

**NOTICE AND AGENDA
Regular Board Meeting
at Sanitary District No. 5 of Marin County
Thursday, February 17, 2022**

5:00 P.M. REGULAR BOARD MEETING

COVID-19 ADVISORY NOTICE

Consistent with Assembly Bill 361 revising Government Code section 54953, and Resolution No. 2021-07 of this Board enacted in accordance therewith, the Meeting will not be physically open to the public and all Board Members and Staff will be teleconferencing into the meeting.

How to Submit Public Comments:

Comments submitted prior to the commencement of the meeting will be presented to the Board and included in the public record for the meeting.

Public Comments are to be submitted via email to rdohrmann@sani5.org.

In addition, members of the public who are calling in, will have the opportunity to provide public comments by following the steps below:

How to Participate in the Meeting:

Join Zoom Meeting by clicking on the following link:

<https://us02web.zoom.us/j/6230620778>

Meeting ID: 623 062 0778

or join by phone:

Call in number: (669) 900-9128 Participant Code: 623 062 0778

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. Motion to review and affirm Resolution No. 2021-08: A Resolution proclaiming the continuing need to meet by teleconference in accordance with Government Code Section 54953 – Action
2. Approval of January 20, 2022 Regular Board Minutes, as well as February 8, 2022 Special Board Meeting Minutes (Dohrmann)
3. Review and receive all electronic fund transfers (EFTs) and approve warrants from January 13th, 2022, through February 10th, 2022 (JP Morgan Chase Bank, check no. 8718 through check no. 8768, all transactions totaling \$178,074.28) and receive January 2022, payroll, in the sum of \$124,388.27 (Dohrmann)
4. Receipt of Financial Reports for January 2022 (Dohrmann)
5. Receive and approve Sanitary District No.5 of Marin County FY 20-21 Audited Financial Statements, completed by Perotti & Carrade (Rubio)

MANAGEMENT REPORTS:

6. District Management Summary Report (Rubio)

NEW BUSINESS:

7. Review and accept proposal from Muni-Quip re WEMCO digester recirculation pump and authorize the District Manager to place order for two (2) pumps this fiscal year (lead-time for procurement is next fiscal year) - Action (Rubio)
8. Review and discuss upcoming ARC (annual required contribution) payment to CERBT (California Employee Retirement Benefit Trust) for OPEB (other post-employment benefits) and consider paying down current liabilities (i.e., MPR Refinanced Loan Agreement, etc.) – possible Action (Rubio)
9. Review and discuss Sewer Rate Proposals (2) and select a proposal and authorize the District Manager to enter into a PSA (professional services agreement) to the sewer rate study – Action (Rubio)

UNFINISHED BUSINESS:

COMMITTEE REPORTS:

10. Capital Improvement Program Committee (Arias-Montez/Moody)
11. Finance & Fiscal Oversight Committee (Benediktsson/Arias-Montez)
12. Governance Committee (Moody/Snyder)
13. Personnel Committee (Snyder/Carapiet)
14. Mallard Pointe Ad Hoc Committee (Carapiet/Benediktsson)

OTHER BUSINESS:

ENVIRONMENTAL:

CORRESPONDENCE:

INFORMATIONAL ITEMS:

ADJOURNMENT

The Board will be asked to adjourn the meeting to a Regular Board Meeting on March 17, 2022, 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.

RESOLUTION 2021-08

SANITARY DISTRICT NO. 5 OF MARIN COUNTY

A RESOLUTION PROCLAIMING THE CONTINUING NEED TO MEET BY TELECONFERENCE IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54953

WHEREAS, on January 30, 2020, the World Health Organization declared the COVID-19 outbreak a public health emergency of international concern; and

WHEREAS, on March 4, 2020, the Governor of the State of California declared a state of emergency in order to address the COVID-19 pandemic; and

WHEREAS, on March 3, 2020, Marin County declared a local emergency due to the COVID-19; and

WHEREAS, to allow local government bodies to safely conduct public meetings during the COVID-19 pandemic as well as to ensure public access to governmental meetings, the Governor of the State of California issued Executive Orders N-25-20 and N-29-20, which streamlined notice requirements for teleconference meetings under the Ralph M. Brown Act; and

WHEREAS, the Sanitary District No. 5 (“District”) has been conducting meetings of the District Board as well as its Committees pursuant to the provisions of these executive orders since their issuance; and

WHEREAS, the California State Legislature approved and the Governor signed AB 361 into law, which amended the Ralph M. Brown Act to allow local legislative bodies to continue meeting by teleconference during a gubernatorial proclaimed state of emergency if the local legislative body determines, by majority vote, that as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees (California Government Code section 54953(e)(1)(B)); and

WHEREAS, the State of Emergency remains in effect; and

WHEREAS, COVID-19 continues to threaten the health and lives of District residents; and

WHEREAS, there is scientific consensus that variants of COVID-19, such as the Delta variant, are highly transmissible in indoor settings; and

WHEREAS, in individuals that are vaccinated, breakthrough cases of COVID-19 are becoming increasingly common; and

WHEREAS, AB 361 requires the District to reconsider the circumstances of the emergency and review whether it continues to directly impact the ability of the members to meet safely in person;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Sanitary District No. 5 does hereby resolve, declare, determine, and order as follows:

SECTION 1. The above recitals are correct and are material to this Resolution and are incorporated into this Resolution as findings of the District Board.

SECTION 2. Pursuant to the requirements of Government Code Section 54953 (e)(3), the District Board makes the following findings:

- A) The District Board has considered the circumstances of the continuing state of emergency;
- B) The state of emergency continues to directly impact the ability of the members and the public to meet safely in person;
- C) Due to COVID-19, holding meetings in person will present imminent risks to the health and safety to attendees; and
- D) The District Board will continue to meet by teleconference in accordance with Government Code section 54953(e).

SECTION 3. The aforementioned findings apply to all Commissions, Committees, or advisory bodies of the District, which are classified as legislative bodies per Government Code Section 54952.

SECTION 4. The District Board will reconsider, not more than every 30 days, the circumstances of the emergency and review whether it continues to directly impact the ability of the members to meet safely in person.

SECTION 5. All portions of this resolution are severable. If an individual component of this resolution is adjudged by a court to be invalid and unenforceable, then the remaining portions will continue in effect.

* * * * *

I hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly passed and adopted by the Board of Directors of Sanitary District No. 5 of Marin County, California, at a meeting thereof duly held on the 21st day of October 2021, by the following vote:


AYES, and in favor thereof, Directors: *RICHARD SNYDER, JOHN CARAPIET, TOM MOODY, CATHERINE BENEDIKTSSON*

NOES, Directors: *NONE*

ABSENT, Directors: *OMAR AQUAS MONTEZ*

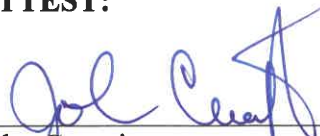
ABSTAIN, Directors: *NONE*

APPROVED:



Richard Snyder
President, Board of Directors

ATTEST:



John Carapiet
Vice President, Board of Directors

2. Elections for Officers of the Board – Action

Discussion by the Board. Motion (Benediktsson/Arias-Montez) to nominate **John Carapiet for the President** of the Board of Directors of Sanitary District No. 5 of Marin County for the 2022 term. Passed unanimously.

Discussion by the Board. Motion (Snyder/Moody) to nominate **Omar Arias-Montez for the Vice President** of the Board of Directors of Sanitary District No. 5 of Marin County for the 2022 term. Passed unanimously.

Discussion by the Board. Motion (Snyder/Moody) to nominate **Tod Moody for the Secretary** of the Board of Directors of Sanitary District No. 5 of Marin County for the 2022 term. Passed unanimously.

3. Appointment of Committee Members and setting date & time for regular, standing committee meetings – Action

Discussion by the Board. President John Carapiet recommended the following appointments for the 2022 term of Sanitary District No. 5 of Marin County Committees:

Finance & Fiscal Oversight Committee:	Chair:	Director Catharine Benediktsson
	Member:	V.P. Omar Arias-Montez
	Alternate:	Director Richard Snyder
Capital Improvement Program Committee:	Chair:	V.P. Omar Arias-Montez
	Member:	Secretary Tod Moody
	Alternate:	President John Carapiet
Governance Committee:	Chair:	Secretary Tod Moody
	Member:	Director Richard Snyder
	Alternate:	Director Catharine Benediktsson
Personnel Committee:	Chair:	Director Richard Snyder
	Member:	President John Carapiet
	Alternate:	V.P. Omar Arias-Montez

DIRECTORS' COMMENTS AND/OR AGENDA REQUESTS:

No Directors' comments or agenda requests at this time.

CONSENT CALENDAR:

4. Approval of December 16, 2021 Regular Board Meeting Minutes (Dohrmann)
5. Review and receive all electronic fund transfers (EFTs) and approve warrants from December 9th, 2021, through January 12th, 2022 (JP Morgan Chase Bank, check no. 8646 and checks no. 8648 through check no. 8717, all transactions totaling \$291,100.10) and receive December 2021 payroll, in the sum of \$213,266.24 (Dohrmann)
6. Receipt of Financial Reports for December 2021 (Dohrmann)

Discussion by the Board. Motion (Snyder/Moody) to approve the Consent Calendar, Items No. 4 through No.6. Passed unanimously.

President Carapiet moved to Item No. 8, under New Business, for consideration, as described on the agenda to this time (5:12 p.m.).

NEW BUSINESS:

8. Review and discussion re Sanitary District No. 5 of Marin County's FY20-21 Audited Financial Statement, presented by Kat Harris (Perotti & Carrade) – Action (Rubio)

Discussion by the Board. Motion (Benediktsson/Snyder) to approve the Sanitary District No. 5 of Marin County's FY20-21 Audited Financial Statement, as presented by Kat Harris (Perotti & Carrade). Passed unanimously.

President Carapiet returned to Item No. 7, Management Reports, for consideration, as described on the agenda to this time (5:38 p.m.).

MANAGEMENT REPORTS:

7. District Management Summary Report (Rubio)

District Manager, Tony Rubio, presented a written and verbal report on current District issues, responding to questions from the Board. Discussion by the Board.

NEW BUSINESS (Cont'd) (5:45 p.m.):

9. Review and accept proposal from Nute Engineers regarding the 2022 Sewer Rehabilitation Project and authorize District Manager to enter into a professional services agreement with Nute Engineers for the 2022 sewer rehabilitation project Options A and B for an amount not to exceed \$48,534 (forty eight thousand, five hundred thirty-four dollars) only – Action (Rubio)

Discussion by the Board. Motion (Snyder/Arias-Montez) to accept proposal from Nute Engineers regarding the 2022 Sewer Rehabilitation Project and authorize District Manager to enter into a professional services agreement with Nute Engineers for the 2022 sewer rehabilitation project Options A and B for an amount not to exceed \$48,534 (forty eight thousand, five hundred thirty-four dollars) only. Passed unanimously.

10. Review and authorize Linscott Engineering to perform proposed emergency work at 1651 Tiburon Boulevard (manhole #353 to manhole #BT), 6" Sewer Main Replacement, with amount not to exceed \$89,785.00 (eighty-nine thousand, seven hundred eighty-five dollars) only – Action (Rubio)

Discussion by the Board. Motion (Snyder/Benediktsson) to authorize Linscott Engineering to perform proposed emergency work at 1651 Tiburon Boulevard (manhole #353 to manhole #BT), 6" Sewer Main Replacement, with amount not to exceed \$89,785.00 (eighty-nine thousand, seven hundred eighty-five dollars) only. Passed unanimously.

11. Review and discussion re SB 273 (Hertzberg): Storm Water Authority and a CASA co-sponsored bill with California Coast Keepers Alliance, which provides all wastewater treatment agencies the authority to divert, treat and dispose of storm water and urban runoff – **discussion only** (Rubio)

12. Review and discussion of Sanitary District No. 5 of Marin County's Ordinance No. 2014-02(A), Sewer Use Regulations, Section 611, Subsection a.) Additions or improvements, increasing current trigger amount of \$50,000.00 (fifty thousand dollars) for sewer lateral inspections – **discussion only** (Rubio)

UNFINISHED BUSINESS:

COMMITTEE REPORTS:

- 13. Capital Improvement Program Committee (Moody/Arias-Montez) – See Items #9 & #10
- 14. Finance & Fiscal Oversight Committee (Benediktsson/Arias-Montez) – See Item #8
- 15. Governance Committee (Moody/Carapiet) – N/A
- 16. Personnel Committee (Benediktsson/Snyder) – to be regularly-scheduled through June 2022
- 17. Renewable Energy Strategies Ad Hoc Committee (Carapiet/Moody) – N/A

OTHER BUSINESS: N/A

ENVIRONMENTAL: N/A

CORRESPONDENCE: N/A

INFORMATIONAL ITEMS:

- 18. Confirmation e-mail from CSDA regarding SD5’s application for the “\$100 million COVID-19 Independent Special District Relief Fund was funded”. SD5 Application amount \$167,484

ADJOURNMENT

The Board adjourned at 6:30 p.m. to a Regular Board Meeting on February 17, 2022, at 5:00 P.M.

Approved:

Attest:

John Carapiet
President, Board of Directors

Tod Moody
Secretary, Board of Directors

**Special Board Meeting Minutes
Sanitary District No. 5 of Marin County
Tuesday, February 8, 2022**

Item 2B

4:00 P.M. SPECIAL BOARD MEETING

COVID-19 ADVISORY NOTICE

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How to Participate in the Meeting:

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<https://us02web.zoom.us/j/6230620778>

Meeting ID: 623 062 0778

or join by phone:

Call in number: (669) 900-9128 Participant Code: 623 062 0778

CALL TO ORDER by President Carapiet at 4:00 p.m.

ROLL CALL

Directors present: John Carapiet, President
 Tod Moody, Secretary
 Catharine Benediktsson, Director
 Richard Snyder, Director

Directors not present: Omar Arias-Montez, Vice President

Staff present: Tony Rubio, District Manager
 Robin Dohrmann, Office Manager
 Benjamin Stock, Burke, Williams, & Sorensen, LLC

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.

There were no public comments at this time.

DIRECTORS' COMMENTS AND/OR AGENDA REQUESTS:

There were no Directors' comments nor agenda requests at this time.

NEW BUSINESS

1. Review, and discuss draft comment letter and authorize the District Manager to submit a final comment letter to the City of Belvedere regarding the Mallard Pointe Subdivision application on file with the City of Belvedere before February 15, 2022 (Rubio) – Action

Discussion by the Board. No action taken. President Carapiet appointed an Ad Hoc Committee (Carapiet/Benediktsson) for further discussion.

ADJOURNMENT

The Board adjourned at 4:50 p.m. to a Regular Board Meeting on February 17, 2022, at 5:00 P.M.

Sanitary Distr. No.5 of Marin Co.
Warrant List Summary
January 13 through February 10, 2022

Item #3

02/08/22

Date	Num	Name	Memo	Amount
JP Morgan Chase - Primary 7399				
01/20/22	EFT	CalPERS	EFT Health Premium, February 2022, Cust #4163206459	-18,438.56
02/02/22	EFT	PERS	EFT PERS Retirement, January 2022	-17,377.99
01/20/22	8718	Alhambra	Acct #547945611762129, Water, December - January 2022	-131.82
01/20/22	8719	CWEA	Renewal Fees, J Triola , January 2022	-116.00
01/20/22	8720	Mill Valley Refuse Service, Inc.	Acct #063092, SLUDGE TRANSPORT - December, 2021	-1,080.00
01/20/22	8721	Pacific Gas & Electric	Acct #2908031411-4, Utilities, December 2021	-18,808.54
01/20/22	8722	Staples, Inc.	Acct #60111000714, Office Supplies, December 2021	-124.99
01/20/22	8723	SWRCB FEES	SWRCB Permit (M.P. & P.C. Plants -Threat/Complexity 3C Permi...	-11,967.00
01/20/22	8724	Verizon Wireless	Acct #0342125502-00001: iPhones & BPS Comm, January 2022	-408.81
01/20/22	8725	Waste Management of Redwood ...	Acct #507-0000190-1507-2, Sludge Disposal - December 2021	-1,036.28
01/20/22	8726	Water Components & Building Su...	Acct #454, MP Supplies, January 2022	-236.72
01/20/22	8727	Balf, Abigail	PPE Reimbursement, January 2022	-63.48
02/10/22	8728	AAA Generator Services, Inc.	SD5 Gas Meter Upgrade @ BPS#1, January 2022	-1,100.00
02/10/22	8729	Access Answering Service	Acct #4080C, Answering Service, February 2022	-60.00
02/10/22	8730	APG Neuros, Inc.	M.P Maint. Supplies, February 2022	-709.43
02/10/22	8731	AT&T	Acct #960732-76375559 - January 2022	-815.06
02/10/22	8732	BAAQMD	P.C. Plant Permit, March 2022	-413.00
02/10/22	8733	Banshee Networks, Inc.	Computer/IT Support, E-Media Installations - Dec 21 - January 2...	-3,813.91
02/10/22	8734	Burke, Williams & Sorensen, LLP	Legal Advice, December 2021	-1,134.00
02/10/22	8735	Cain's Tire, Incorporated	Cust ID M1002, Vehicle Maint, January 2022	-38.00
02/10/22	8736	Caltest Analytical Laboratory	M.P./P.C. Lab Sampling, December 2021 - January 2022	-5,261.50
02/10/22	8737	Caltronics Business Systems, Inc.	Acct #SD15, Multi-purpose Copier Contract, January 2022	-129.24
02/10/22	8738	Cassandra Prudhel Consulting, LLC	Consulting, April - Dec 2021	-648.83
02/10/22	8739	Cintas Corporation #626	Acct #626-00821, PPE/Safetywear + Service, January 2022	-298.71
02/10/22	8740	Cornely Company	Cust ID: SANDIST, Digester Srvc & Boiler Replcmnt Parts, Dece...	-6,727.00
02/10/22	8741	CWEA	Membership & Cert Renewal Fees, February 2022	-465.00
02/10/22	8742	D&K Auto Service	SD5 Truck Maint., January - February 2022	-1,559.46
02/10/22	8743	DC Frost Associates, Inc.	M.P. Parts & Srvc, December 2021	-1,364.53
02/10/22	8744	DKF Solutions Group, LLC	My Safety Officer Monthly Subscription + OSHA Consult - Februa...	-3,286.25
02/10/22	8745	eNPDES.com & Associates	M.P. & P.C. PaInt, NPDES Permit Software, Aug '22 - July '23 (AJ...	-1,650.00
02/10/22	8746	Goodman Building Supply Co.	Acct #20070, Safety, P.C.+M.P. Supplies, December 2021 + Jan...	-821.07
02/10/22	8747	Harrington Industrial Plastics LLC	Cust #:044227, M.P. Supplies - January 2022	-95.89
02/10/22	8748	Herc Rentals, Inc.	Cust #1580740, M.P Supplies, January 2022	-116.84
02/10/22	8749	JM Integration, LLC	M.P. Parts & Service, January - February 2022	-14,888.18
02/10/22	8750	Ken Grady Company, Inc.	SD5 & SASM Anayzer parts - January 2022	-1,989.52
02/10/22	8752	Lystek Int'l, LTD	Biosolids Transport - January 2022	-760.19
02/10/22	8753	Mill Valley Refuse Service, Inc.	Acct #032945, Garbage Service + 1 yd rental, February 2022	-271.09
02/10/22	8754	NSI Lab Solutions, Inc.	Cust#21528, Lab Chemicals - January 2022	-640.00
02/10/22	8755	Perotti & Carrade	Client #1901 - FY20-21 Financial Services (SCO Transaction Re...	-1,750.00
02/10/22	8756	Pumping Solutions, Inc.	Cust #43104, MP Parts & Srvc, December 2021	-5,843.46
02/10/22	8757	Recology Sonoma Marin	Cust #A1810470401, Cust ID: SANI#5, Sludge Disposal - Februa...	-350.00
02/10/22	8758	Roy's Sewer Service, Inc.	P&L , December 2021 - January 2022	-5,336.00
02/10/22	8759	Shape Incorporated	Acct #400M14, BPS#1, P&L - January 2022	-9,601.78
02/10/22	8760	Teledyne Instruments, Inc.	Cust #0019798, M.P. Lab Equipment - January 2022	-7,735.55
02/10/22	8761	Town of Tiburon	Fuel, October - December 2021	-3,698.22
02/10/22	8762	U.S. Bank	Acct#:4246-0441-0158-3635, December 2021 - January 2022	-4,817.40
02/10/22	8764	USA BlueBook	Cust #933682, Safety - December 2021	-51.64
02/10/22	8765	Waste Management of Redwood ...	Acct #507-0000190-1507-2, Sludge Disposal, January 2022	-422.17
02/10/22	8766	Rosser, John	Reimb. for S/B Mileage, December 2021	-49.04
02/10/22	8767	Petty Cash	Petty Cash - February 2022	-500.00
02/10/22	8768	Univar	Cust ID #STDT001, Chemicals - January 2022	-19,072.13
Total JP Morgan Chase - Primary 7399				-178,074.28
TOTAL				-178,074.28

Sanitary Distr. No.5 of Marin Co.
Warrant List Detail
 November 11 through December 8, 2021

Date	Num	Name	Memo	Account	Class	Paid Amount
12/08/21		Linscott Engineering Contr...	BPS#12 + P.C. Manhole Lid Replcmnt, November 2021	JP Morgan Chase - Primary 7399		
			Inv #3782, PO #161165: BPS#3 Submersible Pump Replaceme...	9305 · Valve/Wet Well Replacem...	Belvedere	-3,441.91
			Inv #3791, PO #161168: BPS#7 Valve Replacment - Novembe...	9305 · Valve/Wet Well Replacem...	Belvedere	-3,879.95
			Inv #3794, PO# 161169: Manhole Cover Replacement @ Main ...	9313 · Manholes/Rodholes	Tiburon	-4,961.43
			Inv #3789, PO #161167: Manhole Lid Repair @ Round Hill Rd. -...	9313 · Manholes/Rodholes	Tiburon	-6,438.53
TOTAL						-18,721.82
11/11/21			Service Charge	JP Morgan Chase - Primary 7399	Tiburon	
			Returned check from resident sewer fees	5900.3 · Connection Fees	Tiburon	-3,688.00
TOTAL						-3,688.00
11/11/21		Sterling Pump Systems	Digester Equipment, November 2021	JP Morgan Chase - Primary 7399		
			Inv #4830, PO#106859, Digester Mix Pump - November 2021	9510 · Undesignated Cap - M.P.	Belvedere	-3,179.63
			Inv #4830, PO#106859, Digester Mix Pump - November 2021	9510 · Undesignated Cap - M.P.	Tiburon	-5,402.37
TOTAL						-8,582.00
12/08/21	EFT	CalPERS	EFT Health Premium, December 2021, Cust #4163206459	JP Morgan Chase - Primary 7399		
			Active Employee Health Premium - December 2021	8020.05 · Employee Health	Belvedere	-5,383.56
			Active Employee Health Premium - December 2021	8020.05 · Employee Health	Tiburon:Paradise ...	-437.15
			Active Employee Health Premium - December 2021	8020.05 · Employee Health	Tiburon	-9,150.25
			Retiree Health Premium - December 2021	8022.05 · Reitree Health	Belvedere	-308.54
			Retiree Health Premium - December 2021	8022.05 · Reitree Health	Tiburon:Paradise ...	-25.05
			Retiree Health Premium - December 2021	8022.05 · Reitree Health	Tiburon	-524.41
			Active Employee Health Premium - December 2021 - Admin Fee	8020.05 · Employee Health	Belvedere	-13.46
			Active Employee Health Premium - December ust 2021 - Admin...	8020.05 · Employee Health	Tiburon:Paradise ...	-1.09
			Active Employee Health Premium - December 2021 - Admin Fee	8020.05 · Employee Health	Tiburon	-22.88
			Retiree Health Premium - December 2021 - Admin Fee	8022.05 · Reitree Health	Belvedere	-5.62
			Retiree Health Premium - December 2021 - Admin Fee	8022.05 · Reitree Health	Tiburon:Paradise ...	-0.46
			Retiree Health Premium - December 2021 - Admin Fee	8022.05 · Reitree Health	Tiburon	-9.54
TOTAL						-15,882.01
12/08/21	EFT	PERS	EFT PERS Retirement, November 2021	JP Morgan Chase - Primary 7399		
			Retirement November 2021(Classic 1600 Rate): ER @ 14.194 ...	8019.05 · PERS Retirement	Belvedere	-4,949.38
			Retirement November 2021(Classic 1600 Rate) (AJE FY20-21)	8019.05 · PERS Retirement	Tiburon:Paradise ...	-401.90
			Retirement November 2021(Classic 1600 Rate) (AJE FY20-21)	8019.05 · PERS Retirement	Tiburon	-8,412.30
			Retirement November 2021(PEPRA Rates: ER @ 7.732%; EE ...	8019.05 · PERS Retirement	Belvedere	-2,044.32
			Retirement November 2021(PEPRA Rate) (AJE FY20-21)	8019.05 · PERS Retirement	Tiburon:Paradise ...	-166.00
			Retirement November 2021(PEPRA Rate) (AJE FY20-21)	8019.05 · PERS Retirement	Tiburon	-3,474.66
TOTAL						-19,448.56

Sanitary Distr. No.5 of Marin Co.
Warrant List Detail
 November 11 through December 8, 2021

Date	Num	Name	Memo	Account	Class	Paid Amount
11/18/21	8595	Comcast Business	Acct# 8155 30 011 0149465, Bus. Voice, Internet & Cable, No...	JP Morgan Chase - Primary 7399		
			Bundle: Cable (\$218.25), November 2021	8510 · Data/Alarms/IT Supp & Li...	Belvedere	-78.48
			Bundle: Cable (\$218.25), November 2021	8510 · Data/Alarms/IT Supp & Li...	Tiburon:Paradise ...	-6.37
			Bundle: Cable (\$218.25), November 2021	8510 · Data/Alarms/IT Supp & Li...	Tiburon	-133.40
			Bundle: Internet (\$134.85), November 2021	8510 · Data/Alarms/IT Supp & Li...	Belvedere	-7.17
			Bundle: Internet (\$134.85), November 2021	8510 · Data/Alarms/IT Supp & Li...	Tiburon:Paradise ...	-0.58
			Bundle: Internet (\$134.85), November 2021	8510 · Data/Alarms/IT Supp & Li...	Tiburon	-12.19
			Bundle: Land Line Phones (\$249.50+ \$39.75 add'l Fees), Nove...	8531 · Main Plant Telephones	Belvedere	-113.74
			Bundle: Land Line Phones (\$249.50+ \$39.75 add'l Fees), Nove...	8532 · Paradise Cove Telephones	Tiburon:Paradise ...	-9.24
			Bundle: Land Line Phones (\$249.50+ \$39.75 add'l Fees), Nove...	8531 · Main Plant Telephones	Tiburon	-193.33
			Bundle: Taxes & Fees (+/- \$5 - varies/mo), November 2021	8510 · Data/Alarms/IT Supp & Li...	Belvedere	-1.88
			Bundle: Taxes & Fees (+/- \$5 - varies/mo), November 2021	8510 · Data/Alarms/IT Supp & Li...	Tiburon:Paradise ...	-0.15
			Bundle: Taxes & Fees (+/- \$5 - varies/mo), November 2021	8510 · Data/Alarms/IT Supp & Li...	Tiburon	-3.19
			Bundle: Taxes & Fees (+/- \$5 - varies/mo), November 2021	8531 · Main Plant Telephones	Belvedere	-1.88
			Bundle: Taxes & Fees (+/- \$5 - varies/mo), November 2021	8532 · Paradise Cove Telephones	Tiburon:Paradise ...	-0.15
			Bundle: Taxes & Fees (+/- \$5 - varies/mo), November 2021	8531 · Main Plant Telephones	Tiburon	-3.19
TOTAL						-564.94
11/18/21	8596	Pacific Gas & Electric	Acct #2908031411-4, Utilities, October, 2021	JP Morgan Chase - Primary 7399		
			Acct #2908031411-4, Main Plant Utilities, October 2021	8542 · Main Plant Utilities	Belvedere	-6,610.09
			Acct #2908031411-4, P.C. Plant Utilities, October 2021	8543 · Paradise Cove Utilities	Tiburon:Paradise ...	-1,580.91
			Acct #2908031411-4, Main Plant Utilities, October 2021	8542 · Main Plant Utilities	Tiburon	-11,230.91
			Acct #2908031411-4, Belv Pump St Utilities, October 2021	8544 · Pump Station Utilities	Belvedere	-1,127.80
			Acct #2908031411-4, P.C. Pump St Utilities, October 2021	8544 · Pump Station Utilities	Tiburon:Paradise ...	-232.33
			Acct #2908031411-4, Tib Pump St Utilities, October 2021	8544 · Pump Station Utilities	Tiburon	-1,685.22
TOTAL						-22,467.26
11/18/21	8597	Special District Risk Manag...	Member #7665, Life, Vision, DDS & LTD Ins., December 2021	JP Morgan Chase - Primary 7399		
			Employee Life & ADD Insurance - Inv #36948 - December 2021	8020.05 · Employee Health	Belvedere	-48.91
			Employee Life & ADD Insurance - Inv #36948 - December 2021	8020.05 · Employee Health	Tiburon:Paradise ...	-3.97
			Employee Life & ADD Insurance - Inv #36948 - December 2021	8020.05 · Employee Health	Tiburon	-83.12
			Employee LTD Insurance - Inv #36948 - December 2021	8020.05 · Employee Health	Belvedere	-127.69
			Employee LTD Insurance - Inv #36948 - December 2021	8020.05 · Employee Health	Tiburon:Paradise ...	-10.37
			Employee LTD Insurance - Inv #36948 - December 2021	8020.05 · Employee Health	Tiburon	-217.03
			Employee DDS Insurance - Inv #36948 - December 2021	8020.05 · Employee Health	Belvedere	-333.56
			Employee DDS Insurance - Inv #36948 - December 2021	8020.05 · Employee Health	Tiburon:Paradise ...	-27.09
			Employee DDS Insurance - Inv #36948 - December 2021	8020.05 · Employee Health	Tiburon	-566.95
			Employee Vision Insurance - Inv #36948 - December 2021	8020.05 · Employee Health	Belvedere	-58.08
			Employee Vision Insurance - Inv #36948 - December 2021	8020.05 · Employee Health	Tiburon:Paradise ...	-4.72
			Employee Vision Insurance - Inv #36948 - December 2021	8020.05 · Employee Health	Tiburon	-98.70
TOTAL						-1,580.19

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Date	Num	Name	Memo	Account	Class	Paid Amount
11/18/21	8598	Staples, Inc.	Acct #60111000714, Office Supplies, September 2021	JP Morgan Chase - Primary 7399		
			Inv #2956107271, #2956117391, #2953936911, Office supplies,...	6047 · Office Supplies	Belvedere	-35.69
			Inv #2956107271, #2956117391, #2953936911, Office supplies,...	6047 · Office Supplies	Tiburon:Paradise ...	-2.90
			Inv #2956107271, #2956117391, #2953936911, Office supplies,...	6047 · Office Supplies	Tiburon	-60.67
			Inv #2953936911, Janitorial supplies, November 2021	7023 · Janitorial Supplies & Servi...	Belvedere	-9.63
			Inv #2953936911, Janitorial supplies, November 2021	7023 · Janitorial Supplies & Servi...	Tiburon	-16.35
			Inv #2951248681, Membership Dues, November 2021	6025 · Dues & Subscriptions	Belvedere	-19.07
			Inv #2951248681, Membership Dues, November 2021	6025 · Dues & Subscriptions	Tiburon:Paradise ...	-1.55
			Inv #2951248681, Membership Dues, November 2021	6025 · Dues & Subscriptions	Tiburon	-32.42
TOTAL						-178.28
11/18/21	8599	Verizon Wireless	Acct #0342125502-00001: iPhones & BPS Comm, November ...	JP Morgan Chase - Primary 7399		
			Inv #9892186308: Monthly Charges New NASPO MA 152 Agmn...	8531 · Main Plant Telephones	Belvedere	-97.67
			Inv #9892186308: Monthly Charges New NASPO MA 152 Agmn...	8532 · Paradise Cove Telephones	Tiburon:Paradise ...	-7.93
			Inv #9892186308: Monthly Charges New NASPO MA 152 Agmn...	8531 · Main Plant Telephones	Tiburon	-166.00
			Inv #9892186308: NEW Monthly Charges for BPS Telephone lin...	8533 · Pumps & Lines Telephones	Belvedere	-279.93
			Inv #9892186308: Taxes, Gov't Surcharges & Fees, November ...	8531 · Main Plant Telephones	Belvedere	-15.42
			Inv #9892186308: Taxes, Gov't Surcharges & Fees, November ...	8532 · Paradise Cove Telephones	Tiburon:Paradise ...	-1.25
			Inv #9892186308: Taxes, Gov't Surcharges & Fees, November ...	8531 · Main Plant Telephones	Tiburon	-26.20
			Inv #9892186308: Overages, November 2021	8531 · Main Plant Telephones	Belvedere	-75.52
			Inv #9892186308: Overages, November 2021	8532 · Paradise Cove Telephones	Tiburon:Paradise ...	-6.13
			Inv #9892186308: Overages, November 2021	8531 · Main Plant Telephones	Tiburon	-128.35
TOTAL						-804.40
11/18/21	8600	Shape Incorporated	Acct #400M14, M.P. Pump Replacement - October 2021	JP Morgan Chase - Primary 7399		
			Inv #128915, PO #186800, 35HP Pump @ Dry Weather Pump, ...	9206 · Infl Dry Weather Pump R...	Belvedere	-15,163.51
			Inv #128915, PO #186800, 35HP Pump @ Dry Weather Pump, ...	9206 · Infl Dry Weather Pump R...	Tiburon	-25,763.65
TOTAL						-40,927.16
12/08/21	8601	Access Answering Service	Acct #4080C, Answering Service, December 2021	JP Morgan Chase - Primary 7399		
			Inv #26627, Answering Service, December 2021- SSO & Alarm ...	8510 · Data/Alarms/IT Supp & Li...	Belvedere	-21.58
			Inv #26627, Answering Service, December 2021- SSO & Alarm ...	8510 · Data/Alarms/IT Supp & Li...	Tiburon:Paradise ...	-1.75
			Inv #26627, Answering Service, December 2021- SSO & Alarm ...	8510 · Data/Alarms/IT Supp & Li...	Tiburon	-36.67
TOTAL						-60.00
12/08/21	8602	Alameda Electrical Distribut...	BPS#1 Supplies, November 2021	JP Morgan Chase - Primary 7399		
			Inv #S5201999.01 & #S5201999.02, PO #160577: BPS#1, Cove...	7011 · Pumps & Lines Maintena...	Belvedere	-369.97
TOTAL						-369.97

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12/08/21	8603	Alhambra	Acct #547945611762129, Water, September - November 2021	JP Morgan Chase - Primary 7399		
			Inv #12012314 111221 Water, 10.14.2021 - 11.10.2021	7023 · Janitorial Supplies & Servi...	Belvedere	-64.65
			Inv #12012314 111221 Water, 10.14.2021 - 11.10.2021	7042 · Paradise Supplies & Che...	Tiburon:Paradise ...	-5.25
			Inv #12012314 111221 Water, 10.14.2021 - 11.10.2021	7023 · Janitorial Supplies & Servi...	Tiburon	-109.89
TOTAL						-179.79
12/08/21	8604	AT&T	Acct #960732-76375559 - November 2021	JP Morgan Chase - Primary 7399		
			PC Plant Telephones - November 2021	8532 · Paradise Cove Telephones	Tiburon:Paradise ...	-331.52
			PC Pumps & Lines Telephones - November 2021	8533 · Pumps & Lines Telephones	Tiburon:Paradise ...	-175.08
			Tib Pumps & Lines Telephones - November 2021	8533 · Pumps & Lines Telephones	Tiburon	-308.47
TOTAL						-815.07
12/08/21	8605	ATP Group, Inc.	M.P. & P.C. Plant Chemicals, November 2021	JP Morgan Chase - Primary 7399		
			Inv #I239077, P.O. #387862, M.P., Caustic soda beads (Sodium...	7024 · Main Plant Chemicals	Belvedere	-1,233.21
			Inv #I239077, P.O. #387862, P.C., Caustic soda beads (Sodium...	7042 · Paradise Supplies & Che...	Tiburon:Paradise ...	-100.14
			Inv #I239077, P.O. #387862, M.P., Caustic soda beads (Sodium...	7024 · Main Plant Chemicals	Tiburon	-2,096.04
TOTAL						-3,429.39
12/08/21	8606	Banshee Networks, Inc.	Computer/IT Support, E-Media Installations - Nov - Dec, 2021	JP Morgan Chase - Primary 7399		
			Inv #15131, Inv #15169, & Inv #15170 - Monthly Subscriptions +...	8510 · Data/Alarms/IT Supp & Li...	Belvedere	-1,437.39
			Inv #15131, Inv #15169, & Inv #15170 - Monthly Subscriptions +...	8510 · Data/Alarms/IT Supp & Li...	Tiburon:Paradise ...	-116.72
			Inv #15131, Inv #15169, & Inv #15170 - Monthly Subscriptions +...	8510 · Data/Alarms/IT Supp & Li...	Tiburon	-2,443.07
TOTAL						-3,997.18
12/08/21	8607	Brelje and Race Laboratorie...	M.P./P.C. Plant Samples, Sept - Oct 2021	JP Morgan Chase - Primary 7399		
			Inv #138539, #138540, M.P. Samples for September - October ...	7051 · Main Plant Lab Monitoring	Belvedere	-1,085.57
			Inv #138539, #138540, P.C. Samples for September - October 2...	7052 · Paradise Cove Monitoring	Tiburon:Paradise ...	-385.00
			Inv #138539, #138540, M.P. Samples for September - October ...	7051 · Main Plant Lab Monitoring	Tiburon	-1,844.43
TOTAL						-3,315.00
12/08/21	8608	Brentwood Industries, Inc.	M.P. Parts & Service (#2) Replacement - December 2021	JP Morgan Chase - Primary 7399		
			Inv #WGI000010804, Inv #WGI000011042 (P.O. #387906), Rep...	7022 · Plant Maint. Parts & Service	Belvedere	-9,839.74
			Inv #WGI000010804, Inv #WGI000011042 (P.O. #387906), Rep...	7022 · Plant Maint. Parts & Service	Tiburon	-16,718.26
TOTAL						-26,558.00

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12/08/21	8609	Burke, Williams & Sorensen...	Legal Advice, October 2021	JP Morgan Chase - Primary 7399		
			Inv #277124, HR, October 2021	6039 · Legal	Belvedere	-600.35
			Inv #277124, HR, October 2021	6039 · Legal	Tiburon:Paradise ...	-48.75
			Inv #277124, HR, October 2021	6039 · Legal	Tiburon	-1,020.40
			Inv #277124, DCS, October 2021	6039 · Legal	Belvedere	-373.80
			Inv #277124, DCS, October 2021	6039 · Legal	Tiburon:Paradise ...	-30.35
			Inv #277124, DCS, October 2021	6039 · Legal	Tiburon	-635.35
			Inv #277124, Contracts, October 2021	6039 · Legal	Belvedere	-543.72
			Inv #277124, Contracts, October 2021	6039 · Legal	Tiburon:Paradise ...	-44.15
			Inv #277124, Contracts, October 2021	6039 · Legal	Tiburon	-924.13
			Inv #277124, CVD, October 2021	6039 · Legal	Belvedere	-156.97
			Inv #277124, CVD, October 2021	6039 · Legal	Tiburon:Paradise ...	-12.75
			Inv #277124, CVD, October 2021	6039 · Legal	Tiburon	-266.78
			Inv #277124, FY 20-21 Audit , October 2021	6039 · Legal	Belvedere	-101.95
			Inv #277124, FY 20-21 Audit , October 2021	6039 · Legal	Tiburon:Paradise ...	-8.28
			Inv #277124, FY 20-21 Audit , October 2021	6039 · Legal	Tiburon	-173.27
TOTAL						-4,941.00
12/08/21	8610	California Association of Sa...	CASA Membership Dues (FY22-23 AJE)	JP Morgan Chase - Primary 7399		
			Inv #5803, SD5 CASA 2022 Membership Dues, 1.1.2022 - 6.30...	6025 · Dues & Subscriptions	Belvedere	-1,258.60
			Inv #5803, SD5 CASA 2022 Membership Dues, 1.1.2022 - 6.30...	6025 · Dues & Subscriptions	Tiburon:Paradise ...	-102.20
			Inv #5803, SD5 CASA 2022 Membership Dues, 1.1.2022 - 6.30...	6025 · Dues & Subscriptions	Tiburon	-2,139.20
			Inv #5803, SD5 CASA 2022 Membership Dues, 7.1.2022 - 12.3...	6025 · Dues & Subscriptions	Belvedere	-1,258.60
			Inv #5803, SD5 CASA 2022 Membership Dues, 7.1.2022 - 12.3...	6025 · Dues & Subscriptions	Tiburon:Paradise ...	-102.20
			Inv #5803, SD5 CASA 2022 Membership Dues, 7.1.2022 - 12.3...	6025 · Dues & Subscriptions	Tiburon	-2,139.20
TOTAL						-7,000.00
12/08/21	8611	Caltest Analytical Laboratory	M.P./P.C. Lab Sampling, November 2021	JP Morgan Chase - Primary 7399		
			M.P. - B: #625942, #626658, #626658, #626657, #626714, #62...	7051 · Main Plant Lab Monitoring	Belvedere	-919.01
			P.C.: Inv #627282 - November 2021	7052 · Paradise Cove Monitoring	Tiburon:Paradise ...	-328.70
			M.P. - B: #625942, #626658, #626658, #626657, #626714, #62...	7051 · Main Plant Lab Monitoring	Tiburon	-1,561.44
TOTAL						-2,809.15
12/08/21	8612	Caltronics Business Syste...	Acct #SD15, Multi-purpose Copier Contract, November 2021	JP Morgan Chase - Primary 7399		
			Inv #3387101, Konica Multi-purpose copier (C308) contract, Nov...	6047 · Office Supplies	Belvedere	-60.11
			Inv #3387101, Konica Multi-purpose copier (C308) contract, Nov...	6047 · Office Supplies	Tiburon:Paradise ...	-4.88
			Inv #3387101, Konica Multi-purpose copier (C308) contract, Nov...	6047 · Office Supplies	Tiburon	-102.18
TOTAL						-167.17

