYES, and in favor thereof, Directors:

NOES, Directors:

ABSTAIN, Directors:

ABSENT, Directors:

Approved:

Tod Moody, President
Sanitary District No. 5 of Marin County

Attest:

John Carapiet, Secretary
Sanitary District No. 5 of Marin County

**SANITARY DISTRICT
of MARIN COUNTY**



SANITARY DISTRICT No. 5 OF MARIN COUNTY

FY 2023-24 Sewer Service Charge Study

April 21, 2023 – Final Report



HF&H Consultants, LLC

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SANITARY DISTRICT NO. 5 OF MARIN COUNTY

2001 Paradise Drive

Tiburon, California 94920



SEWER SERVICE CHARGE STUDY

April 21 2023

HF&H CONSULTANTS, LLC

590 Ygnacio Valley Road, Suite 105

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Robert C. Hilton

April 21, 2023

Tony Rubio
General Manager
Sanitary District No. 5 of Marin County
2001 Paradise Drive
Tiburon, California 94920

Subject: Sewer Service Charge Study – Final Report

Dear Tony Rubio:

HF&H Consultants, LLC, is pleased to submit this Final Report of the Sewer Service Charge Study. The report summarizes the projected revenue requirements over the next five fiscal years, updates the annual sewer service charges, and provides a detailed schedule of the recommended sewer service charges for the next five years.

We appreciate your assistance in developing the recommended rates. Thank you for the opportunity to continue to support the District.

Sincerely,

HF&H CONSULTANTS, LLC



Rick Simonson
Senior Vice President

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APPENDIX A. RATE MODEL

ACRONYMS

CIP	Capital Improvement Plan
EDU	Equivalent Dwelling Unit; A standard unit measure of wastewater utility service, based on the volume and strength of wastewater flow.
FY	Fiscal Year
HCF or CCF	Hundred Cubic Feet of metered water; 748 gallons; a cube of water 4.6 feet on edge
MMWD	Marin Municipal Water District
O&M	Operations and Maintenance
PAYGo	Pay-As-You-Go, in reference to funding capital improvements from cash rather than from borrowed sources of revenue.
SASM	Sewerage Agency of Southern Marin

ACKNOWLEDGEMENTS

Board of Directors

Tod Moody, President
Omar Arias-Montez, Vice President
John Carapiet, Director
Catharine Benediktsson, Director
Richard Snyder, Director

District Staff

Tony Rubio, General Manager
Robin Dohrmann, Office Manager

HF&H Consultants, LLC

Rick Simonson, Senior Vice President
Gabe Sasser, Project Manager

LIMITATIONS

This study was prepared solely for Sanitary District No. 5 of Marin County (District) in accordance with the contract between the District and HF&H and is not intended for use by any other party for any other purpose.

In preparing this study, HF&H relied on information from the District, which we consider to be accurate and reliable and did not independently verify.

Rounding differences caused by stored values in electronic models may exist.

This study addresses relevant laws, regulations, and court decisions but should not be relied upon as legal advice. Questions concerning the interpretation of legal authorities referenced in this study should be referred to a qualified attorney.

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1. EXECUTIVE SUMMARY

1.1 Findings and Recommendations

- A. **Summary of Services.** The District provides sewer collection and treatment services to the Town of Tiburon, to the City of Belvedere, and to the unincorporated Paradise Cove area.
- B. **Current Rates.** The District has not increased sewer service charges since 2014. All customers within the District's boundaries are provided collection and treatment services. **Figure 1-1** summarizes the current charges by customer class. Residential customers are charged per dwelling unit (DU). Non-residential customers are charged based on their metered flow and wastewater strength. Further details on how the non-residential equivalent dwelling units (EDUs) are calculated can be found in **Section 4.3** of this report.

Figure 1-1. Current Sewer Service Charges

Customer Class	Current Charge
Tiburon/Paradise Cove	
Residential	\$1,034 per year per DU
Non-Residential	\$1,034 per year per EDU
Belvedere	
Residential	\$1,985 per year per DU
Non-Residential	\$1,985 per year per EDU

- C. **Revenue Requirement Projections.** The annual net revenue requirement projections to support the District's operation and capital improvement program (CIP) to provide collection and treatment services are shown in **Figure 1-2**.

Figure 1-2. Annual Net Revenue Requirements

Net Revenue Requirement	Budget		Projected			
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Operating Expenses	\$4,574,629	\$5,122,414	\$5,298,402	\$5,480,775	\$5,669,781	\$5,865,676
Debt Service	760,168	760,412	760,284	759,784	758,912	757,668
Capital Improvements	2,869,500	2,046,774	4,217,340	3,003,894	1,908,824	2,378,152
(Less) Non-Operating Revenue	(\$155,800)	(\$158,800)	(\$158,800)	(\$158,800)	(\$158,800)	(\$158,800)
Net Revenue Requirement	\$8,048,497	\$7,770,800	\$10,117,226	\$9,085,654	\$8,178,717	\$8,842,695
<i>Annual Change</i>		-3.5%	30.2%	-10.2%	-10.0%	8.1%

- D. **Combining Zones.** Historically, the District has allocated costs among the two zones to assist with ratemaking, Tiburon, which includes Paradise Cove customers, and Belvedere. Through conversations with the Board of Directors, the proposed adjustments include consolidation to one combined zone. One zone will simplify and create both cost and operational efficiencies for the District, as the District will no longer have to distinguish expenses, reserves, and budgets by separate service areas.

- E. **Recommended Rates – Collection and Treatment.** Figure 1-3 summarizes the recommended annual rates through the five-year financial planning period (FY 2023-24 through FY 2027-28), by customer class, to cover the increases in the District’s net revenue requirements (summarized in Figure 1-2) to provide sewer collection and treatment services during the five-year planning period. The proposed rates reflect the District’s preference to move to one combined zone. However, there are two rates to recognize the contributions from Ad-Valorem revenues received from Tiburon customers.¹

Figure 1-3. Recommended Annual Sewer Service Charges

Sewer Service Charges	Adopted		Proposed			
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
1 Base Rate Parcel						
2 Annual sewer service charge per EDU	\$1,985	\$1,848	\$2,033	\$2,237	\$2,460	\$2,706
3 % Rate Adjustment		-7%	10%	10%	10%	10%
4 Ad-Valorem Credited Parcel						
5 Calculated sewer service charge per EDU		\$1,848	\$2,033	\$2,237	\$2,460	\$2,706
6 (Less) ad valorem credit per EDU		(\$491)	(\$500)	(\$509)	(\$518)	(\$528)
7 Annual sewer service charge per EDU	\$1,034	\$1,358	\$1,534	\$1,728	\$1,942	\$2,179
8 % Rate Adjustment		31%	13%	13%	12%	12%

Regardless of location, all parcels are assessed the same charge for service on a per EDU basis. Parcels which contribute Ad-Valorem tax revenue to the District are assessed the same charge per EDU through the combination of the sewer service charge and a portion of the Ad-Valorem revenues the District receives.

This principle of equal annual sewer service payments is reflected in Figure 1-4. In FY 2023-24 through FY 2027-28, the sum of rows 3 and 4, shown as row 5, are equal to the sum of rows 8 and 9, shown as row 10.

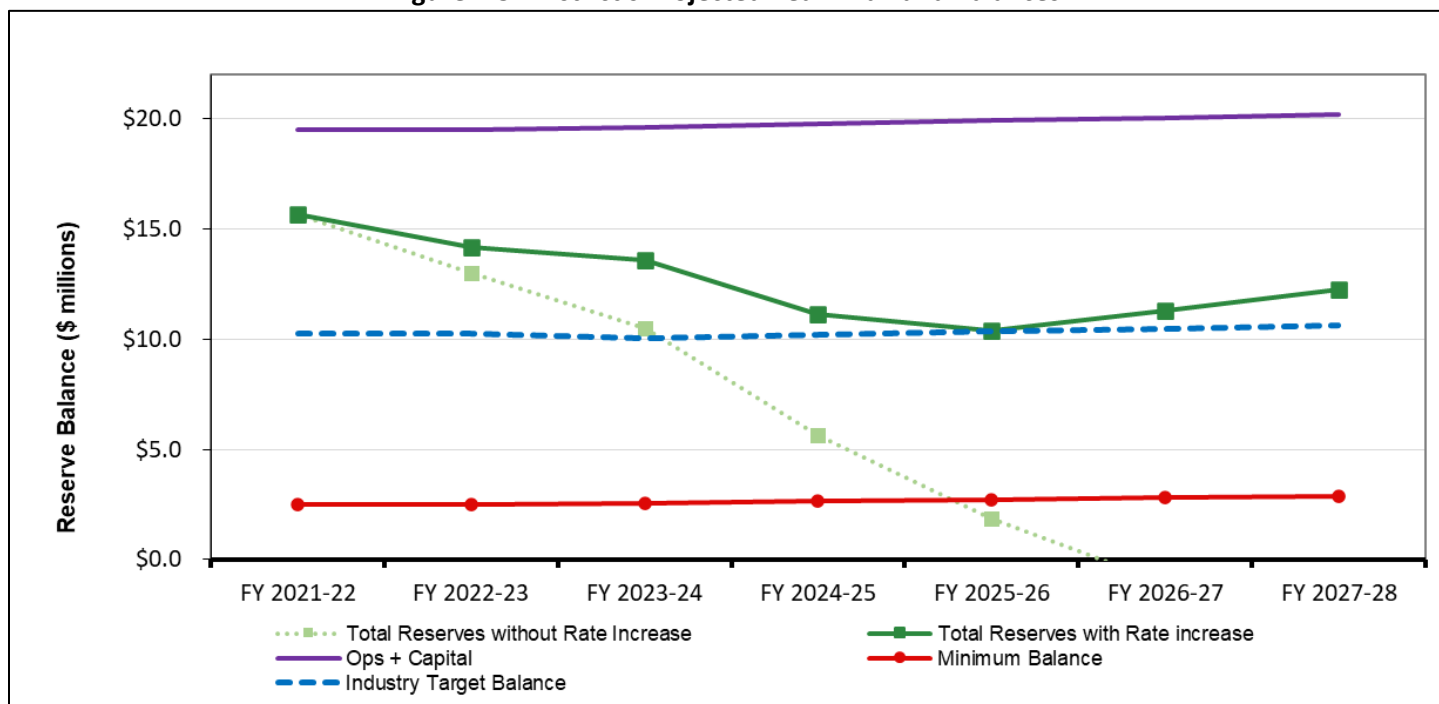
Figure 1-4. Combined Annual Sewer Service Payments per EDU

Annual Sewer Service Payments	Adopted		Projected			
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
1 Base Rate Parcel						
2 Annual change	\$0	(\$137)	\$185	\$203	\$224	\$246
3 Annual sewer service charge per EDU	\$1,985	\$1,848	\$2,033	\$2,237	\$2,460	\$2,706
4 Property tax payment per EDU	\$0	\$0	\$0	\$0	\$0	\$0
5 Combined payment per EDU	\$1,985	\$1,848	\$2,033	\$2,237	\$2,460	\$2,706
6 Ad-Valorem Credited Parcel						
7 Annual change	\$0	\$324	\$176	\$194	\$214	\$237
8 Annual sewer service charge per EDU	\$1,034	\$1,358	\$1,534	\$1,728	\$1,942	\$2,179
9 Property tax payment per EDU	\$457	\$491	\$500	\$509	\$518	\$528
10 Combined payment per EDU	\$1,491	\$1,848	\$2,033	\$2,237	\$2,460	\$2,706

¹ All but two Tiburon customers/parcels contribute Ad-Valorem tax revenue provided by the Marin County Tax Assessor’s Office. The District has documentation of which two do not contribute and will be charged at the Base Rate with no Ad-Valorem Credit.