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Date	Num	Name	Memo	Account	Class	Paid Amount
12/08/21	8613	Center For Hearing Health, I...	Annual on-site hearing tests, November 2021	JP Morgan Chase - Primary 7399		
			Inv #18983, Retest for hearing,11.10.2021	8515 · Safety	Belvedere	-215.76
			Inv #18983, Retest for hearing,11.10.2021	8515 · Safety	Tiburon:Paradise ...	-17.52
			Inv #18983, Retest for hearing,11.10.2021	8515 · Safety	Tiburon	-366.72
TOTAL						-600.00
12/08/21	8614	Cintas Corporation #626	Acct #626-00821, PPE/Safetywear + Service, November, 2021	JP Morgan Chase - Primary 7399		
			PPE/Safetwear + Service: Inv ending in #43538, #52320, #9868...	8520 · Personal Protection/Safet...	Belvedere	-51.16
			PPE/Safetwear + Service: Inv ending in #43538, #52320, #9868...	8520 · Personal Protection/Safet...	Tiburon:Paradise ...	-4.15
			PPE/Safetwear + Service: Inv ending in #43538, #52320, #9868...	8520 · Personal Protection/Safet...	Tiburon	-86.96
TOTAL						-142.27
12/08/21	8615	Code Publishing, Inc.	Project#:329170, Annual Web Hosting - October 2021	JP Morgan Chase - Primary 7399		
			Inv #71324, SD5 Web Hosting + Resolution List & Ordinance Ta...	6017 · Consulting Fees	Belvedere	-143.84
			Inv #71324, SD5 Web Hosting + Resolution List & Ordinance Ta...	6017 · Consulting Fees	Tiburon:Paradise ...	-11.68
			Inv #71324, SD5 Web Hosting + Resolution List & Ordinance Ta...	6017 · Consulting Fees	Tiburon	-244.48
TOTAL						-400.00
12/08/21	8616	Cornely Company	Cust ID: SANDIST, Digester Srvc & Boiler Replcmnt Parts, O...	JP Morgan Chase - Primary 7399		
			Inv #INV-23876 (PO# 160510), Field Srvc @ Primary Digester - ...	7022 · Plant Maint. Parts & Service	Belvedere	-246.38
			Inv #INV-23876 (PO# 160510), Field Srvc @ Primary Digester - ...	7022 · Plant Maint. Parts & Service	Tiburon	-418.62
			Inv #INV-23874 (PO #364591), M.P. Boiler Replacement @ flue...	9204 · M.P. Boiler Replacement	Belvedere	-10,576.29
			Inv #INV-23874 (PO #364591), M.P. Boiler Replacement @ flue...	9204 · M.P. Boiler Replacement	Tiburon	-17,969.71
TOTAL						-29,211.00
12/08/21	8617	County of Marin - Central C...	2022 Hazardous Materials Permit No. 60-0310 - CUPA Fee, D...	JP Morgan Chase - Primary 7399		
			Inv #IN0277779, Facility #21-000-600310, CERS ID#:10593949 ...	7062 · Permits/Fees - General	Belvedere	-248.31
			Inv #IN0277779, Facility #21-000-600310, CERS ID#:10593949 ...	7063 · Paradise Cove Permits/F...	Tiburon:Paradise ...	-20.17
			Inv #IN0277779, Facility #21-000-600310, CERS ID#:10593949 ...	7062 · Permits/Fees - General	Tiburon	-422.02
			Inv #IN0277779, Facility #21-000-600310, CERS ID#:10593949 ...	7062 · Permits/Fees - General	Belvedere	-248.31
			Inv #IN0277779, Facility #21-000-600310, CERS ID#:10593949 ...	7063 · Paradise Cove Permits/F...	Tiburon:Paradise ...	-20.17
			Inv #IN0277779, Facility #21-000-600310, CERS ID#:10593949 ...	7062 · Permits/Fees - General	Tiburon	-422.02
TOTAL						-1,381.00

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Date	Num	Name	Memo	Account	Class	Paid Amount
12/08/21	8618	CWEA	Membership & Certification Renewal, D LaTorre, December ...	JP Morgan Chase - Primary 7399		
			D LaTorre (#47792), CWEA Association Membership, Redwood ...	6025 · Dues & Subscriptions	Belvedere	-17.26
			D LaTorre (#47792), CWEA Association Membership, Redwood ...	6025 · Dues & Subscriptions	Tiburon:Paradise ...	-1.40
			D LaTorre (#47792), CWEA Association Membership, Redwood ...	6025 · Dues & Subscriptions	Tiburon	-29.34
			D LaTorre (#47792), CWEA Association Membership, Redwood ...	6025 · Dues & Subscriptions	Belvedere	-51.78
			D LaTorre (#47792), CWEA Association Membership, Redwood ...	6025 · Dues & Subscriptions	Tiburon:Paradise ...	-4.20
			D LaTorre (#47792), CWEA Association Membership, Redwood ...	6025 · Dues & Subscriptions	Tiburon	-88.02
TOTAL						-192.00
12/08/21	8619	DKF Solutions Group, LLC	My Safety Officer Monthly Subscription, December 2021	JP Morgan Chase - Primary 7399		
			Inv #20168, My Safety Officer Monthly Subscription Fee, Decem...	8515 · Safety	Belvedere	-125.86
			Inv #20168, My Safety Officer Monthly Subscription Fee, Decem...	8515 · Safety	Tiburon:Paradise ...	-10.22
			Inv #20168, My Safety Officer Monthly Subscription Fee, Decem...	8515 · Safety	Tiburon	-213.92
TOTAL						-350.00
12/08/21	8621	Fastenal Company	CASA10962, Safety & M.P. Parts & Service, November 2021	JP Morgan Chase - Primary 7399		
			Inv #CAPET58768 (PO# 387869), Safety Work Lights - Novemb...	8515 · Safety	Belvedere	-942.15
			Inv #CAPET58768 (PO# 387869), Safety Work Lights - Novemb...	8515 · Safety	Tiburon:Paradise ...	-76.50
			Inv #CAPET58768 (PO# 387869), Safety Work Lights - Novemb...	8515 · Safety	Tiburon	-1,601.35
			Inv #CAPET58768 (PO# 387869), M.P. Parts - November 2021	7022 · Plant Maint. Parts & Service	Belvedere	-837.00
			Inv #CAPET58768 (PO# 387869), M.P. Parts - November 2021	7022 · Plant Maint. Parts & Service	Tiburon	-1,422.12
TOTAL						-4,879.12
12/08/21	8622	Hexagon, Inc.	Cust #607934, CMMS Maint Program December 2021 (AJE F...	JP Morgan Chase - Primary 7399		
			Inv #P-430909-US0HX, MP2 Pro + Server Support Renewal Fe...	8510 · Data/Alarms/IT Supp & Li...	Belvedere	-95.00
			Inv #P-430909-US0HX, MP2 Pro + Server Support Renewal Fe...	8510 · Data/Alarms/IT Supp & Li...	Tiburon:Paradise ...	-7.71
			Inv #P-430909-US0HX, MP2 Pro + Server Support Renewal Fe...	8510 · Data/Alarms/IT Supp & Li...	Tiburon	-161.46
			Inv #P-430909-US0HX, MP2 Pro + Server Support Renewal Fe...	8510 · Data/Alarms/IT Supp & Li...	Belvedere	-284.99
			Inv #P-430909-US0HX, MP2 Pro + Server Support Renewal Fe...	8510 · Data/Alarms/IT Supp & Li...	Tiburon:Paradise ...	-23.14
			Inv #P-430909-US0HX, MP2 Pro + Server Support Renewal Fe...	8510 · Data/Alarms/IT Supp & Li...	Tiburon	-484.40
TOTAL						-1,056.70
12/08/21	8623	Home Depot Credit Services	Acct #6035 3220 0516 4334, M.P. & P.C. Parts & Service- No...	JP Morgan Chase - Primary 7399		
			PO #286871 - M.P. Parts & Service: Hot H2o Heater - Decembe...	7022 · Plant Maint. Parts & Service	Belvedere	-223.74
			PO #160575 - P.C. Supplies, Pipe insulation - Novembe 2021	7042 · Paradise Supplies & Che...	Tiburon:Paradise ...	-12.76
			PO #286871 - M.P. Parts & Service: Hot H2o Heater - Decembe...	7022 · Plant Maint. Parts & Service	Tiburon	-380.15
TOTAL						-616.65

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12/08/21	8624	JM Integration, LLC	M.P. Parts & Service, November 2021	JP Morgan Chase - Primary 7399		
			Inv #21122, P.O. #160508: M.P. Parts & Service (2 Site visits: S...	7022 · Plant Maint. Parts & Service	Belvedere	-794.81
			Inv #21122, P.O. #160508: M.P. Parts & Service (2 Site visits: S...	7022 · Plant Maint. Parts & Service	Tiburon	-1,350.43
			Inv #21123, P.O. #160509: M.P. Parts & Service (4 Site visits: R...	7022 · Plant Maint. Parts & Service	Belvedere	-2,408.75
			Inv #21123, P.O. #160509: M.P. Parts & Service (4 Site visits: R...	7022 · Plant Maint. Parts & Service	Tiburon	-4,092.61
TOTAL						-8,646.60
12/08/21	8625	Larry Walker Associates, Inc.	Tech Support for M.P. NPDES Reg. Assistance Renewal - O...	JP Morgan Chase - Primary 7399		
			Inv #00113.10 - 23, M.P. Regulatory Assistance Renewal - Octo...	7061 · Main Plant NPDES Rene...	Belvedere	-77.53
			Inv #00113.10 - 23, M.P. Regulatory Assistance Renewal - Octo...	7061 · Main Plant NPDES Rene...	Tiburon	-131.72
TOTAL						-209.25
12/08/21	8627	Lystek Int'l, LTD	Biosolids Transport, November 2021	JP Morgan Chase - Primary 7399		
			Inv #153-467, Biosolids Transport to Lystek Facility - November ...	7029 · Main Plant Sludge Disposal	Belvedere	-273.35
			Inv #153-467, Biosolids Transport to Lystek Facility - November ...	7029 · Main Plant Sludge Disposal	Tiburon	-464.45
TOTAL						-737.80
12/08/21	8628	MidAmerica Administrative ...	HRA Retiree Health Reimb. Admin Fees, 3Q21 - November 2...	JP Morgan Chase - Primary 7399		
			inv #MAR18210, HRA Retiree Health Reimburs. Administration ...	8022.05 · Reitree Health	Belvedere	-80.91
			inv #MAR18210, HRA Retiree Health Reimburs. Administration ...	8022.05 · Reitree Health	Tiburon:Paradise ...	-6.57
			inv #MAR18210, HRA Retiree Health Reimburs. Administration ...	8022.05 · Reitree Health	Tiburon	-137.52
TOTAL						-225.00
12/08/21	8629	Mill Valley Refuse Service, I...	Acct #032945, Garbage Service + 1 yd rental, January 2022	JP Morgan Chase - Primary 7399		
			Garbage Service, Including 1 yd trash + 1 yd cardboard rental - ...	7023 · Janitorial Supplies & Servi...	Belvedere	-97.49
			Garbage Service, Including 1 yd trash + 1 yd cardboard rental - ...	7023 · Janitorial Supplies & Servi...	Tiburon	-165.63
			Difference re 2021 rate increase - from October/November 2021	7023 · Janitorial Supplies & Servi...	Belvedere	-2.95
			Difference re 2021 rate increase - from October/November 2021	7023 · Janitorial Supplies & Servi...	Tiburon	-5.02
TOTAL						-271.09
12/08/21	8630	MISCOwater	M.P. & P.C. CIP + SASM Parts & Srv. - November 2021	JP Morgan Chase - Primary 7399		
			Inv #16662PABR (PO #989642) + Inv #1667PABR (PO #38787...	9208 · M.P. Chemical Feed Pum...	Belvedere	-9,710.18
			Inv #16662PABR (PO #989642) + Inv #1667PABR (PO #38787...	9208 · M.P. Chemical Feed Pum...	Tiburon	-16,498.14
			Inv #16682PABR (PO #989641), P.C. Parts & Srv (Replaceme...	7041 · Paradise Parts & Service	Tiburon:Paradise ...	-4,384.13
			Inv #16683PABR (PO#989640), SASM, Chemical Feed Replace...	7022.1 · SASM Plant Maint. Part...	Belvedere	-3,471.74
			Inv #16683PABR (PO#989640), SASM, Chemical Feed Replace...	7022.1 · SASM Plant Maint. Part...	Tiburon	-5,898.69
TOTAL						-39,962.88

Sanitary Distr. No.5 of Marin Co.
Warrant List Detail
 November 11 through December 8, 2021

Date	Num	Name	Memo	Account	Class	Paid Amount
12/08/21	8631	Roy's Sewer Service, Inc.	P&L + Sm. Machine Cleaning @ Tib + Belv - November 2021	JP Morgan Chase - Primary 7399		
			Inv #214715, Removed Sludge from P.C. Plant, as directed, 10....	7011 · Pumps & Lines Maintena...	Tiburon:Paradise ...	-1,000.00
			Inv #215023, Vactor Truck + Crew to clear sewer main at 100 N...	7011 · Pumps & Lines Maintena...	Tiburon	-3,300.00
			Inv #214841, Cleared 4" line at M.P., as directed, 11.17.2021	7011 · Pumps & Lines Maintena...	Belvedere	-155.61
			Inv #214841, Cleared 4" line at M.P., as directed, 11.17.2021	7011 · Pumps & Lines Maintena...	Tiburon	-264.39
			Inv #214139, Cleared 2" line at M.P. by tank., as directed, 10.25...	7011 · Pumps & Lines Maintena...	Belvedere	-147.46
			Inv #214139, Cleared 2" line at M.P. by tank., as directed, 10.25...	7011 · Pumps & Lines Maintena...	Tiburon	-250.54
			Inv #214910, M.P. Grit Chamber & Headworks Cleaning, 11.4.2...	7011 · Pumps & Lines Maintena...	Belvedere	-6,113.25
			Inv #214910, M.P. Grit Chamber & Headworks Cleaning, 11.4.2...	7011 · Pumps & Lines Maintena...	Tiburon	-10,386.75
TOTAL						-21,618.00
12/08/21	8632	Royal Wholesale	BPS#1 P&L - November 2021	JP Morgan Chase - Primary 7399		
			Inv #7914-1019077 (PO #160572), BPS #1 P&L - November 2021	7011 · Pumps & Lines Maintena...	Belvedere	-510.30
TOTAL						-510.30
12/08/21	8633	Shape Incorporated	Acct #400M14, BPS & TPS Pump Replacements - November ...	JP Morgan Chase - Primary 7399		
			Inv #128923 (PO #161154), 20HP Pump @ BPS#1 - November ...	9306 · PS Pump & Valve Replac...	Belvedere	-22,569.04
			Inv #128998 (PO #128998), (3) 3HP Flygt Pumps, (1) 5HP Flygt...	9306 · PS Pump & Valve Replac...	Tiburon	-34,610.77
TOTAL						-57,179.81
12/08/21	8634	SWRCB - ELAP Fees	Cert# 2164, Annual ELAP Fees, November 2021	JP Morgan Chase - Primary 7399		
			Inv #EA AN 0222-2164, Cert #2164, Payment due 11.23.2021	7060 · Permits/Fees	Belvedere	-1,276.58
			Inv #EA AN 0222-2164, Cert #2164, Payment due 11.23.2021	7063 · Paradise Cove Permits/F...	Tiburon:Paradise ...	-103.66
			Inv #EA AN 0222-2164, Cert #2164, Payment due 11.23.2021	7060 · Permits/Fees	Tiburon	-2,169.76
TOTAL						-3,550.00
12/08/21	8635	Telstar Instrument, Inc.	Cust #SANDI, M.P., PC + Tib, Parts & Srvc. - November 2021	JP Morgan Chase - Primary 7399		
			Inv #109904 (PO #161166), BPS #13 & #14 Communication Pro...	9310 · BPS Communication Proj...	Belvedere	-1,370.22
			Inv #110066 (PO #160580), TPS #1 & #2 Communication Proje...	9403.1 · Cellular	Tiburon:Paradise ...	-340.00
TOTAL						-1,710.22

Sanitary Distr. No.5 of Marin Co.
Warrant List Detail
 November 11 through December 8, 2021

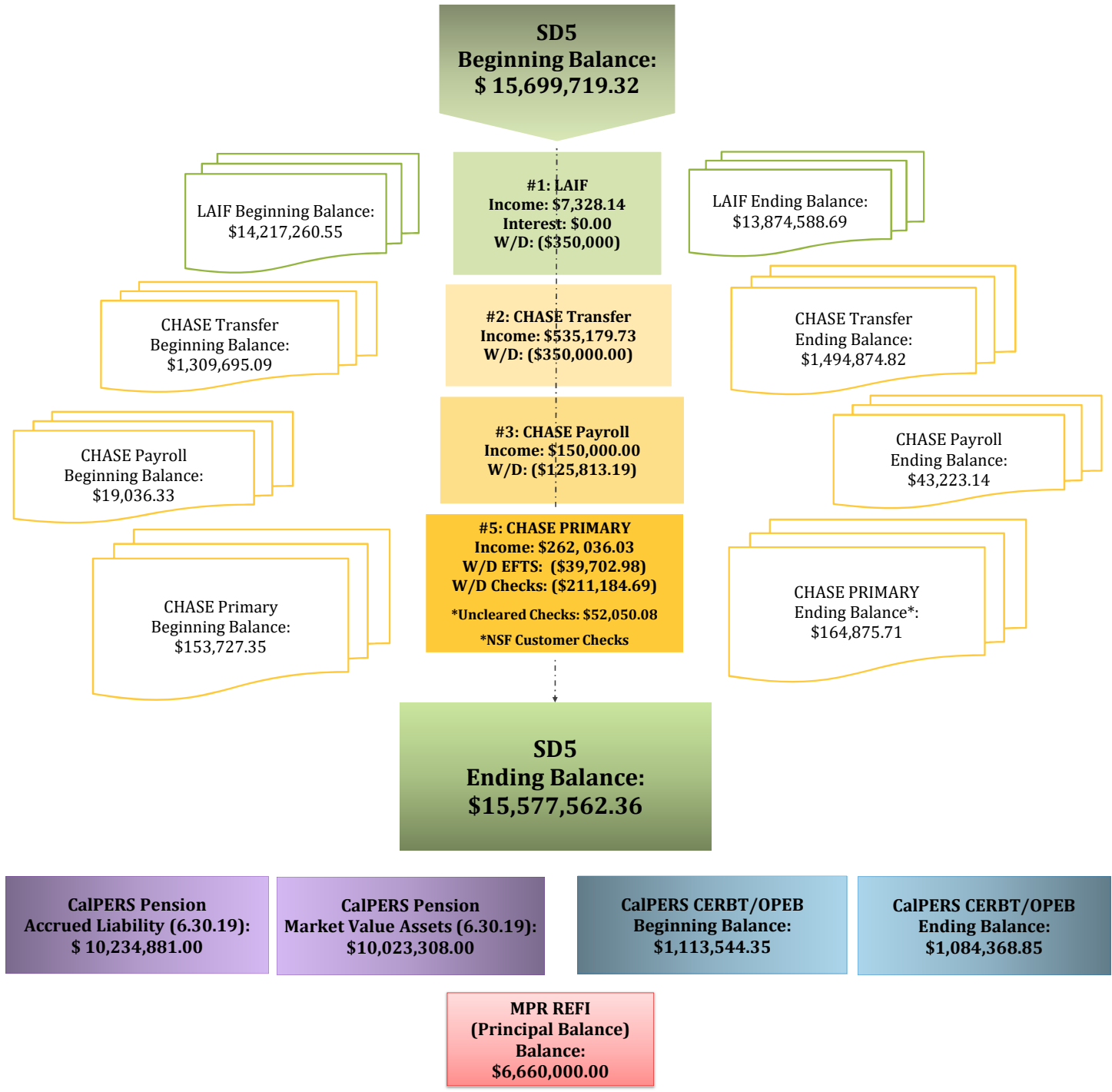
Date	Num	Name	Memo	Account	Class	Paid Amount
12/08/21	8636	U.S. Bank	Acct#:4246-0441-0158-3635, October - November 2021	JP Morgan Chase - Primary 7399		
			#0822:/9545: Zoom Platform re SD5 Meetings + TR Travel (Wint...	6018.1 · Meetings & Travel	Belvedere	-56.73
			#0822:/9545: Zoom Platform re SD5 Meetings + TR Travel (Wint...	6018.1 · Meetings & Travel	Tiburon:Paradise ...	-4.61
			#0822:/9545: Zoom Platform re SD5 Meetings + TR Travel (Wint...	6018.1 · Meetings & Travel	Tiburon	-96.45
			#0822:/9545: Fastrack November, 2021	6025 · Dues & Subscriptions	Belvedere	-8.99
			#0822:/9545: Fastrack November, 2021	6025 · Dues & Subscriptions	Tiburon:Paradise ...	-0.73
			#0822:/9545: Fastrack November, 2021	6025 · Dues & Subscriptions	Tiburon	-15.28
			#0822:/9545: Amazon Y/E Office Suplies - October - November,...	6047 · Office Supplies	Belvedere	-197.82
			#0822:/9545: Amazon Y/E Office Suplies - October - November,...	6047 · Office Supplies	Tiburon:Paradise ...	-16.06
			#0822:/9545: Amazon Y/E Office Suplies - October - November,...	6047 · Office Supplies	Tiburon	-336.24
			#0822:/9545: USPO Stamps + Certified Mail Correspondence re...	6056 · Postage	Tiburon:Paradise ...	-26.88
			#0822:/9545: P&L - Belvedere	7011 · Pumps & Lines Maintena...	Belvedere	-2,586.24
			#0822:/9545: P&L - Tiburon	7011 · Pumps & Lines Maintena...	Tiburon	-3,626.43
			#0822:/9545: M.P. Supplies: Amazon E-Rigging, Electronics+, T...	7021 · Plant Maintenance Supplies	Belvedere	-315.41
			#0822:/9545: M.P. Supplies: Amazon E-Rigging, Electronics+, T...	7021 · Plant Maintenance Supplies	Tiburon	-535.91
			#0822:/9545: Amazon - November 2021	7023 · Janitorial Supplies & Servi...	Belvedere	-19.25
			#0822:/9545: Amazon - November 2021	7023 · Janitorial Supplies & Servi...	Tiburon	-32.70
			#0822:/9545: M.P. Supplies - November 2021	7027 · Electrical & Instrument	Belvedere	-151.87
			#0822:/9545: M.P. Supplies - November 2021	7027 · Electrical & Instrument	Tiburon	-258.03
			#0822:/9545: UPS UPC Battery back-ups, Amazon - November ...	8515 · Safety	Belvedere	-61.69
			#0822:/9545: UPS UPC Battery back-ups, Amazon - November ...	8515 · Safety	Tiburon:Paradise ...	-5.01
			#0822:/9545: UPS UPC Battery back-ups, Amazon - November ...	8515 · Safety	Tiburon	-104.86
			#0822:/9545: Generator Control Panel Repair/Replacement - EB...	9218 · Generator Control Panel	Belvedere	-531.83
			#0822:/9545: Generator Control Panel Repair/Replacement - EB...	9218 · Generator Control Panel	Tiburon:Paradise ...	-903.61
			#0822:/9545: Greencheck Fan Corp. - November 2021	9204 · M.P. Boiler Replacement	Tiburon	-182.33
			#0822:/9545: Greencheck Fan Corp. - November 2021	9204 · M.P. Boiler Replacement	Belvedere	-309.79
TOTAL						-10,384.75
12/08/21	8637	Univar	Cust ID #STDT001, Chemicals, November 2021	JP Morgan Chase - Primary 7399		
			Inv #49542474 (PO #387914), Sodium Bicarbonate, Novembe 2...	7042 · Paradise Supplies & Che...	Tiburon:Paradise ...	-893.06
			Inv #49601631 (PO #387871), Sodium Bisulfite 25% (\$1.300/Ga...	7024 · Main Plant Chemicals	Belvedere	-2,358.85
			Inv #49601631 (PO #387871), Sodium Bisulfite 25% (\$1.300/Ga...	7042 · Paradise Supplies & Che...	Tiburon:Paradise ...	-191.54
			Inv #49601631 (PO #387871), Sodium Bisulfite 25% (\$1.300/Ga...	7024 · Main Plant Chemicals	Tiburon	-4,009.26
			Inv #49637022 (PO #387880), Sodium Bisulfite 25% (\$1.300/Ga...	7024 · Main Plant Chemicals	Belvedere	-2,363.95
			Inv #49637022 (PO #387880), Sodium Bisulfite 25% (\$1.300/Ga...	7042 · Paradise Supplies & Che...	Tiburon:Paradise ...	-191.96
			Inv #49637022 (PO #387880), Sodium Bisulfite 25% (\$1.300/Ga...	7024 · Main Plant Chemicals	Tiburon	-4,017.93
			Credit: Inv #49402062 (PO#989643), Inv #49637022 (PO #3878...	7024 · Main Plant Chemicals	Belvedere	2,347.63
			Credit: Inv #49402062 (PO#989643), Inv #49637022 (PO #3878...	7042 · Paradise Supplies & Che...	Tiburon:Paradise ...	190.63
			Credit: Inv #49402062 (PO#989643), Inv #49637022 (PO #3878...	7024 · Main Plant Chemicals	Tiburon	3,990.18
TOTAL						-7,498.11
12/08/21	8639	Waste Management of Red...	Acct #507-0000190-1507-2, Sludge Disposal - November 2021	JP Morgan Chase - Primary 7399		
			Inv #0104025-1507-5, Sludge Disposal - 5 Drop-offs, 29.73 tons...	7029 · Main Plant Sludge Disposal	Belvedere	-511.56
			Inv #0104025-1507-5, Sludge Disposal - 5 Drop-offs, 29.73 tons...	7029 · Main Plant Sludge Disposal	Tiburon	-869.17
TOTAL						-1,380.73

Sanitary Distr. No.5 of Marin Co.
Warrant List Detail
 November 11 through December 8, 2021

Date	Num	Name	Memo	Account	Class	Paid Amount
12/08/21	8640	Water Components & Buildi...	Acct #454, PC Maint. Supplies, November 2021	JP Morgan Chase - Primary 7399		
			Inv #30568421 (PO #160573), P.C. Line Insulation supplies - No...	7042 · Paradise Supplies & Che...	Tiburon:Paradise ...	-94.62
TOTAL						-94.62
12/08/21	8641	Alvarez, Joel	Mileage Reimb. re Stormwatch, November 2021	JP Morgan Chase - Primary 7399		
			Mileage Reimb. for (Stromwatch) October 2021 - Belvedere	6018.2 · Standby Mileage Expen...	Belvedere	-13.28
			Mileage Reimb. for (Stromwatch) October 2021 - Tiburon	6018.2 · Standby Mileage Expen...	Tiburon	-22.56
TOTAL						-35.84
12/08/21	8642	Cottrell, Rulon	Reimb. for S/B Mileage, January - November, 2021	JP Morgan Chase - Primary 7399		
			Reimb. for M.P. S/B Mileage, Jan - Jun 2021 (FY20-21) Belvedere	6018.2 · Standby Mileage Expen...	Belvedere	-134.27
			Reimb. for M.P. S/B Mileage, Jan - Jun 2021 (FY20-21) Tiburon	6018.2 · Standby Mileage Expen...	Tiburon	-229.51
			Reimb. for M.P. S/B Mileage, Jul - Nov 2021 (FY21-22) Belvedere	6018.2 · Standby Mileage Expen...	Belvedere	-168.47
			Reimb. for M.P. S/B Mileage, Jul - Nov 2021 (FY21-22) Tiburon	6018.2 · Standby Mileage Expen...	Tiburon	-286.25
TOTAL						-818.50
12/08/21	8643	Rosser, John	S/B Mileage Reimb., thru 11.13.2021	JP Morgan Chase - Primary 7399		
			Standby Mileage Reimb. thru 11.13.2021 - Belvedere	6018.2 · Standby Mileage Expen...	Belvedere	-49.04
			Standby Mileage Reimb. thru 11.13.2021 - Tiburon	6018.2 · Standby Mileage Expen...	Tiburon	-98.09
TOTAL						-147.13
12/08/21	8645	Maggiora & Ghilotti, Inc.	M&G Project #6159, SD5 Flange Replacement - October 2021	JP Morgan Chase - Primary 7399		
			Inv #11747 (PO #160863), DW influent pump 10" elbow flange r...	7022 · Plant Maint. Parts & Service	Belvedere	-2,503.55
			Inv #11747 (PO #160863), DW influent pump 10" elbow flange r...	7022 · Plant Maint. Parts & Service	Tiburon	-4,253.67
TOTAL						-6,757.22
12/08/21	8647	Vaider, Inc.	Cust #933682, M.P. Equipment Repair - September 2021	JP Morgan Chase - Primary 7399		
			Inv #50572 (PO #387929), M.P. Powdercoating at Clarifier #2 H...	7022 · Plant Maint. Parts & Service	Belvedere	-185.25
			Inv #50572 (PO #387929), M.P. Powdercoating at Clarifier #2 H...	7022 · Plant Maint. Parts & Service	Tiburon	-314.75
TOTAL						-500.00

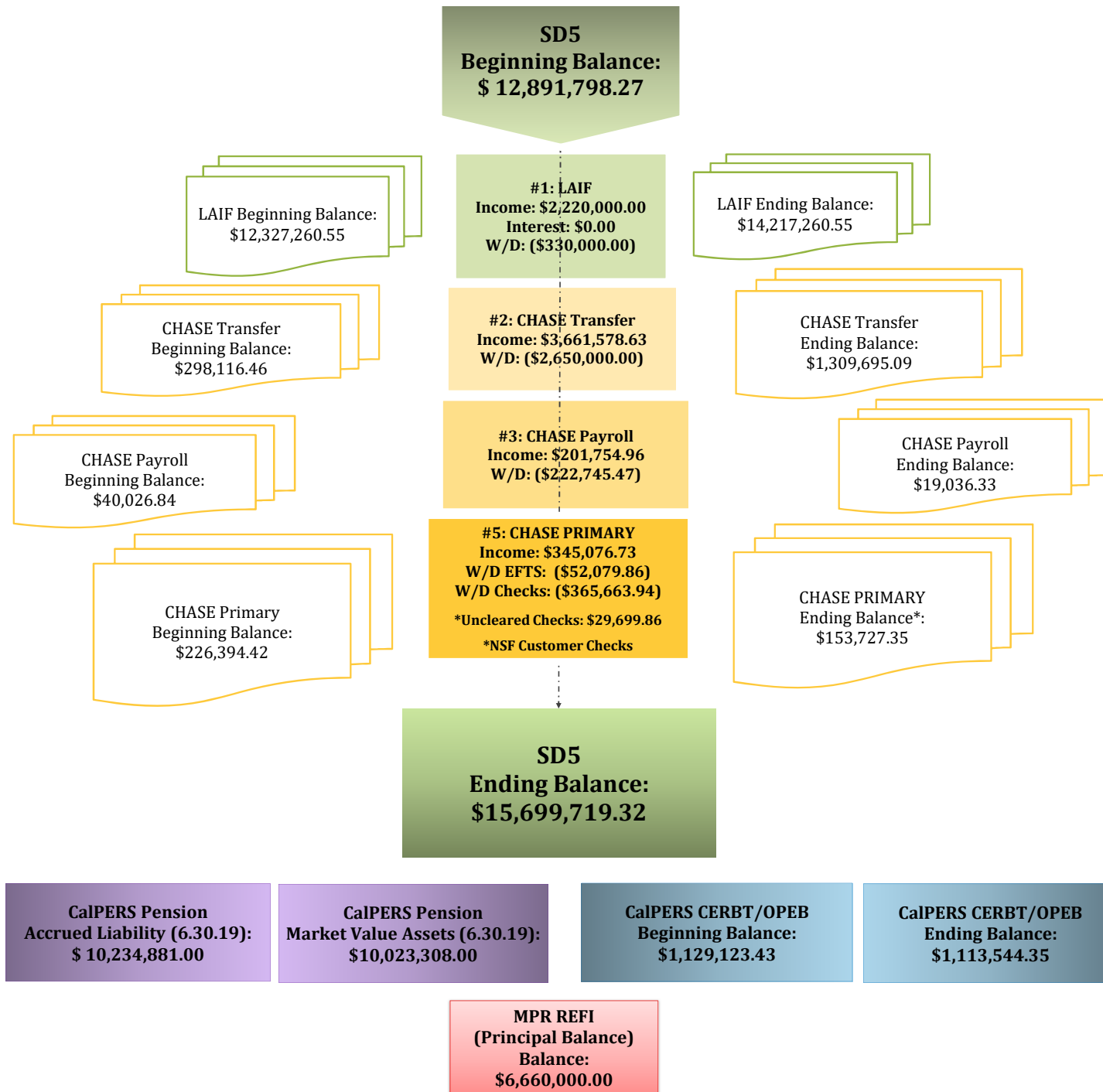
CASH FLOW CHART

SANITARY DISTRICT NO. 5 OF MARIN COUNTY: January 2022



CASH FLOW CHART

SANITARY DISTRICT NO. 5 OF MARIN COUNTY: December 2021



NOTICE OF AUTOMATIC PAYMENT

PAYCHEX

Paychex of New York LLC
 1535 Scenic Avenue Suite 100
 Costa Mesa CA 92626

Client # 0082 Y400-2116
 Invoice # 2022011201

AUTOMATIC PAYMENT \$426.28

This amount will be deducted from the following bank account at or after 12:01 A.M on 1/14/22.

ADDRESS SERVICE REQUESTED

0082 Y400-2116
 SANITARY DISTRICT NO 5
 2001 Paradise Dr
 Tiburon, California 94920-1937

XXXXXXXXXXXXXXXX506

For questions regarding your account, please call (844) 729-9247

Page 1 of 1

ACCOUNT SUMMARY				AMOUNT
Previous Balance on Invoice#2021122801 Due 12/29/21				251.48
Payment Received - Thank You				-251.48
Balance Forward				0.00
Total New Charges				426.28
Account Balance (Includes Balance Forward, New Charges, and Pending Automatic Payments)				426.28

CHECK DATE	DESCRIPTION OF SERVICE	PROCESSING DATE	# TRANSACTIONS	AMOUNT
NEW CHARGES				
01/14/22	Paychex Productivity	01/12/22	11	305.96
	W-2 Processing		13	162.75
	Quarter End Delivery			4.00
	Year-end Handling			23.50
	Delivery		1	15.75
	Client Discount		1	-85.68
	Total New Charges			426.28
Automatic Payment (Includes New Charges and applicable credits from Balance Forward above)				426.28

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A 426.28

Thank you for choosing Paychex.

CASH REQUIREMENTS

CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR ELECTRONIC FUNDS TRANSFERS (EFT) FOR CHECK DATE 01/14/22: \$61,643.12

IMPORTANT COVID-19 INFORMATION: If you filed IRS Form 7200, please notify your Paychex representative to avoid owing a balance at the end of the quarter and ensure your Form 941 is accurate.

TRANSACTION SUMMARY

SUMMARY BY TRANSACTION TYPE -	TOTAL ELECTRONIC FUNDS TRANSFER (EFT)	61,643.12	
	CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR EFT	61,643.12	
	TOTAL REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES	6,016.89	
	CASH REQUIRED FOR CHECK DATE 01/14/22	<u>67,660.01</u>	

TRANSACTION DETAIL

ELECTRONIC FUNDS TRANSFER - Your financial institution will initiate transfer to Paychex at or after 12:01 A.M. on transaction date.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		BANK DRAFT AMOUNTS & OTHER TOTALS
01/13/22	JPMORGAN CHASE BANK,	xxxxxxxxxxxxx506	Direct Deposit	Net Pay Allocations	34,040.09	34,040.09
					EFT FOR 01/13/22	34,040.09
01/14/22	JPMORGAN CHASE BANK,	xxxxxxxxxxxxx506	Taxpay®	Employee Withholdings		
				Social Security	3,678.55	
				Medicare	860.30	
				Fed Income Tax	10,573.66	
				CA Income Tax	4,258.39	
				Total Withholdings	<u>19,370.90</u>	
				Employer Liabilities		
				Social Security	3,678.55	
				Medicare	860.30	
				Fed Unemploy	335.75	
				CA Unemploy	3,301.58	
				CA Emp Train	55.95	
				Total Liabilities	<u>8,232.13</u>	27,603.03
					EFT FOR 01/14/22	27,603.03
					TOTAL EFT	61,643.12

REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES - Paychex does not remit these funds. You must ensure accurate and timely payment of applicable items.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		<u>TOTAL</u>
01/14/22	Refer to your records for account	Information	Payroll	Employee Deductions		
				401A Member Contribu	2,540.57	
				Calpers 457B	400.00	
				Calpers 457B Roth	1,224.92	
				Med 125	96.44	

NOTICE OF AUTOMATIC PAYMENT

PAYCHEX

Paychex of New York LLC
 1535 Scenic Avenue Suite 100
 Costa Mesa CA 92626

Client # 0082 Y400-2116
 Invoice # 2022012701

AUTOMATIC PAYMENT \$236.03

This amount will be deducted from the following bank account at or after 12:01 A.M on 1/31/22.

XXXXXXXXXXXXXXXXX506

ADDRESS SERVICE REQUESTED

0082 Y400-2116
 SANITARY DISTRICT NO 5
 2001 Paradise Dr
 Tiburon, California 94920-1937

PR: 1-16-2022 - 1-31-2022
 SICK + S/B
 VACO Hrs 1-1-2022 - 1-15-2022

 BEG. BAL: \$105,542.01
 END. BAL: \$ 43,223.14
 TOTAL PR: \$ 62,318.87
 PR FEES - 236.03
 PR TAXES - 24,758.18
 P.R. - 37,324.66
 = 0.00

For questions regarding your account, please call (844) 729-9247

ACCOUNT SUMMARY				AMOUNT
Previous Balance on Invoice#2022011201 Due 01/14/22				426.28
Payment Received - Thank You				-426.28
Balance Forward				0.00
Total New Charges				236.03
Account Balance (Includes Balance Forward, New Charges, and Pending Automatic Payments)				236.03

CHECK DATE	DESCRIPTION OF SERVICE	PROCESSING DATE	# TRANSACTIONS	AMOUNT
NEW CHARGES				
01/31/22	Paychex Productivity	01/27/22	11	305.96
	Delivery		1	15.75
	Client Discount		1	-85.68
	Total New Charges			236.03
Automatic Payment (Includes New Charges and applicable credits from Balance Forward above)				236.03

Thank you for choosing Paychex.