- F. **District's Reserve Fund Balance.** As shown in **Figure 1-5**, with the recommended rates in **Figure 1-3**, the District's reserve fund balance (solid green line with squares) will remain at, or slightly above, the Industry Target balance (dashed blue line) during the five-year planning period. The Industry Target addresses annual operating, cash-funded capital, and other reserve requirements. A description of the District's reserve funds and target balances is included in this report, beginning with **Section 3.8**. Without the recommended increases, the District's reserve fund balance (dotted green line with squares) quickly approaches the minimum balance (solid red line with circles). The minimum fund balance is necessary for the District to achieve its annual cash flow for its basic level of operations but does not allow for capital spending or emergency reserves.

Figure 1-5. District's Projected Year-End Fund Balances



1.2 Implementation

- A. **General.** This report documents the rates proposed for adoption by the District, as shown previously in **Figure 1-3**. The proposed rate plan should maintain adequate reserves for cash flow and emergency purposes. Actual revenues and expenses may differ from the projections included in the five-year financial model (included in **Appendix A**), which is the basis for these proposed rate increases. Each year, as part of the annual budget process, the District should confirm the need for the next incremental rate change. The District can implement a lower rate increase, if supported by the financial forecast, without going through the Proposition 218 notification process.

2. INTRODUCTION

2.1 Study Purpose

The purpose of this study is to update the District's rates to ensure that they generate sufficient revenue and that the rate structure reflects the District's current rate-making objectives. The study was commissioned by the District to evaluate the effect of certain rate structure modifications in response to input from its customers.

2.2 Rate-Making Objectives

The District's current rate-making objectives include the following:

- Provide revenue sufficiency and financial stability to fund the projected capital and operating and maintenance (O&M) costs of the District.
- Reflect the proportional impact to the cost of service.
- Meet the District's operations and capital funds reserve targets.
- Reflect equity of costs in proportion to the level of service in ratemaking.
- Provide for efficient administration and execution of utility billing.
- Minimize "rate shock" overall and to any specific customer class.
- Develop clear rates that customers can understand.
- Ensure rates comply with Proposition 218 and applicable State codes.

2.3 Background

The District provides wastewater collection and treatment services to the Town of Tiburon, to the City of Belvedere, and to the unincorporated Paradise Cove area. In 2005, the Town of Belvedere's collection system was annexed to the District. The collection systems in Tiburon and Belvedere comprise pipelines and pump stations that are hydraulically separate. However, flows from each collection system converge at the District's main treatment plant. In 2007, the parcels located along Paradise Drive and the corresponding collection system were annexed to the District. Paradise Cove's collection system and treatment plant are separate from the rest of the District's facilities.

2.4 Report Organization

The report contains five sections:

1. **Executive Summary** – Summarizes our findings and recommendations.
2. **Introduction** – Provides context for the study.
3. **Projected Revenue Requirements** – Documents the annual revenue requirements and increases in rate revenue for the five-year planning period from fiscal year (FY) 2023-24 through FY 2027-28.
4. **Rate Design** – Describes the recommended updates to the existing rate structure and the rationale for these updates.

5. **Cost of Service and Rate Analysis** – Documents the derivation of the rates.
6. **Five-year Rate Plan Recommendations** – Summarizes the recommended rates for the five-year planning period.

3. REVENUE REQUIREMENT PROJECTIONS

Rate analysis begins by determining the net revenue that must be provided from the sewer service charge rates to cover the cost of service to provide collection and treatment services to the District's entire service area. For purposes of this study, a five-year rate projection period was developed using a spreadsheet model (see **Appendix A**). With this model, the net revenue requirements were projected for FY 2023-24 through FY 2027-28. **Figure 3-1** summarizes the net revenue requirements used to develop the annual sewer service charges and indicate the annual change in revenue.

Figure 3-1. Net Revenue Requirement

Net Revenue Requirement	Budget			Projected		
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
1 Personnel	\$2,930,839	\$2,947,024	\$3,051,084	\$3,159,049	\$3,271,074	\$3,387,322
2 Operations & Maintenance	1,229,500	1,704,000	1,761,786	1,821,629	1,883,607	1,947,800
3 Administrative	414,290	471,390	485,532	500,098	515,101	530,554
4 Debt Service	760,168	760,412	760,284	759,784	758,912	757,668
5 Avg. Annual Capital Improvements	2,869,500	2,710,997	2,710,997	2,710,997	2,710,997	2,710,997
6 Ad-Valorem Revenue	(1,185,133)	(1,206,814)	(1,228,892)	(1,251,374)	(1,274,266)	(1,297,578)
7 Other Non-Operating Revenue	(155,800)	(158,800)	(158,800)	(158,800)	(158,800)	(158,800)
8 Net Revenue Requirement	\$6,863,364	\$7,228,209	\$7,381,991	\$7,541,383	\$7,706,623	\$7,877,962
9 <i>Annual Change</i>		5.3%	2.1%	2.2%	2.2%	2.2%

The operating and capital components of the revenue requirements are based on projections prepared by the District and presented in the District's adopted FY 2022-23 budget and the District's draft FY 2023-24 budget. Factors driving future cost trends (and related revenue requirements) for each of these components are summarized here.

3.1 Personnel Expenses

This cost category includes salaries and benefits. From FY 2024-25 to FY 2027-28, salaries and salary-related expenses have been escalated 3% annually. Pension and benefits have been escalated 5% annually. No staff headcount increases are anticipated.

3.2 Operations & Maintenance

This cost category includes electrical utility costs, fuel, permitting fees, non-capital materials, and equipment. Expenses increased significantly between FY 2022-23 and FY 2023-24 due to material and product shortages, as well as inflation. Utility costs have been escalated 5% annually while all other expenses have been increased 3% annually for FY 2024-25 to FY 2027-28.

3.3 Administrative Expenses

Costs within this category account for office, legal, and insurance expenses. Assessor tax roll preparation fees are also included. The District's administrative costs are projected to increase gradually by 3% annually for the five-year planning period.

3.4 Debt Service

In 2012, the District issued \$12 million in revenue bonds to fund the Main Plant Rehabilitation Project. The District refinanced in 2020 and kept the same maturity date of 2031. The District's annual obligation

ranges between \$760,000 and \$749,000 for the planning period of FY 2022-23 through FY 2027-28. Additional details are included in Table 6 of **Appendix A**.

3.5 Capital Improvements

In addition to the major capital improvements funded with debt, the District maintains a capital improvement program (CIP) for replacement and rehabilitation of its system, which is funded through sewer service charge rates on a pay-as-you go (PAYGo) basis. The District's capital improvement plan is detailed in the model (see **Appendix A**). Under the proposed rate structure, all capital costs will be shared equally among the District's customers.

Figure 3-2. PAYGo Capital Projects Summary

CIP Project Summary	Budget		Projected			
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Main Treatment Plant	\$925,000	\$675,000	\$850,000	\$835,000	\$525,000	\$350,000
Paradise Cove Treatment Plant	\$75,000	\$125,000	\$295,000	\$375,000	\$125,000	\$150,000
Tiburon Pumps and Lines	\$1,095,000	\$325,000	\$1,525,000	\$675,000	\$625,000	\$1,100,000
Belvedere Pumps and Lines	\$774,500	\$825,000	\$1,200,000	\$770,000	\$350,000	\$350,000
Subtotal	\$2,869,500	\$1,950,000	\$3,870,000	\$2,655,000	\$1,625,000	\$1,950,000
Construction Cost Index	1.00	1.05	1.09	1.13	1.17	1.22
Escalated CIP Total	\$2,869,500	\$2,046,774	\$4,217,340	\$3,003,894	\$1,908,824	\$2,378,152
	<i>Average Annual Capital Improvements (FY 2023-24 - FY 2027-28)</i>					\$2,710,997

The project costs summarized in **Figure 3-2** include a 5.0% cost escalation in FY 2023-24 and a 3.8% annual inflation factor for future years. The former assumption is based on the five-year compound annual growth rate of the Construction Cost Index of San Francisco between 2017 and 2022, published by Engineering News Record. The latter assumption is based on the ten-year compound annual growth rate between 2012 and 2022.

The anticipated cost of the capital improvement projects from FY 2023-24 to FY 2027-28 fluctuates each year between \$1.9 million to \$4.2 million. However, rates are not set to match these annual variations, which would lead to rate volatility, by increasing rates one year and decreasing the next. Instead, rates are based on multi-year averages. The average annual revenue requirement for capital improvement projects in this study assumes annually recurring costs of \$2,710,997. This value is reflected in **Figure 3-1** and used in the calculation of rates for FY 2023-24, discussed later in **Section 4**.

3.6 Ad-Valorem Revenue

This revenue category includes the revenue from the Ad-Valorem taxes (i.e., property taxes) received from Marin County. During this rate study period, the Ad-Valorem revenues are assumed to increase by 1.8% annually, based on the actual average annual increase in Ad-Valorem revenues received between FY 2018-19 through FY 2020-21. Marin County does not reimburse the District for unincorporated parcels or Tiburon parcels added to the County register after 2014. In addition, the District does not receive Ad-Valorem revenues from the County for Belvedere parcels, as a condition of Belvedere's annexation to the District in 2005. Therefore, growth does not contribute to an increase in Ad-Valorem revenues.

3.7 Non-Operating Revenue

This revenue category includes the revenue received from other user fees and inspection fees. The District shares an outfall with Sewerage Agency of Southern Marin (SASM). The District is responsible for

dechlorinating the effluent from SASM prior to discharging it. In return, SASM pays the District an annual reimbursement of \$100,000. During this rate study period, all revenues in this category were assumed to remain flat.

3.8 Reserves

In addition to covering annual expenses, rates need to generate revenue to maintain adequate operations and capital reserves. To determine what constitutes adequate reserve amounts, the District's reserve balance was subdivided into the General Operating Fund, Capital Replacement Reserve, Disaster Recovery Reserve, and Retirement Reserve. In this way, it is possible to set recommended target balances for each purpose. On an annual basis, funds will be transferred to and from the reserves to allow the District to pay operating and capital expenses in a timely manner. The following provides a description of the separate reserve funds and the recommended target balances.

3.8.1 General Operating Reserve

Because of the lag between collection and transfer of sewer service charge payments from the County tax assessor to the District, the Operations Reserve balance is set equal to \$2.5 million to provide adequate cash flow. If this minimum balance is maintained, the District should be able to fund its monthly operations cash flow over a period of six months without relying on the use of a short-term loan. This six-month period matches the gap in property tax payments received. Maintaining the minimum balance for the Operations Reserve is recommended as the highest priority for the District.

3.8.2 Capital Replacement Reserve

The Capital Replacement Reserve provides liquidity to fund construction for projects that are funded on a PAYGo basis (as opposed to those that are funded from debt). The capital allowance provides working capital to maintain sufficient funds in order to pay contractors so that work can proceed without delay. The Capital Reserve target is set at \$15 million. This target provides more than 2 times the average annual cash-funded capital project expenditures over the five-year planning period (~\$4.4 million). Achieving this level of capital reserves would allow the District to meet its goal to fund all projects, planned or unplanned, on a PAYGO basis.

3.8.3 Disaster Recovery Reserve

The target balances for the Operations and Capital Reserves are sufficient to provide working capital on an ongoing basis, but do not provide for unforeseen contingencies such as emergencies. Should an emergency strike (e.g., earthquake), the District cannot suddenly raise rates to generate additional funds due to state law requirements for such rate increases (e.g., Proposition 218). Moreover, the District bills annually on the tax rolls. Therefore, the District has set a target for the Disaster Recovery reserve equal to \$1 million. With such a reserve, the District would have funds on hand to take immediate remedial steps without waiting to procure a loan or issue bonds. This reserve is fully funded and remains funded through the planning period.

3.8.4 Retirement Reserve

The District's Retirement Reserve provides for the funding of employees' pension obligations. The target balance for this reserve is \$1 million. This reserve is fully funded and remains funded through the planning period.

3.9 Projected Rate Revenue Increases

The District has not increased rates since 2014. As a result, larger revenue increases are needed over the next five years to eliminate the current operating shortfall, as shown in **Figure 3-3**.

Figure 3-3. Projected Rate Revenue Increases

	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
<i>Annual Revenue Increases</i>		13.0%	10.0%	10.0%	10.0%	10.0%
Rate Revenue with Increases	\$5,030,902	\$5,542,909	\$6,107,923	\$6,730,511	\$7,416,537	\$8,172,463
Revenue Requirement	(\$8,204,297)	(\$8,593,823)	(\$8,769,683)	(\$8,951,556)	(\$9,139,690)	(\$9,334,341)
Operating Surplus/(Shortfall)	(\$3,173,395)	(\$3,050,914)	(\$2,661,760)	(\$2,221,046)	(\$1,723,153)	(\$1,161,878)
Ad-Valorem Revenue	1,185,133	1,206,814	1,228,892	1,251,374	1,274,266	1,297,578
Other Non-Operating Revenue	155,800	158,800	158,800	158,800	158,800	158,800
Net Operating Surplus/Shortfall	(\$1,832,462)	(\$1,685,300)	(\$1,274,068)	(\$810,872)	(\$290,087)	\$294,500

3.10 Reserve Fund Balance

Figure 3-4 shows the projected annual fund balances with the rate revenue increases recommended in **Figure 3-3** (solid green line with squares) and without the rate increases (dotted green line with squares). Although the projections show straight lines between years, the fund balance will be drawn down substantially during each year. In other words, the reserves are actively drawn from throughout the year, but only periodically added to when payments are received from the County. The reserves are not simply accumulated without being used. The recommended revenue increases would ensure the reserve fund balance meets the industry target balance (blue dashed line). Discussion for each of these target balances follows.

3.10.1 Minimum Balance

The minimum balance (red line) is the balance that is required to meet the District's O&M expenses during the year. The minimum fund balance is necessary for the District to achieve its annual cash flow needs and because the District bills annually on the tax rolls and receives reimbursement from the County only twice each year. As a result, there are several months over which the District must rely on its operating reserve to meet its monthly cash flow requirements. Because of the lag between payments from the County, the minimum Operations Reserve balance is set equal to \$2.5 million, and is assumed to increase 3% annually, to keep up with inflation.

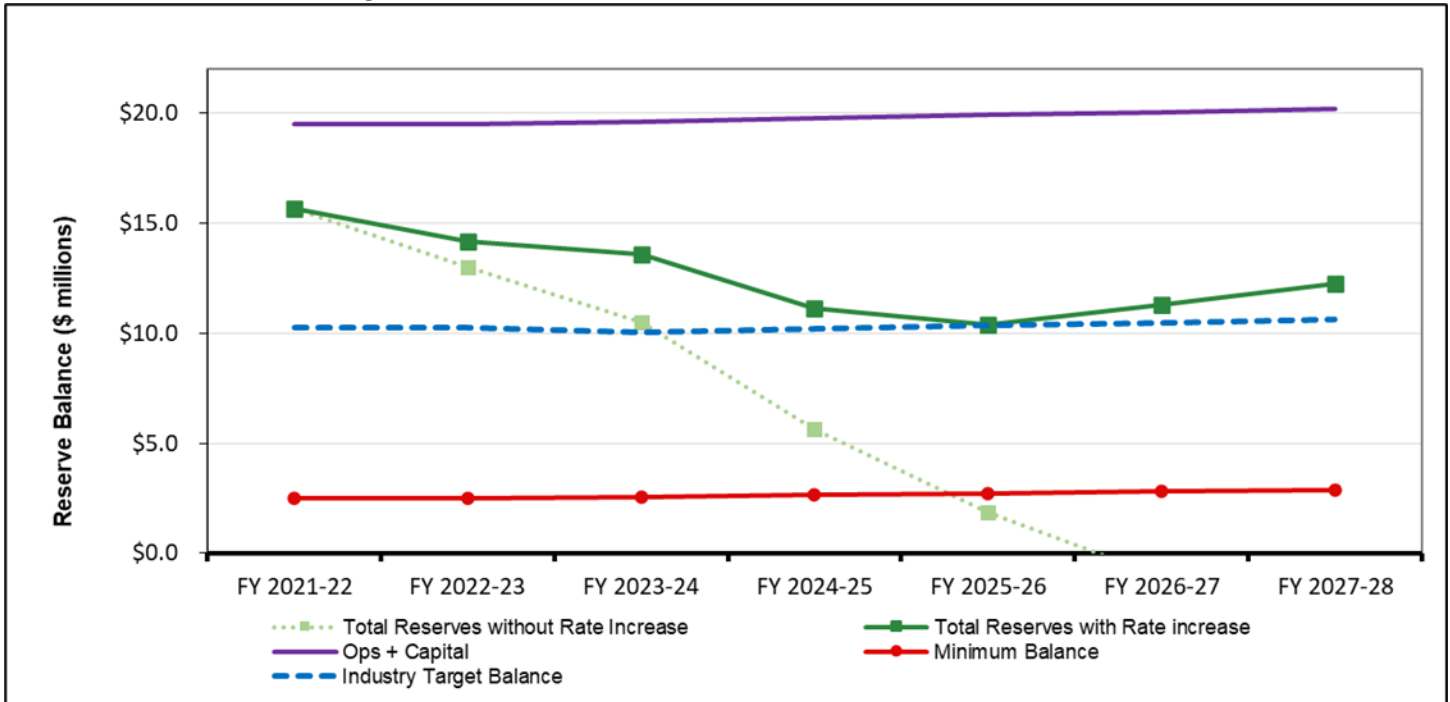
3.10.2 Industry Target Balance

The proposed revenue increases maintain the fund balance (solid green line) above the industry target balance (blue dashed line) by Fiscal Year 2027-28. This target balance is the sum of the minimum balance for operations (red line), plus an allowance for the District's other reserves: Disaster Recovery and Retirement, and two times the average, annual, cash-funded capital improvements (\$2.7 million). The threshold of capital funding included within this target balance aligns with other sewer agencies, who commonly set a goal of maintaining one to two times the annual capital project funding in reserves. This practice provides most sewer agencies the opportunity to utilize reserves, rather than debt issuance, to fund all but the most extraordinary capital improvements. The target is assumed to grow by 3% annually due to inflation, beginning at a value of \$10.0 million in FY 2023-24.

3.10.3 Target Fund Balance

The proposed revenue increases over the five-year period increase the fund balance, bringing it closer to the District’s target balance (solid purple line). The District’s current policy, which establishes this target includes the minimum balance for operations, allowances for the District’s other reserves: Disaster Recovery and Retirement, and a capital improvements target of \$15 million. Holding this level of reserves allows the District to continue cash-funding larger improvement projects, without future debt issuance. Collectively, this target balance is \$19.6 million in FY 2023-24.

Figure 3-4. Fund Balance With and Without Revenue Increases



4. RATE DESIGN

4.1 Introduction

The District's current rate structure charges customers per equivalent dwelling unit (EDU). An EDU is the basic unit of wastewater utility service and reflects the average concentration and strength of flows from a single dwelling unit, which make up most of the District's customer base.

4.2 Residential Customer Rate Design

The District provides collection and treatment services to one residential customer class. All residential customers pay a fixed sewer service charge per EDU. In other words, multi-family parcel bills correspond to the number of living units associated with the property. The residential rate structure is recommended to remain the same during this five-year planning period.

4.3 Non-Residential Customer Rate Design

Non-residential customers have different impacts on the sewer system, and therefore have individual rates based on the strength (cost to treat) and amount of flow (determined by annual water use). For instance, a restaurant pays more than an office because the grease and food from cooking in a restaurant is a higher strength and thus more costly to treat than wastewater from an office. Historically, non-residential customers have been charged based on their annual water use relative to the average water use of residential customers within the District. As a result, non-residential customer bills have fluctuated based on residential customer's level of conservation, even when a non-residential customer's flow remains the same.