CASH REQUIREMENTS

CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR ELECTRONIC FUNDS TRANSFERS (EFT) FOR CHECK DATE 01/31/22: \$62,082.84

IMPORTANT COVID-19 INFORMATION: If you filed IRS Form 7200, please notify your Paychex representative to avoid owing a balance at the end of the quarter and ensure your Form 941 is accurate.

TRANSACTION SUMMARY

SUMMARY BY TRANSACTION TYPE -	TOTAL ELECTRONIC FUNDS TRANSFER (EFT)	62,082.84
	CASH REQUIRED FOR NEGOTIABLE CHECKS &/OR EFT	<u>62,082.84</u>
	TOTAL REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES	3,489.80
	CASH REQUIRED FOR CHECK DATE 01/31/22	<u>65,572.64</u>

TRANSACTION DETAIL

ELECTRONIC FUNDS TRANSFER - Your financial institution will initiate transfer to Paychex at or after 12:01 A.M. on transaction date.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		BANK DRAFT AMOUNTS & OTHER TOTALS
01/28/22	JPMORGAN CHASE BANK,	xxxxxxxxxxxxx506	Direct Deposit	Net Pay Allocations	37,324.66	<u>37,324.66</u>
					EFT FOR 01/28/22	37,324.66
01/31/22	JPMORGAN CHASE BANK,	xxxxxxxxxxxxx506	Taxpay@	Employee Withholdings		
				Social Security	3,702.95	
				Medicare	866.02	
				Fed Income Tax	10,225.47	
				CA Income Tax	4,212.71	
				Total Withholdings	<u>19,007.15</u>	
				Employer Liabilities		
				Social Security	3,702.95	
				Medicare	866.01	
				Fed Unemploy	107.46	
				CA Unemploy	1,056.70	
				CA Emp Train	17.91	
				Total Liabilities	<u>5,751.03</u>	
						24,758.18
						EFT FOR 01/31/22
						24,758.18
						TOTAL EFT
						62,082.84

24,758.18

REMAINING DEDUCTIONS / WITHHOLDINGS / LIABILITIES - Paychex does not remit these funds. You must ensure accurate and timely payment of applicable items.

<u>TRANS. DATE</u>	<u>BANK NAME</u>	<u>ACCOUNT NUMBER</u>	<u>PRODUCT</u>	<u>DESCRIPTION</u>		TOTAL
01/31/22	Refer to your records for account Information		Payroll	Employee Deductions		
				401A Member Contribu	2,493.36	
				Calpers 457B	750.00	

Sanitary Distr. No.5 of Marin Co.
Comparative Balance Sheet
As of January 31, 2022

	Jan 31, 22	Dec 31, 21	\$ Change
ASSETS			
Current Assets			
Checking/Savings			
Local Agency Investment Fund			
Belvedere			
Belvedere Operating	3,503,173.60	3,503,173.60	0.00
Belvedere Operating Reserve	516,923.05	516,923.05	0.00
Belvedere Capital & CIP Reserve	2,368,546.91	2,368,546.91	0.00
Belvedere PERS Retirement Trust	356,250.00	356,250.00	0.00
Belvedere Disaster Recovery Fnd	356,250.00	356,250.00	0.00
Total Belvedere	7,101,143.56	7,101,143.56	0.00
Tiburon			
Tiburon Operating	783,456.46	1,126,128.32	-342,671.86
Tiburon Operating Reserve	683,930.00	683,930.00	0.00
Tiburon Capital & CIP Reserve	4,018,558.67	4,018,558.67	0.00
Tiburon PERS Retirement Trust	643,750.00	643,750.00	0.00
Tiburon Disaster Recovery Fund	643,750.00	643,750.00	0.00
Total Tiburon	6,773,445.13	7,116,116.99	-342,671.86
Total Local Agency Investment Fund	13,874,588.69	14,217,260.55	-342,671.86
JP Morgan Chase - Primary 7399	112,825.63	127,715.49	-14,889.86
JP Morgan Chase - Payroll 7506	43,223.14	19,036.33	24,186.81
JP Morgan Chase - Transfer 7522	1,494,874.82	1,309,695.09	185,179.73
Total Checking/Savings	15,525,512.28	15,673,707.46	-148,195.18
Accounts Receivable			
Accounts Receivable	3,688.00	3,688.00	0.00
Total Accounts Receivable	3,688.00	3,688.00	0.00
Other Current Assets			
Petty Cash	881.92	881.92	0.00
Total Other Current Assets	881.92	881.92	0.00
Total Current Assets	15,530,082.20	15,678,277.38	-148,195.18
Fixed Assets	20,408,185.19	20,408,185.19	0.00
TOTAL ASSETS	<u>35,938,267.39</u>	<u>36,086,462.57</u>	<u>-148,195.18</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
Deferred Income for Permits	154,698.75	154,698.75	0.00
Compensated Absences Current	118,844.52	118,844.52	0.00
MPR Rev Bond Interest Payable	44,888.00	44,888.00	0.00
MPR Rev Bonds Payable Current	580,000.00	580,000.00	0.00
Total Other Current Liabilities	898,431.27	898,431.27	0.00
Total Current Liabilities	898,431.27	898,431.27	0.00
Long Term Liabilities			
2960 · Deferred Debt Refinancing Costs	120,837.60	120,837.60	0.00
2061 · OPEB Related Liability	691,796.00	691,796.00	0.00
Pension-related Liabilities	-375,847.00	-375,847.00	0.00
MPR Revenue Bonds Payable	6,660,000.00	6,660,000.00	0.00
Total Long Term Liabilities	7,096,786.60	7,096,786.60	0.00
Total Liabilities	7,995,217.87	7,995,217.87	0.00
Equity			
3900 · Net Assets	27,341,540.03	27,341,540.03	0.00
Net Income	601,509.49	749,704.67	-148,195.18
Total Equity	27,943,049.52	28,091,244.70	-148,195.18
TOTAL LIABILITIES & EQUITY	<u>35,938,267.39</u>	<u>36,086,462.57</u>	<u>-148,195.18</u>

Sanitary Distr. No.5 of Marin Co.
Annual Budget vs Actual Expenses
July 2021 through January 2022

	Jul '21 - Jan 22	Budget	\$ Over Budget	% of Bud...
Ordinary Income/Expense				
Income				
5000 · Property Taxes				
5001.2 · TEETER	500,691.10	825,000.00	-324,308.90	60.7%
5002 · UNSEC	16,343.29	15,000.00	1,343.29	109.0%
5003 · PUNS / PRIOR UNSECURED	953.72	500.00	453.72	190.7%
5004 · REDEMPTION / RDMPT	354.51	0.00	354.51	100.0%
5006 · SPLU	659.77	300.00	359.77	219.9%
5041 · SUPSEC	14,679.29	12,000.00	2,679.29	122.3%
5043 · SECU	346.98	0.00	346.98	100.0%
5046 · Excess ERAF	272,557.16	300,000.00	-27,442.84	90.9%
5280 · HOPTR	1,837.66	3,333.00	-1,495.34	55.1%
5483 · Other tax	4,380.78	0.00	4,380.78	100.0%
Total 5000 · Property Taxes	812,804.26	1,156,133.00	-343,328.74	70.3%
5007 · Sewer Service Charge				
5007.1 · Sewer Service - Tiburon Ops	1,498,309.45	2,283,000.00	-784,690.55	65.6%
5007.5 · Sewer Service - Tiburon Cap	0.00	12,000.00	-12,000.00	0.0%
5007.2 · Sewer Service-Belv Ops	817,619.49	1,300,000.00	-482,380.51	62.9%
5007.3 · Sewer Service-Belv Cap	508,737.47	866,300.00	-357,562.53	58.7%
5007.4 · Other User Fees	0.00	38,700.00	-38,700.00	0.0%
Total 5007 · Sewer Service Charge	2,824,666.41	4,500,000.00	-1,675,333.59	62.8%
5201 · Interest				
5201.1 · Interest County of Marin	119.96			
5201.2 · Interest LAIF	7,328.14	100,000.00	-92,671.86	7.3%
Total 5201 · Interest	7,448.10	100,000.00	-92,551.90	7.4%
5900.3 · Connection Fees				
5900.30 · Connection Permit Fees	6,400.00	10,000.00	-3,600.00	64.0%
5900.31 · Collection	141,404.78	100,000.00	41,404.78	141.4%
5900.34 · Treatment	161,320.12	100,000.00	61,320.12	161.3%
Total 5900.3 · Connection Fees	309,124.90	210,000.00	99,124.90	147.2%
5900.4 · Inspection Permit Fees	5,450.00	17,000.00	-11,550.00	32.1%
5900.5 · SASM Expense Reimb.	19,913.11	100,000.00	-80,086.89	19.9%
5900.9 · Other Income	0.00	100.00	-100.00	0.0%
5900.10 · Paradise Sewer Line Ext. Fees	0.00	14,040.00	-14,040.00	0.0%
Total Income	3,979,406.78	6,097,273.00	-2,117,866.22	65.3%
Gross Profit	3,979,406.78	6,097,273.00	-2,117,866.22	65.3%
Expense				
6000 · Administrative Expenses				
6001 · Advertising	417.00	1,000.00	-583.00	41.7%
6008 · Audit & Accounting	26,500.00	40,000.00	-13,500.00	66.3%
6017 · Consulting Fees	556.63	150,000.00	-149,443.37	0.4%
6018 · Travel & Meetings				
6018.1 · Meetings & Travel	6,648.06	6,000.00	648.06	110.8%
6018.2 · Standby Mileage Expense Reimb	6,217.75	9,000.00	-2,782.25	69.1%
Total 6018 · Travel & Meetings	12,865.81	15,000.00	-2,134.19	85.8%
6020 · Continuing Education	381.03	10,000.00	-9,618.97	3.8%
6021 · County Fees	10,268.65	16,590.00	-6,321.35	61.9%
6024 · Director Fees	3,300.00	9,000.00	-5,700.00	36.7%
6025 · Dues & Subscriptions	16,665.76	31,000.00	-14,334.24	53.8%
6033 · Insurance Property & Liability				
6033.1 · PLP Public Entity Phys Damage	0.00	25,000.00	-25,000.00	0.0%
6033.2 · General Liability	86,246.71	45,000.00	41,246.71	191.7%
6033.3 · Physical Property Damage - Auto	4,174.00	4,000.00	174.00	104.4%
Total 6033 · Insurance Property & Liability	90,420.71	74,000.00	16,420.71	122.2%
6039 · Legal	12,480.00	50,000.00	-37,520.00	25.0%
6047 · Office Supplies	2,732.73	10,000.00	-7,267.27	27.3%
6056 · Postage	316.83	1,000.00	-683.17	31.7%
6059 · Pollution Prevention/Public Edu	2,274.42	5,000.00	-2,725.58	45.5%
Total 6000 · Administrative Expenses	179,179.57	412,590.00	-233,410.43	43.4%

Sanitary Distr. No.5 of Marin Co.
Annual Budget vs Actual Expenses
July 2021 through January 2022

	Jul '21 - Jan 22	Budget	\$ Over Budget	% of Bud...
7000 · Ops & Maintenance Expenses				
7010 · Pumps & Lines Maintenance				
7011 · Pumps & Lines Maintenance	186,387.13	75,000.00	111,387.13	248.5%
7013 · Emergency Line Repair	7,763.16	50,000.00	-42,236.84	15.5%
Total 7010 · Pumps & Lines Maintenance	194,150.29	125,000.00	69,150.29	155.3%
7020 · Main Plant Maintenance				
7021 · Plant Maintenance Supplies	17,179.55	25,000.00	-7,820.45	68.7%
7022 · Plant Maint. Parts & Service	173,379.99	130,000.00	43,379.99	133.4%
7023 · Janitorial Supplies & Service	3,503.56	9,000.00	-5,496.44	38.9%
7024 · Main Plant Chemicals	84,070.83	111,000.00	-26,929.17	75.7%
7025 · Lab Supplies & Chemicals	2,246.41	20,000.00	-17,753.59	11.2%
7027 · Electrical & Instrument	116.84	15,000.00	-14,883.16	0.8%
7028 · Grounds Maintenance	357.73	6,000.00	-5,642.27	6.0%
7029 · Main Plant Sludge Disposal	17,317.46	41,000.00	-23,682.54	42.2%
7030 · Main Plant Outfall	5,925.00	6,500.00	-575.00	91.2%
Total 7020 · Main Plant Maintenance	304,097.37	363,500.00	-59,402.63	83.7%
7040 · Paradise Cove Plant Maint				
7041 · Paradise Parts & Service	15,872.10	10,000.00	5,872.10	158.7%
7042 · Paradise Supplies & Chemicals	4,672.58	5,000.00	-327.42	93.5%
Total 7040 · Paradise Cove Plant Maint	20,544.68	15,000.00	5,544.68	137.0%
7050 · Monitoring				
7051 · Main Plant Lab Monitoring	25,341.33	45,000.00	-19,658.67	56.3%
7052 · Paradise Cove Monitoring	4,653.70	15,000.00	-10,346.30	31.0%
7053 · Chronic Toxicity	1,974.50			
Total 7050 · Monitoring	31,969.53	60,000.00	-28,030.47	53.3%
7060 · Permits/Fees				
7061 · Main Plant NPDES Renewal	852.50			
7062 · Permits/Fees - General	14,935.37	50,000.00	-35,064.63	29.9%
7063 · Paradise Cove Permits/Fees	4,205.27	9,000.00	-4,794.73	46.7%
7064 · Paradise Cove NPDES Renewal	0.00			
Total 7060 · Permits/Fees	19,993.14	59,000.00	-39,006.86	33.9%
7070 · Truck Maintenance				
7071 · Fuel	3,012.05	15,000.00	-11,987.95	20.1%
7072 · Maintenance	15,162.47	10,000.00	5,162.47	151.6%
Total 7070 · Truck Maintenance	18,174.52	25,000.00	-6,825.48	72.7%
Total 7000 · Ops & Maintenance Expenses	588,929.53	647,500.00	-58,570.47	91.0%
8000 · Salaries and Benefits Expenses				
8001 · Salaries	725,193.14	1,353,783.00	-628,589.86	53.6%
8003 · Overtime	145,326.78	100,000.00	45,326.78	145.3%
8004 · Standby Pay	47,117.09	76,043.00	-28,925.91	62.0%
8005 · Employee Incentives	45,460.04	70,000.00	-24,539.96	64.9%
8006 · Vacation Buyout	43,667.05	30,000.00	13,667.05	145.6%
8013 · Payroll Taxes	63,134.18	101,047.00	-37,912.82	62.5%
8015 · Payroll/Bank Fees	4,311.23	6,250.00	-1,938.77	69.0%
8016 · Car Allowance	6,000.00	6,000.00	0.00	100.0%
8019 · PERS Retirement				
8019.05 · PERS Retirement	63,764.22	304,705.00	-240,940.78	20.9%
8019.06 · PERS Retirement - RBP	0.00	350.00	-350.00	0.0%
8019.08 · PERS Retirement - CalPERS UAL	0.00	20,000.00	-20,000.00	0.0%
Total 8019 · PERS Retirement	63,764.22	325,055.00	-261,290.78	19.6%
8020 · Employee Health				
8020.05 · Employee Health	133,266.00	223,418.00	-90,152.00	59.6%
8021 · Employee Health Deductions	-1,384.46			
Total 8020 · Employee Health	131,881.54	223,418.00	-91,536.46	59.0%

Sanitary Distr. No.5 of Marin Co.
Annual Budget vs Actual Expenses
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	Jul '21 - Jan 22	Budget	\$ Over Budget	% of Bud...
8022 · Retiree Health				
8022.05 · Retiree Health	67,022.14	77,127.00	-10,104.86	86.9%
8022.06 · OPEB Adjustment	0.00	0.00	0.00	0.0%
8022.10 · CERBT/OPEB Annual Arc Contribtn	0.00	118,400.00	-118,400.00	0.0%
Total 8022 · Retiree Health	67,022.14	195,527.00	-128,504.86	34.3%
8023 · Workers Comp Insurance	39,211.30	55,000.00	-15,788.70	71.3%
Total 8000 · Salaries and Benefits Expenses	1,382,088.71	2,542,123.00	-1,160,034.29	54.4%
8500 · Other Operating Expenses				
8510 · Data/Alarms/IT Supp & Licensing	48,161.91	100,000.00	-51,838.09	48.2%
8515 · Safety	25,481.88	40,000.00	-14,518.12	63.7%
8520 · Personal Protection/Safety Wear	6,007.28	15,000.00	-8,992.72	40.0%
8530 · Telephone				
8531 · Main Plant Telephones	4,147.80	11,000.00	-6,852.20	37.7%
8532 · Paradise Cove Telephones	2,157.27	4,000.00	-1,842.73	53.9%
8533 · Pumps & Lines Telephones	4,080.82	7,000.00	-2,919.18	58.3%
Total 8530 · Telephone	10,385.89	22,000.00	-11,614.11	47.2%
8540 · Utilities				
8541 · Water	4,618.64	8,000.00	-3,381.36	57.7%
8542 · Main Plant Utilities	102,428.30	200,000.00	-97,571.70	51.2%
8543 · Paradise Cove Utilities	11,147.73	18,000.00	-6,852.27	61.9%
8544 · Pump Station Utilities	22,704.90	45,000.00	-22,295.10	50.5%
Total 8540 · Utilities	140,899.57	271,000.00	-130,100.43	52.0%
Total 8500 · Other Operating Expenses	230,936.53	448,000.00	-217,063.47	51.5%
Total Expense	2,381,134.34	4,050,213.00	-1,669,078.66	58.8%
Net Ordinary Income	1,598,272.44	2,047,060.00	-448,787.56	78.1%
Other Income/Expense				
Other Expense				
9100 · Capital Expenditures				
9200 · Main Plant Equipment Capital				
9203 · M.P. Flare Rehabilitation	0.00	30,000.00	-30,000.00	0.0%
9204 · M.P. Boiler Replacement	30,938.12			
9209 · ScrewPress PolyBlend Redundancy	-722.34	35,000.00	-35,722.34	-2.1%
9212 · M.P. Headworks Grinder Rplcmnt				
9212.1 · Explosion Proof Electric Hoist	0.00	10,000.00	-10,000.00	0.0%
9212 · M.P. Headworks Grinder Rplcmnt - O...	0.00	25,000.00	-25,000.00	0.0%
Total 9212 · M.P. Headworks Grinder Rplcmnt	0.00	35,000.00	-35,000.00	0.0%
9217 · SD5 Shop Rplcmnt /Ops Control	764.47			
9218 · Generator Control Panel	1,435.44			
9219 · C12 Flash Mixer	0.00	15,000.00	-15,000.00	0.0%
Total 9200 · Main Plant Equipment Capital	32,415.69	115,000.00	-82,584.31	28.2%
9300 · Pumps & Lines Capital				
9301 · Tiburon Sewer Line Rehab Prog	0.00	1,000,000.00	-1,000,000.00	0.0%
9302 · PS Control Panel Upgrades	0.00			
9304 · Belvedere Sewer Line Rehab Prog	0.00	100,000.00	-100,000.00	0.0%
9306 · PS Pump & Valve Replacements	75,354.13	50,000.00	25,354.13	150.7%
9307 · PS Generator Replacement	3,751.00	100,000.00	-96,249.00	3.8%
9310 · BPS Communication Project	2,923.07			
9313 · Manholes/Rodholes	14,842.24	75,000.00	-60,157.76	19.8%
9315 · TPS Communication Project	946.43			
Total 9300 · Pumps & Lines Capital	97,816.87	1,325,000.00	-1,227,183.13	7.4%

Sanitary Distr. No.5 of Marin Co.
Annual Budget vs Actual Expenses
 July 2021 through January 2022

	Jul '21 - Jan 22	Budget	\$ Over Budget	% of Bud...
9500 · Undesignated Capital				
9510 · Undesignated Cap - M.P.	8,582.00	25,000.00	-16,418.00	34.3%
9520 · Undesignated Cap - P.C. Plant	0.00	10,000.00	-10,000.00	0.0%
9530 · Undesignated Cap - P & L	0.00	50,000.00	-50,000.00	0.0%
Total 9500 · Undesignated Capital	<u>8,582.00</u>	<u>85,000.00</u>	<u>-76,418.00</u>	<u>10.1%</u>
Total 9100 · Capital Expenditures	<u>138,814.56</u>	<u>1,525,000.00</u>	<u>-1,386,185.44</u>	<u>9.1%</u>
Total Other Expense	<u>138,814.56</u>	<u>1,525,000.00</u>	<u>-1,386,185.44</u>	<u>9.1%</u>
Net Other Income	<u>-138,814.56</u>	<u>-1,525,000.00</u>	<u>1,386,185.44</u>	<u>9.1%</u>
Net Income	<u><u>1,459,457.88</u></u>	<u><u>522,060.00</u></u>	<u><u>937,397.88</u></u>	<u><u>279.6%</u></u>

Sanitary Distr. No.5 of Marin Co.
Zone Report
January 2022

02/08/22

	Paradise C... (Tiburon)	Tiburon - ... (Tiburon)	Total Tiburon	Belvedere	TOTAL
Ordinary Income/Expense					
Income					
5000 · Property Taxes					
5002 · UNSEC	81.37	1,699.16	1,780.53	0.00	1,780.53
5003 · PUNS / PRIOR UNSECURED	8.33	174.05	182.38	0.00	182.38
5004 · REDEMPTION / RDMPT	0.63	13.18	13.81	0.00	13.81
5006 · SPLU	16.83	351.47	368.30	0.00	368.30
5041 · SUPSEC	435.03	9,084.16	9,519.19	0.00	9,519.19
5043 · SECU	10.76	224.65	235.41	0.00	235.41
5280 · HOPTR	58.79	1,227.58	1,286.37	0.00	1,286.37
5483 · Other tax	5,087.49	106,479.00	111,566.49	60,227.25	171,793.74
Total 5000 · Property Taxes	5,699.23	119,253.25	124,952.48	60,227.25	185,179.73
5201 · Interest					
5201.2 · Interest LAIF	0.00	3,467.44	3,467.44	3,860.70	7,328.14
Total 5201 · Interest	0.00	3,467.44	3,467.44	3,860.70	7,328.14
5900.3 · Connection Fees					
5900.30 · Connection Permit Fees	0.00	500.00	500.00	500.00	1,000.00
5900.31 · Collection	0.00	0.00	0.00	18,190.00	18,190.00
5900.34 · Treatment	0.00	0.00	0.00	25,262.00	25,262.00
Total 5900.3 · Connection Fees	0.00	500.00	500.00	43,952.00	44,452.00
5900.4 · Inspection Permit Fees					
	0.00	200.00	200.00	400.00	600.00
Total Income	5,699.23	123,420.69	129,119.92	108,439.95	237,559.87
Gross Profit	5,699.23	123,420.69	129,119.92	108,439.95	237,559.87
Expense					
6000 · Administrative Expenses					
6001 · Advertising	4.06	84.96	89.02	49.98	139.00
6008 · Audit & Accounting	189.80	3,972.80	4,162.60	2,337.40	6,500.00
6017 · Consulting Fees	2.56	53.65	56.21	31.57	87.78
6018 · Travel & Meetings					
6018.1 · Meetings & Travel	2.06	43.13	45.19	25.38	70.57
6018.2 · Standby Mileage Expense Re...	0.00	952.86	952.86	878.63	1,831.49
Total 6018 · Travel & Meetings	2.06	995.99	998.05	904.01	1,902.06
6020 · Continuing Education	0.00	0.00	0.00	0.00	0.00
6021 · County Fees	6.26	130.74	137.00	0.00	137.00
6024 · Director Fees	96.36	2,016.96	2,113.32	1,186.68	3,300.00
6025 · Dues & Subscriptions	13.81	289.09	302.90	170.10	473.00
6033 · Insurance Property & Liability					
6033.2 · General Liability	1,432.94	29,993.40	31,426.34	17,646.66	49,073.00
Total 6033 · Insurance Property & Liability	1,432.94	29,993.40	31,426.34	17,646.66	49,073.00
6039 · Legal	24.84	519.82	544.66	305.84	850.50
6047 · Office Supplies	12.09	253.04	265.13	148.88	414.01
6056 · Postage	0.00	0.00	0.00	0.00	0.00
6065 · Miscellaneous Expense	0.00	0.00	0.00	0.00	0.00
Total 6000 · Administrative Expenses	1,784.78	38,310.45	40,095.23	22,781.12	62,876.35
7000 · Ops & Maintenance Expenses					
7010 · Pumps & Lines Maintenance					
7011 · Pumps & Lines Maintenance	-1,805.17	9,025.01	7,219.84	9,835.78	17,055.62
Total 7010 · Pumps & Lines Maintenance	-1,805.17	9,025.01	7,219.84	9,835.78	17,055.62
7020 · Main Plant Maintenance					
7021 · Plant Maintenance Supplies	0.00	949.56	949.56	558.90	1,508.46
7022 · Plant Maint. Parts & Service	4,598.50	19,432.10	24,030.60	13,573.18	37,603.78
7023 · Janitorial Supplies & Service	0.00	168.47	168.47	99.11	267.58
7024 · Main Plant Chemicals	0.00	13,413.57	13,413.57	7,891.88	21,305.45
7025 · Lab Supplies & Chemicals	200.32	226.46	426.78	133.28	560.06
7027 · Electrical & Instrument	0.00	0.00	0.00	0.00	0.00
7029 · Main Plant Sludge Disposal	0.00	1,774.71	1,774.71	1,044.52	2,819.23
Total 7020 · Main Plant Maintenance	4,798.82	35,964.87	40,763.69	23,300.87	64,064.56

Sanitary Distr. No.5 of Marin Co.
Zone Report
January 2022

	Paradise C... (Tiburon)	Tiburon - ... (Tiburon)	Total Tiburon	Belvedere	TOTAL
7040 · Paradise Cove Plant Maint					
7041 · Paradise Parts & Service	2,870.22	-969.00	1,901.22	0.00	1,901.22
7042 · Paradise Supplies & Chemicals	502.33	0.00	502.33	0.00	502.33
Total 7040 · Paradise Cove Plant Maint	3,372.55	-969.00	2,403.55	0.00	2,403.55
7050 · Monitoring					
7051 · Main Plant Lab Monitoring	0.00	3,036.63	3,036.63	1,787.25	4,823.88
7052 · Paradise Cove Monitoring	342.05	0.00	342.05	0.00	342.05
Total 7050 · Monitoring	342.05	3,036.63	3,378.68	1,787.25	5,165.93
7060 · Permits/Fees					
7061 · Main Plant NPDES Renewal	0.00	97.57	97.57	57.43	155.00
7062 · Permits/Fees - General	0.00	7,506.16	7,506.16	4,685.84	12,192.00
7063 · Paradise Cove Permits/Fees	6,695.00	0.00	6,695.00	110.00	6,805.00
Total 7060 · Permits/Fees	6,695.00	7,603.73	14,298.73	4,853.27	19,152.00
7070 · Truck Maintenance					
7071 · Fuel	0.00	0.00	0.00	0.00	0.00
7072 · Maintenance	454.71	0.00	454.71	267.63	722.34
Total 7070 · Truck Maintenance	454.71	0.00	454.71	267.63	722.34
Total 7000 · Ops & Maintenance Expenses	13,857.96	54,661.24	68,519.20	40,044.80	108,564.00
8000 · Salaries and Benefits Expenses					
8001 · Salaries	2,832.84	59,295.76	62,128.60	34,886.70	97,015.30
8003 · Overtime	422.58	8,845.22	9,267.80	5,204.09	14,471.89
8004 · Standby Pay	175.42	3,671.68	3,847.10	2,160.24	6,007.34
8007 · Voluntary Deductions	0.00	0.00	0.00	0.00	0.00
8008 · Deferred Comp 457	0.00	-1,100.00	-1,100.00	0.00	-1,100.00
8013 · Payroll Taxes	408.31	8,546.51	8,954.82	5,028.34	13,983.16
8015 · Payroll/Bank Fees	19.34	404.80	424.14	238.17	662.31
8019 · PERS Retirement					
8019.05 · PERS Retirement	473.93	9,920.07	10,394.00	5,836.49	16,230.49
Total 8019 · PERS Retirement	473.93	9,920.07	10,394.00	5,836.49	16,230.49
8020 · Employee Health					
8020.05 · Employee Health	570.90	11,949.77	12,520.67	7,030.66	19,551.33
8021 · Employee Health Deductions	-5.64	-117.88	-123.52	-69.36	-192.88
Total 8020 · Employee Health	565.26	11,831.89	12,397.15	6,961.30	19,358.45
8022 · Retiree Health					
8022.05 · Retiree Health	26.59	556.69	583.28	327.52	910.80
Total 8022 · Retiree Health	26.59	556.69	583.28	327.52	910.80
8023 · Workers Comp Insurance	-60.68	-1,270.07	-1,330.75	-747.25	-2,078.00
Total 8000 · Salaries and Benefits Expens...	4,863.59	100,702.55	105,566.14	59,895.60	165,461.74
8500 · Other Operating Expenses					
8510 · Data/Alarms/IT Supp & Licensing	37.70	789.45	827.15	545.64	1,372.79
8515 · Safety	63.91	1,337.83	1,401.74	787.11	2,188.85
8520 · Personal Protection/Safety Wear	21.99	469.70	491.69	588.87	1,080.56
8530 · Telephone					
8531 · Main Plant Telephones	0.00	608.04	608.04	357.76	965.80
8532 · Paradise Cove Telephones	360.56	0.00	360.56	0.00	360.56
8533 · Pumps & Lines Telephones	175.08	308.46	483.54	70.00	553.54
Total 8530 · Telephone	535.64	916.50	1,452.14	427.76	1,879.90

Sanitary Distr. No.5 of Marin Co.
Zone Report
January 2022

	Paradise C... (Tiburon)	Tiburon - ... (Tiburon)	Total Tiburon	Belvedere	TOTAL
8540 · Utilities					
8541 · Water	0.00	830.00	830.00	686.75	1,516.75
8542 · Main Plant Utilities	0.00	7,738.88	7,738.88	4,554.81	12,293.69
8543 · Paradise Cove Utilities	2,016.72	0.00	2,016.72	0.00	2,016.72
8544 · Pump Station Utilities	317.42	2,457.49	2,774.91	1,723.22	4,498.13
Total 8540 · Utilities	<u>2,334.14</u>	<u>11,026.37</u>	<u>13,360.51</u>	<u>6,964.78</u>	<u>20,325.29</u>
Total 8500 · Other Operating Expenses	<u>2,993.38</u>	<u>14,539.85</u>	<u>17,533.23</u>	<u>9,314.16</u>	<u>26,847.39</u>
Total Expense	<u>23,499.71</u>	<u>208,214.09</u>	<u>231,713.80</u>	<u>132,035.68</u>	<u>363,749.48</u>
Net Ordinary Income	-17,800.48	-84,793.40	-102,593.88	-23,595.73	-126,189.61
Other Income/Expense					
Other Expense					
9100 · Capital Expenditures					
9200 · Main Plant Equipment Capital					
9204 · M.P. Boiler Replacement	0.00	0.00	0.00	0.00	0.00
9208 · M.P. Chemical Feed Pump Rplcmnt	0.00	6,539.08	6,539.08	3,848.66	10,387.74
9218 · Generator Control Panel	0.00	0.00	0.00	0.00	0.00
Total 9200 · Main Plant Equipment Capital	<u>0.00</u>	<u>6,539.08</u>	<u>6,539.08</u>	<u>3,848.66</u>	<u>10,387.74</u>
9300 · Pumps & Lines Capital					
9306 · PS Pump & Valve Replacements	0.00	-9,383.35	-9,383.35	-5,522.68	-14,906.03
9307 · PS Generator Replacement	0.00	0.00	0.00	3,751.00	3,751.00
9314 · Portable Emergency Generators	0.00	0.00	0.00	0.00	0.00
9315 · TPS Communication Project	0.00	946.43	946.43	0.00	946.43
Total 9300 · Pumps & Lines Capital	<u>0.00</u>	<u>-8,436.92</u>	<u>-8,436.92</u>	<u>-1,771.68</u>	<u>-10,208.60</u>
9400 · Paradise Cove Capital					
9403 · P.C. Communication Upgrades					
9403.1 · Cellular	21,826.43	0.00	21,826.43	0.00	21,826.43
Total 9403 · P.C. Communication Upgra...	<u>21,826.43</u>	<u>0.00</u>	<u>21,826.43</u>	<u>0.00</u>	<u>21,826.43</u>
Total 9400 · Paradise Cove Capital	<u>21,826.43</u>	<u>0.00</u>	<u>21,826.43</u>	<u>0.00</u>	<u>21,826.43</u>
Total 9100 · Capital Expenditures	<u>21,826.43</u>	<u>-1,897.84</u>	<u>19,928.59</u>	<u>2,076.98</u>	<u>22,005.57</u>
Total Other Expense	<u>21,826.43</u>	<u>-1,897.84</u>	<u>19,928.59</u>	<u>2,076.98</u>	<u>22,005.57</u>
Net Other Income	-21,826.43	1,897.84	-19,928.59	-2,076.98	-22,005.57
Net Income	<u><u>-39,626.91</u></u>	<u><u>-82,895.56</u></u>	<u><u>-122,522.47</u></u>	<u><u>-25,672.71</u></u>	<u><u>-148,195.18</u></u>

Sanitary Distr. No.5 of Marin Co.
Monthly O.T. Report
January 2022

02/08/22

Accrual Basis

Type	Date	Num	Name	Memo	Amount	Balance
Alvarez, Joel						
Check	01/14/22	44	Alvarez, Joel	1.0 Hrs. O.T. @ 1.5x	57.48	57.48
Check	01/31/22	55	Alvarez, Joel	1.0 Hrs. O.T. @ 1.5x	114.96	172.44
Check	01/31/22	55	Alvarez, Joel	0.0 Hrs. O.T. @ 2.0x	38.32	210.76
Total Alvarez, Joel					210.76	210.76
Bilsborough, Chad						
Check	01/14/22	46	Bilsborough, Chad	15.0 Hrs O.T. @ 1.5x	950.63	950.63
Check	01/14/22	46	Bilsborough, Chad	4.0 Hrs. O.T. @ 2.0x	338.00	1,288.63
Check	01/31/22	57	Bilsborough, Chad	15.0 Hrs O.T. @ 1.5x	1,552.69	2,841.32
Total Bilsborough, Chad					2,841.32	2,841.32
Cottrell, Rulon						
Check	01/14/22	48	Cottrell, Rulon	12.0 Hrs. O.T. @ 1.5x	1,070.10	1,070.10
Check	01/14/22	48	Cottrell, Rulon	4.0 Hrs. O.T. @ 2.0x	475.60	1,545.70
Check	01/31/22	59	Cottrell, Rulon	11.0 Hrs. O.T. @ 2.0x	980.93	2,526.63
Total Cottrell, Rulon					2,526.63	2,526.63
Dohrmann, Robin						
Check	01/31/22	60	Dohrmann, Robin	4.50 Hrs. O.T. @ 1.5x	401.29	401.29
Total Dohrmann, Robin					401.29	401.29
La Torre, Daniel P.						
Check	01/14/22	50	La Torre, Daniel ...	20.5 Hrs. O.T. @ 1.5x	1,741.07	1,741.07
Check	01/31/22	61	La Torre, Daniel ...	6.0 Hrs. O.T. @ 1.5x	509.58	2,250.65
Total La Torre, Daniel P.					2,250.65	2,250.65
Rosser, John						
Check	01/14/22	52	Rosser, John	18.0 Hrs. @ 1.5x	1,455.84	1,455.84
Check	01/14/22	52	Rosser, John	4.5 Hrs. O.T. @ 2.0x	485.28	1,941.12
Check	01/31/22	63	Rosser, John	3.0 Hrs. @ 1.5x	242.64	2,183.76
Check	01/31/22	63	Rosser, John	3.5 Hrs. O.T. @ 2.0x	377.44	2,561.20
Total Rosser, John					2,561.20	2,561.20
Triola, Joseph						
Check	01/14/22	54	Triola, Joseph	11.0 Hrs. O.T. @ 1.5x	889.68	889.68
Check	01/14/22	54	Triola, Joseph	1.0 Hrs. O.T. @ 2.0x	107.84	997.52
Check	01/31/22	65	Triola, Joseph	16.5 Hrs. O.T. @ 1.5x	1,334.52	2,332.04
Check	01/31/22	65	Triola, Joseph	1.0 Hrs. O.T. @ 2.0x	1,348.00	3,680.04
Total Triola, Joseph					3,680.04	3,680.04
TOTAL					14,471.89	14,471.89



January 20, 2022

Board of Directors
Sanitary District Number 5 of Marin County

In planning and performing our audit of the financial statements of Sanitary District Number 5 of Marin County as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered Sanitary District Number 5 of Marin County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sanitary District Number 5 of Marin County's internal control. Accordingly, we do not express an opinion on the effectiveness of Sanitary District Number 5 of Marin County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report is intended solely for the information and use of management, Board of Directors, and others within the District, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Perotti & Carrade



January 20, 2022

To the Board of Directors of
Sanitary District Number 5 of Marin County

We have audited the financial statements of Sanitary District Number 5 of Marin County for the year ended June 30, 2021, and have issued our report thereon dated January 20, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated August 30, 2021, our responsibility, as described by professional standards, was to express an opinion about whether the financial statements prepared by management with your oversight were fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions examined and the areas tested.

We began our audit as expected, which was in September 2021.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Sanitary District Number 5 of Marin County are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2021. We noted no transactions

entered into by the District during the year for which there is a lack of authoritative guidance or consensus. To our knowledge, there are no significant transactions that have been recognized in the financial statements in an improper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the actuarially determined obligations of the District's pension and other postemployment benefits and the funding status of the benefits and the refinancing of the District's bond obligation. We evaluated the key factors and assumptions used in evaluating the obligations in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 20, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar, to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplemental combining schedule of revenues, expenses and changes in net position by zone, which accompany the financial statements but are not RSI. With respect to the supplementary information we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We have provided a separate letter to the Board of Directors surrounding internal controls.

This information is intended solely for the use of the Board of Directors and management of Sanitary District Number 5 of Marin County and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Pierotti & Canade

Client: 19017 - Sanitary District Number 5 of Marin County
 Engagement: 2021-190 - Sanitary District Number 5 of Marin County
 Period Ending: 6/30/2021
 Trial Balance: A-01 - TB
 Workpaper: B-01 - Passed Adjustments Report

Account	Description	W/P Ref	Debit	Credit	Impact on P/L
Proposed JE # 1 ✓ 13-01					
Pass on correcting sewer service charges for overaccrual in prior year.					
3900	3900 -- Net Assets		41,712		
5007.1	5007 -- Sewer Service Charge:5007.1 -- Sewer Service - Tiburon Ops			41,712	
Total			<u>41,712</u>	<u>41,712</u>	41,712
Proposed JE # 2 ✓ 07-02					
Pass on adjusting accounts payable for overstatement.					
2000	2000 -- Accounts Payable		35,991		
7010	7000 -- Ops & Maintenance Expenses:7010 -- Pumps & Lines Maintenance			35,991	35,991
Total			<u>35,991</u>	<u>35,991</u>	
Proposed JE # 4 ✓ 08-01					
Pass on correcting difference in accrued wages.					
8001	8000 -- Salaries and Benefits Expenses:8001 -- Salaries		53,901		
2010	Compensated Absences Current			53,901	(53,901)
Total			<u>53,901</u>	<u>53,901</u>	
					<u>23,802</u>

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020



SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Sanitary District Number 5 of Marin County

We have audited the accompanying financial statements of Sanitary District Number 5 of Marin County as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financials statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Sanitary District Number 5 of Marin County as of June 30, 2021 and 2020, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9, the required supplementary information included on pages 34-37, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Sanitary District Number 5 of Marin County's basic financial statements. The additional information on page 38 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

January 20, 2022

Perotti & Canade

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

This section of the Sanitary District Number 5 of Marin County's annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2021. The financial statements are presented in a format to comply with the financial statement presentation requirements of the Governmental Accounting Standards Board.

FINANCIAL HIGHLIGHTS

- The net position of the District's business-type activities increased by approximately \$723,000 during the year ended June 30, 2021.
- Total operating revenues decreased by approximately \$74,000 due to a decrease in sewer service charges. Nonoperating revenues decreased by approximately \$117,000 attributed to a decrease of approximately \$202,000 in interest income offset by an increase of approximately \$85,000 in property taxes income.
- Total operating expenses for the year ended June 30, 2021 increased by approximately \$509,000 compared to the year ended June 30, 2020. The increase in operating expenses was principally attributed to increases in salaries and benefits of approximately \$210,000, and an increase in contracted and professional services of approximately \$224,000.
- There were no increases in customer rates during the year ended June 30, 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements including related disclosures, and required supplementary information. The basic financial statements include one kind of statement that present both a short-term and long-term view of the District: Proprietary enterprise fund-type statements offer short and long-term financial information about the activities that the District operates like businesses, such as the District's wastewater collection and treatment system.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that provides more data about the District's pension plans. Figure A-1 (see following page) summarizes the major features of the District's financial statements, including the portion of the District they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

FIGURE A-1 Major Financial Statement Features

	Basic Financial Statements
Scope	Activities the District operates similar to private businesses; the wastewater collection and treatment systems.
Required financial statements	Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Cash Flows.
Accounting basis and measurement focus	Accrual accounting and economic measurement focus.
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term focus.
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received.

Basic Financial Statements

The basic financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net position regardless of when cash is received or paid.

The basic financial statements report the District's *net position* and how it has changed. Net position – the difference between the District's assets and liabilities – is one way to measure the District's financial health, or *position*.

Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The basic financial statements of the District consist of one category:

Business-type activities – The District charges fees to help it cover the costs of certain services it provides. All of the District's operations are accounted for in this category. The District uses proprietary enterprise fund type accounting principles to account for all operations. Proprietary accounting provides both long-and short-term financial information.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

TABLE A-1: Net Position of the District

	2021	2020	Increase (Decrease) Over 2020	Percent Increase (Decrease)	2019	Increase (Decrease) Over 2019
Cash, including board reserves	\$ 15,080,074	\$ 15,953,792	\$ (873,718)	-5.48%	\$ 15,078,854	\$ 874,938
Capital assets	20,408,185	19,228,004	1,180,181	6.14%	19,149,116	78,888
Other assets and deferred outflows of resources	<u>778,363</u>	<u>1,130,863</u>	<u>(352,500)</u>	-31.17%	<u>1,387,269</u>	<u>(256,406)</u>
Total assets and deferred outflows of resources	<u>36,266,622</u>	<u>36,312,659</u>	<u>(46,037)</u>	-0.13%	<u>35,615,239</u>	<u>697,420</u>
Current liabilities	1,222,899	1,330,851	(107,952)	-8.11%	1,197,939	132,912
Net pension and OPEB liabilities and related deferred inflows of resources	1,117,194	1,185,031	(67,837)	-5.72%	1,453,323	(268,292)
Bond payable, and note payable from direct borrowing, and related deferred inflows of resources	<u>6,780,838</u>	<u>7,374,264</u>	<u>(593,426)</u>	-8.05%	<u>7,939,093</u>	<u>(564,829)</u>
Total liabilities and deferred inflows of resources	<u>9,120,931</u>	<u>9,890,146</u>	<u>(769,215)</u>	-7.78%	<u>10,590,355</u>	<u>(700,209)</u>
Net position:						
Net investment in capital assets	13,168,185	11,328,004	1,840,181	16.24%	10,665,275	662,729
Unrestricted	<u>13,977,506</u>	<u>15,094,509</u>	<u>(1,117,003)</u>	-7.40%	<u>14,359,609</u>	<u>734,900</u>
Total net position	\$ <u>27,145,691</u>	\$ <u>26,422,513</u>	\$ <u>723,178</u>	2.74%	\$ <u>25,024,884</u>	\$ <u>1,397,629</u>

Net Position. The District's total net position increased by \$723,178 during the year ended June 30, 2021. This increase is discussed in detail on the following page. The \$769,215 decrease in liabilities and deferred inflows of resources is attributed principally to the reduction in bond payable of \$593,426.

The District's total net position increased by \$1,397,629 during the year ended June 30, 2020. This increase is discussed in detail on the following page. The \$700,209 decrease in liabilities and deferred inflows of resources is attributed principally to the reduction in bond payable of \$564,829.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

TABLE A-2 Condensed Revenues, Expenses and Changes in Net Position

	2021	2020	Increase (Decrease) Over 2020	Percent Increase (Decrease)	2019	Increase (Decrease) Over 2019
Operating revenues	\$ 5,300,933	\$ 5,374,515	\$ (73,582)	-1.37%	\$ 5,654,446	\$ (279,931)
Nonoperating revenues	1,381,865	1,499,193	(117,328)	-7.83%	1,520,579	(21,386)
Total revenues	6,682,798	6,873,708	(190,910)	-2.78%	7,175,025	(301,317)
Operating expenses	5,788,067	5,278,679	509,388	9.65%	4,534,797	743,882
Nonoperating expenses	171,553	210,764	(39,211)	-18.60%	271,400	(60,636)
Total expenses	5,959,620	5,489,443	470,177	8.57%	4,806,197	683,246
Change in net assets	723,178	1,384,265	(661,087)	-47.76%	2,368,828	(984,563)
Capital contribution	-	13,364	(13,364)	100.00%	-	13,364
Net position - beginning of period	26,422,513	25,024,884	1,397,629	5.58%	22,656,056	2,368,828
Net position - end of period	\$ 27,145,691	\$ 26,422,513	\$ 723,178	2.74%	\$ 25,024,884	\$ 1,397,629

Overall, during the year ended June 30, 2021, there was a decrease of \$190,910, or about 2.78 percent, in total revenues for the year ended June 30, 2020. This was principally due to a decrease of investment income of approximately \$202,000 which decreased due to the decrease in interest rates on investments.

The District's total expenses for the year ended June 30, 2021 increased by \$470,177, or about 8.57 percent, compared to total expenses for the year ended June 30, 2020. Salaries and benefits costs increased by \$210,375 principally due to the amortization of pension and OPEB costs and the increase in staffing. There was also an increase in contracted and professional services of approximately \$224,000.

Overall, during the year ended June 30, 2020, there was a decrease of \$301,317, or about 4.20 percent, in total revenues for the year ended June 30, 2019. This was principally due to a decrease of connection and inspection fees and interest income of approximately \$292,000. Revenue from connection and inspection fees and property tax fluctuate yearly.

The District's total expenses for the year ended June 30, 2020 increased by \$683,246, or about 14.22 percent, compared to total expenses for the year ended June 30, 2019. Salaries and benefits costs increased by \$396,765 principally due to the amortization of pension and OPEB costs and the increase in staffing. There was also an increase in maintenance and repairs of approximately \$227,000.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

CAPITAL ASSET AND DEBT ADMINISTRATION

TABLE A-3 District Investment in Capital Assets, Net of Accumulated Depreciation

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	Increase (Decrease) Over 2020	Percent Increase (Decrease)
Land	\$ 49,295	\$ 49,295	\$ -	0.00%
Main and Paradise Cove plants	9,365,261	10,421,237	(1,055,976)	-10.13%
Sewer line and pump stations	10,545,959	8,563,449	1,982,510	23.15%
Plant equipment, vehicles, and other equipment	<u>447,670</u>	<u>194,023</u>	<u>253,647</u>	<u>130.73%</u>
Total capital assets	<u>\$ 20,408,185</u>	<u>\$ 19,228,004</u>	<u>\$ 1,180,181</u>	<u>6.14%</u>

Capital Assets

There was a net increase in capital assets of \$1,180,181 during the year ended June 30, 2021 due to the current year's depreciation of \$1,644,565 and as the District added \$2,824,746 of improvements during the year ended June 30, 2021. This included approximately \$2,360,000 toward sewer lines and pump station improvements.

Long-Term Debt

In fiscal year 2012, the District's Financing Authority issued \$10,935,000 in revenue bonds to provide financing for the Main Plant Rehabilitation Project. Because of the financial condition of the District, the bonds were sold at a \$1,076,031 premium that effectively reduced the overall interest rate on the District's bonds. Principal and interest payments began in fiscal year 2013.

In March 2020, the District was able to refinance the outstanding balance of the revenue bonds, \$7,205,000, with a direct borrowing. The new loan has a principal balance of \$7,900,000, a term of twelve years, and an interest rate of 2.48%. There were approximately \$95,000 of debt refinancing costs.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

ECONOMIC FACTORS AND NEXT YEAR'S OPERATING PLAN AND RATES

Several major changes in the district's financial capabilities and operations are anticipated in the future.

The largest item of concern that will impact District income for the upcoming year would be the on the ongoing closures of several restaurants in the district's service area either due to extensive remodeling or permanent closure as a result of Covid-19. These closures effect the district's anticipated annual income. Also, beginning in March 2020, the world was impacted by Covid-19 which shuttered businesses and hindered construction as a result. The final financial impact to the district as result of Covid-19 government mandated closures was \$167K for fiscal year 2021-2022. We currently estimate a loss of commercial income for fiscal year 2022-2023 to be between \$100-150K. Also, the cost of goods and services has increased substantially in the past year as a result of Covid-19. We have seen prices increase between 25%-50% for pumps, parts, and service.

During Fiscal Year 2020-2021, the district determined there is an urgent need for significant capital improvements. These needs primarily deal with the aging infrastructure of the district's wastewater collection system. Future large capital improvement projects impacting District operations include the Cove Road Pump Station Generator and Control Panel Replacement Project and several other force main and pump station wet well rehabilitation and replacement projects. These projects are major rehabilitations of central pump stations in both Tiburon and Belvedere District service areas. Capital improvement work will continue on the collection system, according to the 10-year CIP Program. Inflow and Infiltration (I&I) remains one of the district's highest items of concern, as reducing I&I requires a comprehensive plan and adequate funding to achieve results. I&I effects the District's National Pollutant Discharge Elimination System permit, which has compliance objectives, regulated by the California Regional Water Quality Control Board.

Currently the District is in the process of replacing the control panels at pump station sites, as the existing ones become obsolete, as well as for standardization purposes. The same is true for the emergency generators serving the pump stations. During the year ended June 30, 2019, the District updated its 10-year Capital Improvement Program (CIP). The CIP process included comprehensively evaluating and assessing the capital work completed in recent years and identifying future improvements, which could be required in the sanitary sewer collection system as well as both of the district's treatment plants. The CIP includes projected costs for proposed improvements (at present-day market value) and an anticipated schedule for completion. The district owns and maintains a total of 24 pump stations and two treatment plants which are critical to the operation of the district. The impact of the district's update to the CIP pertaining to the operations of the district will be evaluated annually now that the district has identified sixteen million dollars of anticipated projects through 2028. The district also completed a Collection System Master Plan during 2021 in order to further define rehabilitation and improvement projects in the collection system through 2036.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021 AND 2020

ECONOMIC FACTORS AND NEXT YEAR'S OPERATING PLAN AND RATES (continued)

As of 2021, the Tiburon Collection system has an estimated \$6,050,000 of capital work identified in the 10-yr CIP. The Belvedere Collections system has an estimated \$5,925,000 of capital work identified in the 10-yr CIP. The Main Plant has an estimated \$3,730,000 of capital work identified in the 10-yr CIP. The Paradise Cove Plant has an estimated \$1,020,000 of capital work identified in the 10-yr CIP. As of June 30, 2021, the District has replaced all five (5) emergency generators in the Tiburon Zone as well as nine (9) control panels. In the Belvedere Zone, 2 of the 3 emergency generators have been replaced, and a total of ten (11) out of thirteen (13) control panels have been replaced; the remaining generators and control panels are scheduled for replacement over the next three years (or less).

The projects and estimates were determined during the year ended June 30, 2021, and do not include future upgrades that may be required by future National Pollutant Discharge Elimination System (NPDES) permits, specifically those involving the Nutrient Order. The district is currently participating in the second Nutrient Order issued by the Regional Water Quality Control Board (RWQCB). Order No. R2-2019-0017 requires both treatment plants to sample and provide data results to the Regional Board through June 30, 2024, for its nutrient discharge into the bay. The current collected data is used to study the effect treatment plant dischargers have on the bay. It is anticipated the results of this second permit will lead to a third permit, in which it will require additional funding from the dischargers to further collect and study the issue of nutrients in the SF Bay and the continued effects dischargers have on it. For more information regarding nutrient orders please visit: https://www.waterboards.ca.gov/sanfranciscobay//water_issues/programs/planningtmdls/amendments/estuaryne.html

One other potential change facing the district is that of Bio-Solids Management and Disposal. Diminishing options to dispose of bio-solids coupled with new regulations requiring diversion of organics from landfill will create a greater risk of significant cost increases for small Districts like ours, to dispose of Bio-Solids, as well as requiring far more complex management programs. It is anticipated that costs could potentially double for bio-solids management if landfill disposal is eliminated as an option as a result of SB1383 requirements. As of June 30, 2020, Sanitary District No. 5 of Marin County has completed a Bio-Solids Management Plan providing the district with alternatives for Bio-Solid's disposal and re-use options.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Manager, Sanitary District Number 5 of Marin County, 2001 Paradise Drive, Tiburon, California, 94920.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

**STATEMENTS OF NET POSITION
JUNE 30, 2021 AND 2020**

	2021	2020
<u>ASSETS</u>		
Current Assets:		
Cash and cash equivalents	\$ 6,200,269	\$ 6,387,952
Accounts receivable	94,718	194,627
Prepaid expenses	78,249	67,154
Total current assets	6,373,236	6,649,733
Other Assets:		
Board restricted investments	8,879,805	9,565,840
Net pension asset	40,726	103,967
Capital assets, net of accumulated depreciation	20,408,185	19,228,004
Total other assets	29,328,716	28,897,811
Total Assets	35,701,952	35,547,544
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension related	438,495	579,586
OPEB related	126,175	185,529
Total Deferred Outflows of Resources	564,670	765,115
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts payable	324,467	330,391
Compensated absence liability	118,845	133,203
Accrued interest payable	44,888	50,341
Deferred permit revenue	154,699	156,916
Current portion of note payable from direct borrowing	580,000	660,000
Total current liabilities	1,222,899	1,330,851
Long-term liabilities:		
Net OPEB liability	664,107	848,588
Note payable from direct borrowing	6,660,000	7,240,000
Total long-term liabilities	7,324,107	8,088,588
Total Liabilities	8,547,006	9,419,439
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension related	319,419	307,706
Deferred amount on debt refunding	120,838	134,264
OPEB related	133,668	28,737
Total Deferred Inflows of Resources	573,925	470,707
<u>NET POSITION</u>		
Net investment in capital assets	13,168,185	11,328,004
Unrestricted	13,977,506	15,094,509
Net Position	\$ 27,145,691	\$ 26,422,513

See accompanying notes to the financial statements.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Operating Revenues:		
Sewer service charges	\$ 4,918,787	\$ 5,036,528
Connection and inspection fees	304,540	254,658
Maintenance agreements	52,736	65,505
Other	24,870	17,824
Total operating revenues	5,300,933	5,374,515
Operating Expenses:		
Salaries and benefits	2,333,834	2,123,459
Contracted and professional services	424,229	199,407
Maintenance and repairs	346,438	316,436
Utilities	265,247	237,587
Supplies (chemicals)	162,391	186,674
Other operating costs	145,515	106,412
Line cleaning and inspection	121,931	239,609
Telephone and internet	120,364	103,131
Other administrative costs	87,570	71,740
Liability and property insurance	70,444	44,596
Monitoring	65,539	81,328
Depreciation	1,644,565	1,568,300
Total operating expenses	5,788,067	5,278,679
Operating Income (Loss)	(487,134)	95,836
Non-Operating Revenues (Expenses):		
Property taxes	1,303,702	1,218,544
Investment income	78,163	280,649
Loss on disposal of capital assets	-	(56,162)
Interest expense	(171,553)	(59,431)
Refinancing costs	-	(95,171)
Total net non-operating revenues (expenses)	1,210,312	1,288,429
Increase in Net Position Before Capital Contributions	723,178	1,384,265
Contributed Capital	-	13,364
Net Position, Beginning of Year	26,422,513	25,024,884
Net Position, End of Year	\$ 27,145,691	\$ 26,422,513

See accompanying notes to the financial statements.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Cash Flows from Operating Activities:		
Cash receipts from:		
Sewer service charges	\$ 5,018,696	\$ 5,023,283
Connection and inspection fees	302,323	323,248
Other operating sources	77,606	83,329
Total cash receipts	5,398,625	5,429,860
Cash paid for:		
Salaries and benefits	(2,146,699)	(2,116,558)
Utilities	(263,442)	(241,670)
Contracted and professional services	(443,526)	(202,741)
Supplies (chemicals)	(177,365)	(175,309)
Line cleaning and inspection	(188,783)	(218,122)
Other expenses	(759,215)	(772,054)
Total cash paid	(3,979,030)	(3,726,454)
Net cash provided by operating activities	1,419,595	1,703,406
Cash Flows from Investing Activities:		
Interest income	78,163	280,649
Net cash provided by investing activities	78,163	280,649
Cash Flows from Capital and Related Financing Activities:		
Interest paid on bond debt	(190,432)	(167,676)
Payment on bond debt	(660,000)	(470,000)
Property additions	(2,824,746)	(1,703,349)
Contributed capital	-	13,364
Net cash used for capital and related financing activities	(3,675,178)	(2,327,661)
Cash Flows from Non-Capital and Related Financing Activities:		
Property taxes collected	1,303,702	1,218,544
Net cash provided by non-capital and related financing activities	1,303,702	1,218,544
Net Increase (Decrease) in Cash and Cash Equivalents, and Board Restricted Investments	(873,718)	874,938
Cash and Cash Equivalents, and Board Restricted Investments, Beginning of Year	15,953,792	15,078,854
Cash and Cash Equivalents, and Board Restricted Investments, End of Year	\$ 15,080,074	\$ 15,953,792
Reconciliation of Cash and Cash Equivalents, and Board Restricted Investments to Amounts Reported on the Statement of Net Position:		
Cash and cash equivalents	\$ 6,200,269	\$ 6,387,952
Board restricted investments	8,879,805	9,565,840
	\$ 15,080,074	\$ 15,953,792

See accompanying notes to the financial statements.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
RECONCILIATIONS OF OPERATING INCOME TO CASH
PROVIDED BY OPERATING ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
Operating Income (Loss)	\$ (487,134)	\$ 95,836
Add or deduct items not requiring the use of cash:		
Depreciation	1,644,565	1,568,300
Changes in operating assets and liabilities:		
Accounts receivable	99,909	(13,245)
Prepaid expenses	(11,095)	10,427
Accounts payable	(5,924)	(14,962)
Compensated absence liability	(14,358)	(2,472)
Deferred permit revenue	(2,217)	68,590
Net pension asset	63,241	160,347
Deferred pension outflows and inflows of resources	152,804	(51,929)
Net OPEB liability	(184,481)	(40,701)
Deferred OPEB outflows and inflows of resources	164,285	(76,785)
Net Cash Provided by Operating Activities	\$ 1,419,595	\$ 1,703,406

See accompanying notes to the financial statements.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. THE ORGANIZATION

Sanitary District Number 5 of Marin County (District) was created on March 17, 1947 as a special district under Provision of the Sanitary District Act of 1923 by a reorganization of previously created districts into a single sanitary district, and it is governed by five elected Directors. The District is an independent special district that provides sewage collection services to a portion of the Town of Tiburon and Belvedere, California. The District is a proprietary fund, also referred to as an enterprise fund, which is a fund established by governmental agencies to account for goods and services provided to the general public that are financed primarily through user charges.

The accompanying financial statements present the District and its component unit, an entity for which the District is considered to be financially accountable. The District has one blended component unit, the Tiburon/Belvedere Wastewater Financing Authority (Authority) which is governed by the District's Board of Directors. The District is responsible for all of the Authority's obligations. The transactions between the Authority and the District have been eliminated from the accompanying financial statements and the Authority's transactions are reported as part of the District's financial activities. Separate financial statements for the Authority are not available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation and Accounting - The activities of the District are accounted for in a single enterprise fund using the accrual basis of accounting. The District is engaged in only business-type activities and the District's basic financial statements consist of only the financial statements required for enterprise funds. These include management's discussion and analysis, a statement of net position, a statement of revenues, expenses, and changes in net position, a statement of cash flows, these notes to the basic financial statements, and required supplementary information.

Proprietary enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are charges to the households and commercial and public facilities in the district for sewer service. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The District, as authorized by its Board of Directors, charges new users a fee to pay for capital improvements necessitated by their addition. Fees received have been treated as contributed capital and have been expended solely on infrastructure improvements.

Cash and Cash Equivalents, and Board Restricted Investments: Cash includes amounts in demand deposits.

Required disclosures relating to investments include the following components: interest rate risk and credit risk. The credit risk disclosure includes the following components: overall risk, custodial risk and concertation of risk. Investments are reported in the statement of net position at fair value. Changes in fair market value that occur during the fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

The District participates in an investment pool managed by the State of California and regulated by California government code Section 16429 known as the Local Agency Investment Fund (LAIF), which has invested a portion of the pooled funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, the structured notes and asset-backed securities are subject to market risk as to change in interest rates. Investments in LAIF are highly liquid and available virtually on demand. Consequently, the investment has been treated as a cash equivalent in the accompanying statements of net position and statements of cash flows.

Receivables, Property Taxes and Sewer Service Revenues: Property taxes are levied as of July 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the County, and be shared by applicable jurisdictions. The County of Marin collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and become delinquent on December 10 and April 10. The District receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan". Under the plan, the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the District. The District recognizes property tax revenues in the fiscal year in which they are due to the District and accrues as receivable such taxes. Accordingly, the District provides for no allowance for doubtful accounts.

Sewer service fees (used to supplement tax revenues) are set by the District based upon rates applied to the number of equivalent dwelling units (EDUs). For residential properties the rate is one EDU per living unit. Commercial properties are charged EDUs based on a calculation derived from water flow. The sewer service fees are incorporated into the property tax billings, and such fees are due in two equal installments on December 10 and April 10

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Receivables, Property Taxes and Sewer Service Revenues, continued: following the assessment date. The District recognizes these fees as revenues in the year earned, which is also the year in which the service is provided to properties within the District. Under the Teeter Plan arrangement discussed above, the County remits substantially all of the sewer fees to the District each year, and the County bears the burden of any uncollectible accounts. Therefore, the District does not provide for an allowance for uncollectible accounts or bad debts.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (mainly the existing wastewater system), are reported in the financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at cost. The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend asset lives are expensed. Major outlays for capital assets and improvements are capitalized as projects are constructed. The portion of interest expense related to spent debt proceeds incurred during the construction phase of capital assets of business-type activities was included as part of the capitalized value of the assets constructed. Depreciation is computed using the straight-line method over the estimated lives of the assets as follows:

Treatment plants	5-40 years
Subsurface lines and pump stations	7-60 years
Equipment and vehicles	5-12 years

Compensated Absences: The District accrues a liability for vacation and other qualified paid time off earned but not yet taken. The District does not provide for payment of unused sick leave at termination dates.

Pensions: For purposes of measuring the net pension liability/asset, deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Agency's California Public Employees Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense information about the fiduciary net position of the District Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows and Inflows:

Deferred amount on debt refunding – Unamortized gains and losses from current or advance debt refunding result in deferred outflows of resources. This amount is amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Pension and OPEB - The District recognizes deferred outflows and inflows of resources pursuant to GASB Statement Number 68 and 75. A deferred outflow of resources is defined as a consumption of net asset (net position) by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period.

Net Position: The financial statements utilize a net position presentation. Net positions are categorized as follows:

- Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by any outstanding debt against the acquisition, construction or improvement of those assets.
- Restricted Net Position - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. As of June 30, 2021 and 2020, there is no restricted net position.
- Unrestricted Net Position - This component of net position consists of net position that are not included in the determination of net investment in capital assets or the restricted component of net position.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

3. CASH AND CASH EQUIVALENTS AND BOARD RESTRICTED INVESTMENTS

Cash and cash equivalents and board restricted investments consisted of the following as of June 30, 2021 and 2020:

	2021	2020
Available for operations:		
Demand deposits with banks	\$ 393,063	\$ 578,493
LAIF investment fund	5,807,206	5,809,459
Total current	6,200,269	6,387,952
Board restricted investments:		
LAIF investment fund	8,879,805	9,565,840
Total cash & investments (considered cash equivalents)	\$ 15,080,074	\$ 15,953,792

Board restricted reserves are specified for:

	2021	2020
Capital improvements	\$ 5,678,952	\$ 6,901,482
Working capital reserve	1,200,853	949,653
Pension plan reserve	1,000,000	714,705
Disaster	1,000,000	1,000,000
Total board restricted reserves	\$ 8,879,805	\$ 9,565,840

The District's investment policy is to maintain its operating funds in a local bank and invest idle funds and Board designated reserves with LAIF which is permitted by California law.

LAIF allows local agencies such as the District to participate in a Pooled Money Investment Account managed by the State Treasurers Office and overseen by the Pooled Money Investment Board and State Treasurer investment committee. A Local Agency Investment Advisory Board oversees LAIF. The investments with LAIF are not classified for credit risk due to their diverse nature and are stated at cost, which approximates fair value. The total amount invested by all public agencies in LAIF, as of June 30, 2021, was approximately \$103.3 billion with an average life of 291 days. Of that amount, 99.99% was invested in non-derivative financial products and 0.01% in structured notes and asset-based securities.

Custodial Credit Risk – Deposits: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy for deposits is that they will be made in institutions in California and they will be insured or collateralized in accordance with section 53562 of the California Government Code. At June 30, 2021, \$248,774 of the District's bank balances were exposed to custodial credit risk.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

**3. CASH AND CASH EQUIVALENTS AND BOARD RESTRICTED INVESTMENTS
(continued)**

Custodial Credit Risk – Investments: Custodial risk related to LAIF is mitigated by the oversight provided by independent Boards and extremely conservative nature of the investment policy.

Interest rate risk associated with LAIF investments is mitigated by the short-term nature of the large majority of their investments and the strict limitation on the type of investments made.

4. CAPITAL ASSETS

Changes in the District’s property, equipment and improvements and accumulated depreciation for the years ended June 30, 2020 and 2021 is summarized as follows:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
Capital asset, not being depreciated - Land	\$ 49,295	\$ -	\$ -	\$ 49,295
Capital assets, being depreciated:				
<u>Historical Cost:</u>				
Main plant	27,109,989	19,588	(120,005)	27,009,572
Paradise Cove plant	1,986,883	-	(5,936)	1,980,947
Sewer line and pump stations	14,532,312	1,631,514	(109,707)	16,054,119
Plant equipment, vehicles and and other equipment	<u>554,834</u>	<u>52,248</u>	<u>(28,213)</u>	<u>578,869</u>
Total capital assets, being depreciated	<u>44,184,018</u>	<u>1,703,350</u>	<u>(263,861)</u>	<u>45,623,507</u>
<u>Accumulated Depreciation:</u>				
Main plant	16,882,645	1,145,847	(68,953)	17,959,539
Paradise Cove plant	558,059	54,182	(2,498)	609,743
Sewer line and pump stations	7,272,789	327,588	(109,707)	7,490,670
Plant equipment, vehicles and and other equipment	<u>370,704</u>	<u>40,683</u>	<u>(26,541)</u>	<u>384,846</u>
Total accumulated depreciation	<u>25,084,197</u>	<u>1,568,300</u>	<u>(207,699)</u>	<u>26,444,798</u>
Total capital assets, being depreciated, net	<u>19,099,821</u>	<u>135,050</u>	<u>(56,162)</u>	<u>19,178,709</u>
Capital assets - net	<u>\$ 19,149,116</u>	<u>\$ 135,050</u>	<u>\$ (56,162)</u>	<u>\$ 19,228,004</u>

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

4. CAPITAL ASSETS (continued)

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Capital asset, not being depreciated - Land	\$ 49,295	\$ -	\$ -	\$ 49,295
Capital assets, being depreciated:				
<u>Historical Cost:</u>				
Main plant	27,009,572	97,181	-	27,106,753
Paradise Cove plant	1,980,947	46,048	-	2,026,995
Sewer line and pump stations	16,054,119	2,358,157	-	18,412,276
Plant equipment, vehicles and other equipment	<u>578,869</u>	<u>323,360</u>	<u>-</u>	<u>902,229</u>
Total capital assets, being depreciated	<u>45,623,507</u>	<u>2,824,746</u>	<u>-</u>	<u>48,448,253</u>
<u>Accumulated Depreciation:</u>				
Main plant	17,959,539	1,142,222	-	19,101,761
Paradise Cove plant	609,743	56,983	-	666,726
Sewer line and pump stations	7,490,670	375,647	-	7,866,317
Plant equipment, vehicles and other equipment	<u>384,846</u>	<u>69,713</u>	<u>-</u>	<u>454,559</u>
Total accumulated depreciation	<u>26,444,798</u>	<u>1,644,565</u>	<u>-</u>	<u>28,089,363</u>
Total capital assets, being depreciated, net	<u>19,178,709</u>	<u>1,180,181</u>	<u>-</u>	<u>20,358,890</u>
Capital assets - net	<u>\$ 19,228,004</u>	<u>\$ 1,180,181</u>	<u>\$ -</u>	<u>\$ 20,408,185</u>

5. LONG-TERM OBLIGATIONS

The Tiburon/Belvedere Wastewater Financing Authority, a joint powers authority, is governed by the same board of directors as the District's board of directors. In February 2012, the Authority issued \$10,935,000 of revenue bonds, at a premium of \$1,076,031, to provide financing for the rehabilitation and renovation of the District's main treatment plant. The District entered into an installment agreement with the Authority to make installment payments in amounts sufficient to provide for the payment of all future bond principal and interest when due. The Authority's receivable and payable by the District have been eliminated from the accompanying financial statements as the Authority is deemed a component unit of the District, and revenue bonds are reported as a long-term obligation of the District.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

5. LONG-TERM OBLIGATIONS (continued)

The bonds bear interest at rates from 0.25 percent to 5.0 percent, mature each October 1st through 2031, and interest is payable each October 1st and April 1st commencing October 1, 2012. The original bond offering consisted of \$5,205,000 in serial bonds maturing in various amounts through 2022 and \$5,730,000 in term bonds maturing October 1, 2031. The serial bonds maturing on or before October 1, 2021 are not subject to optional redemption prior to their stated maturity.

Bonds maturing on or after October 1, 2022 are subject to redemption at the option of the Authority from any available source of funds without premium. The term bonds are subject to mandatory sinking fund redemption in various amounts commencing October 1, 2023.

During the year ended June 30, 2020, the bonds were refinanced with a direct borrowing. The principal balance outstanding on the bond payable was \$7,205,000. The new direct borrowing loan was for \$7,900,000, of which \$95,171 covered loan fees. The remaining proceeds, \$7,804,829, were placed in an escrow fund to be used to pay the interest and principal payments of the bonds maturing on or before October 2021. The new loan has a maturity date of October 1, 2031 and accrues interest at a rate of 2.48%. The difference between the cash paid to refund the debt, \$7,804,829, and the outstanding balance of the bond payable and previous bond premium of \$734,093, are recorded as a deferred inflow of resources – deferred amount on debt refunding and are being amortized over the life of the loan.

The District has pledged all net revenues of its system to the obligations. This pledge constitutes a lien on the District’s net revenues. The pledge and lien exclude any ad valorem property taxes, special assessments, or special taxes levied for the purpose of paying general obligation bonds, special assessments, or special tax obligations of the District. In addition, the District is obligated to generate system net revenues equal to at least 125 percent of all installment payments and principal and interest payments on any parity debt. The outstanding principal balance on the note payable from direct borrowing was \$7,240,000 as of June 30, 2021. The outstanding principal balance on the bond payable was \$7,900,000 as of June 30, 2020.

The future debt service on the direct borrowing loan and interest is as follows:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 580,000	\$ 172,360	\$ 752,360
2023	595,000	157,790	752,790
2024	610,000	142,848	752,848
2025	625,000	127,534	752,534
2026	640,000	111,848	751,848
2027-2031	3,445,000	310,310	3,755,310
2032	745,000	9,238	754,238
Total	<u>\$ 7,240,000</u>	<u>\$ 1,031,928</u>	<u>\$ 8,271,928</u>

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

5. LONG-TERM OBLIGATIONS (continued)

The District expects that the debt service on the bonds will be less than 35 percent of system net revenues as defined in the financing documents. Total principal and interest paid during the years ended June 30, 2021 and 2020 was \$850,432 and \$637,676, respectively. During the years ended June 30, 2021 and 2020 total zone system net revenues as defined were \$1,157,431 and \$1,779,697, respectively.

The \$120,838 of the gain on the defeasance will be amortized at approximately \$12,000 per year over the next ten years.

Amortization for the years ended June 30, 2021 and 2020 was \$13,426 and \$74,748, respectively.

6. CALPERS RETIREMENT PLAN AND RELATED LIABILITIES

Plan Description: Employees of the District are provided with pension benefits under one of two plans depending on the employee's hire date. The plans are part of a cost-sharing multiple-employer public employee pool of similar organizations administered by the California Public Employees Retirement System (CalPERS). CalPERS acts as a common investment and administrative agent for participating California public entities. Benefits provisions and all other requirements are established by State Statute and District Ordinances. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for CalPERS. That report may be obtained from their website, calpers.gov.

Benefits Provided: CalPERS provides retirement, disability and death benefits to plan members and beneficiaries. For employees hired before 2013, retirement benefits are determined as 2.7 percent of the employee's single highest year of compensation times the employee's years of service. Employees with 5 years of continuous service are eligible to retire at age 55. Employees hired after 2012, retirement benefits are determined as 2.0 percent of the employee's highest 3-year average compensation times the employee's years of service. Employees with 5 years of continuous service are eligible to retire at age 60.

Contributions: Contribution requirements of active employees and the Districts are established and may be amended by the District. Employees hired before 2013 are required to contribute 8.0% of their annual pay. As a benefit to those employees, the District paid 75% of the employee required contributions during the years ended June 30, 2021 and 2020. The total amount paid by the District on behalf of employees totaled \$52,782 and \$37,089 for the years ended June 30, 2021 and 2020, respectively. Employees hired after 2012 are required to contribute 6.25% of their annual pay. The District did not pay any of the required employee contribution. The District's contractually required contribution rate for employees hired before 2012 was 14.194% and 13.182% of wages for the years ended June 30, 2021 and 2020, respectively. The District's contractually required contribution rate for employees hired after 2012 was 7.732% and 6.985% of wages for the years ended June 30, 2021 and 2020,

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

6. CALPERS RETIREMENT PLAN AND RELATED LIABILITIES (continued)

respectively. The rates are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plans from the District were \$224,838 and \$248,708 for the years ended June 30, 2021 and 2020, respectively. The District's proportionate share of employer contributions allocated to its CalPERS account was \$472,177 and \$400,155 for the measurement years ended June 30, 2020 and 2019, respectively.

Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Amounts reflected are aggregate amounts for both plans as amounts related to post 2012 employees are minor in comparison to pre-2012 amounts):

At June 30, 2021, the District reported an asset of \$40,726 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The District's proportion of the net pension liabilities was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating public entities, actuarially determined. At June 30, 2020 and 2019, the District's proportion was -0.0003 percent and -0.001 percent, respectively.

For the years ended June 30, 2021 and 2020, the District recognized pension expense of \$440,882 and \$116,289, respectively. At June 30, 2021 and 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
As of June 30, 2021		
Difference between expected and actual experience	\$ (2,099)	\$ -
Changes of assumptions	-	(290)
Net difference between projected and actual earnings on pension plan investments	-	1,210
Differences between actual contributions and proportionate share of contributions	101,704	302,294
Change in employer proportion	114,052	16,205
District contributions subsequent to the measurement date	224,838	-
Total	\$ 438,495	\$ 319,419

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

6. CALPERS RETIREMENT PLAN AND RELATED LIABILITIES (continued)

As of June 30, 2020	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ (7,221)	\$ (559)
Changes of assumptions	(4,958)	(1,757)
Net difference between projected and actual earnings on pension plan investments	1,818	-
Differences between actual contributions and proportionate share of contributions	228,834	215,751
Change in employer proportion	112,405	94,271
District contributions subsequent to the measurement date	248,708	-
Total	<u>\$ 579,586</u>	<u>\$ 307,706</u>

The \$224,838 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$ 4,832
2023	(74,033)
2024	(35,980)
2025	(581)
Total	<u>\$ (105,762)</u>

Actuarial Assumptions: The total pension liabilities in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

6. CALPERS RETIREMENT PLANS AND RELATED LIABILITIES (continued)

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.15%
Mortality Rate	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchase Power Protection Allowance Floor on Purchasing Power applies

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

Discount Rate: The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

6. CALPERS RETIREMENT PLANS AND RELATED LIABILITIES (continued)

The table below reflects long-term expected real rate of return by asset class.

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100%		

(a) In the Systems's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

Sensitivity of the District's Proportionate Share of the Net Pension Liabilities/Assets to Changes in the Discount Rate: The following presents the District's proportionate share of the net pensions liability/asset calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability/asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15 percent) or 1-percentage-point higher (8.15 percent) than the current rate:

	1% Decrease (6.15%)	Discount Rate (7.15%)	1% Increase (8.15%)
District's proportionate share of the net pension liability (asset)	\$ 1,360,205	\$ (40,726)	\$ (1,198,271)

Pension Plans' Fiduciary Net Position: Detailed information about the pension plans' fiduciary net position is available in the separately issued CalPERS financial report.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description: The District has established a Retiree Healthcare Plan (HC Plan) and participates in an agent multiple-employer defined benefit retiree healthcare plan, California Employer’s Retiree Benefit Trust (CERBT), a CalPERS program to assist agencies to advance fund OPEB. Retirees are eligible for the PEMHCA Minimum Benefit if they retire at Age 50+, have 5+ years of CalPERS service, and were enrolled in CalPERS plan upon retirement. For Retirees Age 55 with five years of continuous, full-time service leading up to retirement, if the employee was hired before September 1, 2000, the District contributes to the retiree’s HRA 100% of premium up to the maximum Kaiser Basic/ Supplemental Rate for coverage of the retiree and eligible dependents, less the PEMHCA Minimum benefit. For Retirees Age 55 with five years of continuous, full-time service leading up to retirement who were hired between September 1, 2000 and July 1, 2017, the District contributes to the retiree’s HRA 100% of premium up to the weighted-average of single-member plan premiums, plus 90% of the weighted-average of the additional premium for the four most commonly selected plans that cover dependents. Employees hired after July 1, 2017 are eligible for the PEMHCA minimum health benefit are entitled to minimum contribution. The District makes contributions based on an actuarially determined rate.

Contributions are invested. The District is responsible for paying monthly OPEB premiums. The District has the ability to request withdrawals from CERBT to cover current annual premiums.

Employees Covered: As of June 30, 2020 actuarial valuation, the following current and former employees were covered by the benefit terms under the HC plan.

Active employees	10
Inactive employees or beneficiaries currently receiving benefits	11
Inactive employees entitled to, but not yet receiving benefits	-
Total	<u>21</u>

Funding Policy: The contribution requirements of the Plan members and the District are established and may be amended by the District. The annual contribution is based on the actuarially determined contribution. For the year ended June 30, 2021, the District’s contributions were \$72,400 in payments to the trust and \$57,663 in current year premiums for retired employees. For the year ended June 30, 2020, the District’s contributions were \$70,200 in payments to the trust and \$95,745 in current year premiums for retired employees.

Net OPEB Liability: The District’s net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020 to determine the June 30, 2020 total OPEB liability, based on the following actuarial methods and assumptions.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Discount Rate	7.78%
Inflation	2.50%
Salary increases	2.75%. Additional merit-based increases based on CalPERS merit salary increase tables.
Investment rate of return	5.85%
Mortality Rate	Derived from CalPERS OPEB Assumptions model
Pre-Retirement Turnover	Derived from CalPERS OPEB Assumptions model
Healthcare Trend Rate	7.00% pre-medicare, 6.00% medicare - trending down to 4.04%

Discount Rate: The discount rate is the rate that is up to the expected long-term rate of return on the assets in the Trust set aside to pay benefits, if the plan sponsor makes regular contributions to the Trust such that the assets are not depleted at any point in the future. If the plans' actuary determines that contributions are not sufficient to keep the Trust funded, a blend of the long-term rate of return and the yield or index rate for 20- year, tax-exempt municipal bonds will be used for the periods when the Trust funds are not sufficient to cover benefit payments.