All non-residential customers are subject to a minimum charge equal to one EDU per parcel. This minimum charge matches the sewer service charge billed to a residential customer. This charge allows the District to be reimbursed for fixed costs, even when wastewater flows are minimal.

The District currently uses residential water use data from the prior calendar year to calculate commercial charges. Instead of utilizing a standard that fluctuates annually, it is recommended the District assume a constant value of 75 hundred cubic feet (HCF) per EDU each year. This volume of water use represents the median value of average annual residential flow over the last five years. Establishing a fixed flow standard reduces the volatility in non-residential customer bills, as these customers would not be affected by annual fluctuations in residential water use patterns. Based on FY 2022-23 bills, which used 71 HCF as the annual residential flow standard, this change from 71 to 75 HCF per EDU would result in a reduction in the number of non-residential EDUs, and consequently, the revenue from non-residential customers for FY 2023-24.

Non-residential customers pay per EDU based on a formula that determines each commercial customer's number of EDUs. Each non-residential customer's flow and strength is considered in the determination of their individual sewer bills as shown in the proposed formula below:

- Non-residential EDUs = $(\text{Annual Flow}^2 \div 75 \text{ HCF}) \times \text{Strength Factor}^3$
- Annual Non-Residential Sewer Service Charge = Non-residential EDUs x Annual Rate

$$\text{Non-Residential Charge} = (\text{Charge per EDU}) \times (\text{flow factor}) \times (\text{strength factor})$$

The study did not evaluate the strength factors used to assess non-residential sewer service charges and these are assumed to remain the same for the five-year period.

4.4 Zone Consolidation

The District requested that future rates be consolidated from two zones into one. Instead of allocating costs separately, based on share of wastewater volumes, or capacity, all expenses and reserves will be shared among all customers. One zone will simplify and create both cost and operational efficiencies for the District, as the District will no longer have to distinguish expenses, reserves, and budgets by separate service areas. Staff time required to account for work and budgets across multiple zones will be reduced. The proposed rates were determined using this combined zone approach.

4.5 Ad-Valorem Allocation

One reason the current rates are divided is to account for the District receiving Ad-Valorem (property tax) revenues from Tiburon customers, but not from Belvedere customers or some unincorporated parcels within Tiburon. While consolidating to one zone, the District would like to continue to provide credit to parcels that contribute Ad-Valorem revenues. The proposed rates recognize this differential between the Tiburon customers who contribute ad-valorem revenues and all other parcels whose property taxes are not captured by the District. The District anticipates receiving \$1.2 million in Ad-Valorem revenues for FY 2023-24.

4.6 Calculation of the Sewer Service Charges

To revise the sewer service charges, the analysis must calculate the unit charge. The FY 2023-24 revenue requirement is divided by the units of service to determine a unit charge. The total billed sanitary units are the summation of all residential and non-residential EDUs and represent the units of service in the analysis. For non-residential customers, this value accounts for wastewater strength and assigns a minimum value of one EDU to each parcel. Billed sanitary units for FY 2022-23 were adjusted to account for the proposed flow standard, 75 HCF per EDU. As stated previously, this change reduced the number of calculated non-residential EDUs due to the increased assumption in flow standard from 71 to 75 HCF. For reference, **Figure 4-1** calculates the billed sanitary units.

² Annual flow is defined in the District's current ordinances, Ordinance No. 2010-03 and Ordinance No. 2010-04, as the total volume of water utilized by a commercial property in a previous calendar year as calculated by Marin Municipal Water District (MMWD) meter reading for the property, excluding any MMWED meters designated, or proven to be, only for irrigation purposes or other uses not resulting in water entering the SD No. 5 collection system.

³ Strength factors are as follows: 1.00 for Non-Residential, Miscellaneous, 1.7 for Hotels, Inns with Dining, 2.0 for Delis, 2.2 for Grocery stores with grinder systems, 2.4 for Restaurants.

Figure 4-1. FY 2023-24 Billed Sanitary Units

FY 2023-24 Sanitary Units	
Residential	
Base Rate	1,065.00
Ad-Valorem Credited	1,985.50
	<u>3,050.50</u>
Non-Residential	
Base Rate	127.30
Ad-Valorem Credited	473.92
	<u>601.22</u>
Total Billed Sanitary Units	3,651.72

With the total units of service computed, **Figure 4-2** shows how the FY 2023-24 sewer service charges are determined. The total revenue requirement is obtained from **Figure 3-1**, rows 1-5, which is then added to non-operating revenues from **Figure 3-1**, row 7. The operating shortfall from **Figure 3-3** is added to the net revenue requirement to determine the amount of rate revenues that will be generated from the total billed sanitary units. The base sewer service charge represents the unit cost of service, \$1,848 per EDU. There are 2,463.42 sanitary units that will receive credit for Ad-Valorem revenues contributed to the District. In exchange, a unit of credit per EDU is calculated by dividing the Ad-Valorem revenue from **Figure 3-1**, row 6, \$1,206,814, by the number of sanitary units to be credited. This results in a unit of credit per EDU of approximately \$491. When the unit credit is applied to the base sewer service charge, the ad-valorem credited sewer service charge is adjusted to \$1,358 per EDU.

Figure 4-2. FY 2023-24 Billed Sanitary Units

FY 2023-24 Units of Service Calculation	
Total Revenue Requirement	\$8,593,823
(Less) Miscellaneous Fee Revenues ¹	<u>(158,800)</u>
Net Revenue Requirement	8,435,023
(Less) Reserves to address shortfall after rate increase	<u>(1,685,300)</u>
Revised Net Revenue Requirement	\$6,749,723
Units of Service (EDUs)	<u>3,651.72</u>
FY 2023-24 Base Sewer Service Charge per EDU	\$1,848
(Less) Ad-Valorem Revenue per EDU	<u>(\$491)</u>
FY 2023-24 Ad-Valorem Credited Sewer Service Charge per EDU	\$1,358

¹Includes SASM reimbursement, inspection fees, and other user fees.

All current Belvedere customers would be charged the base sewer service charge. Based on County records, all but two parcels, or three billed sanitary units, currently assessed as Tiburon customers, would be charged using the ad-valorem credited sewer service charge.

5. FIVE-YEAR RATE PLAN RECOMMENDATION

5.1 Recommended Annual Sewer Service Charges

A five-year rate plan was prepared based on the District's net revenue requirements. The rates distinguish the parcels that do and do not contribute Ad-Valorem revenues to the District. The proposed five-year rate plan is shown in **Figure 5-1**. FY 2023-24 rates not only reflect an increase in rate revenues, but three additional adjustments: 1) the consolidation of all customers into one zone, 2) the change in annual water use attributed to each non-residential EDU, and 3) the Ad-Valorem revenues contributed from Tiburon parcels. In FY 2024-25 through FY 2027-28, the annual base sewer service charge is increased according to the revenue increases shown previously in **Figure 3-3**. However, the Ad-Valorem credit is assumed to increase more gradually at a rate of 1.8% versus the 10% annual increases to the base sewer service charge, as increases in assessed property values are limited by Proposition 13. The 1.8% increase is based on the average annual increase seen between FY 2018-19 to FY 2020-21. Therefore, over time the base sewer service charge and ad-valorem credited sewer service charge will grow proportionately closer together. This is apparent in the proportional difference in recommended sewer service charges between FY 2023-24 and FY 2027-28. During the five-year period, the difference in sewer service charges decreases from 27% to 20% of that of the base service charge.

Figure 5-1. Recommended Annual Sewer Service Charges

Sewer Service Charges	Adopted		Proposed			
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
1 Base Rate Parcel						
2 Annual sewer service charge per EDU	\$1,985	\$1,848	\$2,033	\$2,237	\$2,460	\$2,706
3 % Rate Adjustment		-7%	10%	10%	10%	10%
4 Ad-Valorem Credited Parcel						
5 Calculated sewer service charge per EDU		\$1,848	\$2,033	\$2,237	\$2,460	\$2,706
6 (Less) ad valorem credit per EDU		(\$491)	(\$500)	(\$509)	(\$518)	(\$528)
7 Annual sewer service charge per EDU	\$1,034	\$1,358	\$1,534	\$1,728	\$1,942	\$2,179
8 % Rate Adjustment		31%	13%	13%	12%	12%

Regardless of location, all parcels are assessed the same charge for service on a per EDU basis. Parcels which contribute Ad-Valorem tax revenue to the District are assessed the same charge per EDU through the combination of the sewer service charge and a portion of the Ad-Valorem revenues the District receives.

This principle of equal annual sewer service payments is reflected in **Figure 5-2**. In FY 2023-24 through FY 2027-28, the sum of rows 3 and 4, shown as row 5, are equal to the sum of rows 8 and 9, shown as row 10.

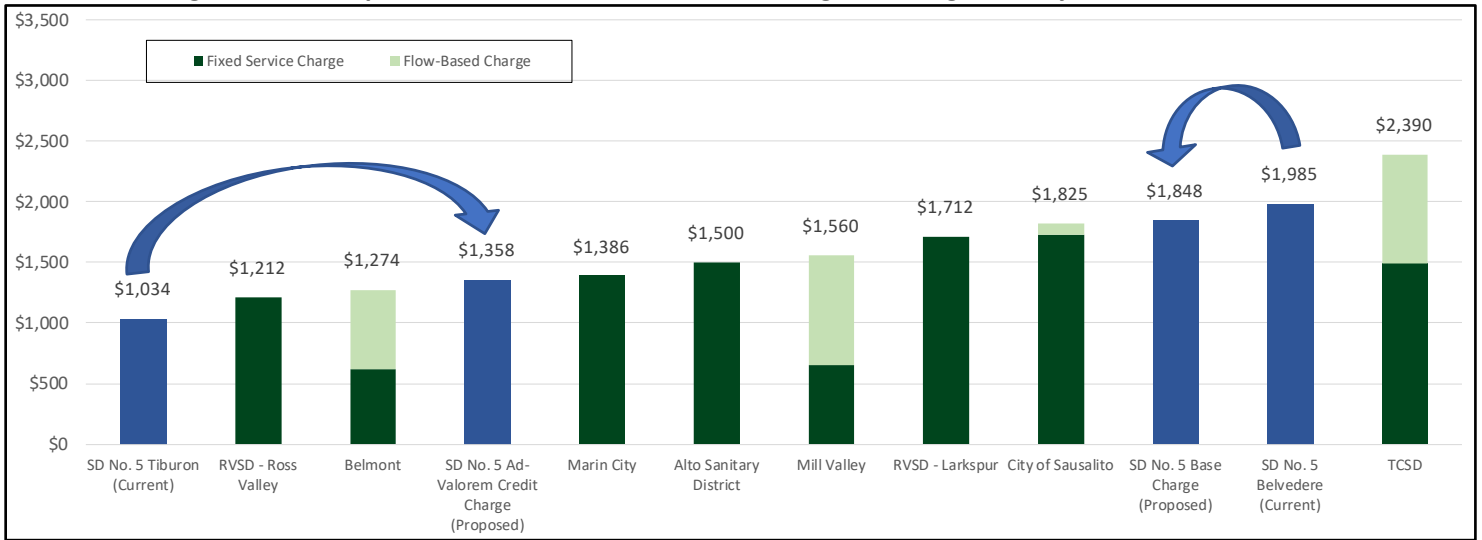
Figure 5-2. Combined Annual Sewer Service Payments per EDU