The long-term expected rate of return is determined using the long-term rates of return developed by the CalPERS Investment Office in their report dated May 14, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compound Expected Return</u>	<u>Volatility</u>	<u>Arithmetic Expected Return</u>
Global equity	59.0%	6.80%	17.00%	8.14%
Fixed income	25.0%	3.10%	7.83%	3.40%
Treasury inflation-protected securities (TIPS)	5.0%	2.25%	5.46%	2.40%
Commodities	3.0%	3.50%	21.50%	5.71%
Real estate investment trusts (REITs)	8.0%	5.50%	17.28%	6.90%
Total	100%			

Expected Compound Return (1-10 years)	5.85%
Expected Compound Return (11-60 years)	8.07%
Expected Volatility	11.83%
Uses an expected long-term inflation rate of 2.00%	

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Sensitivity of the Net OPEB liability to changes in the discount rate: The following presents the net OPEB liability of the District if it were calculated using a discount rate that is 1-percentage-point lower (6.78 percent) or 1-percentage-point higher (8.78 percent) than the current rate:

	<u>1% Decrease (6.78%)</u>	<u>Discount Rate (7.78%)</u>	<u>1% Increase (8.78%)</u>
Net OPEB liability	\$ 838,556	\$ 664,107	\$ 518,484

Sensitivity of the Net OPEB liability to changes in the health care cost trend rates: The following presents the net OPEB liability of the District if it were calculated using a health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease to 6.00%</u>	<u>Trend Rate 7.00%</u>	<u>1% Increase to 8.00%</u>
Net OPEB liability	\$ 502,676	\$ 664,107	\$ 861,835

OPEB Plan Fiduciary Net Position: CERBT issues a publicly available financial report that may be obtained from CalPERS, PO Box 1494, Sacramento, CA 95812.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Changes in the Net OPEB Liability: The changes in the net OPEB liability for the HC Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2019 (Valuation Date June 30, 2018)	\$ 1,485,034	\$ 595,745	\$ 889,289
Changes recognized for the measurement period:			
Service cost	37,269	-	37,269
Interest	113,333	-	113,333
Differences between expected and actual experience	(226)	-	(226)
Changes in assumptions	(2,175)	-	(2,175)
Contributions - employer	-	152,516	(152,516)
Implicit rate subsidy	(29,093)	(29,093)	-
Net investment income	-	36,822	(36,822)
Benefits payments	(55,423)	(55,423)	-
Administrative expense	-	(436)	436
Net changes	63,685	104,386	(40,701)
Balance at June 30, 2020 (Valuation Date June 30, 2019)	1,548,719	700,131	848,588
Changes recognized for the measurement period:			
Service cost	37,241	-	37,241
Interest	115,941	-	115,941
Differences between expected and actual experience	(103,657)	-	(103,657)
Changes in assumptions	(24,122)	-	(24,122)
Contributions - employer	-	185,032	(185,032)
Implicit rate subsidy	(34,014)	(34,014)	-
Net investment income	-	25,195	(25,195)
Benefits payments	(80,818)	(80,818)	-
Administrative expense	-	(343)	343
Net changes	(89,429)	95,052	(184,481)
Balance at June 30, 2021 (Valuation Date June 30, 2020)	\$ 1,459,290	\$ 795,183	\$ 664,107

Recognition of Deferred Outflows and Deferred Inflows of Resources: Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources **Recognition of Deferred Outflows and Deferred Inflows of Resources, continued:** related to OPEB and are to be recognized in future OPEB expense. The recognition period is 7.5 years.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the years ended June 30, 2021 and 2020, the District recognized OPEB expense of \$109,867 and \$48,459, respectively. As of June 30, 2021 and 2020, the District reported deferred outflows of resources related to OPEB from the following sources:

As of June 30, 2021	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 90,181
Changes in assumptions	-	43,487
Net difference between projected and actual earnings on pension plan investments	26,651	-
District contributions subsequent to the measurement date	99,524	-
Total	<u>\$ 126,175</u>	<u>\$ 133,668</u>
As of June 30, 2020	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 195
Changes in assumptions	-	28,542
Net difference between projected and actual earnings on pension plan investments	497	-
District contributions subsequent to the measurement date	185,032	-
Total	<u>\$ 185,529</u>	<u>\$ 28,737</u>

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

7. OTHER POST-EMPLOYMENT BENEFITS (OPEB) (continued)

The \$99,524 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

2022	\$	17,408
2023		14,067
2024		13,543
2025		15,735
2026		19,426
Thereafter		26,838
Total	\$	<u>107,017</u>

8. DEFERRED COMPENSATION PLAN

The District's employees may participate in one 457 Deferred Compensation Program (Program). The Program is available to all District employees and is entirely voluntary. The purpose of the Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes. The District makes no matching contributions to the Program.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. The District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. Market value of the Program assets held in trust by the District's deferred compensation program at June 30, 2021 amounted to \$1,123,344.

The District has implemented GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not presented in the accompanying financial statements.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters, for which the District carries insurance. The District is a member of the California Sanitation Risk Management Authority (CSRMA), a Joint Powers Authority for risk pooling, which provides insurance coverage and risk management services to its 58 member agencies through its' coverage programs.

The District participates in CSRMA's Pooled Liability and Workers' Compensation Programs, where each member agency is assessed a deposit based on their ratable exposures. At each program's year end, deposits are retrospectively reviewed for all years of participation, based on actual loss performance of the individual member agencies. If a member's losses exceed their deposit, the member is assessed, through a debit on their renewal invoice, to adjust for this situation. Conversely, if the member's losses are less than the collected deposit, a credit is shown on the member's renewal invoice.

Risk of loss is transferred from the District to CSRMA under the arrangement. CSRMA's Pooled Liability Program provides approximately \$26 million in coverage to the members with a combination of reinsurance and excess insurance, with CSRMA retaining the first \$500,000. The District maintains a \$10,000 liability deductible. Excess workers compensation insurance is also obtained through the Authority covering the first \$750,000 in losses to statutory limits, with Employer's Liability coverage to \$1 million. The District also participates in CSRMA's property insurance program for its buildings and plant with approximately \$26 million in insurable values.

Audited condensed financial information for CSRMA is presented below for the year ended June 30, 2020 (most recent information available):

	<u>June 30, 2020</u>
Total Assets	\$ 29,737,991
Total Liabilities	<u>22,524,920</u>
Total Equity	<u>\$ 7,213,071</u>
Total Revenues	\$ 16,076,801
Total Expenditures	\$ 15,266,567

The District paid no material uninsured losses during the last three fiscal years. There have been no significant reductions in insurance coverage, and there have been no settlements exceeding insurance coverage in the last three years.

Liabilities of the District are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. There were no claims payable as of June 30, 2021.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
REQUIRED SUPPLEMENTAL SCHEDULE OF THE DISTRICT'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
AND RELATED RATIOS
for the measurement periods ended June 30
CALPERS Employer Retirement Plan
Last 10 Fiscal Years*

<i>Measurement period</i>	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	(0.00037%)	(0.00101%)	(0.00274%)	0.0059%	0.0078%	0.0260%	0.0440%
District's proportionate share of the net pension liability (asset)	(40,726)	(103,967)	(264,314)	583,347	676,578	1,786,666	2,757,064
District's covered-employee payroll	1,064,427	996,872	1,002,415	953,249	856,421	811,997	878,354
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(3.83%)	(10.13%)	(26.37%)	61.20%	79.00%	220.03%	313.89%
Plan fiduciary net position as a percentage of the total pension liability	100.39%	101.09%	102.85%	94.23%	92.75%	80.16%	69.16%

* The amounts presented for each fiscal year were determined as of the measurement date, which was one year prior to the fiscal year end date.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the presented information is for those years for which information is available.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
REQUIRED SUPPLEMENTAL SCHEDULE OF THE DISTRICT'S
PENSION CONTRIBUTIONS
for the measurement periods ended June 30

CALPERS Employer Retirement Plan
Last 10 Fiscal Years*

<i>Measurement period</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	116,931	109,596	106,300	98,415	165,113	190,004	217,873
Contributions in relation to actuarially determined contributions	224,838	241,373	847,033	352,863	1,794,175	1,516,679	217,873
Contribution Deficiency (excess)	<u>(107,907)</u>	<u>(131,777)</u>	<u>(740,733)</u>	<u>(254,448)</u>	<u>(1,629,062)</u>	<u>(1,326,675)</u>	<u>-</u>
Covered payroll	1,064,427	996,872	1,002,415	953,249	856,421	811,997	878,354
Contributions as a percentage of covered-employee payroll	21.12%	24.21%	84.50%	37.02%	209.50%	186.78%	24.80%

Notes to Schedule:

Valuation Date:	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	Level percentage of payroll
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.15%
Mortality Rate	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchase Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

* The amounts presented for each fiscal year were determined as of the measurement date, which was one year prior to the fiscal year end date.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the presented information is for those years for which information is available.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
REQUIRED SUPPLEMENTAL SCHEDULE OF CHANGES IN THE
NET OPEB LIABILITY AND RELATED RATIOS
for the measurement periods ended June 30

Last 10 Fiscal Years*

<i>Measurement Period</i>	2020	2019	2018	2017
Total OPEB liability				
Service cost	\$ 37,241	\$ 37,269	\$ 35,301	\$ 39,129
Interest	115,941	113,333	116,967	87,909
Actual and expected experience difference	(103,657)	(226)	-	-
Change in assumptions	(24,122)	(2,175)	(36,351)	-
Changes in benefit terms	-	-	-	-
Benefits payments	(80,818)	(55,423)	(55,136)	(56,379)
Implicit Rate Subsidy Fulfilled	(34,014)	(29,093)	(27,041)	-
Net change in total OPEB liability	(89,429)	63,685	33,740	70,659
Total OPEB Liability - beginning	1,548,719	1,485,034	1,451,294	1,380,635
Total OPEB Liability - ending (a)	<u>\$ 1,459,290</u>	<u>\$ 1,548,719</u>	<u>\$ 1,485,034</u>	<u>\$ 1,451,294</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 151,018	\$ 123,423	\$ 120,836	\$ 93,476
Implicit Subsidy - employer	34,014	29,093	27,041	-
Implicit Rate Subsidy Fulfilled	(34,014)	(29,093)	(27,041)	-
Net investment income	25,195	36,822	38,672	43,423
Benefits payments	(80,818)	(55,423)	(55,136)	(56,379)
Administrative expense	(343)	(436)	(257)	(212)
Net change in plan fiduciary net position	95,052	104,386	104,115	80,308
Plan fiduciary net position - beginning	700,131	595,745	491,630	411,322
Plan fiduciary net position - ending (b)	<u>\$ 795,183</u>	<u>\$ 700,131</u>	<u>\$ 595,745</u>	<u>\$ 491,630</u>
Net OPEB Liability - ending (a) - (b)	<u>\$ 664,107</u>	<u>\$ 848,588</u>	<u>\$ 889,289</u>	<u>\$ 959,664</u>
Plan fiduciary net position as a percentage of the total OPEB liability	54.49%	45.21%	40.12%	33.88%
Covered-employee payroll	916,620	888,075	849,372	909,928
Net OPEB liability as a percentage of covered-employee payroll	72.45%	95.55%	104.70%	105.47%

* The amounts presented for each fiscal year were determined as of the measurement date, which was one year prior to the fiscal year end date.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the presented information is for those years for which information is available.

SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY

**REQUIRED SUPPLEMENTAL SCHEDULE OF THE DISTRICT'S
OPEB CONTRIBUTIONS
for the measurement periods ended June 30**

Last 10 Fiscal Years*

<i>Measurement Period</i>	2020	2019	2018	2017
Actuarially Determined Contribution (ADC)	\$ 112,895	\$ 106,991	\$ 108,953	\$ 93,476
Contributions in relation to actuarially determined contributions	185,032	152,516	147,877	93,476
Contribution Deficiency (excess)	\$ (72,137)	\$ (45,525)	\$ (38,924)	\$ -
Covered payroll	916,620	888,075	849,372	909,928
Contributions as a percentage of covered-employee payroll	20.19%	17.17%	17.41%	10.27%

Notes to Schedule:

Actuarial methods and assumption used to set the actuarially determined contributions for the year ended June 30, 2020 were from the June 30, 2020 actuarial valuation.

Actuarial Cost Method	Entry age normal, level percent of pay
Amortization Method/Period	Closed period, level percent of payroll, 20 years
Asset Valuation Method	Market value
Inflation	2.50%
Salary Increases	2.75% per year
Investment rate of return	5.85%
Healthcare Trend Rate	7.00% pre-medicare, 6.00% medicare - trending down to 4.04%
Retirement Age	Derived from CalPERS OPEB Assumptions model
Mortality Rate	Derived from CalPERS OPEB Assumptions model

**REQUIRED SUPPLEMENTAL SCHEDULE OF THE DISTRICT'S
OPEB INVESTMENT RETURNS
for the measurement periods ended June 30**

Last 10 Fiscal Years*

<i>Measurement Period</i>	2020	2019	2018	2017
Annual Money-Weighted Rate of Return, net of investment expense	3.43%	5.85%	7.38%	9.57%

The annual money-weighted rate of return, net of investment expenses, is the net investment income for the year divided by the average net position for the year (less investment expenses).

* The amounts presented for each fiscal year were determined as of the measurement date, which was one year prior to the fiscal year end date.

The schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the presented information is for those years for which information is available.

**SANITARY DISTRICT NUMBER 5 OF MARIN COUNTY
SUPPLEMENTARY INFORMATION
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION BY ZONE
FOR THE YEAR ENDED JUNE 30, 2021**

	Tiburon/Paradise Cove				District Total
	Paradise Cove	Tiburon	Zones Combined	Belvedere	
Operating Revenues:					
Sewer service charges	\$ 104,150	\$ 2,484,366	\$ 2,588,516	\$ 2,330,271	\$ 4,918,787
Connection and inspection fees	22,345	153,857	176,202	128,338	304,540
Maintenance agreements	-	29,410	29,410	23,326	52,736
Other	200	14,720	14,920	9,950	24,870
Total operating revenues	126,695	2,682,353	2,809,048	2,491,885	5,300,933
Operating Expenses:					
Salaries and benefits	58,867	1,429,584	1,488,451	845,383	2,333,834
Maintenance and repairs	86,151	192,777	278,928	67,510	346,438
Line cleaning and inspection	314	104,481	104,795	17,136	121,931
Utilities	22,256	151,030	173,286	91,961	265,247
Contracted and professional services	6,977	231,173	238,150	186,079	424,229
Supplies (chemicals)	9,023	96,647	105,670	56,721	162,391
Telephone and internet	8,890	71,695	80,585	39,779	120,364
Other operating costs	22,080	79,978	102,058	43,457	145,515
Monitoring	13,634	32,663	46,297	19,242	65,539
Other administrative costs	2,628	53,999	56,627	30,943	87,570
Liability and property insurance	1,793	43,324	45,117	25,327	70,444
Depreciation	77,515	1,123,715	1,201,230	443,335	1,644,565
Total operating expenses	310,128	3,611,066	3,921,194	1,866,873	5,788,067
Operating Loss	(183,433)	(928,713)	(1,112,146)	625,012	(487,134)
Non-Operating Revenues (Expenses):					
Property taxes	52,805	1,250,897	1,303,702	-	1,303,702
Investment income	5	36,690	36,695	41,468	78,163
Interest expense	-	(111,281)	(111,281)	(60,272)	(171,553)
Total non-operating revenues (expenses)	52,810	1,176,306	1,229,116	(18,804)	1,210,312
Increase (Decrease) in Net Position Before Capital Contributions	(130,623)	247,593	116,970	606,208	723,178
Contributed Capital	-	-	-	-	-
Change in Net Position	\$ (130,623)	\$ 247,593	\$ 116,970	\$ 606,208	\$ 723,178

Sanitary District No. 5 of Marin County



District Management Report January 2022

Contents:

- Transmittal Memo
- Financial/Budgetary
- HR & Personnel
- Business Administration
- Collection System Performance
- Treatment Plant Performance – Paradise Cove
- Treatment Plant Performance – Main Plant
- Pollution Prevention Activities
- Continuing Education & Safety Training
- Capital Improvement Projects

Transmittal Memo

Date: February 17, 2022
To: Board of Directors
From: Tony Rubio, District Manager/ Chief Plant Operator
Subject: Management Report for January 2022

Fiscal Status

Period Covered: July 1, 2021 –January 31, 2022
Percent of Fiscal Year: 58%
Percent of Budgeted Income to Date: 65.3%
Percent of Budgeted Expenditures to Date: 58.8% (operating only)

Personnel

Separations: None
New Hires: None
Promotions: None
Recruitment Activities: None

Regulatory Compliance

MP Collection System WDR Compliance: Full Compliance with all regulations
PC Collection System WDR Compliance: Full Compliance with all regulations
MP NPDES Permit Compliance: Full Compliance with all regulations
PC NPDES Permit Compliance: Full Compliance with all regulations
BAAQMD Compliance: Full Compliance with all regulations
Bio-Solids Compliance: Full Compliance with all regulations
Significant Comments: None

Summary of Operational Highlights are on the following pages.

Significant Events for the Month of January 2022 Include:

Financial/Budgetary/Business Administration

- Proposals received for sewer rate study
- Board and committee meetings will continue to be held virtually in compliance with AB361 and status of need will be reviewed every month.
- Consideration of paying down CERBT liabilities.

HR and Personnel

- Have begun work on successor MOU.
- Staffing level assessment meeting performed by HDR- should have a final report last part of February.
- Preparing for recruitment of Part Time administrative assistant and Operator In Training

Continuing Education and Safety Training.

- Work with DKF solutions on District safety program updates on going- IIPP Plan, and Wildfire Safety Plan complete, heat and illness under review.
- Covid-19 Prevention Training Scheduled.

Collection System Performance

Main Plant Tiburon/Belvedere:

- Submitted 2 category 3 SSO for the month of December to RWQCB on CIWQS (Belvedere 12 Peninsula & 289 Beach)

Paradise Cove:

- Submitted No Spill report for month of December to RWQCB on CIWQS

Treatment Plant Performance

Paradise Cove:

- Submitted 4th Q and Annual SMR and DMR to the RWQCB on CIWQS

Main Plant:

- Submitted December 2021 and Annual SMR and DMR to the RWQCB on CIWQS

Pollution Prevention Activities

- Remote meetings with P2 Group

- Preparing 2021 P2 report for submission to CIWQS

Capital Improvement Projects

- Looking at bringing in a landscaping company to provide a proposal for a landscape and parking plan at Main Plant
- Working on putting together Digester Cleaning and Piping replacement project scope of work for an RFP.
- Evaluating placing order for equipment this fiscal year- for receipt in next fiscal year (long lead times) tied to Digester rehab work.

Glossary of Terms

- **B.O.D. (Biochemical Oxygen Demand):** Measurement of the effluent's capacity to consume dissolved oxygen to stabilize all remaining organic matter. The permit limits for our effluent for discharge into San Francisco bay require that we remove 85% influent B.O.D. and meet a weekly average of less than 45mg/l and a monthly average of less than 30 mg/l B.O.D.
- **TSS (Total Suspended Solids):** Measurement of suspended solids in the effluent. Our permit requires that we remove at least 85% of the influent TSS and that the effluent limit is less than 45 mg/l as a weekly average and less than 30 mg/l as a monthly average.
- **Chlorine Residual:** The plant effluent is disinfected with hypochlorite (chlorine "bleach") and then the residual chlorine is neutralized with sodium bisulfite to protect the bay. The effluent chlorine residual limit is 0.0 mg/l which we monitor continuously.
- **pH:** pH is a measurement of acidity with pH 7.0 being neutral and higher pH values being basic and lower pH values being acidic. Our permit effluent pH must stay within the range of 6.0-9.0, which we monitor continuously.
- **Coliform:** Coliform bacteria are the indicator organism for determination of the efficiency of the disinfection process. The lab culture samples of our effluent and the presence of coliform is an indication that pathogenic organisms may be present. This is reported as MPN/100 (number of coliform bacteria in 100 milliliters sample).
- **Flow Through Bioassay:** A 96 hour test in which we test the toxicity of our effluent to tiny fish (sticklebacks) in a flow through tank to determine the survivability under continuous exposure to our effluent. Our permit requires that we maintain a 90th percentile survival of at least 70% and an 11 sample median survival of at least 90%. In layman's terms, this means that out of the last 11 samples only one bioassay may fall below 70% survival and the middle value when all 11 samples are placed in numerical order must be at least 90%.
- **Metals Analysis:** Our permit requires that we analyze our effluent for many different metals on a monthly basis. We have permit limits for some metals. The metals are stated as a daily max and a monthly average limit. The daily max limit is the number we cannot exceed on any sample and the monthly average applies to all samples collected in any month. (although usually we are only required to take one).
- **F.O.G. (Fats, oils and grease):** Quarterly we are required to monitor our effluent for Fats, Oils and Grease.

Glossary of terms continued...

- **Headworks:** The point where all raw wastewater enters the treatment plant. In this building wastewater goes through 3 grinders to grind up all large objects that could possibly damage our influent and sludge pumps further down the treatment process.
- **Primary Sedimentation:** The next treatment process is a physical treatment process where solids that settle or float are removed and sent to the digesters for further processing.
- **Activated Sludge:** Next is the activate sludge process. This process is a biological wastewater treatment process that uses microorganisms to speed up the decomposition of wastes. When activated sludge is added to wastewater, the microorganisms feed and grow on waste particles in the wastewater. As the organisms grow and reproduce, more and more waste is removed, leaving the wastewater partially cleaned. To function efficiently, the mass of organisms needs a steady balance of food and oxygen. These tasks are closely monitored by the operations staff.
- **Secondary Clarification:** Next is secondary clarification, like primary sedimentation/clarification, this also is a physical treatment process where solids that settle or float are removed and sent to the next treatment process. The difference between Secondary Clarification and primary sedimentation is that the solids removed from the secondary clarifiers goes to 2 places. Some goes to waste to the DAFT and some goes back to the activated sludge process for further treatment. (*Microorganisms must be returned to the activated sludge process to keep an equal balance of food and microorganisms*).
- **DAFT (dissolved air floatation thickener):** Next is the DAFT. The dissolved air floatation thickening process uses air bubbles to thicken WAS(waste active sludge) solids removed from the secondary clarifier, by floating solids to the tank surface, where they are removed and sent to the digesters for final processing.
- **Sludge Digestion:** In the anaerobic digestion process, all the organic material removed from the primary sedimentation tanks and DAFT's are digested by anaerobic bacteria. The end products are methane, carbon dioxide, water and neutralized organic matter.
- **Solids Handling:** This is the process where all the neutralized sludge from the digester is finally treated. Sludge from the digester is pumped to the screw press where it is conditioned with a polymer (chemical that reacts with the sludge to remove the water from the sludge and bind the sludge particles together) in order to dewater the sludge and produce a dry cake for final disposal to the Redwood landfill.

Glossary of terms continued...

- **Disinfection:** This is the end point for the wastewater- at this point wastewater flows through the chlorine contact tank. This contact tank allows for enough contact time for chlorine solution to disinfect the wastewater. Sodium bisulfite is introduced at the end of the tank to neutralize any residual chlorine to protect the bay.
- **MLSS (mixed liquor suspended solids):** Suspended solids in the mixed liquor of an aeration tank measured in mg/l
- **MCRT (mean cell resident time):** An expression of the average time that a microorganism will spend in the activated sludge process.
- **SVI (sludge volume index):** This is a calculation used to indicate the settling ability of activated sludge in the secondary clarifier.
- **RAS (return activated sludge):** The purpose of returning activated sludge, is to maintain a sufficient concentration of activated sludge in the aeration tank.
- **WAS (waste activated sludge):** To maintain a stable process, the amount of solids added each day to the activated sludge process are removed as WAS. We track this by our MCRT which averages 3 days
- **TWAS (thickened waste activated sludge):** The WAS is thickened in the DAFT and the thickened sludge is then pumped to the digester.
- **MPN (most probable number):** Concentrations of total coliform bacteria are reported as the most probable number. The MPN is not the absolute count of the bacteria but a statistical estimate of their concentration.
- **Bio-solids:** Anaerobic digested sludge is pumped to a screw press where excess water is removed to reduce the volume (and weight) thus producing an end result called bio-solids.
- **Polymer:** Organic polymers are added to digested sludge to bring out the formation of larger particles by bridging to improve processing.

Wastewater Acronyms

ACWA	Assoc of California Water Agencies	APWA	American Public Works Association
AWWA	American Water Works Association	BAAQMD	Bay Area Air Quality Management District
BACWA	Bay Area Clean Water Agencies	BAPPG:	Bay Area Pollution Prevention Group
CASA	California Association of Sanitation Agencies	CSDA	California Special Districts Association
CSRMA:	California Sanitation Risk Management Authority	CAAQS	California Ambient Air Quality Standard
CalARP	California Accidental Release Prevention Program	CARB	California Air Resources Board
CDO	Cease and Desist Order	CECs	Constituents of Emerging Concern
CEQA	California Environmental Quality Act	CIWQS	California Integrated Water Quality System
CFR	Code of Federal Regulations	CMOM	Capacity, Management, Operation and Maintenance
CIWMB	California Integrated Waste Management Board	CPUC	California Public Utilities Commission
CSO	Combined Sewer Overflow	CTR	California Toxics Rule
CWA	Clean Water Act	CWAP	Clean Water Action Plan
CWARA	Clean Water Authority Restoration Act	CWEA	California Water Environment Association
DHS	Dept of Health Services	DTSC	Dept of Toxic Substances Control
EBEP	Enclosed Bays and Estuaries Plan	EDW	Effluent Dominated Water body
EIS/EIR	Environmental Impact Statement/Report	EPA	Environmental Protection Agency
ERAF	Educational Reserve Augmentation Fund	ESMP	Electronic Self-Monitoring Report
FOG	Fats, Oils and Grease	GASB	Government Accounting Standards Board
ISWP	Inland Surface Waters Plan	JPA	Joint Powers Authority
LAFCO	Local Agency Formation Commission	LOCC	League of California Cities
MACT	Maximum Achievable Control Technology (air controls)	MCL	Maximum Contaminant Level
MMP	Mandatory Minimum Penalty	MOU	Memorandum of Understanding
MUN	Municipal Drinking Water Use	NACWA	National Association of Clean Water Agencies
NGOs	Non Governmental Organizations	NOX	Nitrogen Oxides
NPDES	Nat'l Pollutant Discharge Elimination System	NRDC	Natural Resources Defense Council
NTR	National Toxics Rule	OWP:	Office of Water Programs
OSHA:	Occupational Safety and Health Administration	PCBs	Poly Chlorinated Biphenyls
POTWs	Publicly Owned Treatment Works	PPCPs	Pharmaceutical and personal Care Products
QA/QC	Quality Assurance / Quality Control	Region	IX Western Region of EPA (CA, AZ, NV & HI)
RFP	Request For Proposals	RMP	Risk Management Program
RFQ	Request For Qualifications	RWQCB	Regional Water Quality Control Board
SEP	Supplementary Environmental Projects	SIP	State Implementation Policy (CTR/NTR criteria)
SFEI:	San Francisco Estuary Institute	SRF	State Revolving Fund
SSO	Sanitary Sewer Overflow	SSMP	Sewer System Management Plan
SWRCB	State Water Resources Control Board	TMDL	Total Maximum Daily Load
WDR	Waste Discharge Requirements	WEF	Water Environment Federation
WERF	Water Environment Research Foundation	WET	Whole Effluent Toxicity or Waste Extraction Test
WMI	Watershed Management Initiative	WRFP	Water Recycling Funding Program
WRDA	Water Resource Development Act	WWTP	Wastewater Treatment Plant
WQBEL	Water Quality Based Effluent Limitation Agency	WWWIFA	Water and Wastewater Infrastructure Financing

Agenda – Notes of Explanation

Sanitary District No. 5 Regular Board Meeting

February 17, 2022

Review and accept proposal from Muni-Quip re WEMCO digester recirculation pump and authorize the District Manager to place order for two (2) pumps this fiscal year (lead-time for procurement is next fiscal year)

STAFF REPORT:

Currently the District is down one mixing pump on its Primary Digester, the cost to rebuild the pump is slightly less than the purchase of a new pump. The current Mix pump (Fairbanks Moarse) that is out of service and is no longer made and parts are hard to acquire as the pump is no longer supported. The District plans on performing digester cleaning and rehab work this summer and due to the long lead times in procuring equipment, we are looking at placing the order for 2 new mix pumps this fiscal year – as they are not expected to be delivered until the following fiscal year (2022-2023).

The replacement model pump for this application is a WEMCO model C Torque flow pump. The cost per pump is attached in the proposal.

Each Digester has a dedicated mix pump- both pumps are the same age, only difference is that the primary digester sees the majority of the grit and ragging due to the length of the last cleaning of that digester.

Lead time is 18-20 weeks.

Equipment availability and procurement has been severely affected as a result of Covid-19 impacts and thus the need to plan/order equipment several months ahead of a scheduled project.

FISCAL IMPACT:

\$31,115 per pump. A total of \$62,230 for both pumps.

This item is not budgeted and will have to come out of Main Plant Capital reserves if received prior to the end of the current fiscal year.

CEQA (California Environmental Quality Act)

Exempt

Recommendation:

Approve the use of \$62,230 (unbudgeted) from Main Plant Capital Reserves for the order of 2 new WEMCO Torque Flow Model C pumps.

A handwritten signature in black ink, appearing to read 'Tony Rubio', with a stylized, scribbled flourish underneath.

Tony Rubio, District Manager

ATTACHMENT:

Muniquip Proposal



MUNIQUIP, LLC
Your Source For Water & Wastewater Equipment



DATE: December 13, 2021

QUOTE #MQ21-100765 Revision 1

TO: Tony Rubio

District Manager-Chief Plant Operator

Sanitary District No.5 of Marin County

2001 Paradise Drive

Tiburon CA 94920

415-435-1501 ext 106 415-435-1502 fax

trubio@sani5.org

RE: WEMCO replacement Fairbanks pump

Item #1 Qty (1) One WEMCO Model 4X4 Model C

4" Model C Complete Pump Skid)

15HP Frame 900RPM TEFC Motor 230V/460V 3P

Price per pump _____ \$43,629.00

Freight _____ \$ 451.00

Total Price without sales tax _____ \$44,080.00

Lead time 18 to 20 weeks

Full Scope attached.

Bare shaft Pump Only with Mechanical seal Freight inc. \$307.00 \$31,115.00

Best Regards,

MuniQuip, LLC

Don Reppond

Senior Sales Engineer

donr@muniquipllc.com

707-685-3757

2024 Opportunity Drive # 130, Roseville, CA 95678, (916) 787-5641 office, (916) 787-5642 fax

www.muniquipllc.com



NOTES:

Not included are anchor bolts, tanks, access hatches, transformers, control panels, appurtenances, field wiring, tools, field alignment, installation, field painting, analysis, calculations, power supplied, PLC's, junction boxes, supports, restraints or any item not individually included and named in the above scope of supply.

Equipment shall be available for shipment per manufacturers Scope. Seismic Calculations by others.

Sales tax is not included in above pricing.

Quotation is valid for 90 days.

This proposal is subject to the attached MuniQuip Terms & Conditions and/or the Terms and Conditions of the individual companies MuniQuip has quoted.

TERMS AND CONDITIONS

1. Acceptance of this Order is final only upon written approval by MuniQuip, L.L.C. ("MQ").
2. The total sale price, as set forth on the first page hereof, including all tax, is payable by Purchaser as follows: One-Hundred percent (100%) within 30 days of notice of availability for shipment by the manufacturer. Any amount not paid when due shall bear interest at the rate of 18% *per annum*. Purchaser agrees to pay reasonable attorney's fees and all collection costs incurred by MQ if payment is not timely received. All payments by Purchaser shall be made without offset of deduction.
3. All prices are FOB source shipping point. MQ is not responsible for any loss during transit. Breakage or shortage claims arising from shipments shall be made by the Purchaser directly against the carrier. Purchaser will accept shipment within five (5) days of notice of availability from MQ.
4. Purchaser understands and acknowledges that the Equipment is not manufactured by MQ, and that MQ offers no representations or warranties of any kind or nature with respect to the Equipment. **SPECIFICALLY, MQ DOES NOT OFFER ANY EXPRESS OR IMPLIED WARRANTY OF DESCRIPTION, TITLE, OR CONDITION OF LIEN OR SECURITY INTERESTS, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE.** The only warranties with respect to the Equipment shall be those offered by the manufacturer, if any. The sole obligation of MQ shall be to assist Purchaser in connection with the presentation of any warranty claim to the Manufacturer. If applicable, MQ will assign all manufacturers' warranties to Purchaser or end user. Purchaser shall be responsible for all costs and labor for installation and start-up assistance of the Equipment.
5. MQ shall not be responsible for any loss, claim or damages resulting from any force majeure, including but not limited to strikes, accidents, unavailability of labor or materials, acts of God, weather conditions, inability of carrier to deliver, legislative, administrative, or executive law, order or requisition of any governmental entity, or any event not under the direct control of MQ. Any delay in delivery from the Manufacturer caused by a force majeure or action or inaction of the Manufacturer or carrier shall not be the responsibility of MQ.



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6. In no event shall MQ be responsible for any liquidated, consequential or special damages arising from breach of this Agreement, any delay of delivery or any other cause.
7. Purchaser shall pay any sales, excise, or other government charge payable by MQ to federal, state or local authorities. Any such taxes now or hereafter imposed upon sales or shipments will be added to the purchase price. Purchaser agrees to reimburse MQ for any such tax or to provide MQ acceptable tax exemption certificates.
8. Purchaser may not cancel this Order without the prior written consent of MQ, and in any event Purchaser shall be responsible for all costs, charges and fees caused by such cancellation, including labor expended, material procured, and reasonable overhead expenses applicable thereto.
9. Any failure of MQ to insist upon the performance of any term or condition of this Agreement or any prior quotations, agreements, orders, and acceptances or orders related thereto shall not be deemed to be a waiver of such term, condition, or any other right in the future.
10. The provisions hereof shall apply to all addendums or changes hereto although not specifically set forth therein, all of these terms and conditions being considered to be additional terms and conditions to any such addendum or change.
11. Purchaser agrees to inspect the Equipment immediately upon delivery. Any claim for shortages must be made to MQ within ten (10) days after shipment or shall be deemed waived. Any other claim by Purchaser, other than warranty claims against the manufacturer, shall be made within thirty (30) days after receipt of shipment, and if not made, shall be waived.
12. Purchaser agrees to provide and maintain adequate insurance against loss of or damage to the Equipment until the purchase price to MQ has been fully paid. Any loss or damage to the Equipment after transfer of possession shall not relieve the Purchaser from obligations under this Agreement.
13. This Agreement represents the final and complete understanding of the parties with respect to all terms and conditions of the sale of Equipment as contemplated hereby, and there are no other representations, promises or agreements, whether written or oral, made in connection herewith. Purchaser specifically understands and acknowledges that no agent, employee or representative of MQ has the authority to or has made any other representation, promise or agreement except as specifically set forth in this Agreement. No amendment to this Agreement shall be effective unless it is in writing and executed by both parties.
14. This Agreement shall be construed under the laws of the State of California, and any action arising hereunder shall be commenced in that state.

2024 Opportunity Drive # 130, Roseville, CA 95678, (916) 787-5641 office, (916) 787-5642 fax

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Customer Price Sheet

Customer	MUNIQUEP INC	Size / Stages	4" Model C / 1
Item number	001	Pump speed	700 rpm
Customer reference		Quote number	1545793

Totals

Grand Total		Lead Time Total	N/A
Pump		Total unit weight	1,855.0 lb

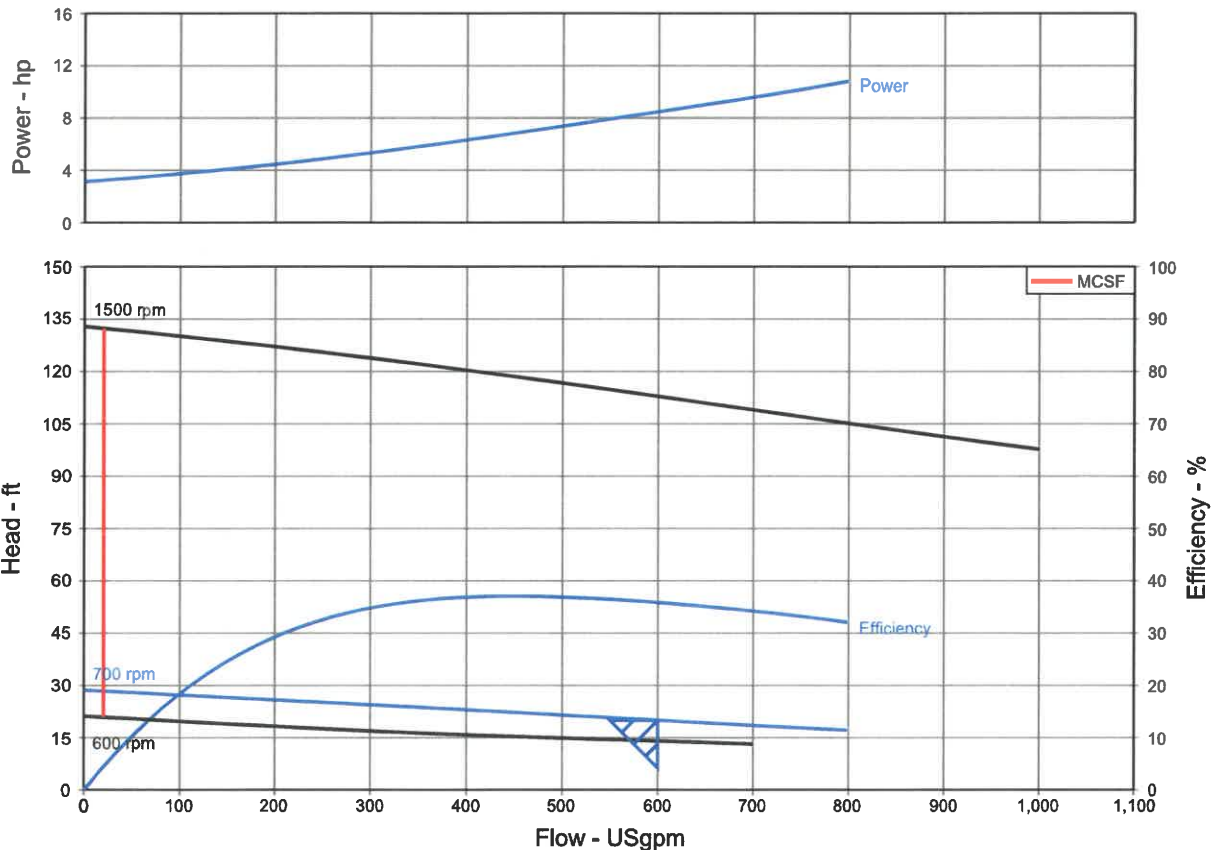
Pump

Qty	Description	Unit Price	Extended Price
1	<p>4" Model C</p> <p>General Pump Options</p> <p>Pump Options</p> <p>Clockwise rotation (CW)</p> <p>Steel pump hardware</p> <p>Bearing lubrication</p> <p>Oil lubricated bearings</p> <p>Nitrile elastomers</p> <p>Case Assembly</p> <p>4x4 Case</p> <p>Vertical Top</p> <p>High chrome case (650+ BHN hardness)</p> <p>No case vent & drain</p> <p>Standard suction connection</p> <p>Rotating Assembly</p> <p>Rotating Assembly</p> <p>High chrome impeller (650+ BHN hardness)</p> <p>Static balance</p> <p>Steel shaft</p> <p>Steel impeller bolt</p> <p>Pump Sealing</p> <p>Pump sealing</p> <p>Seal Type: Double Mechanical Seal</p> <p>Chesterton Double S20 Mechanical seal (silicon carbide vs. silicon carbide faces)</p> <p>416 SST shaft sleeve</p> <p>Cast iron gland housing/backplate</p> <p>Stainless steel gland</p> <p>Driver</p> <p>Motors</p> <p>Trillium Supplied Motor: Trillium Supplied Motor</p> <p>15HP 286T 900RPM Premium Efficiency TEFC Horizontal Motor</p> <p>All motors are sized and selected in accordance with Hydraulic Institute Grade 2 - 2B performance test acceptance grades and tolerances which adds 8% to the rated horsepower requirement of the pump. This calculation has not changed the rated horsepower or efficiency shown on the Performance Data Sheet. View the link for more information from Hydraulic Institute.</p> <p>Motor manufacturer - Trillium Standard</p> <p>Baseplate and Drive</p> <p>Belt Drive Baseplate - Overhead Mount</p> <p>Steel Baseplate</p> <p>Trillium Standard Baseplate Design</p> <p>Steel Baseplate Hardware</p> <p>Steel Guards</p>		

Pump			
Qty	Description	Unit Price	Extended Price
	Belts and Sheaves Constant Speed Belts and Sheaves - Trillium Decision Protective Coatings Paint type Epoxy 2 Coat Paint - Blue (Prime and Top Coat) Unless otherwise noted all motors will be supplied with manufacturer's standard coating only Packing & Shipping Shipping No Boxing Trillium Decision Carrier Freight Rates Freight Rates - California: California Material Testing Material Testing No Hardness Testing No Non-Destructive Testing Testing Testing No Testing Estimated Weights Bareshaft Pump: 890.0 lb Baseplate: 545.0 lb Driver: 420.0 lb Misc. Weight: 0.00 lb Misc. Weight: 0.00 lb Misc. Weight: 0.00 lb Total Per Unit Weight: 1,855.0 lb		

Pump Performance Datasheet

Customer	: MUNIQUIP INC	Quote number	: 1545793
Customer reference	:	Size	: 4" Model C
Item number	: 001	Stages	: 1
Service	:	Based on curve number	: 4C_P10C-D56
Quantity	: 1	Date last saved	: 03 Dec 2021 8:21 AM
Operating Conditions		Liquid	
Flow, rated	: 600 USgpm	Liquid type	: User defined
Differential head / pressure, rated (requested)	: 20.0 ft	Additional liquid description	:
Differential head / pressure, rated (actual)	: 20.1 ft	Solids diameter, max	: 0.00 in
Suction pressure, rated / max	: 0.00 / 0.00 psi.g	Solids concentration, by volume	: 0.00 %
NPSH available, rated	: Ample	Temperature, max	: 68.00 deg F
Site Supply Frequency	: 60 Hz	Fluid density, rated / max	: 1.000 / 1.000 SG
Performance		Material	
Speed criteria	: Synchronous	Material selected	: Standard
Speed, rated	: 700 rpm	Pressure Data	
Speed, maximum	: 1500 rpm	Maximum working pressure	: 12.43 psi.g
Speed, minimum	: 600 rpm	Maximum allowable working pressure	: 85.00 psi.g
Efficiency	: 35.87 %	Maximum allowable suction pressure	: N/A
NPSH required / margin required	: - / 0.00 ft	Hydrostatic test pressure	: N/A
Ns (imp. eye flow) / Nss (imp. eye flow)	: 1,830 / - US Units	Driver & Power Data (@Max density)	
MCSF	: 20.0 USgpm	Driver sizing specification	: Rated power
Head maximum, rated speed	: 28.7 ft	Margin over specification	: 0.08 %
Head rise to shutoff	: 43.15 %	Service factor	: 1.00
Flow, best eff. point	: 449 USgpm	Power, hydraulic	: 3.0 hp
Flow ratio, rated / BEP	: 133.58 %	Power, rated	: 8.5 hp
Speed ratio (rated / max)	: 46.67 %	Power, maximum, rated diameter	: 10.8 hp
Head ratio (rated speed / max speed)	: 17.77 %	Minimum recommended motor rating	: 10.0 hp / 7.5 kW
Cq/Ch/Ce/Cn [ANSI/HI 9.6.7-2010]	: 1.00 / 1.00 / 1.00 / 1.00		
Selection status	: Acceptable		



Construction Datasheet						
Customer : MUNIQUIP INC			Quote Number : 1545793			
Project :			Model / Size : 4" Model C			
Item number : 001			Stages : 1			
Service : -			Pump speed : 700 rpm			
Quantity of pumps : 1			Date last saved : 03 Dec 2021 8:21 AM			
Construction					Driver Information	
Nozzle	Size	Rating (ANSI)	Face	Pos'n	Manufacturer : Trillium Pumps USA Choice	
Suction	4 in	125 lbs	FF	End	Power : 15.0 hp	
Discharge	4 in	125 lbs	FF	Right	Service factor : 1.15	
Impeller Type : Recessed					Speed : 900 rpm	
Impeller Design : Cup Type					Orientation / Mounting : Horizontal/Foot	
Pump Orientation : Horizontal					Driver type : Horizontal	
Bearing Type (Rad/Thr) : Ball/Ball					Frame-size : 286T	
Bearing Lubrication : Oil					Enclosure : TEFC	
Rotation (view from shaft-end) : CW					Hazardous area class : N/A	
Materials					Explosion rating : N/A	
Casing : High Chrome					Volts / Phase / Hz : 460/3/60	
Impeller : High Chrome					Insulation : F	
Wearplate/Backplate : High Chrome					Temperature Rise : B	
Elastomer : Nitrile					Motor mounted by : Trillium Pumps USA	
Shaft : Steel					Seal, Gland and Piping	
Sleeve : 416 SST					Seal Arrangement : Double Type S20	
Baseplate, Connection and Guard					Seal Size : N/A	
Baseplate Type : Belt Drive - Overhead Mount					Manufacturer : Chesterton	
Baseplate Material : Steel					Gland Material : Stainless Steel	
Orientation : Horizontal					Seal Face Mat'l : Silicon Carbide vs. Silicon Carbide, all seal faces	
Connection Type : Belt drive					Throat Bushing : N/A	
Guard : Steel					Seal Flush Plan : -	
Weights (Approx.)					Seal Flush Construction : -	
Bareshaft pump : 890.0 lb						
Baseplate : 545.0 lb						
Driver : 420.0 lb						
Total weight : 1,855.0 lb						

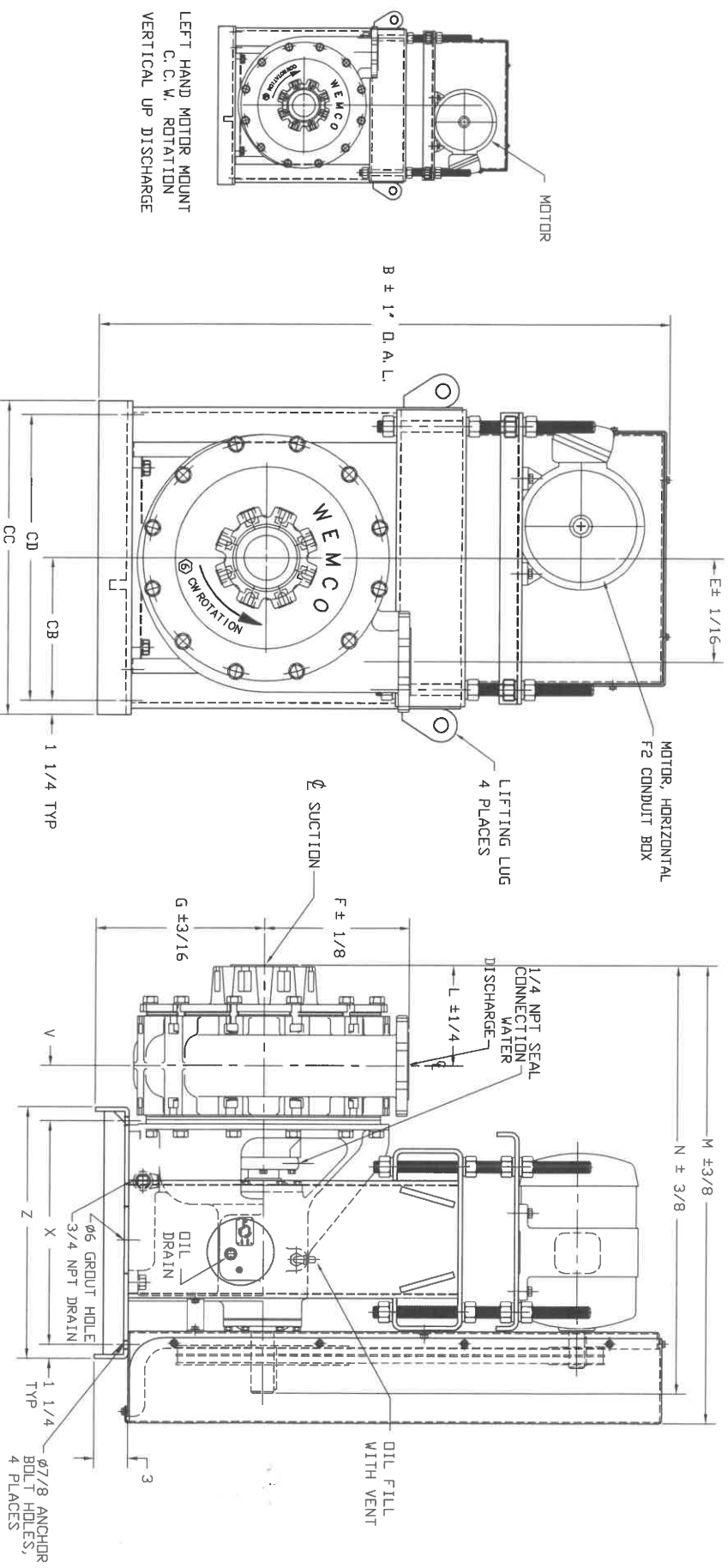


NOTES:

1. DIMENSIONS ARE NOT FOR INSTALLATION PURPOSES UNLESS CERTIFIED.
2. PUMP AND ACCESSORIES ARE DESIGNED FOR CONTINUOUS SERVICE.
3. NET END PARTS ARE ASSEMBLED IN THE "AS CAST" FORM. SUCTION AND DISCHARGE PIPING SHOULD BE FITTED TO THE PUMP FLANGES AFTER THE PUMP IS SET IN PLACE AND LEVELED. USE THICK NEDPRENE GASKETS OF 50-60 DURIMETER.
4. SUCTION AND DISCHARGE FLANGES ARE SLOTTED ON STANDARD 125 LB. AND 150 LB ASA BOLT CIRCLES.
5. GAGE TAPS ARE NOT AVAILABLE DUE TO MATERIAL HARDNESS. ROTATION AND MOTOR LOCATION ARE VIEWED FROM SHAFT END.

PUMP SIZED BY SUCTION X DISCHARGE - ALL DIMS. IN INCHES

PUMP SIZE	MOTOR FRAME	B	E	F	G	L	M	N	V	X	Z	CB	CC	CD
4X4	182T -	52	9 1/4	13	15	9	40 7/8	38 1/4	4 15/16	20	22 1/2	12 3/4	28	25 1/2
5X4	326T	52	9 1/4	13	15	9	40 7/8	38 1/4	4 15/16	20	22 1/2	12 3/4	28	25 1/2
6X4	326T	52	9 1/4	13	15	9	40 7/8	38 1/4	4 15/16	20	22 1/2	12 3/4	28	25 1/2



RIGHT HAND MOTOR MOUNT
C.W. ROTATION
VERTICAL UP DISCHARGE

LEFT HAND MOTOR MOUNT
C.C.W. ROTATION
VERTICAL UP DISCHARGE

THIS DRAWING CONFORMS TO THE REQUIREMENTS OF THE
ASME Y14.5-1994 DIMENSIONING AND TOLERANCE PRACTICE
UNLESS OTHERWISE SPECIFIED
DIMENSIONS ARE IN INCHES
TOLERANCES
X ± .06
XX ± .03
XXX ± .015
FRACTIONAL ± .010
ANGULAR ± .01°

UNLESS OTHERWISE SPECIFIED
DIMENSIONS ARE IN INCHES
TOLERANCES
X ± .06
XX ± .03
XXX ± .015
FRACTIONAL ± .010
ANGULAR ± .01°

WEMCO
GENERAL ARRANGEMENT
OVERHEAD FLOW PUMP
MODEL 6000
WEMCO TORQUE-FLOW PUMP

REV	BY	DATE	DESCRIPTION	REV	BY	DATE	DESCRIPTION
1	CA/S	4/17/94	ADDED NOTES 1, 2 AND 3 TO SHEET 3	1	CA/S	5-11-93	
2	EN6	7/16	ADDED COLUMN FOR 6X4 PUMP SIZE	2	EN6	12-94	
				3	EN6	1-18-94	

SCALE: NONE
SHEET: 1 OF 3
DRAWING NO.: 78248-1
DATE: 1-18-94



MUNIQUIP, LLC

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NOTES:

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Sales tax is not included in above pricing.

Quotation is valid for 90 days.

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2024 Opportunity Drive # 130, Roseville, CA 95678, (916) 787-5641 office, (916) 787-5642 fax

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7. Purchaser shall pay any sales, excise, or other government charge payable by MQ to federal, state or local authorities. Any such taxes now or hereafter imposed upon sales or shipments will be added to the purchase price. Purchaser agrees to reimburse MQ for any such tax or to provide MQ acceptable tax exemption certificates.
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14. This Agreement shall be construed under the laws of the State of California, and any action arising hereunder shall be commenced in that state.

Agenda – Notes of Explanation

Sanitary District No. 5 Regular Board Meeting

February 17, 2022

Review and discuss upcoming ARC (annual required contribution) payment to CERBT (California Employee Retirement Benefit Trust) for OPEB (other post-employment benefits) and consider paying down current liabilities

STAFF REPORT:

The District offers retiree health benefits to its employees. As part of offering those OPEB (other post employment benefits) benefits, it must fund those benefits and report on the status of its funding and liabilities annually. (GASB75-report) In 2013 the District established membership into the CERBT (California Employers Retirement Benefit Trust) a Section 115 trust fund dedicated to prefunding OPEB for all eligible California public agencies. To date the District as a balance of \$1,113,635 in that Trust. Of that total since the inception of 2013 the District has put in \$643,117 in cash with a total cumulative investment gains of \$495,226

As of the last actuarial report – ending fiscal year June 30, 2020 (report issued on June 30, 2021) the District had a total OPEB liability of \$1,459,290 and a net position (funded status) of \$795,183 leaving us with a net OPEB liability of \$664,107.

We currently have an ARC payment of \$118,400 scheduled to be made next month which will put the District invested amount in the trust at \$1,231,944. (+/-some minor market gains/losses)

With Tiburon reserves at \$4million and Belvedere reserves at \$2.3 million and LAIF interest rates returns at less than .25, it would be wise to fully fund the CERBT considering the performance of CERBT strategy 1 the District is in which has a discount rate of 7.59%

FISCAL IMPACT:

\$118,400 is schedule to be paid next month as an already approved budget item. Paying down remaining CERBT liabilities would be an additional contribution of between \$400K-\$500K (would have to get up to date number from CERBT- not available at time of this report)

CEQA (California Environmental Quality Act)

Exempt

Recommendation:

To consider the fully funding of the CERBT trust by reallocating funds from Tiburon and Belvedere Reserves held in LAIF



Tony Rubio, District Manager

ATTACHMENT:

CERBT account update summary

LAIF performance report as of 2/10/2022

CERBT Account Update Summary

Sanitary District No 5 of Marin County

as of December 31, 2021

OPEB Valuation Report Summary

OPEB Actuarial Valuation Report by Precision Actuarial Inc. for GovInvest	
Valuation Date	6/30/2019
Measurement Date	6/30/2019
Total OPEB Liability (TOL)	\$1,547,722
Valuation Assets	\$700,131
Net OPEB Liability (NOL)	\$847,591
Funded Status	45%
Actuarially Determined Contribution (ADC)	\$112,895
CERBT Asset Allocation Strategy	Strategy 1
Discount Rate	7.59%

CERBT Account Summary

As of December 31, 2021	Strategy 1
Initial contribution (06/30/2010)	\$67,646
Additional contributions	\$575,471
Disbursements	\$0
CERBT expenses	(\$4,708)
Investment earnings	\$495,226
Total assets	\$1,133,635
Annualized net rate of return (06/30/2010-12/31/2021 = 11.5 years)	9.60%

Cash Flow Summary by Fiscal Year

Fiscal Year	Contributions	Disbursements	Cumulative Investment Gains (Losses)	Cumulative Fees	Cumulative Ending Assets
2006-07	\$0	\$0	\$0	\$0	\$0
2007-08	\$0	\$0	\$0	\$0	\$0
2008-09	\$0	\$0	\$0	\$0	\$0
2009-10	\$67,646	\$0	\$0	\$0	\$67,646
2010-11	\$54,145	\$0	\$16,051	(\$98)	\$137,744
2011-12	\$50,575	\$0	\$16,762	(\$253)	\$188,875
2012-13	\$0	\$0	\$37,982	(\$554)	\$209,794
2013-14	\$73,225	\$0	\$80,074	(\$900)	\$324,765
2014-15	\$56,467	\$0	\$79,146	(\$1,221)	\$379,982
2015-16	\$27,662	\$0	\$83,138	(\$1,535)	\$411,322
2016-17	\$37,097	\$0	\$126,716	(\$1,902)	\$491,630
2017-18	\$65,700	\$0	\$165,575	(\$2,347)	\$595,745
2018-19	\$68,000	\$0	\$202,682	(\$2,855)	\$700,343
2019-20	\$70,200	\$0	\$228,173	(\$3,459)	\$795,430
2020-21	\$0	\$0	\$447,118	(\$4,234)	\$1,013,600
as of 12/31/2021	\$643,117	\$0	\$495,226	(\$4,708)	\$1,133,635

CERBT/CEPPT Investment Returns Outperform Benchmarks

Periods ended November 30, 2021

Fund	Assets	1 Month	3 Months	FYTD	1 Year	3 Years	5 Years	10 Years	ITD
CERBT Strategy 1 (Inception June 1, 2007)	\$14,257,799,070	-1.84%	-1.29%	1.42%	14.35%	13.45%	10.99%	9.26%	6.20%
Benchmark		-1.87%	-1.34%	1.34%	14.14%	13.17%	10.65%	8.92%	5.79%
CERBT Strategy 2 (Inception October 1, 2011)	\$1,934,821,232	-1.30%	-0.94%	1.52%	10.63%	12.03%	9.46%	7.90%	8.24%
Benchmark		-1.32%	-0.97%	1.46%	10.45%	11.82%	9.14%	7.57%	7.95%
CERBT Strategy 3 (Inception January 1, 2012)	\$851,347,899	-0.79%	-0.45%	1.84%	8.10%	10.54%	7.86%	-	6.51%
Benchmark		-0.80%	-0.47%	1.81%	7.98%	10.37%	7.61%	-	6.21%
CERBT Total	\$17,043,968,201								
CEPPT Strategy 1 (Inception October 1, 2019)	\$43,108,251	-1.07%	-1.16%	0.98%	9.28%	-	-	-	10.17%
Benchmark		-1.10%	-1.22%	0.93%	9.16%	-	-	-	10.15%
CEPPT Strategy 2 (Inception January 1, 2020)	\$21,181,911	-0.31%	-0.83%	0.79%	4.02%	-	-	-	6.01%
Benchmark		-0.32%	-0.85%	0.77%	3.86%	-	-	-	5.86%
CEPPT Total	\$64,290,162								

CERBT Expected Rates of Return & Risk

Portfolios	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Expected Return	7.59%	7.01%	6.22%
Risk	11.83%	9.24%	7.28%

CERBT Portfolio Details

Asset Classification	Benchmark	CERBT Strategy 1	CERBT Strategy 2	CERBT Strategy 3
Global Equity	MSCI All Country World Index	59% ±5%	40% ±5%	22% ±5%
Fixed Income	Barclays Capital Long Liability Index (CERBT)	25% ±5%	43% ±5%	49% ±5%
Global Real Estate (REITs)	FTSE EPRA/NAREIT Developed Liquid Index	8% ±5%	8% ±5%	8% ±5%
Treasury Inflation Protected Securities (TIPS)	Barclays Capital Global Real: US TIPS Index	5% ±3%	5% ±3%	16% ±3%
Commodities	S&P GSCI Total Return Index	3% ±3%	4% ±3%	5% ±3%
Cash	3-Month Treasury Bill	0% +2%	0% +2%	0% +2%

Total Participation Cost Fee Rate

- Total all-inclusive cost of participation
 - Combines administrative, custodial, and investment fees
 - Separate trust funds
 - Self-funded, fee rate may change in the future
 - Fee is applied daily to assets under management
 - 10 basis points - CERBT
 - 25 basis points - CEPPT

CEPPT/CERBT Consistently Low Fee Rate History

Fiscal Year	CERBT	CEPPT
2007-2008	2.00 basis points	-
2008-2009	6.00 basis points	-
2009-2010	9.00 basis points	-
2010-2011	12.00 basis points	-
2011-2012	12.00 basis points	-
2012-2013	15.00 basis points	-
2013-2014	14.00 basis points	-
2014-2015	10.00 basis points	-
2015-2016	10.00 basis points	-
2016-2017	10.00 basis points	-
2017-2018	10.00 basis points	-
2018-2019	10.00 basis points	-
2019-2020	10.00 basis points	25.00 basis points
2020-2021	10.00 basis points	25.00 basis points
2021-2022	10.00 basis points	25.00 basis points

606 Prefunding Program Employers

591 CERBT and 58 CEPPT

- State of California
- 154 Cities or Towns
- 10 Counties
- 79 School Employers
- 31 Courts
- 331 Special Districts and other Public Agencies
 - (100 Water, 36 Sanitation, 33 Fire, 25 Transportation)

Financial Reporting

- CERBT is the Plan
 - Provides audited and compliant GASB 74 report in a Schedule of Changes in Fiduciary Net Position (FNP)
 - Published in February each year

FNP Fiscal Year	Availability
2015-16	Available at https://www.calpers.ca.gov/cerbt
2016-17	
2017-18	
2018-19	
2019-20	
2020-21	January 2022

Questions? Where to Get Trust Fund Information?

Name	Title	E-mail	Desk	Mobile
Matt Goss	Outreach & Support Program Manager	Matthew.Goss@calpers.ca.gov	(916) 795-9071	(916) 382-6487
Karen Lookingbill	Outreach & Support Manager	Karen.Lookingbill@calpers.ca.gov	(916) 795-1387	(916) 501-2219
Vic Anderson	Outreach & Support Manager	Victor.Anderson@calpers.ca.gov	(916) 795-3739	(916) 281-8214
Jasper Jacobs	Outreach & Support Analyst	Jasper.Jacobs@calpers.ca.gov	(916) 795-0432	(916) 717-3886
Colleen Cain-Herrback	Administration & Reporting Program Manager	Colleen.Cain-Herrback@calpers.ca.gov	(916) 795-2474	(916) 505-2506
Robert Sharp	Assistant Division Chief	Robert.Sharp@calpers.ca.gov	(916) 795-3878	(916) 397-0756

Program E-mail Addresses	Prefunding Programs Webpages
CERBT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CERBT
CEPPT4U@calpers.ca.gov – Questions & Document Submittal	www.calpers.ca.gov/CEPPT
CERBTACCOUNT@calpers.ca.gov – Online Record Keeping System	



PMIA/LAIF Performance Report as of 02/10/22



PMIA Average Monthly Effective Yields⁽¹⁾

Jan	0.234
Dec	0.212
Nov	0.203

Quarterly Performance Quarter Ended 12/31/21

LAIF Apportionment Rate ⁽²⁾ :	0.23
LAIF Earnings Ratio ⁽²⁾ :	0.00000625812849570
LAIF Fair Value Factor ⁽¹⁾ :	0.997439120
PMIA Daily ⁽¹⁾ :	0.22%
PMIA Quarter to Date ⁽¹⁾ :	0.21%
PMIA Average Life ⁽¹⁾ :	340

Pooled Money Investment Account Monthly Portfolio Composition ⁽¹⁾ 01/31/22 \$202.8 billion

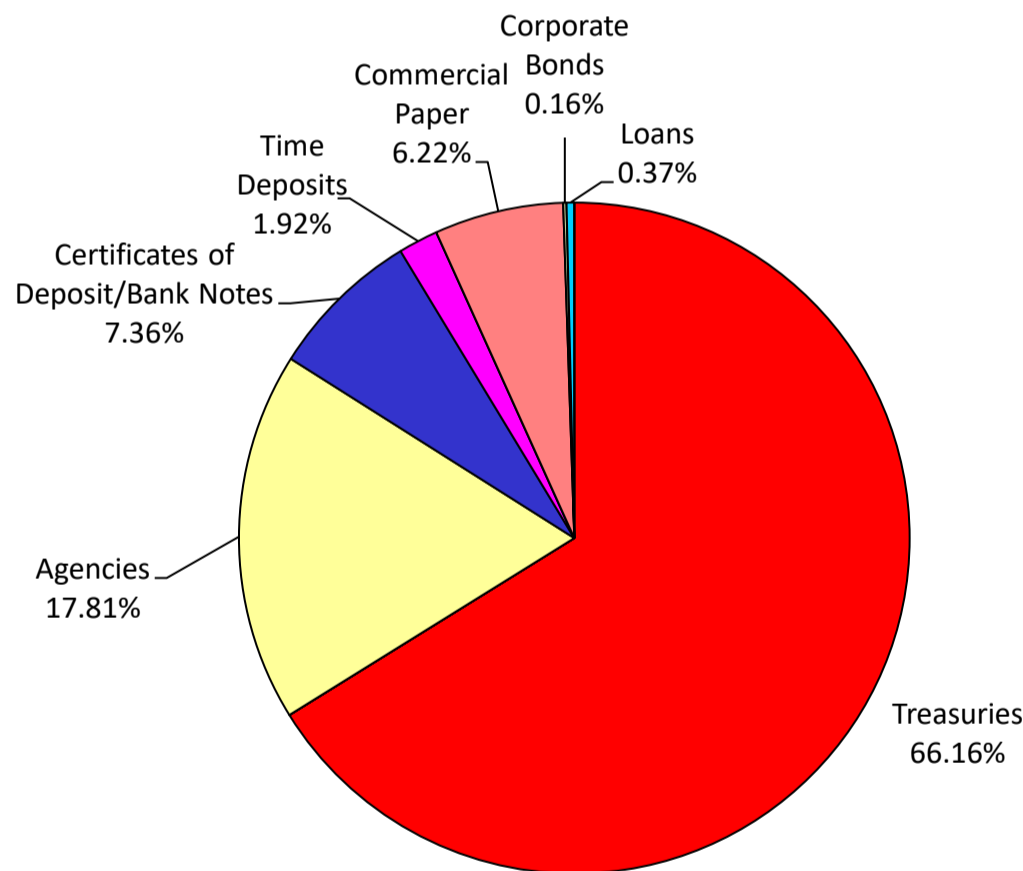


Chart does not include \$6,159,000.00 in mortgages, which equates to 0.003%. Percentages may not total 100% due to rounding.

Daily rates are now available here. [View PMIA Daily Rates](#)

Notes: The apportionment rate includes interest earned on the CalPERS Supplemental Pension Payment pursuant to Government Code 20825 (c)(1) and interest earned on the Wildfire Fund loan pursuant to Public Utility Code 3288 (a).

Source:

⁽¹⁾ State of California, Office of the Treasurer

⁽²⁾ State of California, Office of the Controller

Agenda – Notes of Explanation

Sanitary District No. 5 Regular Board Meeting

February 17, 2022

Review and discuss Sewer Rate Proposals (2) and select a proposal and authorize the District Manager to enter into a PSA (professional services agreement) to the sewer rate study

STAFF REPORT:

The last time the District performed a sewer rate study was back in 2009. HF&H was contracted to perform the study and build the financial model for the District. The completion of the evaluation and building of the financial model led to 5 consecutive years of recommended rate increased in both the Tiburon and Belvedere Zone – beginning in 2010 and concluding in 2015.

The current sewer rates for each zone have not changed since the last increase in 2015. The cost per edu in each zone as approved:

- Tiburon: \$1034 per EDU (equivalent dwelling unit)
- Belvedere \$1985 per EDU *(district does not receive ad valorem (property tax) from the Belvedere Zone)

Best practices recommends a utility review its rates every 5-7 years.

Last month the District sent out a request for proposal to begin the process of review the Districts sewer rates. The District has received two (2) proposals – one from HF&H and the other from Bartle Wells. Both firms have done work for the District in the past. HF&H having a little more familiarity with the District having performed the last rate study in 2009 followed by a connection fee study in 2014.

The proposal estimates vary, but so do the approaches for the rate study.

HF&H Total Cost: \$64,095 (hybrid approach- \$18,790 this fiscal year- \$45,305 next fiscal year)

Bartle Wells Cost: \$47,540

FISCAL IMPACT:

Maximum of \$64,095

CEQA (California Environmental Quality Act)

Exempt

Recommendation:

We recommend that the HF&H proposal be accepted and authorize the District Manager to enter into a Professional Services Agreement with HF&H for the Districts sewer rate study.



Tony Rubio, District Manager

ATTACHMENT:

Sewer Rate Study Proposals (2)

Item #9A

Sanitary District #5 
Tiburon & Belvedere, California

**Proposal for a Comprehensive
Sewer Rate Study**

February 4, 2022



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

2625 Alcatraz Ave, #602
Berkeley, CA 94705
Tel 510 653 3399
www.bartlewells.com

February 4, 2022

Sanitary District No.5 of Marin County
PO Box 227
Tiburon CA 94920

Attn: Tony Rubio, District Manager

Re: Comprehensive Sewer Rate Study

Bartle Wells Associates (BWA) is pleased to submit this proposal to develop a comprehensive sewer rate study for the Sanitary District No.5 of Marin County (District). For more than 50 years, our firm has specialized in providing independent financial and utility rate consulting services to California water and wastewater agencies. We offer an unmatched level of financial planning expertise and are the only firm in California to provide both financial advisory services for project financing as well as utility rate consulting services.

In addition to working for the District in the past, Bartle Wells Associates is located in the Bay Area and has extensive experience providing rate and fee studies for local agencies including: Sonoma County Water Agency, Novato Sanitary District, Alameda County Water District, Sausalito-Marín City Sanitary District, East Bay Municipal Utilities District, and the Cities of Benicia, Petaluma, San Carlos, Redwood City, San Mateo Berkeley, Vacaville, San Bruno, Millbrae, Mountain View, and Yountville. We will bring our knowledge gained from working on these local projects to our work for the District.

We have helped a number of agencies develop strategic financial plans to address escalating costs related to operating and long-term infrastructure needs. We have also assisted many agencies in modifying their existing rate structures to provide a better balance of revenue stability, customer equity, and to compliance with the evolving interpretations of Proposition 218. Our rate studies are based on a comprehensive analysis of each agency's costs, customer base characteristics, and demands to ensure rate structure recommendations reflect local needs and objectives.

We are very interested in working with the District on this project and hope this proposal provides a suitable basis for our selection.

Sincerely,

Douglas Dove, PE, CIPMA
Principal/ President

Erik Helgeson, MBA
Assistant Vice President

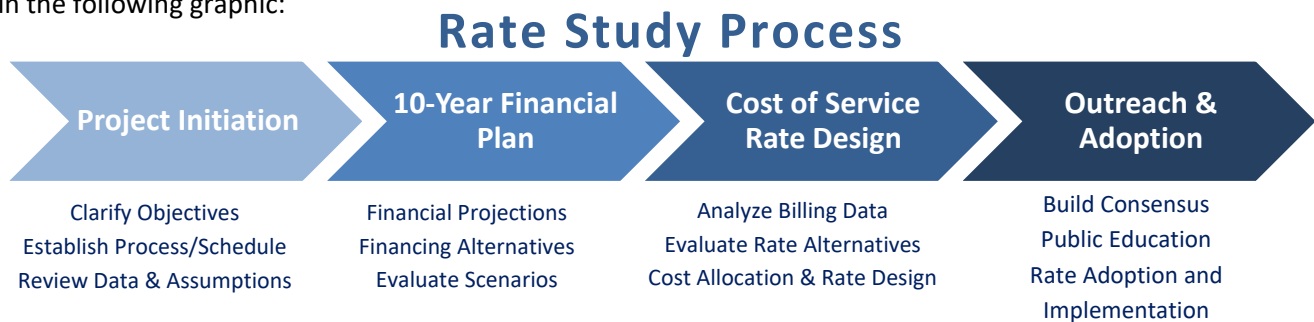
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Statements and Disclosures

- BWA has the ability and is willing to sign the District’s Professional Services agreement without exceptions.
- BWA is not aware of past or present litigation that would affect its performance under a contract with the District.
- BWA or any principal of the firm has not been and is not the subject of any investigation.

Project Process & Objectives

BWA will develop a comprehensive, cost of service based sewer rate study with the goal of helping the District implement a series of rates for upcoming years that a) fund the District’s projected costs of providing service, b) maintain financial stability, and c) are fair to all customers. Our general rate study process is summarized in the following graphic:



Key tasks of our study will include:

- **10-year Financial Plan:** Develop comprehensive 10-year financial plan for the District. The plan will facilitate evaluation of a range of scenarios and assumptions, and serve as financial roadmaps for funding projected operating, maintenance and capital programs while maintaining long-term financial stability. The financial plan will include evaluation of financing alternatives for capital projects, recommendation of fund reserve targets, and development of a strategy for funding long-term repairs, replacements, and other capital needs.
- **Cost of Service Rate Analysis:** Develop an updated cost-of-service analysis to support proposed sewer rates. The goal will be to recommend rates that a) reflect the underlying costs of providing service, b) are fair and equitable to all customers, c) are easy to understand and administer, d) provide a prudent balance of conservation incentive and revenue stability, and e) comply with the substantive legal requirements

Build Consensus for Final Recommendations: BWA has a strong track record of building consensus and public acceptance for final recommendations. Rate and fee adjustments can be controversial. We have found that ratepayers are more accepting of rate increases when they both understand the need for the increases and believe they are being treated fairly. BWA will present a summary of recommendations at Board meetings and can assist with public outreach efforts. Our goal will be to build consensus and public acceptance for final recommendations.

Section 1: Detailed Work Plan



This section presents our methodology and proposed scope of services that we believe will form a sound basis for completing this assignment as well as a schedule to complete the scope. We will work with the District to finalize a scope of services that meets the objectives and schedule desired. Our completed study will provide a set of legally defensible documents that outline a comprehensive, reasonable financial plan attainable through sound, industry-standard recommendations for the District. Our proposal takes into account variable and fixed charges, different assumptions regarding future capital investments, recent court rulings, and Proposition 218 compliance. Assistance from the project team will be required to gather data and to provide feedback on rate recommendations at regularly scheduled progress calls.

TASK A. PROJECT INITIATION & DATA COLLECTION

1. Project Team Orientation

To initiate our work, hold a kickoff meeting with District staff and others as appropriate, to accomplish the following:

- Identify members of District staff, District Board members/subcommittees, engineering consultants, and other consultants/advisors who will participate in the project
- Determine the roles and responsibilities of all project participants
- Identify other parties who may have a significant interest in the project, such as community groups, business organizations, and large customers
- Establish project schedule and key milestone dates
- Confirm the key goals and expectations of the project team

2. Investigation and Data Collection

Assemble the information necessary to understand the wastewater system, finances, customers and usage, rate and fee structures, and legal agreements with other agencies. Assistance and cooperation of staff will be needed to assemble the relevant background information. The objectives of investigation and data collection are to develop a complete understanding of each utility and its costs, and to reach an agreement on basic assumptions to be used in the study. Information to be reviewed includes the following:

- Cost information: budgets, audits, financial statements, internal finance projections, capital improvement plans, and engineering master plans
- Revenue sources: schedule of fees and rates, interest earnings, grants and/or debt proceeds

Task A Deliverables Include:

- Project team contact list
- Information needs list
- Provide fee and charge recommendations
- Kickoff call



TASK B. LONG-RANGE FINANCIAL PLAN

1. Develop Forecasts and Projections

Based on evaluation of the data assembled and input provided by staff and other members of the project team, prepare forecasts and projections to be used in the development of financial projections for the District's enterprises. Develop projections for the following areas (and others as appropriate):

Capital Improvement Funding Needs: Identify latest capital improvement plan costs by year. Work with staff to identify key alternatives for financial evaluation. Based on input from District staff, determine a reasonable amount to include for future, ongoing capital repairs and replacements. BWA often recommends that agencies phase in funding for long-term system rehabilitation as rates are gradually increased.

Growth and Development/Redevelopment: Evaluate historical growth trends and develop appropriate and conservative assumption for future development and redevelopment that can be incorporated into the financial plan/rate model. Evaluate impact of faster and slower growth rates.

Cost Escalation Factors: Review historical cost trends and work with project team to develop reasonable cost escalation factors for both operating and capital expenditures. Work with staff to estimate potential new operating costs, such as new staffing projections and O&M costs related to planned capital improvements, or costs for complying with future permit requirements.

Review projections with District staff for agreements on assumptions, interpretation of data, and completeness of approach.

2. Evaluate Financing Alternatives for Capital Improvements

Evaluate options for financing proposed capital improvement projects. Our evaluation will:

- Estimate the amount and timing of any debt, if needed, to finance capital projects.
- Evaluate the alternative borrowing methods available including bonds, COPs, state and federal funding programs, bank loans and lines of credit, and other options.
- Recommend the appropriate type of debt and its term and structure (for financial planning purposes).
- Evaluate possible combinations of financing methods, such as prudent use of pay-as-you-go cash funding supplemented by debt financing, when appropriate

3. Review and Update Fund Reserve Targets

Evaluate the adequacy of the District's current fund reserves. As warranted, identify alternatives and update minimum fund reserve targets based on updated operating and capital funding projections. Develop an implementation plan for achieving and maintaining the recommended reserve fund levels.

4. Develop Long-Range Cash Flow Projections

BWA will develop cash flow projections showing the financial position of the District over the next ten years. The cash flows will project fund balances, revenues, expenses, and debt service coverage, and will incorporate the forecasts developed with staff input, including funding needs for future repairs and replacements. After developing a base-case cash flow scenario, we can develop alternatives for additional evaluation such as capital project



The 10-Year Financial Plan will serve as a financial roadmap for funding future operating and capital programs while supporting long-term financial stability.


alternatives, project financing alternatives and the impacts of different levels of growth etc. During this phase, BWA will work closely with the project team to develop financial and rate projections under alternative scenarios. BWA typically recommends that rate increases be phased in over time to minimize the annual impact on ratepayers.

5. Evaluate Financial Scenarios & Rate Increase Options

Based on the cash flow projections, determine the annual revenue requirements and project overall required rate increases. Evaluate the financial impact of various financial and rate adjustment alternatives, such as phasing in required rate increases over a number of years. If appropriate, develop a reduced rate alternative and evaluate impacts on the District’s ability to fund capital projects.

Task B Deliverables Include:

- Evaluation of financing alternatives for capital improvements
- Recommendation for minimum fund reserve targets
- Development of ten-year financial projections and alternatives
- Identification of alternative rate increase scenarios
- Progress call



TASK C. COST-OF-SERVICE ALLOCATION

Task C is the “meat” of the rate study that will provide the legal justification for the rates and charges of the District. BWA will allocate costs based on industry standard practice, guidance from recent court cases, and ease of implementation/practicality.

BWA will provide a detailed, functional cost allocation for operating, capital, debt service, fixed and variable costs. Functionalized cost categories may include collection, treatment, and customer costs. BWA will determine the units of service and assign costs to each unit of service. Typical units of service for the wastewater utilities are sewer flow and pollutant loading (BOD and TSS). We may want to include nitrogen, phosphorous, and ammonia in order to accurately allocate costs.

Task C Deliverables Include:

- Determine units of service
- Cost allocation analysis
- Progress call



TASK D. RATE DESIGN

1. Review of the Existing Utility Rate Structures and Rate Models

Perform a review of the existing utility rate structures and discuss advantages and disadvantages compared to other rate approaches. Summarize and discuss finding with the project team. Review the existing rate models and most recent rate update. Evaluate the cost allocation and rate design included in the model for compatibility with BWA recommendations.

2. Conduct Rate Fee Survey of Comparable Utility Agencies

Review and summarize other regional and/or comparable agencies. Summarize results in easily understandable tables and/or charts.

3. Analyze Utility Consumption Data

Evaluate current and historical water usage, winter water consumption for sewer billed flow, utility billing data, and production data to determine reasonable and conservative estimates of demand to use in developing rate options. Ideally, we would prefer to analyze three years of utility billing data in order to determine slightly conservative demand projections.

4. Identify Utility Rate Structure Modifications and Alternatives

Identify alternative rate structures or modifications to the District's existing rates designed to improve equity and/or better achieve your objectives. Discuss pros and cons of different rate structure options and their general impacts on different types of customers. Rate structure options will be refined as the study progresses based on input from the study project team and will be evaluated to ensure that any modifications can be accommodated within the District's billing systems. Some potential rate structure modifications may include the following:

- Redesigning how much of the revenue is collected from fixed vs. variable charges.
- Establishing different wastewater rates for different customer classes with different effluent strength characteristics.

5. Evaluate Customer Equity

Review the fairness of each rate and charge across all customer groups. Confirm that all customers are charged for service proportional to how they use the utility systems. If desired, review options to aid in affordability for disadvantaged customers. Compare typical/sample bills from each customer class to the bills of other local public utilities. As needed, seek input from vocal customers such as business groups and developers.