Annual Sewer Service Payments	Adopted	Projected				
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
1 Base Rate Parcel						
2 Annual change	\$0	(\$137)	\$185	\$203	\$224	\$246
3 Annual sewer service charge per EDU	\$1,985	\$1,848	\$2,033	\$2,237	\$2,460	\$2,706
4 Property tax payment per EDU	\$0	\$0	\$0	\$0	\$0	\$0
5 Combined payment per EDU	\$1,985	\$1,848	\$2,033	\$2,237	\$2,460	\$2,706
6 Ad-Valorem Credited Parcel						
7 Annual change	\$0	\$324	\$176	\$194	\$214	\$237
8 Annual sewer service charge per EDU	\$1,034	\$1,358	\$1,534	\$1,728	\$1,942	\$2,179
9 Property tax payment per EDU	\$457	\$491	\$500	\$509	\$518	\$528
10 Combined payment per EDU	\$1,491	\$1,848	\$2,033	\$2,237	\$2,460	\$2,706

5.2 Sewer Service Charge Comparison

Based on available sources, **Figure 5-3** shows the recent charges for sewer service to single-family customers among various representative agencies. Rate structures vary among agencies. For purposes of comparison, flow-based charges assume an annual flow volume of 75 HCF, based on the flow standard per EDU proposed by this study. All current Belvedere customers can expect a decrease in FY 2023-24 from current rates. However, this adjustment does not change the overall position of these customers' rates relative to comparable jurisdictions. The increase to the Tiburon customers from \$1,034 to \$1,358 per EDU moves these customers' rates closer to the median value of the rate comparison. While the District's rates are recommended to increase, not all other agencies included in the comparison reflect recent rate increases. For example, Alto Sanitary District has not increased rates since 2018 and may be due to a series of rate increases, like the District. Other customers benefit from economies of scale that allow larger jurisdictions to spread fixed costs over a larger customer base than the District's estimated service population of 10,000. Finally, the comparison excludes any Ad-Valorem revenues contributed by the customer to each jurisdiction. Therefore, it is plausible that customers in other jurisdictions may pay more in annual sewer service charges, through the combination of sewer bills and property tax payments, than what is reflected as a jurisdiction's adopted rates.

Figure 5-3. Comparison of Annual Sewer Service Charges for Single-Family Customers



Note: This comparison excludes any Ad-Valorem revenues contributed by the customer to a jurisdiction.

Appendix A: Rate Model

	A	B	C	D	E	F	G	H	I	J
1	Sanitary District No. 5 of Marin County									
2	2023-24 Cost of Service Wastewater Rate Study									
3	Table 1A. 1 Zone Summary									
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		Budgeted	Projected				
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Increases (SD5 Combined)							
Annual revenue increase		0.0%	13.0%	10.0%	10.0%	10.0%	10.0%
Cumulative increase		0.0%	13.0%	24.4%	36.8%	50.5%	65.5%
Base Rate	\$1,985	\$1,848	\$2,033	\$2,237	\$2,460	\$2,706	
Ad-Valorem Credited Rate	\$1,034	\$1,358	\$1,534	\$1,728	\$1,942	\$2,179	

	Adopted	Proposed				
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Sewer Service Charges						
1 Base Rate Parcel						
2 Annual sewer service charge per EDU	\$1,985	\$1,848	\$2,033	\$2,237	\$2,460	\$2,706
3 % Rate Adjustment ¹		-7%	10%	10%	10%	10%
4 Ad-Valorem Credited Parcel						
5 Calculated sewer service charge per EDU		\$1,848	\$2,033	\$2,237	\$2,460	\$2,706
6 (Less) ad valorem credit per EDU		(\$491)	(\$500)	(\$509)	(\$518)	(\$528)
7 Annual sewer service charge per EDU	\$1,034	\$1,358	\$1,534	\$1,728	\$1,942	\$2,179
8 % Rate Adjustment		31%	13%	13%	12%	12%

	A	B	C	D	E	F	G	H	I	J
1	Sanitary District No. 5 of Marin County									
2	2023-24 Cost of Service Wastewater Rate Study									
3	Table 1B. Assumptions									
4										
5										
6										
7			Budgeted		Projected					
8			FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Notes	
8	a	Interest on Fund Balance	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	To Table 4A	
9	b	General inflation	Per Budget	Per Budget	3.0%	3.0%	3.0%	3.0%	To Table 2A	
10	c	Labor Increases	Per Budget	Per Budget	3.0%	3.0%	3.0%	3.0%	To Table 2A	
11	d	Pension & benefit increases	Per Budget	Per Budget	5.0%	5.0%	5.0%	5.0%	To Table 2A	
12	e	Power	Per Budget	Per Budget	5.0%	5.0%	5.0%	5.0%	To Table 2A	
13	f	Construction Cost Index	Per Budget	4.96%	3.82%	3.8%	3.8%	3.8%	To Table 5; 5-yr CAGR for SF CCI or FY 2023-24, 10-year CAGR for future years.	
14	g	Plant, parts, services	Per Budget	Per Budget	3.0%	3.0%	3.0%	3.0%	To Table 2A	
15	h	Pumps & Lines	Per Budget	Per Budget	3.0%	3.0%	3.0%	3.0%	To Table 2A	
16	i	Growth in Total EDU's		-3.37%	0.18%	0.18%	0.18%	0.18%	From Table 3B, to Table 2A	
17	j	Growth in EDU's - Tiburon		0.00%	0.17%	0.17%	0.17%	0.17%	To Tables 2A, 3D	
18	k	Tiburon Residential EDUs	1,857.50	1,857.50	1,860.68	1,863.86	1,867.04	1,870.23	To Table 3B; FY 2023-24 assumes same as FY 2022-23	
19	l	Tiburon Commercial/Mixed Use EDUs	609.68	473.92	474.73	475.55	476.36	477.17	To Table 3B; FY 2023-24 assumes same as FY 2022-23	
20	m	Tiburon Additional EDUs	0.00	4.00	4.00	4.00	4.00	4.00	To Table 3B; Approximate number of EDUs based on FY 2022-23 budget	
21	o	Growth in EDU's - Belvedere		0.00%	0.17%	0.17%	0.17%	0.17%	To Tables 2A, 3B	
22	p	Belvedere Residential EDUs	1,056.00	1,056.00	1,057.79	1,059.58	1,061.36	1,063.15	To Table 3B; FY 2023-24 assumes same as FY 2022-23	
23	q	Belvedere Commercial/Mixed Use EDUs	125.05	125.05	125.26	125.47	125.69	125.90	To Table 3B; FY 2023-24 assumes same as FY 2022-23	
24	r	Belvedere Additional EDUs	0.00	2.00	2.00	2.00	2.00	2.00	To Table 3D; Approximate number of EDUs based on FY 2022-23 budget	
25	t	Growth in EDU's - Paradise Cove		0.00%	0.38%	0.38%	0.38%	0.38%	To Tables 2A, 3B	
26	u	Paradise Cove Residential EDUs	131.0	131.0	131.5	132.0	132.5	133.0	To Table 3B; FY 2023-24 assumes same as FY 2022-23	
27	v	Paradise Cove Additional EDUs	0.00	0.50	0.50	0.50	0.50	0.50	To Table 3B; Approximate number of EDUs based on FY 2022-23 budget	
28	x	Cumulative Growth - PC & Tiburon		0.00%	0.18%	0.18%	0.18%	0.18%	To Tables 2A, 3B	
29	y	Tiburon/PC tax revenue increase	Per Budget	1.8%	1.8%	1.8%	1.8%	1.8%	Average increase from FYE 2019-2021	
30	z	Annual Tax revenue	\$1,185,133	\$1,206,814	\$1,228,892	\$1,251,374	\$1,274,266	\$1,297,578	To Tables 2A, 3B	
31	aa	Proportion of ad valorem revenue to PC	4.93%	4.93%	4.93%	4.93%	4.93%	4.93%	From Table 3B	
32										
33										
34	Reserve Policies for Each Area (Tiburon, Belvedere and Paradise Cove)									
35	<u>General Operating Reserve</u>									
36	Purpose		For O&M cash flow during the year							
37	Funding priority		Highest. If not maintained, interfund loans are needed.							
38	Minimum balance		One year's operating expenses							
39	Target balance		\$2,500,000							
40										
41	<u>Capital Improvements Reserve</u>									
42	Purpose		To be used for replacement of existing equipment and facilities previously purchased							
43	Funding priority		2nd Highest							
44	Minimum balance		Zero							
45	Target balance		\$15,000,000							
46										
47	<u>CalPERS Retirement Reserve</u>									
48	Purpose		To provide sufficient annual funding of CalPERS potential losses, as described in the CalPERS Annual Actuarial Valuation Reports under the Misc.							
49			Plan's Share of Pool's Investment,s Assets & Non-Assets.							
50	Funding priority		3rd Highest							
51	Minimum balance		Zero							
52	Target balance		\$1,000,000							
53										
54	<u>Disaster Recovery Reserve</u>									
55	Purpose		To provide a level of emergency capital for disaster recovery efforts until long-term financing is established							
56	Funding priority		Lowest							
57	Minimum balance		Zero							
58	Target balance		\$1,000,000							