6. Develop Preliminary and Final Rate Recommendations

Based on the rate analysis and the financial plan update, develop draft rate recommendations. The recommendations include a multi-year phase in of both overall rate increases and proposed rate structure



Rates will be developed based on a cost-of-service approach designed to equitably recover the cost of providing service to all customers.

adjustments. Review preliminary recommendations and key alternatives with the project team and Board. Based on input received, develop final draft utility rate recommendations.

Final rate recommendations will be designed to a) fund the long-term costs of providing service, b) be fair and equitable to all customers, c) provide a prudent balance of fixed and variable rates, and d) comply with the substantive requirements of Proposition 218 and recent court cases. Based on input from staff, develop a plan for implementing any rate structure modifications and/or rate adjustments.

7. Evaluate Rate Impacts on Customers

Calculate the rate impacts of each rate alternative on a range of utility customers (e.g. different customer classes, customers with different levels of use, seasonal impacts etc.). Work with the project team to identify customer and usage profiles to use for calculating the rate impacts. Discuss additional rate structure adjustments that may reduce the impact on certain customers if warranted and/or requested by the project team.

Task D Deliverables Include:

- Rate survey
- Analysis of billing data
- Propose up to three (3) rate alternatives and impacts on customers
- Progress call



TASK E. PRESENTATIONS & PUBLIC OUTREACH

1. Meetings

Meet with the project team to present findings, discuss alternatives and their impacts, gain ongoing input, and develop and hone recommendations. Meet with and present findings to District Board. Our proposal includes a total of six (6) trips to the District. The final schedule and number of meetings will be determined with input from the project team. A preliminary meeting/presentation schedule could include: two community meeting, three workshop/presentation with the District Board/ public, and the Proposition 218 hearing. The meetings can be determined as needed by the District (e.g., a Board workshop could be substituted for a project meeting). BWA will participate in conference calls as needed. Additional project meetings, meetings/workshops with committees and citizens groups, may also be included if warranted by staff. Meetings can also be combined, e.g. progress meetings can be scheduled on the same day as Board meetings, to reduce costs.

Presentations will provide brief background and study objectives, make a clear case why rate increases are needed, describe the rate structure (and potentially key alternatives) approved by the project team, show rate impacts on various customer profiles, present findings of the rate survey, and discuss related financial

and policy recommendations. We have substantial experience in presenting our findings to both technical and governing boards and to audiences without a background in utility rates or finances.

2. Prepare Draft and Final Reports

Submit a draft summary report for project team review and feedback. The report will summarize key findings and recommendations and discuss key alternatives when applicable. Receive input on draft report from the project team and Board. Prepare final reports incorporating feedback received. We will provide copies of both the draft and final reports and electronic versions to the entities.

3. Compliance with Proposition 218

Proposition 218 establishes requirements for adopting or increasing property-related fees and charges. In July 2006, the California Supreme Court ruled that rates are subject to Proposition 218 (Articles XIII C and XIII D of the State constitution). Proposition 218 requires that the District: 1) mail notification of proposed rate increases and the date, time, and place of public hearing to all affected property owners (and potentially ratepayers who are renters that pay utility bills); 2) hold a public hearing not less than 45 days after the notices are mailed; and 3) subject the rate increases to majority protest; if more than 50% of property owners submit written protests, the proposed rate increases cannot be adopted.

BWA remains available to assist staff with drafting the Proposition 218 rate notice. BWA recommends the notice go beyond the minimum legal requirements and provide clear and concise explanation of the reasons for any rate adjustments. We have found that ratepayers are generally much more accepting of rate increases when they understand why they are being implemented.

4. Public Education and Consensus-Building

Rate and fee adjustments are often controversial. BWA has extensive experience developing clear presentations that facilitate public understanding of the need for rate increases. We understand the importance of building consensus and public acceptance for our recommendations and can assist staff in developing public education materials. Holding community workshops or open houses are effective tools to help to help the community understand the needs of the agency. BWA is always willing to support and attend additional community outreach meetings on a time and expense basis.

Task E Deliverables Include:

- Draft and Final Reports and Rate Model
- Proposition 218 public hearing notice
- Rate Workshops with Board/ Community
- Proposition 218 Public Hearing



**Outreach &
Adoption**



BARTLE WELLS ASSOCIATES

Leaders in Water, Wastewater & Stormwater Rates and Finance

Bartle Wells Associates (BWA) is an independent financial advisory firm with expertise in the areas of water, wastewater, and solid waste finance. BWA was established in 1964 and has over 50 years of experience advising cities, special districts, and other agencies on the complexities and challenges in public finance. We have advised over 600 public agency clients throughout California and the western United States. We have a diversity of abilities and experience to evaluate all types of financial issues faced by local governments and to recommend the best and most-practical solutions.

Bartle Wells Associates has a highly qualified professional team of five consultants. Our educational backgrounds include finance, civil engineering, business, public administration, public policy, and economics.

BWA specializes in three professional services: utility cost-of-service rate and fee studies, financial plans, and project financing. We are one of the few independent financial advisors providing *all three* of these interrelated services to public agencies.

BWA Key Services

- *Rate & Fee Studies*
- *Financial Plans*
- *Project Financing*

RATE AND FEE STUDIES Our rate studies employ a cost-of-service approach and are designed to maintain the long-term financial health of a utility enterprise while being fair to all customers. We develop practical recommendations that are easy to implement and often phase in rate adjustments over time to minimize the impact on ratepayers. We also have extensive experience developing impact fees that equitably recover the costs of infrastructure required to serve new development. BWA has completed hundreds of utility rate and fee studies. We have helped communities implement a wide range of rate structures and are knowledgeable about the legal requirements governing rates and impact fees. We develop clear, effective presentations and have represented public agencies at hundreds of public hearings to build consensus for our recommendations.

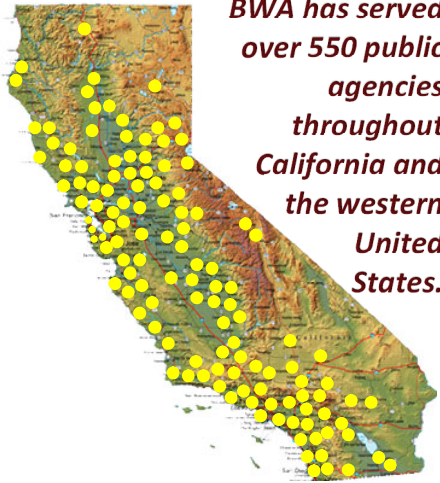
FINANCIAL PLANS Our financial plans provide agencies with a flexible roadmap for funding long-term operating and capital needs. We evaluate the wide range of financing options available, develop a plan that recommends the best financing approach, and clearly identify the sources of revenue for funding projects and repaying any debt. We also help agencies develop prudent financial policies, such as fund reserve targets, to support sound financial management. BWA has developed over 2,000 utility enterprise financial plans to help public agencies fund their operating and capital programs, meet debt service requirements, and maintain long-term financial health.

PROJECT FINANCING Our project financing experience includes over 300 bond sales and numerous bank loans, lines of credit, and a range of state and federal grant and loan programs. We generally recommend issuing debt via a competitive sale process to achieve the lowest cost financing possible. To date, we have helped California agencies obtain over \$5 billion of financing via bonds, bank loans/private



placements, lines of credit, low-rate State Revolving Fund Loans, and other funding programs. We work only for public agencies; we are independent financial advisors and do not buy, trade, or resell bonds. Our work is concentrated on providing independent advice that enables our clients to finance their projects on the most favorable terms—lowest interest rates, smallest issue size, and greatest flexibility.

Bartle Wells Associates is a charter member of the **National Association of Municipal Advisors** (NAMA), which establishes strict criteria for independent advisory firms. All of our lead consultants are *Certified Independent Professional Municipal Advisors* and are Registered Municipal Advisors.



BWA has served over 550 public agencies throughout California and the western United States.

Bartle Wells Associates is committed to providing value and the best advice to our clients. Our strength is *quality*—the quality of advice, service, and work we do for all our clients.

EXPERIENCE BWA has extensive experience developing long-term financial plans, utility rates, and capacity fees for public agencies from all areas of California and the western U.S. In recent years, we have completed assignments for many agencies including:

Sample Water/Sewer/ Stormwater Districts

- San Miguel Community Services District
- Union Sanitary District
- Monterey One Water
- Alameda County Water District
- Cambria Community Services District
- Sonoma County Water Agency
- Mid-Peninsula Water District
- Silicon Valley Clean Water
- Napa Sanitation District
- East Bay Municipal Utility District
- Sausalito-Marín City Sanitary District
- Union Sanitary District
- Novato Sanitary District
- Montara Water & Sanitary District
- West Valley Sanitation District
- Joshua Basin Water District
- Ramona Municipal Water District
- South San Luis Obispo County San District
- San Francisco Public Utilities Commission

Sample Cities

- City of Modesto
- City of Petaluma
- City of Fresno
- City of Davis
- City of Benicia
- City of Solvang
- City of Morro Bay
- City of Berkeley
- City of San Carlos
- City of Monterey
- City of Sunnyvale
- City of Millbrae
- City of Vacaville
- City of Santa Clara
- City of Glendale
- Town of Woodside
- City of Calistoga
- City of San Mateo
- City of Mountain View

PROJECT TEAM

BWA uses a **team approach** for most projects, typically assigning two consultants to each assignment, including at least one principal consultant. Our general project approach is to work closely with staff and other members of the project team to: identify objectives, set milestones, have frequent communication, and remain flexible to resolve unanticipated issues.

Bartle Wells Associates has a highly qualified professional team. Our education and backgrounds include finance, civil engineering, business, public administration, public policy, and economics. Bartle Wells Associates has a long track record of completing projects on time and on or under budget.

Our consulting staff is available to assist on this project as needed to ensure all project work and deliverables are completed on schedule.

Sanitary District n°5
Tiburon & Belvedere, California



Principal in Charge
Doug Dove, PE, CIPMA

Project Manager
Erik Helgeson

Analytical Support
Additional BWA Staff
Available as Needed

Doug Dove, Principal in Charge

Doug Dove is President of BWA and one of BWA's principal consultants. He has more than 30 years of professional experience, specializing in all areas of public finance, including utility rate setting, capacity fee implementation, strategic financial planning, and infrastructure financing. He has extensive experience developing strategic financial plans and utility rate studies and has consulted for more than 150 California agencies. Doug has substantial experience working with public agency staff and governing bodies to build understanding and consensus for recommendations.



Erik Helgeson, Senior Project Manager

Erik Helgeson is an Assistant Vice President of BWA with 11 years of experience. He specializes in developing long-term financial models and utility rates based on a cost of service approach. His experience includes working as a senior finance analyst for Denver Water in the rates and charges group and as a utility rate consultant in Colorado and California. His prior experience working for a utility gives him a unique perspective on the internal challenges a utility faces when implementing a study's recommendations. He currently serves on American Water Works Association's Rates and Charges Committee.



RESUMES

DOUGLAS R. DOVE

Principal Consultant



Douglas R. Dove is President of Bartle Wells Associates and directs the operation of the firm while maintaining a principal consultant's role. With over 30 years of consulting experience, he specializes in utility rate analysis, strategic financial planning, and project financing. Mr. Dove has developed utility rate structures and financing plans for a wide variety of public infrastructure programs. He has managed the procurement of over \$1 billion in municipal debt and over \$300 million in state and federal grants and low-interest loans. Mr. Dove frequently shares his expertise and has given presentations at conferences including the Association of California Water Agencies (ACWA), the American Water Works Association (AWWA), the California Association of Sanitation Agencies (CASA), the California Municipal Rates Group (CMRG), the California Special District's Association (CSDA), the California Municipal Treasurers Association (CMTA), the California Water Environment Association (CWEA) and Water Reuse. By special request in July 2015, Mr. Dove made a presentation to the California Water Resources Control Board regarding water conservation pricing. Mr. Dove is also a published author of a water rate paper in the Journal of the American Water Works Association (*Implementing Consumption-Based Fixed Rates in Davis, Calif.*). Mr. Dove's expertise also includes assisting agencies in securing state and federal grants and loans and in issuing certificates of participation (COPs), revenue bonds, general obligation bonds, assessment district bonds, Marks-Roos revenue bonds, CFD (Mello-Roos) bonds, private placement loans and other types of debt. Mr. Dove recently finished his term on the board of directors of the National Association of Municipal Advisors (NAMA).

Education

M.S., Civil Engineering - University of California, Berkeley
B.S., Civil Engineering – Drexel University, Philadelphia, PA

Representative Projects

- **City of Modesto:** Provided rate expert litigation support in wastewater rate litigation. Developed water and wastewater cost-of-service and capacity fee studies.
- **Modesto Irrigation District:** Developed cost allocation methodology between the district's domestic water, irrigation, and electric enterprises.
- **City of Davis:** Comprehensive water rate study developed with a 15-member Water Advisory Committee. Completed a water capacity fee study for the City as well.
- **Big Bear City CSD, CA:** Water, sewer and solid waste cost-of-service rate studies
- **Pico Water District, CA:** Water financial plan and cost-of-service rate study
- **City of Placerville:** Wastewater rate study and capacity fees
- **Napa-Berryessa Resort Improvement District:** Developed financing plan for water and wastewater public-private partnership (P3). Prepared assessment engineers report. Formed an assessment district and secured \$11.1 million in federal funding from US Department of Agriculture.
- **City of American Canyon:** Comprehensive, multi-year water and wastewater rate study.
- **Madera County, CA:** Rate studies for twenty-three of the county's water and sewer special service districts
- **City of Patterson:** Water and wastewater rate studies and five-year financing plans.
- **City of San Juan Bautista:** Water and Wastewater rate and capacity fee studies, DIF study, Revenue bonds for water and wastewater projects, continuing disclosure services.
- **Del Paso Manor Water District:** Comprehensive water financial plan and rate study.

- **Browns Valley ID:** Water rate study
- **Rio Linda/ Elverta Community Water District:** Comprehensive water financial plan, connection fee and rate study.
- **City of Imperial, CA:** Water and wastewater financial plans and rate studies.
- **East Bay Municipal Utility District:** Comprehensive water rate study and AB 1600 capacity fee review, Wastewater cost-of-service review and capacity fee review, various other financial studies
- **City of Santa Barbara:** Comprehensive water rate and capacity fee study.
- **Newhall County Water District:** Provided rate expert litigation support in water rate litigation.
- **City of Monterey:** Developed financing plan and rate study for \$20 million wastewater pipeline rehabilitation project.
- **San Miguel Community Services District, CA:** Water and wastewater financial plans and rate studies.
- **City of Santa Clara:** Wastewater rate and capacity fee study.
- **City of Gilroy:** Water and wastewater rate studies.
- **West Valley Sanitation District (Campbell, CA):** Wastewater rate study, financing plan and bond issuance.
- **City of Calistoga:** Long range utility financial plan, water and wastewater rates, secured financing for WW treatment plant upgrade (\$6 million SRF loan, \$3 million Small Community Grant, \$3.5 million revenue bonds).
- **El Dorado Irrigation District:** Water and wastewater rate studies.
- **Lake Arrowhead Community Services District:** Financial master plan, \$28 million revenue bond refinancing and water and wastewater rate studies.
- **California Statewide Communities Development Authority:** Financial advisor for statewide pooled revenue bond program (over \$250 million issued for over 32 borrowers).
- **South Bay Water Recycling Program, Phases 1 & 2:** Financial plan and rate study for \$200+ million regional (San Jose area) wastewater recycling program.
- **City of Tulare:** Financial advisor to the city, sale of \$63 million in bonds (3 issues), water and wastewater rate studies.
- **Big Bear Area Regional Wastewater Agency:** Regional wastewater rate study, sale of bonds (2 issues) and bank loans (2 loans).

Professional Memberships

- National Association of Municipal Advisors (former Board Member)
- League of California Cities
- American Water Works Association
- Association of California Water Agencies
- California Water Environment Association
- California Association of Sanitation Agencies
- California Special Districts Association
- Water Reuse Association

Certifications

Certified Independent Professional Municipal Advisor (CIPMA), Registered Professional Engineer (PE) in California (PE# 45642) and MSRB -Registered Municipal Advisor – Series 50

ERIK W. HELGESON

Senior Project Manager



Erik Helgeson an assistant vice president of Bartle Wells and Associates. His areas of expertise include the development of financial plans, ratemaking, and policy solutions for water, stormwater and wastewater utilities. He has eleven years of utility finance experience as a finance analyst at Denver Water and now as a utility rate consultant. Erik has extensive expertise in working with executive level staff and assisting in strategic decisions. He serves on the American Water Works Association (AWWA) Rates and Charges Committee and has presented at the Utility Management Conference.

Education

M.B.A., Entrepreneurship – University of Colorado, Denver

B.A., Business Administration – Gonzaga University

Representative Projects

- **City of Modesto, CA:** Analytical support for water and wastewater financial plans and rate studies
- **Modesto Irrigation District:** Designed an allocation methodology between the district’s domestic water, irrigation, and electric enterprises.
- **City of Placerville, CA:** Analytical support for water financial plans and rate studies.
- **Big Bear City CSD, CA:** Water, sewer and solid waste cost-of-service rate studies
- **Pico Water District, CA:** Water financial plan and cost-of-service rate study
- **City of Hemet, CA:** Water budget rate design and cost of service study
- **City of Vacaville, CA:** Water and wastewater capacity fee studies
- **Union Sanitary District, CA:** Wastewater capacity fee study
- **San Luis Water District, CA:** Prop. 218 Assessment Election
- **City of Imperial, CA:** Lead consultant providing water and wastewater financial plans and rate studies
- **Madera County, CA:** Lead consultant providing rate studies for twenty-three of the county’s water and sewer special service districts
- **San Miguel Community Services District, CA:** Lead consultant providing water and wastewater financial plans and rate studies. The District was nearing insolvency and large rate increases were needed to save the District.
- **Alameda County, CA** Reviewed proposed wheeling charges on behalf of the local agency partners working on the Los Vaqueros Dam expansion project.
- **King City, CA:** Wastewater financial plan and rate study
- **Castle Pines North Metropolitan District, CO:** Lead consultant providing annual water and wastewater financial plans and rate study updates
- **Arapahoe Parks and Recreation District, CO:** Reviewed water rates for fairness
- **Las Gallinas Valley Sanitary District, CA:** Support for annual budget process
- **Leland Meadows CSD, CA:** Project manager for water and sewer rate studies
- **City of Willits, CA:** Lead consultant providing water and wastewater financial plans and rate studies

- **The Cities of Pinole and Hercules, CA:** Assisted the cities with the co-financing of a wastewater project with SRF loans. This included the design of the payment and reimbursement process, the administration of the process, and navigating the State requirements.
- **Humboldt Bay Municipal Water District, CA:** Lead consultant providing 10-year financial plan update
- **Marin Municipal Water District, Marin, CA:** Analyst supporting the financial plan and rate study update in 2016.
- **Carlsbad, CA:** Played a key role in completing the 2016 water cost of service study. Created a supply-based cost allocation and supply layered, tiered, water rate design
- **Sacramento County Water Authority, Sacramento, CA:** Lead analyst supporting water financial plan and rate study

Public Utility Experience

Denver Water, Denver, CO:

Senior Finance Analyst- Assisted with the annual cost of service study and financial plan, provided regular revenue reports, and oversaw the gathering and reporting of metrics to support Denver Water’s organizational improvement initiatives. As the lead analyst on the initiative to change the rate design he facilitated research (customer survey and affordability study), performed rate design analysis, and assisted with stakeholder outreach (municipalities, customers, business representatives, non-profits, and Denver Water executives and Board) which led to the adoption of new rate structures. He coordinated the implementation efforts between various business units to ensure a successful rollout of the new rates and rate structures.

Professional Memberships

American Water Works Association – Member of Rates and Charges Committee

Certifications

MSRB-Registered Municipal Advisor (Series 50)



West Valley Sanitation District, CA

WVSD provides wastewater collection and disposal services for the cities of Campbell, Monte Sereno, Los Gatos, much of Saratoga and unincorporated areas of the county, serving a population of approximately 109,000. The District's pipeline collection system consists of 414 miles of trunk and main sewer lines and 209 miles of sewer laterals spanning a total of 29.8 square miles.

In 2015, West Valley Sanitation District (WVSD) faced the need to fund over \$150 million of infrastructure projects over the next ten years related to a) its share of the rehabilitation of the San Jose-Santa Clara Regional Wastewater Facility (RWF) and b) the ongoing rehabilitation of its own sewer collection system. WVSD retained Bartle Wells Associates to develop a financial plan to fund this extraordinary level of infrastructure improvements, while maintaining its financial strength and minimizing impacts to ratepayers.

BWA performed a wastewater rate study for the District in 2018. A critical component of this study was ensuring rates would continue to be sufficient to fund the necessary level of infrastructure improvements. A significant component of the infrastructure cost was WVSD's share of San Jose-Santa Clara Regional Wastewater Facility costs which had deviated from significantly from the original projection in 2013.

Agency Contact:

John Newby, District Manager
(408) 378-2407

jnewby@westvalleysan.org





City of Modesto, CA

In 2015, BWA was retained to work with the City and the Industrial customers to develop a new wastewater rate structure based on the 2014 Tolling Agreement. Working closely with an accountant hired by the City's large industrial customers, BWA developed a separate large industrial wastewater rate structure and capacity fee schedule for cannery customers. BWA also developed new rates reflecting the City's tertiary treatment stream and secondary treatment "scalping." We met with stakeholder groups, the wastewater master planning engineering team, Finance Committee, and City Council on many occasions to vet our recommendations and gain consensus. Our rate study was implemented by City Council April 2016.

In 2015, the City retained BWA to conduct a comprehensive water rate study. The City had not raised rates since 2013 and experienced reduced revenue due to drought conditions. BWA developed drought surcharges and analyzed individualized rate structures for each of the City's outlying service areas. A Proposition 218 hearing to adopt proposed rates was successfully completed in Fall 2016.

In 2021 BWA was retained again to perform water and sewer rate studies. BWA is in the process of completing these studies.

Agency Contact:

William Wong, P.E., Sr. Engineer
(209) 571-5801
wwong@modestogov.com





Big Bear City Community Services District, CA

Bartle Wells Associates first assisted the District in 1967. BWA developed the district's early financing and revenue programs to build sewers and finance wastewater improvements. BWA assisted the district with the authorization and sale of three series of general obligation bonds and supervised the sale of five assessment bond issues in the Sugarloaf and Pinewood areas.

In 2015, BWA assisted the district in developing water, wastewater and solid waste 5-yr financing plans and rate studies.

Most recently, in 2019, BWA performed comprehensive water, wastewater and solid waste cost-of-service rate studies. BWA recommended a series of rate increases designed to meet each utility's operating and capital funding needs. BWA also reviewed the water and solid waste rate structures and customers classes and recommended modifications designed to equitably recover the costs of providing service, comply with Proposition 218, and achieve the District's objectives.

BWA assisted the District with the Proposition 218 noticing and the rate adoption process which ultimately resulted in Board's adoption of recommended rate increases and cost-of-service based rate structure modifications.

Contact:
Shari Strain
Finance Officer
909-585-6525
sstrain@bbccsd.org



Additional References are Available Upon Request

Section 4: Study Schedule



Provided below is a draft timeframe for completion of the Project based on the RFP. This is an achievable but very aggressive schedule. Completing the project according to this schedule will require the District to provide requested data in a timely manner and in usable formats e.g. budget information in Excel, provide prompt responses to question, and limit the number of financial plan and rate scenarios to review. BWA will work with the District to develop a final schedule designed to meet the District’s objectives.

Proposed Project Schedule

PROJECT TASK	FEB/MAR	APR/MAY	JUN/JUL
Data Collection			
10-Year Financial Plans			
Cost of Service Rate Analysis			
Draft, Revised, & Final Reports			
Public Meetings and 218 Process			

Note: Individual project milestones will be established based on consultation with the project team.

Section 5: Cost Proposal



Provided below is a draft breakdown of our budget by task. The budget is set to be a maximum not-to-exceed amount which reflects the scope in the RFP, including six in person meetings. We remain available to work with the District to refine the scope and budget to meet the District's objectives and expectations.

Sewer Rate Study	Estimated Hours	D. Dove @ \$265/hr	E. Helgeson @ \$225/hr	Total Cost
DATA COLLECTION and REVIEW	15	5	10	\$3,575
LONG-RANGE FINANCIAL PLAN	48	8	40	\$11,120
COST OF SERVICE RATE ANALYSIS	58	8	50	\$13,370
PRESENTATIONS and REPORTS	75	15	60	\$17,475
SUBTOTAL HOURS	196	36	160	\$45,540
ESTIMATED NOT-TO-EXCEED EXPENSES				\$2,000
TOTAL PROJECT COSTS				\$47,540

1. Bartle Wells Associates is prepared to begin work upon authorization to proceed.
2. During the project development period, Bartle Wells Associates will be available at all reasonable times and on reasonable notice for meetings and for consultation with staff, attorneys, consulting engineers, and others as necessary.
3. Bartle Wells Associates will perform all work related to the assignment. Douglas Dove, a firm principal, will be assigned as project manager on this assignment. He will serve as the lead contact person for BWA and will be involved with the project a day-to-day basis. Doug will be assisted by Erik Helgeson, project consultant. This project team may be assisted by other BWA analysts as needed.
4. The fees for services outlined in this proposal will not exceed \$45,540 plus direct expenses estimated not to exceed \$2,000. The total project cost for the sewer rate study will not exceed \$47,540. The fee is based on the following assumptions:
 - a. All necessary information will be provided by the client agency in a timely manner.
 - b. Development of a draft, final draft, and final versions of tables, presentations, and reports. Time and expenses involved in revising tables and assumptions or developing additional versions of documents may constitute additional services if not achievable within the budget.
 - c. Up to 6 trips to the District for meetings and/or presentations. Additional meetings or presentations may constitute additional services if not achievable within the budget.
5. In addition to the services provided under this proposal, Bartle Wells Associates may be authorized to perform additional services for which we will be compensated on a time and materials basis according to our Billing Rate Schedule. Additional services may include, but are not limited to additional meetings or presentations, substantial changes in project scope, and other services.
6. For the services in this proposal, Bartle Wells Associates is serving as a utility rate and finance consultant, but is not serving in the capacity as a Municipal Advisor regarding the issuance of debt. Any regulated Municipal Advisory activity would need to be authorized via a separate agreement.
7. Progress payments and direct expenses are payable on a time and materials basis as the work proceeds as provided in our Billing Rate Schedule 2022, which will remain in effect through the duration of this assignment.
8. Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance as provided in the Certificate of Insurance attached.
9. If the project is terminated for any reason, Bartle Wells Associates is to be reimbursed for professional services and direct expenses incurred up to the time we receive notification of such termination.
10. We will not require a formal contract of employment and will consider a letter or email from an appropriate official as sufficient authority to proceed.
11. This proposal may be withdrawn or amended if not accepted within 90 days of its date.



BARTLE WELLS ASSOCIATES
BILLING RATE SCHEDULE 2022
Rates Effective 1/1/2022

Professional Services

Financial Analyst I	\$110 per hour
Financial Analyst II	\$135 per hour
Consultant	\$165 per hour
Senior Consultant.....	\$195 per hour
Senior Project Manager	\$225 per hour
Principal Consultant	\$265 per hour

The hourly rates for professional services include all overhead and indirect expenses. Bartle Wells Associates does not charge for administrative support services. Expert witness, legal testimony, or other special limited assignments will be billed at one and one-half times the consultant’s hourly rate.

The above rates will be in effect through December 31, 2022 at which time they will be subject to change.

Direct Expenses

Subconsultants will be billed at cost plus ten percent. Word processing and computer-assisted services related to official statement production are charged as direct expenses at \$75 per hour. Other reimbursable direct expenses incurred on behalf of the agency will be billed at cost plus ten percent. These reimbursable costs include, but are not limited to:

- Travel, meals, lodging
- Printing and photocopying
- Special statistical analysis
- Outside computer services
- Bond ratings
- Automobile mileage
- Messenger services and mailing costs
- Graphic design and photography
- Special legal services
- Legal advertisements

Insurance

Bartle Wells Associates maintains insurance in the amounts and coverage as provided in the attached schedule of insurance. Additional or special insurance, licensing, or permit requirements beyond what is shown on the schedule of insurance are billed in addition to the contract amount.

Payment

Fees are typically billed monthly for the preceding month and will be payable within 30 days of the date of the invoice. A late charge of 1.0 percent per month may be applied to balances unpaid after 60 days.

SCHEDULE OF INSURANCE



SCHEDULE OF INSURANCE

Insured: BARTLE WELLS ASSOCIATES

Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance in the amounts and coverage as provided in this schedule. If additional insurance is required, and the insurer increases the premium as a result, then the amount of the increase will be added to the contract price.

TYPE OF INSURANCE	COMPANY POLICY NUMBER	COVERAGES AND LIMITS	EXP. DATE
Commercial General Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> ▪ \$2,000,000 General Aggregate ▪ \$2,000,000 Products Comp/Op Aggregate ▪ \$2,000,000 Personal & Advertising Injury ▪ \$1,000,000 Each Occurrence 	6/1/22
Excess/Umbrella Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> ▪ \$1,000,000 Aggregate ▪ \$1,000,000 Each Occurrence 	6/1/22
Automobile Liability	Hartford Insurance Company Policy #35-UEC VU2842	<ul style="list-style-type: none"> ▪ \$1,000,000 Combined Single Limit 	6/1/22
Workers Compensation & Employers' Liability	Hartford Underwriters Insurance Company Policy #35-WEC FG7858	<p>Workers' Compensation: Statutory Limits for the State of California. Employers' Liability:</p> <ul style="list-style-type: none"> ▪ Bodily Injury by Accident - \$1,000,000 each accident ▪ Bodily Injury by Disease - \$1,000,000 each employee ▪ Bodily Injury by Disease - \$1,000,000 policy limit 	6/1/22
Professional Liability	Chubb & Son, Inc. BINDO94045	<p>Solely in the performance of services as municipal financing consultants for others for a fee.</p> <p>Limit: \$2,000,000 Per Occurrence & Aggregate (including defense costs, charges, and expenses)</p>	6/1/22



Sanitary District No. 5 of Marin County

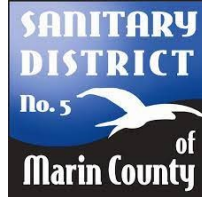
Comprehensive Sewer Rate Study Proposal



February 4, 2022

SANITARY DISTRICT NO. 5 OF MARIN COUNTY

P.O. Box 227
Tiburon, CA 94920



COMPREHENSIVE SEWER RATE STUDY

PROPOSAL

February 4, 2022

HF&H CONSULTANTS, LLC



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Walnut Creek, California 94596
Telephone: 925/977-6950
www.hfh-consultants.com

Robert D. Hilton, Emeritus
John W. Farnkopf, PE
Laith B. Ezzet, CMC
Richard J. Simonson, CMC
Marva M. Sheehan, CPA
Robert C. Hilton

February 4, 2022

Tony Rubio
District Manager
Sanitary District No. 5 of Marin County
P.O. Box 227
Tiburon, CA 94920

Submitted electronically to trubio@sani5.org

Subject: Comprehensive Sewer Rate Study Proposal

Dear Tony Rubio:

HF&H Consultants, LLC (HF&H) is pleased to submit this proposal to the Sanitary District No. 5 of Marin County (District) to perform a comprehensive sewer rate study. We have prepared and organized our proposal based on the instructions contained in your request for proposal and any District-issued addendums, and trust we are fully responsive to your direction.

The District can depend on their prior partnership with HF&H to obtain their desired results. From our previous engagements with the District, HF&H is prepared to provide the District with defensible, Proposition 218-compliant rates, generated from well-thought out and well-documented analyses. We are conscientious of creating an administrative record that is easy to follow.

HF&H understands the District's existing sewer rate structure, having prepared the latest sewer rates model for the District to set rates for FY 2010-11 through FY 2013-14. Our firm's experience providing support to the District began in 2005. The District has made a considerable investment in HF&H and our experience developing the previous rate studies for the District will significantly reduce the learning curve other consultants less familiar with the District will face. Our experience developing prior rates and familiarity with District staff will ensure well-vetted recommendations and timely implementation of rate increases.

Public support is the key to a smooth and efficient rate adjustment. Effective public outreach is crucial. Typically, the public is not necessarily interested in how the rates are calculated, but what the rates are paying for and that their charges will be commensurate with the services they are receiving - nothing more, nothing less.

While our presentations provide a high-level overview of the "how" and the "what," our reports provide greater detail for those who wish to dig deeper.

Our public meetings are geared towards helping the Board of Directors and the public understand, and ultimately support, the rate changes.

Tony Rubio
 February 4, 2022
 Page 2 of 3

Executive Summary

Our qualifications are described throughout our proposal, which we briefly highlight as follows:

- **Section I. Approach to the Project** – How we approach the District's needs reflects decades of experience tailoring standard rate-making practices to the unique needs of our clients. Our prior experience working for the District further informs our proposed approach. Our work plan tasks address the scope of services in the RFP.
- **Section II. Experience** – We are a rate-making firm that specializes in setting rates in California. We are not an engineering or accounting firm with other business interests. In addition to our rate-making experience throughout California, we have direct experience with the District's sewer rates and continue to support neighboring agencies.
- **Section III. Qualifications** – Collectively, our team has worked on numerous rate studies together, providing successful implementation of new rates to satisfied clients.
- **Section IV. References** – Do not hesitate to talk to our references. They can help you understand the benefits of working with HF&H better than we can. We pride ourselves on the number of long-term clients we continue to serve.
- **Section V. Project Schedule** – Our schedule of professional fees and expenses, both direct and indirect, has been included. Our proposed schedule recommends two phases to address the District's needs. First, we recommend adjusting existing rates in FY 2022-23 by a uniform percentage increase to ensure timely implementation on this year's tax roll. We can adjust our previous rate study model to save time and expense to the District. Once FY 2022-23 rates are approved, we recommend proceeding with a full cost-of-service rate study to set rates for FY 2023-24 through FY 2027-28. The additional time will ensure District staff's, Board of Directors', and community's input is sufficiently incorporated into the proposed rates that both officials and the public will back. The financial model produced during the FY 2022-23 rates update will serve as a starting point and can be expanded upon to conduct the cost-of-service analysis to set new rates. Our schedule will be confirmed with the District at the outset of the project to ensure that it meets the District's expectations.
- **Section IV. Cost Proposal** – Our past experience with the District means that we are well-positioned to make use of our existing models rather than starting from scratch, an advantage that is realized by the District as both a cost- and time-effective project. Our schedule of professional fees and expenses, both direct and indirect, has been included.
- **Appendices.** Appendix A contains HF&H project team résumés. Appendix B contains a copy of our FY 2019-20 Sausalito-Marín City Sewer Rates Study report.

Our approach recommends two phases to address the District's needs. This phased approach will provide adequate time to explore alternative rate structures (e.g., flow-based residential rates) and conduct a thorough cost-of-service analysis.

Tony Rubio
February 4, 2022
Page 3 of 3

* * * * *

Willingness to Execute Contract. It is our intent to provide the required services as described in our proposal in conformance with the District's Professional Services Agreement. As an officer of the firm who is legally authorized to contractually bind HF&H, I can state that our proposal will be valid for 90 days.

Legal Issues. There is no past or pending litigation against the firm, principals of the firm, or any of the key consultants related to services performed for public agencies or in actions that may affect its performance under a contract with the City. We proud that our rates have never been successfully challenged in court.

Disclosures. None of HF&H's staff, nor its principal of the firm, have been or currently are the subject of any investigation by the County, State, and/or Federal agencies in the past five years.

We are pleased to receive this opportunity to assist the District and look forward to an opportunity to discuss our qualifications with you. Please feel free to contact me at rsimonson@hfh-consultants.com or (925) 977-6957 with any questions.

Sincerely,
HF&H CONSULTANTS, LLC

Rick Simonson, CMC
Senior Vice President

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Appendices

Appendix A. Project Team Résumés

Appendix B. Sample Report: FY 2019-20 Sausalito-Marin City Sanitary District Sewer Service Charge Study

I. APPROACH TO THE PROJECT

Our understanding of the proposed project is based in part on information contained in the RFP, answers to questions from the District, addendums issued by the District, and documents found on the District's website. From these sources, we understand that the scope of services includes sewer rates. The District needs assistance in establishing new rates beginning in FY 2022-23. Our proposed scope reflects a phased approach. The first phase will update the District's rates for FY 2022-23. The second phase will entail a cost-of-service analysis to set rates for FY 2023-24 to FY 2027-28. Specific approaches, methodologies, and our scope of work are discussed below.

Project Understanding

Our Scope of Work was influenced by this understanding, with the following factors deserving of significant attention:

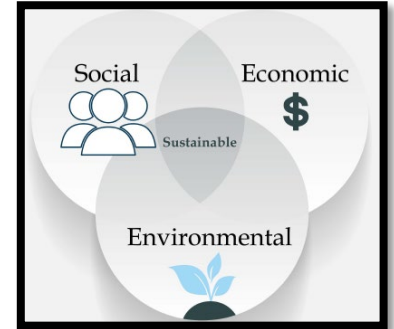
- The District provides service to the Town of Tiburon, the City of Belvedere, and Paradise Cove. The majority of accounts served are residential customers.
- The District's sewer rates were last studied in 2010. Current rates reflect those previously implemented in FY 2014-15.
- The District's sewer rates account for the collection and treatment of wastewater discharged by its customers. Rate charges vary according to the location of each parcel. Customers are either charged a rate corresponding to the Tiburon/Paradise Cove zone or a rate corresponding to the Belvedere zone.
- The District bills sewer customers annually via the tax roll. Residential customers are billed a flat annual charge per account, assuming one EDU per account. Non-residential customers (including hotels and inns) are billed a uniform rate per EDU. For non-residential customers, the number of EDUs billed is determined in two steps: 1) The previous year's water consumption is multiplied by an EDU Factor to account for differences in wastewater loading among user groups; and 2) The product of the first step is divided by the average annual residential flow.
- Non-residential rates reflect five levels of wastewater strength, expressed as EDU Factors ranging from 1-2.4. There is no distinction in multi-family and single-family rates to reflect differences in flow.
- The District is interested in examining the existing rate structure and considering alternative rate structures. With any changes the District wants to ensure the new rate structure provides adequate revenues generated from rates, is defensible, equitable across customer classes, and complies with Proposition 218 rate setting requirements.

Approach

Our approach reflects innovations that we have introduced in an ever-changing, litigious rate-making environment. We are quick to adapt to emerging legal complications. We are also well-grounded in long-standing industry standards. As a result, *neither our rate studies nor our Proposition 218 procedural requirement process have ever been challenged in court.*

Based on this understanding of the District’s requirements, we have developed the following workplan. The tasks are designed to address the objectives listed in the District’s RFP, while meeting all governing legal requirements and conforming with best industry practices.

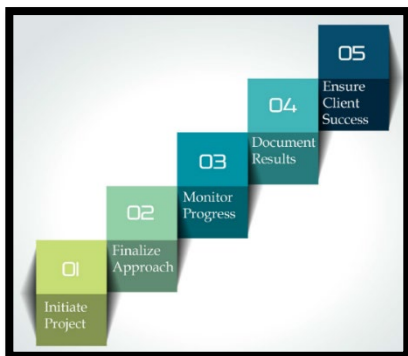
We develop fair, equitable, and sensible rates that ensure revenue stability and play a key role in adequately funding utility operations and maintenance, while encouraging conservation. Our rate-making approach is to balance equity among rate payers and revenue stability for the jurisdiction, while meeting the requirements of Proposition 218.



Project Methodology and Management

Our methodology is tailored to the case at hand. We evaluate each study on its own merits and develop recommendations in collaboration with staff that will provide the greatest future benefit. Our models are custom made for each study. We design them with staff input so that they provide the required functions for determining rates now, as well as for later use. At the end of the project, our models are provided with no restrictions or additional costs. We are greatly pleased to see our clients use them in the subsequent years, following project completion.

Based on the information available in the District’s RFP, we expect that the District requires a comprehensive rate analysis that includes revenue requirement projections, cost of service analysis, and rate design. Toward that end, we would meet with the District to collect data, develop models, and report results to staff, elected officials, and the public to ensure your success. We would also expect to assist with Proposition 218 requirements.



The scope of this project is of sufficient magnitude to warrant special attention to project management. It is our practice to promote effective project management by establishing agreed upon communication protocols at the outset to manage the schedule and budget. These protocols are established during contract negotiations and maintained thereafter. During contract negotiations, our work plan, schedule, and budget will be reviewed and changed, if warranted.