A	B	C	D	E	F	G	H	I	J	K	
1	Sanitary District No. 5 of Marin County										
2	2023-24 Cost of Service Wastewater Rate Study										
3	Table 2A. Revenue Requirements										
4											
5											
6		Table 1B		Budget	Projected						
7		Escalation	Escalation		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Notes	
8		Factor	Factor	FY 2022-23							
9		One combined zone									
10		Personnel									
11				\$1,787,000	\$1,843,548	\$1,898,854	\$1,955,820	\$2,014,495	\$2,074,930	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
12				\$60,000	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
13				\$65,000	\$80,000	\$82,400	\$84,872	\$87,418	\$90,041	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
14				\$155,965	\$110,000	\$113,300	\$116,699	\$120,200	\$123,806	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
15				\$7,000	\$7,000	\$7,210	\$7,426	\$7,649	\$7,879	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
16				\$6,000	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
17				\$263,342	\$272,332	\$285,949	\$300,246	\$315,258	\$331,021	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
18				\$319,272	\$290,000	\$304,500	\$319,725	\$335,711	\$352,497	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
19				\$209,992	\$220,144	\$231,151	\$242,709	\$254,844	\$267,586	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
20				\$57,268	\$58,000	\$59,740	\$61,532	\$63,378	\$65,280	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
21				<i>Subtotal, Personnel</i>							
22				\$2,930,839	\$2,947,024	\$3,051,084	\$3,159,049	\$3,271,074	\$3,387,322		
23		Operations									
24				\$155,000	\$175,000	\$180,571	\$186,318	\$192,248	\$198,366	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
25				\$293,000	\$309,000	\$324,450	\$340,673	\$357,706	\$375,591	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
26				\$18,500	\$18,500	\$19,055	\$19,627	\$20,215	\$20,822	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
27				<i>Subtotal, Operations</i>							
28				\$466,500	\$502,500	\$524,076	\$546,618	\$570,170	\$594,780		
29		Maintenance & Repair									
30				\$150,000	\$300,000	\$309,000	\$318,270	\$327,818	\$337,653	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
31				\$397,000	\$673,000	\$693,190	\$713,986	\$735,405	\$757,467	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
32				\$24,500	\$29,500	\$30,385	\$31,297	\$32,235	\$33,203	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
33				\$57,500	\$90,000	\$92,865	\$95,821	\$98,871	\$102,017	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
34				\$99,000	\$59,000	\$60,770	\$62,593	\$64,471	\$66,405	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
35				\$35,000	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275	Table 2B for FY 2022-23, Table 2C for FY 2023-24.	
36				<i>Subtotal, Maintenance & Repair</i>							
37				\$763,000	\$1,201,500	\$1,237,710	\$1,275,011	\$1,313,437	\$1,353,020		
38		Administrative Expenses									
39				\$414,290	\$471,390	\$485,532	\$500,098	\$515,101	\$530,554	Table 2D FY 2022-23, Table 1D	
40		Total Operating Expenses									
41				\$4,574,629	\$5,122,414	\$5,298,402	\$5,480,775	\$5,669,781	\$5,865,676		
42		Non-Operating Revenue									
43				\$0	\$0	\$0	\$0	\$0	\$0	From Table 3D, Table 1D	
44				(\$38,700)	(\$38,700)	(\$38,700)	(\$38,700)	(\$38,700)	(\$38,700)	District Budget	
45				(\$17,000)	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)	District Budget	
46				(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	District Budget	
47				(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	(\$100)	District Budget	
48				<i>Subtotal, Non-Operating Revenue</i>							
49				(\$155,800)	(\$158,800)	(\$158,800)	(\$158,800)	(\$158,800)	(\$158,800)		
50		Debt Service									
51				\$760,168	\$760,412	\$760,284	\$759,784	\$758,912	\$757,668	From Table 6	
52		Transfers To/(From) Reserves									
53				\$2,869,500	\$2,710,997	\$2,710,997	\$2,710,997	\$2,710,997	\$2,710,997	From Table 5	
54				\$0	\$0	\$0	\$0	\$0	\$0	From Table 4	
55				\$0	\$0	\$0	\$0	\$0	\$0	From Table 4	
56				<i>Subtotal, Transfers</i>							
57				\$2,869,500	\$2,710,997	\$2,710,997	\$2,710,997	\$2,710,997	\$2,710,997		
58		Net Revenue Requirement									
59				\$8,048,497	\$8,435,023	\$8,610,883	\$8,792,756	\$8,980,890	\$9,175,541	To Tables 3A	

	A	B	C	D	E
1		Sanitary District No. 5 of Marin County			
2		2023-24 Cost of Service Wastewater Rate Study			
3		Table 2B. FY 2022-23 Revenue Requirement			
4					
5		FY 2022-23 Operating Expenses			Total Expense
6		Admin			
7		Advertising			\$1,000
8		Audit & Accounting			\$40,000
9		Consulting Fees			\$100,000
10		Travel & Meetings			\$17,000
11		Continuing Education			\$10,000
12		County Fees			\$16,590
13		Director Fees			\$9,000
14		Dues & Subscriptions			\$31,000
15		Elections			\$9,000
16		Insurance PLP General Liability			\$85,000
17		Insurance APIP (Real) Property			\$25,000
18		Insurance Damage - Auto			\$4,500
19		Legal			\$50,000
20		Office Supplies			\$10,000
21		Postage			\$1,200
22		Pollution Prevention			\$5,000
23		Miscellaneous			\$0
24		Subtotal Admin			\$414,290
25					
26		Pumps & Lines			
27		Pumps & Lines Maint.			\$100,000
28		Emergency Line Repairs			\$50,000
29		Subtotal Pumps & Lines			\$150,000
30					
31		Main Plant Maint			
32		Plant Maint Supplies			\$27,000
33		Plant Maint. Parts & Service			\$150,000
34		Janitorial Supplies & Service			\$9,000
35		Main Plant Chemicals			\$120,000
36		Lab Supplies & Chemicals			\$21,000
37		Electrical & Instrument			\$15,000
38		Grounds Maintenance			\$5,000
39		Main Plant Sludge Disposal			\$50,000
40		Subtotal Plant Maint			\$397,000
41					
42		Paradise Cove Maint			
43		PC Parts & Service			\$15,000
44		PC Supplies & Chemicals			\$6,500
45		PC Sludge Disposal			\$3,000
46		Subtotal Paradise Cove Maint			\$24,500
47					
48		Monitoring			
49		Main Plant Lab Monitoring			\$45,000
50		PC Monitoring			\$12,500
51		Main Plant Outfall SASM			\$0
52		Subtotal Monitoring			\$57,500

	A	B	C	D	E
1		Sanitary District No. 5 of Marin County			
2		2023-24 Cost of Service Wastewater Rate Study			
3		Table 2B. FY 2022-23 Revenue Requirement			
53					
54		Permits/Fees			
55		Main Plant NPDES Renewal	\$40,000		
56		Permits/Fees - General	\$50,000		
57		PC Permits/Fees	\$9,000		
58		Subtotal Permits/Fees	\$99,000		
59					
60		Truck Maintenance			
61		Fuel	\$15,000		
62		Truck Maintenance	\$20,000		
63		Subtotal Truck Maintenance	\$35,000		
64					
65		Salaries & Benefits			
66		Salaries	\$1,504,000		
67		Overtime	\$125,000		
68		Standby Pay	\$80,000		
69		Employee Incentives	\$60,000		
70		Vacation Buyout	\$65,000		
71		Payroll Taxes	\$155,965		
72		Deferred Comp Match	\$78,000		
73		Payroll fees	\$7,000		
74		Car Allowance	\$6,000		
75		PERS Monthly Contributions	\$262,992		
76		PERS Replacement Benefit Fund	\$350		
77		Employee Health, Dental, Vision, Etc.	\$319,272		
78		Retiree Health	\$91,592		
79		Worker's Comp Insurance	\$57,268		
80		Subtotal Salaries & Benefits	\$2,812,439		
81					
82		Other Operating Expenses			
83		Data/Alarms/IT Support & Licensing	\$80,000		
84		Safety	\$60,000		
85		Personal Protective Equipment/Uniforms	\$15,000		
86		Main Plant Telephone	\$11,000		
87		Paradise Cove Telephone	\$500		
88		Pumps & Lines Telephone	\$7,000		
89		Subtotal Other Operating Expenses	\$173,500		
90					
91		Utilities			
92		Water	\$8,000		
93		Main Plant Utilities	\$220,000		
94		Paradise Cove Utilities	\$20,000		
95		Pump Station Utilities	\$45,000		
96		Subtotal Utilities	\$293,000		
97					
98		Total Op Expenses	\$4,456,229		
99					

	A	B	C	D	E
1		Sanitary District No. 5 of Marin County			
2		2023-24 Cost of Service Wastewater Rate Study			
3		Table 2C. FY 2023-24 Revenue Requirement			
4					
5		FY 2023-24 Operating Expenses	Total Expense		
6		Admin			
7		Advertising	\$2,000		
8		Audit & Accounting	\$40,000		
9		Consulting Fees	\$100,000		
10		Travel & Meetings	\$23,000		
11		Continuing Education	\$10,000		
12		County Fees	\$16,590		
13		Director Fees	\$9,000		
14		Dues & Subscriptions	\$33,000		
15		Elections	\$0		
16		Insurance PLP General Liability	\$60,000		
17		Insurance APIP (Real) Property	\$100,000		
18		Insurance Damage - Auto	\$10,000		
19		Legal	\$50,000		
20		Office Supplies	\$11,000		
21		Postage	\$1,300		
22		Pollution Prevention	\$5,500		
23		Miscellaneous	\$0		
24		Subtotal Admin	\$471,390		
25					
26		Pumps & Lines			
27		Pumps & Lines Maint.	\$200,000		
28		Emergency Line Repairs	\$100,000		
29		Subtotal Pumps & Lines	\$300,000		
30					
31		Main Plant Maint			
32		Plant Maint Supplies	\$80,000		
33		Plant Maint. Parts & Service	\$300,000		
34		Janitorial Supplies & Service	\$10,000		
35		Main Plant Chemicals	\$165,000		
36		Lab Supplies & Chemicals	\$25,000		
37		Electrical & Instrument	\$30,000		
38		Grounds Maintenance	\$8,000		
39		Main Plant Sludge Disposal	\$55,000		
40		Subtotal Plant Maint	\$673,000		
41					
42		Paradise Cove Maint			
43		PC Parts & Service	\$20,000		
44		PC Supplies & Chemicals	\$6,500		
45		PC Sludge Disposal	\$3,000		
46		Subtotal Paradise Cove Maint	\$29,500		
47					
48		Monitoring			
49		Main Plant Lab Monitoring	\$50,000		
50		Main Plant Chronic Tox Screening	\$15,000		
51		PC Monitoring	\$10,000		
52		Main Plant Outfall SASM	\$0		
53		Subtotal Monitoring	\$75,000		
54					

	A	B	C	D	E
1		Sanitary District No. 5 of Marin County			
2		2023-24 Cost of Service Wastewater Rate Study			
3		Table 2C. FY 2023-24 Revenue Requirement			
55		Permits/Fees			
56		Main Plant NPDES Renewal	\$0		
57		Permits/Fees - General	\$50,000		
58		PC Permits/Fees	\$9,000		
59		Subtotal Permits/Fees	\$59,000		
60					
61		Truck Maintenance			
62		Fuel	\$20,000		
63		Truck Maintenance	\$30,000		
64		Subtotal Truck Maintenance	\$50,000		
65					
66		Salaries & Benefits			
67		Salaries	\$1,598,548		
68		Overtime	\$100,000		
69		Standby Pay	\$80,000		
70		Employee Incentives	\$60,000		
71		Vacation Buyout	\$80,000		
72		Payroll Taxes	\$110,000		
73		Deferred Comp Match	\$65,000		
74		Payroll fees	\$7,000		
75		Car Allowance	\$6,000		
76		PERS Monthly Contributions	\$272,332		
77		PERS Replacement Benefit Fund	\$0		
78		Employee Health, Dental, Vision, Etc.	\$290,000		
79		Retiree Health	\$80,144		
80		CERBT/OPEB Current Employer Contributions	\$140,000		
81		Worker's Comp Insurance	\$58,000		
82		Subtotal Salaries & Benefits	\$2,947,024		
83					
84		Other Operating Expenses			
85		Data/Alarms/IT Support & Licensing	\$100,000		
86		Safety	\$60,000		
87		Personal Protective Equipment/Uniforms	\$15,000		
88		Main Plant Telephone	\$11,000		
89		Paradise Cove Telephone	\$500		
90		Pumps & Lines Telephone	\$7,000		
91		Subtotal Other Operating Expenses	\$193,500		
92					
93		Utilities			
94		Water	\$9,000		
95		Main Plant Utilities	\$230,000		
96		Paradise Cove Utilities	\$22,000		
97		Pump Station Utilities	\$48,000		
98		Subtotal Utilities	\$309,000		
99					
100		Total Op Expenses	\$5,107,414		
101					

	A	B	C	D	E	F	G	H	I
1		Sanitary District No. 5 of Marin County							
2		2023-24 Cost of Service Wastewater Rate Study							
3		Table 3A. Revenue Increases							
4									
5									
6			Budgeted			Projected			
7			FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Notes
8		One combined zone							
9		Revenue Without Rate Increases							
10		Revenue from current rates	\$5,030,902	\$4,903,101	\$4,911,724	\$4,920,347	\$4,928,970	\$4,937,593	From Table 3B
11		Net Revenue Requirement	(\$8,048,497)	(\$8,435,023)	(\$8,610,883)	(\$8,792,756)	(\$8,980,890)	(\$9,175,541)	From Table 2A
12		Surplus/(Deficit) before rate increase	(\$3,017,595)	(\$3,531,922)	(\$3,699,159)	(\$3,872,409)	(\$4,051,920)	(\$4,237,948)	To Table 4
13									
14		Revenue With Rate Increases							
15		Revenue from current rates	\$5,030,902	\$4,903,101	\$4,911,724	\$4,920,347	\$4,928,970	\$4,937,593	From above
16									
17		Rate Increase	0.0%	13.0%	10.0%	10.0%	10.0%	10.0%	From Table 1A
18		Cumulative rate increase	0.0%	13.0%	24.4%	36.8%	50.5%	65.5%	To Table 1A
19									
20		Revenue from rate increases							
21		FY 22-23 (effective 7/1/22)	\$0	\$0	\$0	\$0	\$0	\$0	
22		FY 23-24 (effective 7/1/23)		\$639,808	\$640,933	\$642,058	\$643,184	\$644,309	
23		FY 24-25 (effective 7/1/24)			\$555,266	\$556,241	\$557,215	\$558,190	
24		FY 25-26 (effective 7/1/25)				\$611,865	\$612,937	\$614,009	
25		FY 26-27 (effective 7/1/26)					\$674,231	\$675,410	
26		FY 27-28 (effective 7/1/27)						\$742,951	
32		<i>Subtotal of rate increases</i>	\$0	\$639,808	\$1,196,199	\$1,810,164	\$2,487,567	\$3,234,870	
33		Total Rate Revenue	\$5,030,902	\$5,542,909	\$6,107,923	\$6,730,511	\$7,416,537	\$8,172,463	
34		Net Revenue Requirement	(\$8,048,497)	(\$8,435,023)	(\$8,610,883)	(\$8,792,756)	(\$8,980,890)	(\$9,175,541)	From above
35		Surplus/(Deficit) transferred to Consolidated Reserve	(\$3,017,595)	(\$2,892,114)	(\$2,502,960)	(\$2,062,246)	(\$1,564,353)	(\$1,003,078)	To Table 4
36									
37									

	A	B	C	D	E	F	G	H	I	J
1	Sanitary District No. 5 of Marin County									
2	2023-24 Cost of Service Wastewater Rate Study									
3	Table 3B. Revenues at Current Rates									
4			Table 1D							
5			Escalation	Estimated		Projected				
6			Factor	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Notes
7	Equivalent Dwelling Units									
8	Tiburon									
9			j	1,857.50	1,861.50	1,864.69	1,867.88	1,871.06	1,874.25	
10			j	609.68	473.92	474.73	475.55	476.36	477.17	FY 2023-24 EDUs adjusted to reflect 75 hcf = 1 EDU
11				2,467.18	2,335.42	2,339.42	2,343.42	2,347.42	2,351.42	
12	Paradise Cove - Residential									
13			t	131.00	131.00	131.50	132.00	132.50	133.00	
14	Belvedere									
15										
16			o	1,056.00	1,058.00	1,060.00	1,062.00	1,064.00	1,066.00	
17			o	125.05	127.30	127.30	127.30	127.30	127.30	FY 2023-24 EDUs adjusted to reflect 75 hcf = 1 EDU
18				1,181.05	1,185.30	1,187.30	1,189.30	1,191.30	1,193.30	
19			Total EDUs	3,779.23	3,651.72	3,658.22	3,664.72	3,671.22	3,677.72	Rows 11, 13, and 18
20			Annual change		-3.37%	0.18%	0.18%	0.18%	0.18%	Compared to prior year
21	Percent of total EDUs									
22				65.28%	63.95%	63.95%	63.95%	63.94%	63.94%	
23				3.47%	3.59%	3.59%	3.60%	3.61%	3.62%	
24				31.25%	32.46%	32.46%	32.45%	32.45%	32.45%	
25				100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
26	Current Sewer Service Charges									
27				\$1,034	\$1,034	\$1,034	\$1,034	\$1,034	\$1,034	
28				\$1,034	\$1,034	\$1,034	\$1,034	\$1,034	\$1,034	
29				\$1,985	\$1,985	\$1,985	\$1,985	\$1,985	\$1,985	
30	Revenue From Current Rates									
31				\$2,551,064	\$2,414,826	\$2,418,962	\$2,423,098	\$2,427,235	\$2,431,371	
32				\$135,454	\$135,454	\$135,971	\$136,488	\$137,005	\$137,522	
33				\$2,344,384	\$2,352,821	\$2,356,791	\$2,360,761	\$2,364,731	\$2,368,701	
34				\$5,030,902	\$4,903,101	\$4,911,724	\$4,920,347	\$4,928,970	\$4,937,593	To Table 3A
35	Tax Revenue/EDU									
36				\$1,185,133	\$1,206,814	\$1,228,892	\$1,251,374	\$1,274,266	\$1,297,578	To Table 2A
37				2,467.18	2,331.42	2,331.42	2,331.42	2,331.42	2,331.42	
38				\$457	\$491	\$500	\$509	\$518	\$528	
39				\$0	\$0	\$0	\$0	\$0	\$0	
40				128.00	128.00	128.00	128.00	128.00	128.00	From above less 3 sanitary units, per County
41				\$457	\$491	\$500	\$509	\$518	\$528	

	A	B	C	D	E	F	G	H	I	J
1		Sanitary District No. 5 of Marin County								
2		2023-24 Cost of Service Wastewater Rate Study								
3		Table 4. Reserves								
4										
5										
6										
7										
8		General Operating Fund								
9		Revenue Increase								
10		Annual increases		0.0%	13.0%	10.0%	10.0%	10.0%	10.0%	From Table 1A
11		Beginning Balance		\$6,142,954	\$4,362,760	\$2,712,661	\$1,459,350	\$659,017	\$374,070	
12										
13		Operating Surplus/(Deficit)		(\$3,017,595)	(\$2,892,114)	(\$2,502,960)	(\$2,062,246)	(\$1,564,353)	(\$1,003,078)	From Table 3A
14		Ad-Valorem Revenue		\$1,185,133	\$1,206,814	\$1,228,892	\$1,251,374	\$1,274,266	\$1,297,578	Table 1B Factor z.
15		Subtotal		(\$1,832,462)	(\$1,685,300)	(\$1,274,068)	(\$810,872)	(\$290,087)	\$294,500	
16		Transfers (To)/From								
17		Capital Replacement Reserve		\$0	\$0	\$0	\$0	\$0	\$0	
18		Capital Expansion Reserve		\$0	\$0	\$0	\$0	\$0	\$0	
19		Fund Balance Subtotal		\$4,310,493	\$2,677,460	\$1,438,593	\$648,478	\$368,930	\$668,570	
20		Interest Earnings		\$52,267	\$35,201	\$20,756	\$10,539	\$5,140	\$5,213	Table 1B Factor a.
21		Ending Balance	\$6,142,954	\$4,362,760	\$2,712,661	\$1,459,350	\$659,017	\$374,070	\$673,783	
22		Minimum Balance	\$2,500,000	\$2,500,000	\$2,575,000	\$2,652,250	\$2,731,818	\$2,813,772	\$2,898,185	Current District Policy, escalated 3% annually
23										
24		Consolidated Capital Replacement Reserve								
25		Beginning Balance		\$7,542,858	\$7,819,286	\$8,816,273	\$7,641,811	\$7,675,117	\$8,809,302	
26		Capital Replacement Projects		(\$2,869,500)	(\$2,046,774)	(\$4,217,340)	(\$3,003,894)	(\$1,908,824)	(\$2,378,152)	
27		Consolidated Connection Fees		\$200,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	Per District Budget FY 2023-24
28		Transfers (To)/From								
29		Disaster Recovery Reserve		\$0	\$0	\$0	\$0	\$0	\$0	
30		Revenue Requirements		\$2,869,500	\$2,710,997	\$2,710,997	\$2,710,997	\$2,710,997	\$2,710,997	To Table 2A
31		General Operating Fund		\$0	\$0	\$0	\$0	\$0	\$0	
32		Subtotal, Transfers		\$2,869,500	\$2,710,997	\$2,710,997	\$2,710,997	\$2,710,997	\$2,710,997	
33		Fund Balance Subtotal		\$7,742,858	\$8,733,509	\$7,559,930	\$7,598,913	\$8,727,290	\$9,392,147	
34		Interest Earnings		\$76,429	\$82,764	\$81,881	\$76,204	\$82,012	\$91,007	Table 1B Factor a.
35		Ending Balance	\$7,542,858	\$7,819,286	\$8,816,273	\$7,641,811	\$7,675,117	\$8,809,302	\$9,483,154	
36		Target Balance	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	Current District Policy
37										
38		Disaster Recovery Fund								
39		Beginning Balance		\$1,000,000	\$1,010,000	\$1,020,100	\$1,030,301	\$1,040,604	\$1,051,010	
40		Transfers (To)/From								
41		Capital Replacement Reserve		\$0	\$0	\$0	\$0	\$0	\$0	
42		Revenue Requirements		\$0	\$0	\$0	\$0	\$0	\$0	
43		Fund Balance Subtotal		\$1,000,000	\$1,010,000	\$1,020,100	\$1,030,301	\$1,040,604	\$1,051,010	
44		Interest Earnings		\$10,000	\$10,100	\$10,201	\$10,303	\$10,406	\$10,510	Table 1B Factor a.
45		Ending Balance	\$1,000,000	\$1,010,000	\$1,020,100	\$1,030,301	\$1,040,604	\$1,051,010	\$1,061,520	
46		Target Balance	\$1,000,000	\$1,000,000	\$1,030,000	\$1,060,900	\$1,092,727	\$1,125,509	\$1,159,274	Current District Policy, escalated 3% annually
47										
48		Consolidated Retirement Reserve (Pay-As-You-Go)								From North Bay Pensions Exh 2a
49		Beginning Balance		\$1,000,000	\$1,010,000	\$1,020,100	\$1,030,301	\$1,040,604	\$1,051,010	
50		Benefits Paid		\$0	\$0	\$0	\$0	\$0	\$0	
51		Transfers (To)/From								
52		Revenue Requirements		\$0	\$0	\$0	\$0	\$0	\$0	To Table 2A
53		Fund Balance Subtotal		\$1,000,000	\$1,010,000	\$1,020,100	\$1,030,301	\$1,040,604	\$1,051,010	
54		Interest Earnings		\$10,000	\$10,100	\$10,201	\$10,303	\$10,406	\$10,510	Table 1B Factor a.
55		Ending Balance	\$1,000,000	\$1,010,000	\$1,020,100	\$1,030,301	\$1,040,604	\$1,051,010	\$1,061,520	
56		Target Balance	\$1,000,000	\$1,000,000	\$1,030,000	\$1,060,900	\$1,092,727	\$1,125,509	\$1,159,274	Current District Policy, escalated 3% annually
57										

	A	B	C	D	E	F	G	H	I	J	K
1		Sanitary District No. 5 of Marin County									
2		2023-24 Cost of Service Wastewater Rate Study									
3		Table 5. Capital Improvements									
4											
5											
6											
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10											
11											
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	A	B	C	D	E	F	G	H	I	J	K
1		Sanitary District No. 5 of Marin County									
2		2023-24 Cost of Service Wastewater Rate Study									
3		Table 5. Capital Improvements									
4											
5											
6											
7											
49		Tiburon Zone Pumps & Lines CIP									
50		Sewer Line Rehabilitation Program	\$1,000,000	\$0	\$1,000,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,500,000	
51		CCTV and I&I Investigation Project		\$150,000	\$0	\$0	\$0	\$0	\$0	\$150,000	
52		Pump & Valve Replacement Program	\$20,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	
53		Force Main Rehabilitation - Multiple sites	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
54		Force Main Rehabilitation TPS #2 - 357lf-6"	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
55		Force Main Rehabilitation TPS #4 - 3"	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
56		Force Main Rehabilitation TPS #3 - 379lf-6"	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
57		Force Main Rehabilitation TPS #5 - 1303lf-8"	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
58		Force Main Rehabilitation TPS #7 - 903lf-6"	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
59		Force Main Rehabilitation TPS #6		\$0	\$0	\$0	\$0	\$0	\$75,000	\$75,000	
60		Force Main Rehabilitation TPS #9		\$0	\$50,000	\$0	\$0	\$0	\$0	\$50,000	
61		Man Hole Rehabilitation	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	
62		TPS #2 Wet Well Rehab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
63		TPS #3 Wet Well Rehab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
64		TPS #4 Wet Well Rehab	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000	
65		TPS #6 Wet Well Rehab	\$0	\$0	\$0	\$0	\$0	\$400,000	\$400,000	\$400,000	
66		TPS #7 Wet Well Rehab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
67		TPS #8 Wet Well Rehab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
68		TPS #9 Wet Well Rehab	\$0	\$0	\$350,000	\$0	\$0	\$0	\$0	\$350,000	
69		Portable Pump Replacement	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$50,000	
70		Undesignated Capital Projects	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000	
71		Subtotal, Tiburon Lines	\$1,095,000	\$325,000	\$1,525,000	\$675,000	\$625,000	\$1,100,000	\$4,250,000		
72											
73		Belvedere Zone Pumps & Lines CIP									
74		Sewer Line Rehabilitation Program	\$100,000	\$0	\$500,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,250,000	
75		Pump & Valve Replacement Program	\$20,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000	
76		Force Main Rehabilitation - Multiple sites	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
77		BPS#1 Control Panel Replacement	\$500,000	\$600,000	\$600,000	\$0	\$0	\$0	\$0	\$1,200,000	
78		CCTV and I&I Inspection		\$100,000	\$0	\$0	\$0	\$0	\$0	\$100,000	
79		BPS#2 Force Main&Wet Well Rehab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
80		BPS#3 Force Main&Wet Well Rehab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
81		BPS#7 Wet Well Rehab	\$75,000	\$0	\$0	\$420,000	\$0	\$0	\$0	\$420,000	
82		BPS#9, 10, 11 Wet Well Rehab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
83		BPS#5, 8, 12 Wet Well Rehab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
84		BPS#13 Force Main&Wet Well Rehab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
85		BPS#14 Force Main&Wet Well Rehab	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
86		Power Feed Improvement Project (BPS#9, 10, 11)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
87		San Rafael Ave Diverter Line Install	\$0	\$25,000	\$0	\$0	\$0	\$0	\$0	\$25,000	
88		Man Hole Rehabilitation	\$11,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000	
89		Undesignated Cap Projects	\$68,500	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$125,000	
90		Subtotal, Belvedere	\$774,500	\$825,000	\$1,200,000	\$770,000	\$350,000	\$350,000	\$350,000	\$3,495,000	
91											
92		Total Planned Capital Spending	\$2,869,500	\$1,950,000	\$3,870,000	\$2,655,000	\$1,625,000	\$1,950,000	\$12,050,000		
93											
94		Construction Cost Index	1.00	1.05	1.09	1.13	1.17	1.22			From Table 1B Factor f.
95											
96		Escalated Total Planned Capital Spending	\$2,869,500	\$2,046,774	\$4,217,340	\$3,003,894	\$1,908,824	\$2,378,152	\$13,554,985		

	A	B	C	D	E	F	G	H	I
1	Sanitary District No. 5 of Marin County								
2	2023-24 Cost of Service Wastewater Rate Study								
3	Table 6. Debt Service								
4									
5	Projected								
6		FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Notes	
7									
8	Bond - Existing								
9	Total P&I	760,168	760,412	760,284	759,784	758,912	757,668	From District CIP plan FY 2023-24 budget, email from 3/10/2023	
10									
11	New Financing #1								
12	Principal							No plans for new issuance	
13	Interest								
14	Total	-	-	-	-	-	-		
15									
16	Subtotal: Debt Service	760,168	760,412	760,284	759,784	758,912	757,668		
17	Other Costs								
18	Total Debt Service Payments	\$760,168	\$760,412	\$760,284	\$759,784	\$758,912	\$757,668	To Table 5	
19									
20	DEBT COVERAGE RATIO - with Rate Increase								
21									
22	Gross Revenue								
23	Service Charges	\$5,030,902	\$5,542,909	\$6,107,923	\$6,730,511	\$7,416,537	\$8,172,463		
24	Non-Operating Revenue	\$155,800	\$158,800	\$158,800	\$158,800	\$158,800	\$158,800		
25	Connection Fees	\$200,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000		
26	Total Gross Revenue	\$5,386,702	\$5,951,709	\$6,516,723	\$7,139,311	\$7,825,337	\$8,581,263		
27	Less: Total O&M Expenses	(4,574,629)	(5,122,414)	(5,298,402)	(5,480,775)	(5,669,781)	(5,865,676)		
28	Net Available Revenues	812,073	829,295	1,218,321	1,658,535	2,155,556	2,715,587		
29									
30	Total Debt Service Payments								
31	Debt Coverage Ratio	1.07	1.09	1.60	2.18	2.84	3.58		
32	Target	1.25	1.25	1.25	1.25	1.25	1.25		
33									
34									
35	DEBT COVERAGE RATIO - NO Rate Increase								
36									
37	Gross Revenue								
38	Service Charges	\$5,030,902	\$4,903,101	\$4,911,724	\$4,920,347	\$4,928,970	\$4,937,593		
39	Non-Operating Revenue	155,800	158,800	158,800	158,800	158,800	158,800		
40	Total Gross Revenue	5,186,702	5,061,901	5,070,524	5,079,147	5,087,770	5,096,393		
41	Less: Total O&M Expenses	(4,574,629)	(5,122,414)	(5,298,402)	(5,480,775)	(5,669,781)	(5,865,676)		
42	Net Available Revenues	612,073	(60,513)	(227,878)	(401,628)	(582,011)	(769,283)		
43									
44	Total Debt Service Payments								
45	Debt Coverage Ratio	0.81	-0.08	-0.30	-0.53	-0.77	-1.02		
46	Target	1.25	1.25	1.25	1.25	1.25	1.25		

	A	B	C	D	E	F	G	H	I	J	K	L	M																																																																																																									
1	Sanitary District No. 5 of Marin County																																																																																																																					
2	2023-24 Cost of Service Wastewater Rate Study																																																																																																																					
3	Table 7. Cost of Service																																																																																																																					
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