For example, we may find areas where use of the District’s staff resources will enable us to reduce our level of effort. There may also be other areas where we have over- or under-estimated the level of effort or the duration required to complete individual tasks. Our work plan will be modified as required and the revised schedule will serve as the goals for monitoring progress.

Phase 1 Scope of Work - FY 2022-23 Rates Update

The following is a detailed outline of the recommended work plan to be followed by HF&H staff to update the District’s current rates for FY 2022-23. New rates are intended to be approved prior to July 1 for timely implementation on the tax roll. Draft and final deliverables will be provided in Microsoft Word, Excel, and PDF formats. Deliverables in Word and Excel formats will be editable by District staff. The District may elect to, and we would recommend, having legal counsel review the report and provide comments.

Task 1.1. Project Kickoff & Data Collection

The purpose of this task is to lay the foundation for the FY 2022-23 rates update. This task's immediate objective is to update our understanding of how the District's utilities operate with regard to finances, staffing, billing, and relationships with other agencies or contractors.

We will facilitate a virtual kick-off meeting with key District staff. The meeting will introduce the participants (District and HF&H) and identify their project roles and expectations. Meeting topics will include: discussions evaluating relevant fiscal policies and community interests, identifying current issues and concerns (financial and operational), discussing project scope, timing, and deliverables, and requesting and compiling all relevant and required data. HF&H will provide a data request list ahead of this meeting for the purpose of discussion during the kick-off meeting.

Deliverables: Kick-off meeting and data request issued to District staff.

Task 1.2. Develop Financial Plan Model

We will prepare a five-year financial planning model projecting O&M and capital expenses, operating and non-operating revenue, and reserve fund balances. Expenses are based on the District's budget and capital improvement program. The financial plans are Excel spreadsheet models that will provide the District with a means of updating wastewater rates when annual budgets and capital expenditures change each year. The models are work products included as part of the deliverables at no additional cost and with no licensing restrictions.

Our foremost interest in modeling will be to present a highly organized analysis that will facilitate understanding and user friendliness.

In preparing the financial plans, we approach each element as follows adapting the previous rate study model as necessary to meet the District's current needs:

- **Expenses.** We rely on the District's budget and other reports with which it is most familiar as much as possible so that our model is easy for the District to follow. We utilize the District's chart of accounts, not some predetermined format from other studies. We calculate operating expenses, whenever possible, based on the underlying unit costs and purchased commodities (e.g., power, chemicals).
- **Revenues.** We calculate and project rate revenue based on the current rate structure and projected growth in units of service (e.g., hundred cubic feet (hcf) in commercial water use and growth in equivalent dwelling units). This is more accurate than simply extrapolating total revenues, which is a common, albeit less accurate, practice that provides a good crosscheck on the District's numbers.
- **Reserves.** The revenue requirements project expenses and revenues. Reserve funds are the third critical element in the model. Each of the District's current reserve funds will be integrated into the model to show inbound and outbound transfers for each year. Existing policies for current funds will be evaluated, as will the need for adding, deleting, or redefining the funds. Beyond maintaining operating reserves for sufficient cash flow purposes, we will evaluate the need for and capability to fund additional reserves, such as capital reserves (for future repairs and replacements), emergency reserves, debt service reserves, rate stabilization reserves, and a retirement fund.

Projecting reserve balances is an extremely important component of rate analysis.

- **Capital Improvement Projects.** We have built long-term financial planning tools that allow agencies to see the effects of alternative approaches to funding capital improvements. For example, projects funded via State Revolving Fund (SRF) or Water Infrastructure Finance and Innovation Act (WIFIA) loan programs require massive cash balances up front because the State reimburses the borrower up to a year after the expense has been incurred. Bonds, on the other hand, do not require a sizeable upfront cash balance. Our easy-to-use CIP financing tool considers the effects that these alternatives have on projected cash balances. The District's five-year CIP plan will be used to determine an average annual revenue requirement that will be included with revenue requirement projections.

Deliverables: Five-year financial model.

Task 1.3. Rate Recommendations

A comparison of revenues at current rates versus the revenue requirement for FY 2022-23 will inform our proposed rate recommendations. Proposed rates for FY 2022-23 will recommend a uniform percentage adjustment applicable to all existing rates to align revenues with the revenue requirement. It is possible the District's reserve fund balance is healthy and current revenues have kept up with the revenue requirement. If so, no increases will be required for FY 2022-23. Overall, with a constrained schedule to implement rates by June 23, 2022, the intention is to make a one-year adjustment to existing rates. We would plan to revisit the existing rate structure and cost of service in a detailed ten-year cost-of-service study to set rates for FY 2023-24. Refer to Task 2.3 for further information.

Deliverables: One (1) rate revenue adjustment recommendation presented in reports, presentations, and community meetings.

Task 1.4. Documentation of Results (Draft and Final Report)

The purpose of this task is to present the results of the analyses to District staff, the Board of Directors, and the public.

We will begin by documenting the results of the analysis in a Draft Report, which we will review with District staff and the Finance Committee and revise accordingly, based on their comments. The documentation will assess the current state of the District's revenues in relation to expense projections. The report will justify the need for any proposed revenue increase in FY 2022-23.

The Draft Report will be revised accordingly, based on input from staff and the Finance Committee to submit a Draft Final Report to the Board of Directors. Following input from the Board, we will revise and submit a Final Report by April 21, 2022. Presentations to the Board and Finance Committee are included as part of Task 1.5.

Deliverables: One (1) draft report, one (1) draft final report, and one (1) final report.

Task 1.5. Communicate Results (Presentations, Community Meetings)

The purpose of this task is to educate the public on the proposed sewer rates with the goal of increasing the overall support for new rates. Beginning in April, we will present our initial recommendations to the Finance committee before making two separate presentations to the Board of Directors to present our revised and final recommendations. The presentations will provide an overview of how the proposed

revenue adjustments were derived for their approval. Community meetings will focus on reasons for the rate increases, proposed rate recommendations, and customer bill impacts under the proposed rates. Members of the public should leave these meetings with an improved sense of what the new rates are paying for. In addition, they should have a better sense of how the revenues from their bills contribute toward the future well-being of the District's sewer infrastructure.

During the second meeting with the Board of Directors, we will present our Final Report for their approval and their authorization for District staff to mail notices to rate payers, initiating the Proposition 218 protest process.

Deliverables: One (1) presentation to the Finance Committee. Two (2) presentations to the Board of Directors for approval to mail the Proposition 218 notice to rate payers. Two (2) community meetings.

Task 1.6. Implementation

We will assist in preparing the notice to rate payers required under Proposition 218. The District may elect to, and we would recommend, having legal counsel review the Proposition 218 notice and provide comments. It is our assumption the District would print and distribute the Proposition 218 notice to rate payers.

We will attend up to two (2) public hearings on the proposed sewer rates to address any questions posed by the public or Board of Directors.

Deliverables: One (1) draft Proposition 218 notice. Two (2) public hearings.

Task 1.7. Meetings with the District

We have found staff check-ins to be most helpful during the initial phase of the analysis. These meetings ensure we are correctly interpreting the data staff has provided and identifying any unforeseen issues the client may be facing early on in the project. Weekly virtual check-in meetings will give us opportunities to provide preliminary results of our financial analysis, cost-of-service analysis, and rate recommendations to staff.

Deliverables: Virtual weekly meetings with appropriate District staff spanning from the weeks of February 21 to April 24. One (1) additional meeting before the public hearing to be held June 2022.

Task 1.8. Project Management

An allowance is required for monitoring schedules and budgets, as well as quality control checks to peer review our analyses and work products. This task includes creation of project progress reports and control reports for invoicing.

Phase 2 Scope of Work - FY 2023-24 Cost-of-Service Rate Study

The following is a detailed outline of the recommended work plan to be followed by HF&H staff to conduct a cost-of-service analysis to set rates for FY 2023-24 through FY 2027-28. New rates are intended to be approved prior to July 1 2023 for timely implementation on the tax roll. Draft and final deliverables will be provided in Microsoft Word, Excel, and PDF formats. Deliverables in Word and Excel formats will be editable by District staff. The District may elect to, and we would recommend, having legal counsel review the report and provide comments.

Task 2.1. Project Kickoff & Data Collection

Once FY 2022-23 rates have been adopted, we can kick-off the cost-of-service study. We will facilitate a virtual kick-off meeting with key District staff to focus on objectives specific to the cost-of-service study. Meeting topics will include: discussions evaluating relevant fiscal policies and community interests, identifying current issues and concerns (financial and operational), discussing project scope, timing, and deliverables, and requesting and compiling all relevant and required data. HF&H will provide a data request list ahead of this meeting for the purpose of discussion during the kick-off meeting.

One critical component to any rate study is the level of customer data available for analysis. We will assess the specificity of data available during the kickoff meeting. In wastewater rate studies, we prefer to conduct a mass balance to account for District-wide use, employing available treatment plant data for wastewater flow and loading recorded at the treatment plant. From our experience working with Sausalito-Marín City Sanitary District, we are accustomed to working with Marin Municipal Water District to analyze customer water use data and do not foresee this part of the analysis presenting any challenge. It is also helpful to begin with any pre-existing assumptions of equivalent dwelling unit flows or loading by customer class. In absence of this level of detail, or significant effort to obtain the detail, we will work with the District to determine an alternate method to analyze the cost-of-service for each customer class using data available. Any changes to our approach will be examined and discussed with the District, as it may impact the project timeline and scope.

From our experience working with Sausalito-Marín City Sanitary District, we are accustomed to working with Marin Municipal Water District water use data

Deliverables: Kick-off meeting and data request issued to District staff.

Task 2.2. Develop Financial Plan Model

We will build off the existing five-year model prepared during the FY 2022-23 rates update. We will prepare a ten-year financial planning model projecting O&M and capital expenses, operating and non-operating revenue, and reserve fund balances beginning for FY 2023-24. Expenses are based on the District's budget and capital improvement program. The financial plans are Excel spreadsheet models that will provide the District with a means of updating sewer rates when annual budgets and capital expenditures change each year. The models will be developed with input from District Staff to ensure that they meet the District's needs and will be as simple as possible so that special training is minimal. The models are work products included as part of the deliverables at no additional cost and with no licensing restrictions.

Our foremost interest in modeling will be to present a highly organized analysis that will facilitate understanding and user friendliness.

In preparing the financial plans, we approach each element as follows:

- **Expenses.** We rely on the District's budget and other reports with which it is most familiar as much as possible so that our model is easy for the District to follow. We utilize the District's chart of accounts, not some predetermined format from other studies. We calculate operating expenses, whenever possible, based on the underlying unit costs and purchased commodities (e.g., power, chemicals).
- **Revenues.** We calculate and project rate revenue based on the current rate structure and projected growth in units of service (e.g., hundred cubic feet (hcf) in commercial water use and growth in

equivalent dwelling units). This is more accurate than simply extrapolating total revenues, which is a common, albeit less accurate, practice that provides a good crosscheck on the District's numbers.

- **Reserves.** The revenue requirements project expenses and revenues. Reserve funds are the third critical element in the model. Each of the District's current reserve funds will be integrated into the model to show inbound and outbound transfers for each year. Existing policies for current funds will be evaluated, as will the need for adding, deleting, or redefining the funds. Beyond maintaining operating reserves for sufficient cash flow purposes, we will evaluate the need for and capability to fund additional reserves such as capital reserves (for future repairs and replacements), emergency reserves, debt service reserves, rate stabilization reserves, and a retirement fund.
- **Capital Improvement Projects.** We have built long-term financial planning tools that allow agencies to see the effects of alternative approaches to funding capital improvements. For example, projects funded via State Revolving Fund (SRF) or Water Infrastructure Finance and Innovation Act (WIFIA) loan programs require massive cash balances up front because the State reimburses the borrower up to a year after the expense has been incurred. Bonds, on the other hand, do not require a sizeable upfront cash balance. Our easy-to-use CIP financing tool considers the effects that these alternatives have on projected cash balances. The District's five-year CIP plan and 2020 Wastewater Collection Systems Master Plan will be used to capital expense projections.

Projecting reserve balances is an extremely important component of rate analysis.

Deliverables: Ten-year financial model.

Task 2.3. Cost-of-Service Analysis

The first year of the financial plans, FY 2023-24, will be used for the cost-of-service analysis, in which the overall revenue requirements are distributed among the customer classes. The cost-of-service analysis will be tailor-made to conform to the rate structures that are identified for each customer class. The calculations will show the derivation of the unit costs of service, which are applied to all customers' units of service to determine each class' share of the overall revenue requirement.

The cost-of-service analyses are dependent on the rate structure for which rates are designed. Prior to preparing the cost-of-service analyses, we will present alternatives for the District's consideration. In presenting these alternatives, we will determine whether the District's customer billing system has the ability to charge the rates. Such alternatives to consider include modifying all rates to a flow-based structure, modifying existing charges to include both a fixed and volumetric component, and evaluating the existing distinction of rates by geographic zone (Belvedere and Tiburon/Paradise Cove) and customer classes. We do not want to pursue alternative rate structures before we know that they can be implemented by the District.

We will be careful to show how the results of the cost-of-service analysis compare with the revenue that is generated by current rates. This is an important step in explaining how the rates are changing. By the end of the rate calculations, we will clearly indicate (1) how much the overall revenue requirement changes; (2) how much the cost-of-service changes for each customer class; (3) how much the rates change for each customer class; and (4) how much customer bills change for representative customers.

Our explanation will greatly aid in understanding why customers' bills increase more or less than the overall increase in revenue requirements.

The cost-of-service analyses will allocate the revenue requirements between the fixed and volumetric charges, as well as among the various sewer customer classes within each zone. We will work closely with District staff to develop allocation factors based on usage and loading data for each class. The result will be compared with the revenue from current charges to determine the difference and the transitional strategy that may be needed to align the updated rates with the cost-of-service without causing rate shock or hardships for any class.

Deliverables: Cost-of-service, allocations tab within the model. Includes two (2) options of allocation structures presented to the Board of Directors.

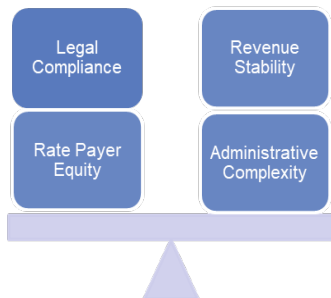
Task 2.4. Comparative Analysis

To aid staff and the Board of Directors with determining what rate recommendations (see Task 2.5) are most appropriate, we will conduct a survey and analysis of appropriate industry benchmarks, and comparable Bay Area agencies. While every agency is unique, we will compare each agency's sewer system costs (operations, capital improvements, and bonded debt) to the District. The results of this comparison will be shared in meetings with staff and can be included in reports and presentations, as well.

Deliverables: Comparison of the District's sewer system costs with Bay Area agencies and industry benchmarks, captured in the rate model and presented in reports, and public meetings.

Task 2.5. Rate Recommendations

Our rate structure recommendations will consider current and future operations and maintenance costs, projected customer demand patterns, changes in wastewater customer loading, water supply, growth rates, and capital improvement requirements. Benefits and expenses specific to each of the two existing zones will be considered in our recommendations, as well. There may be other issues facing the District, such as hardship subsidies for low-income customers. We will assist the District in understanding the legal requirements and current industry standards.



The process of designing rates is one in which the District's current rates are compared with the proposed alternative that is identified during the cost-of-service analysis. Again, our approach is very methodical to ensure that the proposed alternative meets all of the District's rate-making objectives.

Our rate designs are presented so that impacts are easily understood by staff, elected officials, and rate payers. We compare rate structure alternatives with the current rate structure and with comparable regional agencies' rate structures. We also compare the customer bills produced by those rate structures (see Task 2.8). For both comparisons, we use tabular and graphical techniques to clearly communicate the differences. These techniques allow us to make refinements during meetings to achieve the optimal result.

The wastewater cost of service analysis will rely on both the Water Environment Federation's methodology and the State's Revenue Program Guidelines. A mass balance will be performed in determining the respective loadings from each customer class.

Our wastewater model can be developed to evaluate the feasibility of rate structure alternatives from current rates. For example, we can analyze whether existing EDU Factors should be updated to reflect the current cost of providing service to the five non-residential user groups. We can determine whether multi-family and single-family sewer rates should adjust to reflect differences in average wastewater flow. We can examine whether rates charged to one customer class, regardless of location in Belvedere or Tiburon, should be equal or revised to reflect the current cost-of-service. These alternative approaches are intended to provide revenue stability and promote rate payer equity.

Our methodology will be integrated into a spreadsheet model for current use in setting rates for the next five years, as well as for the District's future use in each year's update. Our rate models are exceptionally user friendly and contain worksheets that organize the analysis into logical units. Each worksheet has a column that indicates the flow of calculations among worksheets or within the worksheet so District staff can follow the model and understand how information is input and used, for future updating. Each worksheet also contains footnotes referring to source documents and key assumptions.

Deliverables: Two (2) rate structure options presented to the Finance Committee and staff.

Task 2.6. Assess Miscellaneous Fees

A draft model will be developed that builds on the District's existing tabulation in which salaries and benefits are derived for each employee. Working with this tabulation and the District's budget, we will add columns for allocating personnel in order to determine how much support overhead cost to add to the District's personnel who provide the services. Each staff person will be allocated between the support and operations categories; these allocations will be verified with District staff. The ratio of the direct labor costs (salaries and benefits) for support staff to operations staff will be used as the overhead factor to determine the fully burdened hourly rates.

The model will include a worksheet in which the fees and charges are derived. For each fee and charge, the appropriate staff will be identified and estimates of the time associated with each staff person will be made. In cases where there are multiple staff in the same staff position, an average of the hourly rates for that position will be used. The cost to provide each service will be calculated by multiplying each staff person's fully burdened hourly rate times the corresponding time, plus materials costs.

For those existing services that are not provided on an hourly basis, we will rely on the existing cost basis, which we will confirm with District staff. For new services, we will rely on industry practices or judgement to develop a reasonable charge, again, with confirmation from District staff.

Task 2.7. Documentation of Results (Draft and Final Report)

The purpose of this task is to present the results of the analyses to District staff, the Board of Directors, and the public.

We will begin by documenting the results of the analysis in a Draft Report, which we will review with District staff and the Finance Committee and revise accordingly, based on their comments. The

documentation will explain how the methodology complies with the substantive provisions of Proposition 218, relevant court decisions, and other assumptions. The meeting to review the Draft Report is included as part of Task 2.8. The report will address all required components identified in the District's RFP.

The Draft Report will be revised accordingly, based on input from staff to submit a Draft Final Report to the Board. Following input from the Board, we will revise and submit a Final Report by before the end of April 2023. Presentations to the Board and Finance Committee are included as part of Task 2.8. Dates can be more accurately determined during the cost-of-service study project kick-off meeting.

Deliverables: One (1) draft report, one (1) draft final report, and one (1) final report.

Task 2.8. Communicate Results (Presentations, Community Meetings)

The purpose of this task is to educate the public on the proposed sewer rates with the goal of increasing the overall support for new rates. Beginning in April 2023, we will present our initial recommendations to the Finance Committee before making two separate presentations to the Board of Directors to present our revised and final recommendations. The presentations will provide an overview of our analytical process (i.e., how rates were derived and how future rates will fund the water and wastewater enterprise programs). Community meetings will focus on reasons for the rate increases, proposed rate recommendations, and customer bill impacts under each rate scenario. Members of the public should leave these meetings with an improved sense of what the new rates are paying for. In addition, they should have a better sense of how the revenues from their bills contribute toward the future well-being of the District's sewer infrastructure.

During the second meeting with the Board of Directors, we will present our Final Report for their approval and their authorization for District staff to mail notices to rate payers, initiating the Proposition 218 protest process.

Deliverables: One (1) presentation to the Finance Committee. Two (2) presentations to the Board of Directors for approval to mail the Proposition 218 notice to rate payers. Two (2) community meetings.

Task 2.9. Implementation

We will assist in preparing the notice to rate payers required under Proposition 218. The District may elect to, and we would recommend, having legal counsel review the Proposition 218 notice and provide comments. It is our assumption the District would print and distribute the Proposition 218 notice to rate payers.

We will attend up to two (2) public hearings on the proposed sewer rates to address any questions posed by the public or Board of Directors.

Deliverables: One (1) draft Proposition 218 notice. Two (2) public hearings.

Task 2.10. Meetings with the District

We have found staff check-ins to be most helpful during the initial phase of the analysis. These meetings ensure we are correctly interpreting the data staff has provided and identifying any unforeseen issues the client may be facing early on in the project. Virtual check-in meetings will give us opportunities to provide preliminary results of our financial analysis, cost-of-service analysis, and rate recommendations to staff.

Deliverables: Virtual meetings with appropriate District staff.

Task 2.11. Model Instruction/Training

The models will be developed with input from District Staff to ensure that they meet the District's needs. We pride ourselves in our work products being approachable and capable of being updated by staff in future years. While we make every effort to organize our analysis logically, we are happy to assist staff with answering any questions they have in navigating the models. We appreciate the opportunity to provide our clients with a planning tool they can use to guide future planning.

Deliverables: Meeting(s) with District staff.

Task 2.12. Project Management

An allowance is required for monitoring schedules and budgets, as well as quality control checks to peer review our analyses and work products. This task includes creation of project progress reports and control reports for invoicing.

II. EXPERIENCE

Firm Overview

Founded in 1989, HF&H Consultants, LLC, provides consulting services to water, wastewater, and solid waste municipal agencies. The synergy resulting from our staff's engineering, accounting, financial management, and public policy backgrounds provide substantial added value to clients, which can rarely be achieved by individual engineering, accounting, or management consulting firms.

Today, HF&H Consultants has grown to a firm of over thirty professionals, which makes us one of the largest ratemaking firms on the West Coast. With offices located in northern and southern California, HF&H Consultants directs its practice to cities, counties, and special districts in the western United States. As such, HF&H Consultants provides clients with the breadth of experience of a national firm, but the responsiveness, accountability, and personal commitment of a local firm. Our consultants are seldom far away and, as a result, our clients always receive a quick, personal response to their needs.

Our focus has primarily been on serving municipal agencies in California, although we have provided consulting services in other states. Firm leadership is provided by three partners – Rob Hilton, Laith Ezzet, and Rick Simonson.

Our proposed team of consultants is located in our Walnut Creek office and has worked together on numerous projects of similar scope.

Over the past 30 years, HF&H has conducted more than 1,000 rate, capacity fee, and other related studies for more than 400 water, wastewater, and solid waste clients. This body of work is the basis for the sterling reputation that HF&H enjoys. We are proud that our rates have never been successfully challenged in court.

The following is a link to our firm website, which includes summaries of completed studies: <http://hfh-consultants.com/services/>. In addition, **Figure II-1** summarizes the recent water and wastewater rate studies conducted by HF&H within the last five years. As requested, a listing of references with brief descriptions of some of the recent projects we conducted, can be found later in this section.

Figure II-1. Recent Rate Study Projects

Client	Water	Sewer
City of Bakersfield		✓
City of Beverly Hills	✓	✓
City of Ceres	✓	
City of Crescent City		✓
City of Daly City	✓	✓
City of Monterey Park	✓	✓
City of Newport Beach		✓
City of Red Bluff	✓	✓
City of Taft		✓
City of West Sacramento	✓	✓
Castro Valley Sanitation District		✓
Coastside County Water District	✓	
Cobb Area County Water District	✓	
County of San Mateo		✓
Diablo Water District	✓	
Foresthill Public Utility District	✓	
Indio Water Authority	✓	
Los Angeles Department of Water and Power	✓	
Mid-Peninsula Water District	✓	
Nevada County Sanitation District		✓
North Coast County Water District	✓	
Oakwood Lakes Water District	✓	✓
Purisima Hills Water District	✓	
Sausalito-Marín City Sanitary District		✓
Sonoma County Water Agency	✓	✓
South Coast Water District	✓	✓
Town of Hillsborough	✓	✓
Town of Los Altos Hills		✓
Union Sanitary District		✓
West Bay Sanitary District		✓

Our proposed team, identified in **Section III. Qualifications**, is a talented trio capable of providing the District with a sophisticated model that can adapt to various inputs, while remaining approachable to District staff. In addition to our modeling proficiency, our team has experience creating various rate structures for various sewer agencies throughout California. **Figure II-2** lists some of the rate structures we have analyzed for clients.

Figure II-2. Recent Sewer Rate Structure Experience

Clients	Residential Rate Structure	Commercial Rate Structure
City of Bakersfield	Fixed annual charge per EDU	Fixed annual charge, monthly flow-based surcharge for four tiers of wastewater strength.
City of Daly City	Flow-based annual charge according to winter water usage.	Flow-based annual charge according to winter water usage.
City of Taft	Bi-monthly charge per EDU	Bi-monthly rate per user group.
City of West Sacramento	Fixed monthly rates per EDU	Fixed monthly charge plus flow-based monthly charge.
Castro Valley Sanitation District	Fixed annual charge per EDU	Fixed annual charge per customer class based on flow and wastewater strength.
Nevada County Sanitation District	Fixed annual O&M service charge per EDU by District zone, fixed annual capital charge per EDU by District zone.	Fixed annual O&M service charge per EDU by District zone, fixed annual capital charge per EDU by District zone.
Sausalito-Marin City Sanitary District	Fixed annual charge per EDU	Flow-adjusted annual charge per EDU, based on three tiers of wastewater strength
South Coast Water District	3-Tiers of annual charges per parcel according to water consumption.	Flow-based monthly charge with three tiers for wastewater strength.
Town of Hillsborough	Fixed annual charge per EDU	Flow-based annual charge per EDU.
Town of Los Altos Hills	Fixed annual charge per EDU	Flow-based annual charge per EDU.
West Bay Sanitary District	Fixed annual charge per EDU	Flow based annual charge per user group.

III. QUALIFICATIONS

Project Team

One of our strengths is our depth of staff, which allows us to provide our clients with timely and professional work products, while balancing commitments to multiple clients at any given time. Generally, our senior staff manage three to five projects at time and our analysts are engaged with five to eight projects at a time. As with most of our projects, we have proposed a senior staff member and two analysts for this project to provide redundancy. As deliverables for other projects arise from time to time, our redundancy of staff can ensure that the District's project not only maintains forward progress, but that we can quickly and knowledgably respond to District staff inquires/questions on a daily basis.

Our proposed team members have varied backgrounds in engineering, accounting, and finance management. We bring a unique and diverse perspective to our clients, and we view our role as a rates consultant from different perspectives:

- From the public's perspective, we want to be viewed as an independent, objective outside party that is capable of explaining the impact of potential changes in clear, simple, and meaningful terms that laypeople can understand.
- From the elected officials' perspective, we want to be viewed as an authoritative expert that can help them craft a solution that balances the community's interests and strengthens the community by building consensus.
- From the staff's perspective, we want to be viewed as a teammate who can help develop a preferred alternative that optimizes rate-making objectives.
- From a personal perspective, we want all parties involved to feel highly satisfied with our services from start to finish.

The proposed team of consultants is located in our Walnut Creek office and has worked together on numerous projects of similar scope. Copies of their résumés are included in **Appendix A**. Billing rates and the number of hours that will be made available for the duration of this project can be found in Section **VI. Cost Proposal**.

Rick Simonson, CMC, Senior Vice President, Project Manager

Over his 21 years at HF&H, Rick has managed numerous water and sewer rate study projects. He brings a depth of knowledge and expertise in Propositions 218 and 26 compliance, rate structure design, and a strong financial modeling background. In addition, Rick's experience prior to joining HF&H includes six years of conducting audits.

Rick's previous experience managing studies for water and sewer utilities qualifies him to lead this project. Rick will act the project manager and main point of contact.

As Project Manager, Rick will serve as the primary point of contact to the District. He will oversee the day-to-day operations of the proposed project team. He will be responsible for the following functions:

- Coordinate the project team's interaction with the District to ensure that all work is completed properly.
- Manage the project team's progress against the schedule and budget.
- Lead all project meetings and public presentations.
- Perform QA/QC on all deliverables.

Gabe Sasser, PE, Senior Associate, Lead Analyst

Gabe's experience as a registered civil engineer gives him the technical background to understand the capital infrastructure projects of our clients. With his background as a project manager, he is a proven communicator and conscientious of clients' budgets and schedules. Gabe joined HF&H in March 2019 and focuses on water and sewer rate studies, as well as customer impact analyses. His recent analyst experience includes sewer rate studies for the Nevada County, City of Bakersfield, South Coast Water District, Sausalito-Marin City Sanitary District, West Bay Sanitary District, and the Town of Hillsborough.

Gabe will act as Lead Analyst. Working closely with Rick, Gabe will lead the work in developing the wastewater rate model, which will allow for on-the-spot scenarios and sensitivity analyses. He will be responsible for the following assignments:

- Develop rate models and analysis for the sewer utility.
- Assist in preparing the project report.
- Manage the support analyst working on sewer utility deliverables.
- Attend meetings and assist with presentations, as necessary.

Anna Redmond, Assistant Analyst, Support Analyst

Anna Redmond is an Assistant Analyst at HF&H. Since joining the firm in 2021, Anna has gained experience on a range of projects including rate studies and rate reviews. This experience builds on her analytical skills acquired while specializing in mathematics quality control at McGraw Hill Education's Digital Platform Group, where she honed her problem solving skills and demonstrated mathematical accuracy through her attention to detail.

Anna will support the analysis. She has been specifically selected for this project as her focus at the firm is on rate setting and financial analyses. Recently, she has been supporting Gabe and Rick with a five-year utility rate study, covering water, sewer, and solid waste rates for the City of Monterey Park, and a cost-of-service water and wastewater rate study for the City of Beverly Hills.

Anna will be responsible for the following assignments, while working closely with Gabe:

- Assist in development of the sewer rate model and analysis.
- Assist in preparation of the project report.
- Attend meetings and assist with presentations, as necessary.

IV. REFERENCES

Brief descriptions of some of the recent projects we have conducted, which are similar to those requested in the District's RFP, are provided below.

Sausalito-Marin City Sanitary District – Sewer Rate Studies

HF&H has assisted the District since 2002 with a variety of rate-related issues. Most recently, HF&H performed a five year sewer rate study for FY 2019-20 through 2023-24. Our analysis yielded recommended increases of 4% collectively across customer classes for FY 2020-21 and 2021-22 and an increase of 3% annually for FY 2022-23 through 2023-24.

Key Results from most recent study:

- Collection system charges revised to be factored based on residential class customer to align with rate methodology used for conveyance and treatment rates.
- Helped District identify use of reserves to immediately fund needed capital improvements specifically for unincorporated service area customers.
- To avoid rate spikes and volatility, capital improvements to the collection system funded initially by reserves would be “debt funded” by unincorporated service area customers over a 30-year period.

In a prior rate study, HF&H assisted the District in converting its single flat residential rate to a set of flat rates for single family, multi family, and floating home customers.

We have also drafted Proposition 218 notices and ordinances. Other assignments have included: (1) assistance in negotiating contracts with and loans to an adjoining tributary district, (2) connection fee updates, (3) State Revolving Fund loan applications, (4) preparing and submitting the annual charges to the Marin County tax assessor, and (5) budget development.

Gabe and Rick have been supporting the District by preparing and submitting the annual sewer service charges to the Marin County tax assessor for the last three years.

HF&H Personnel

Rick Simonson, Gabe Sasser, and John Farnkopf

Reference Contact Information

Jeff Kingston, General Manager, (415) 332-0244, jeffrey@smcsd.net

City of Daly City – Water and Sewer Rate Studies

In 2019, we conducted a five-year sewer rate study (covering FY 2019-20 through FY 2023-24), which found that no sewer rate increase was necessary for FY 2019-20. Therefore, the rates were not adjusted on July 1, 2019, and the project was deferred to 2020. Subsequently, due to COVID-19, the City Council and City staff elected not to adjust sewer rates during 2020, as many residents and businesses were facing uncertain times. In Q4 2020, we updated the five-year sewer study to cover FY 2021-22 through FY 2025-26, with rates effective July 1, 2021.

Recommended water rates have been adopted by the City. In June 2021, Council adopted the recommended sewer rates.

HF&H Personnel

Rick Simonson, Geoff Michalczyk, and John Farnkopf

Reference Contact Information

Tom Piccolotti, Director of Water and Wastewater Resources, (650) 991-8200 ext. 8201, tpiccolotti@dalycity.org

West Bay Sanitary District

HF&H has performed a variety of studies for the District (population 70,000) including annual sewer rate updates since 2011, periodic connection fee updates, and related economic analyses. We have assisted the District in developing sound reserves (e.g., operating, capital, rate stabilization, and emergency replacement) while avoiding double-digit rate increases. We have also conducted studies of the difference between single family and multi-family wastewater discharge to determine if there should be a difference in their respective charges per equivalent dwelling unit.

As a member of Silicon Valley Clean Water (SVCW), the District contends with budgeting annually for District expenses in addition to projected SVCW debt and expenses allocated to them. Annually HF&H works with the District to review SVCW's latest planning documents to model the District's forecasted expenses. With a growing customer base, the District faces the challenge of understanding how growth will affect revenue and operating expenses. HF&H works with the District to assess which costs will be impacted by growth. Further, HF&H models rate revenues resulting from growth on a one-year delay, to account for the sewer property tax roll collection. This approach makes a conservative assumption that expenses due to growth will be felt immediately while revenues will be delayed.

A small number of District customers utilize a STEP or Grinder collection system for wastewater disposal. However, costs to maintain these systems are outpacing current rates. Beginning in FY 2019-20, HF&H created a five-year rate increase schedule to phase adjustment of these supplemental rates to avoid rate shock.

HF&H is currently conducting the FY 2022-23 update of the District's rates and analyzing the District's connection fees.

HF&H Personnel

Rick Simonson, Gabe Sasser, and John Farnkopf

Reference Contact Information

Sergio Ramirez, General Manager, (650) 321-0384, sramirez@westbaysanitary.org

Town of Hillsborough – Water and Sewer Rate Studies

Over the past seven years, HF&H has assisted the Town of Hillsborough in developing funding for its water and wastewater services, including:

- In 2018, setting the tiered water rate structure based on the cost of service for each tier using the AWWA base/extra capacity cost allocation methodology, which is advisable in light of the San Juan Capistrano decision.
- Developing “revenue stabilization factors,” which allows the Town to automatically adjust its water rates to offset revenue lost during droughts when customers are required to ration water; these adjustments can be made by notifying customers at least 30 days in advance on their bills without triggering the notification and protest process under Proposition 218.
- Conducting annual water rate updates to verify the need for the projected rate increases from our original five-year study.
- Assisting the Town to resolve litigation over the water rates set prior to our involvement.
- Assisting the Town to implement significant wastewater rate increases, enabling the acceleration of the capital improvement program in compliance with a regulatory compliance order.

More recently, HF&H completed a five-year update of the Town’s sewer rates, recommending 4% annual rate increases to provide supplemental revenues to pay for growing collection expenses and treatment plant upgrades the Town will share with the City of San Mateo over a 30-year period. Rates were approved in June 2021 and went into effect July 2021.

HF&H Personnel

Rick Simonson, Gabe Sasser, and John Farnkopf

Reference Contact Information

Jan Cooke, Finance Director, (650) 375-7408, jcooke@hillsborough.net

South Coast Water District – Water and Sewer Rates Study

Beginning in 2018, HF&H assisted the District in creating and implementing a long-term financial planning model to ensure adequate funding for its capital improvement program. The model allows users to select various sources of funding, interest rates on debt, and duration of debt issuances. The model helped the District determine that SRF and WIFIA loans, combined with bond issuances, were necessary to fund over \$300 million in capital improvements over the next ten years.

In 2019, the District also hired HF&H to provide financial consulting services when they proposed to annex the City of San Juan Capistrano’s water and wastewater utilities. HF&H analyzed projections for each agency’s financial operations, as well as potential savings and increases in costs due to consolidation. This analysis helped the District determine potential utility rates both before and after annexation.

In 2020, HF&H applied its financial model to project the impact on rates of a proposed desalination plant of various capacities. The cost of funding this plant is integrated with the funding sources for its existing capital improvements.

After working with the District on budget, capital financing, and various management studies, HF&H was retained to perform a rate study for the District’s water, wastewater, and recycled water enterprises. This

was the District's first rate study since separating its operations into the three enterprises. As a result, some changes were needed to realign the rates to the cost-of-service.

Rate increases were derived to meet higher fund reserve targets and to meet the District's debt service ratios. Rate increases for FY 2021-22 through FY 2022-23 were approved in July 2021. The base-extra capacity method was used to allocate costs to the various demand categories. HF&H updated the water service charges by realigning the meter ratios using the rated capacities of each meter size. Furthermore, residential tier breakpoints were adjusted to match the demand patterns of District customers. Sewer rates were adjusted to realign the wastewater strength concentrations for each customer class. The adjustments balanced the flows and wastewater loading of BOD and TSS from the customer classes with the estimated loading from the District received by the South Orange County Wastewater Authority for treatment.

HF&H Personnel

Geoff Michalczyk, Gabe Sasser, and John Farnkopf

Reference Contact Information

Pam Arends-King, Chief Financial Officer, (949) 499-4555 ext. 3153, parendsking@scwd.org

V. PROJECT SCHEDULE

The proposed project timeline, including deliverables and meetings, is shown in **Figure V-1**. We have assumed receiving a notice-to-proceed by February 17, 2022. The proposed schedule anticipates completion in time for the FY 2022-23 rates to become effective July 1, 2022 and for the FY 2023-24 rates to become effective July 1, 2023.

HF&H feels it is appropriate to delay the cost-of-service analysis, and rate structure evaluation/alternatives, by one year in order to provide the District with a thorough analysis and well-vetted rate structure recommendations. The additional time affords the District more opportunity to engage the Board of Directors and to educate the public on any need for change to the existing rate structure.

Figure V-1. Phase 1 Project Schedule

Phase 1: FY 2022-23 Rates Update	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Notes
Task 1.1 - Project Kickoff and Data Collection	✳					
Task 1.2 - Develop Financial Model						
Task 1.3 - Rate Recommendations						
Task 1.4 - Documentation of Results						
Task 1.5 - Communicate Results			✳	✳		
Task 1.6 - Implementation					✳	
Task 1.7 - Meetings with the District	✳	✳	✳	✳	✳	
Task 1.8 - Project Management						

✳ = Virtual meeting/presentation.

. Phase 2 Project Schedule

Phase 2: FY 2023-24 COS Rates Study	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Notes
Task 2.1 - Project Kickoff and Data Collection	✳								
Task 2.2 - Develop Financial Model									
Task 2.3 - Cost-of-Service Analysis									
Task 2.4 - Comparative Analysis									
Task 2.5 - Rate Recommendations									
Task 2.6 - Assess Miscellaneous Fees									
Task 2.7 - Documentation of Results									
Task 2.8 - Communicate Results			✳	✳	✳	✳	✳		
Task 2.9 - Implementation								✳	
Task 2.10 - Meetings with the District	✳	✳		✳	✳	✳	✳		
Task 2.11 - Model Instruction/Training									
Task 2.12 - Project Management									

✳ = Virtual meeting/presentation.

VI. COST PROPOSAL

Our cost proposal reflects our current understanding of the District’s needs and our proposed schedule to provide effective solutions. As such, our cost proposal is subject to review with the District to confirm that it meets the District’s needs and does not include unnecessary services. For example, we can work with the District on the number and timing of meetings to reduce the proposed fee estimate. The District would be billed on a time-and-materials, not-to-exceed basis.

The cost proposal indicates the hours by each consultant for each task, and the associated cost based on the consultants’ hourly rates. Reimbursable costs are also charged without markup. **Figure IV-1** summarizes the total fees and expenses to conduct the Phase 1 and Phase 2 scope identified in **Section I. Approach to Project**. **Figure IV-2** details the fees and expenses associated with Phase 1. **Figure IV-3** details the fees and expenses associated with Phase 2.

We are committed to providing value-added services as cost-effectively as possible to our clients. It is our practice to bill only for hours spent on the project. If additional work is required, we notify our clients as soon as possible to receive authorization. Additional work is work over and above the hours estimated for existing tasks, not due to inefficiencies on our part, or for work on new tasks requested by the District. The hourly rate listed shall be used in invoicing for extra work incurred.

We will conduct the proposed scope of work without the use of subconsultants.

Figure VI-1. Cost Proposal Summary (Phase 1 and Phase 2)

Cost Proposal Summary	<u>Simonson</u>	<u>Sasser</u>	<u>Redmond</u>	Total
	Project Director	Lead Analyst	Support Analyst	
FY 2022-23 Sewer Rates Update	26	32	26	84
FY 2023-24 COS Sewer Rate Study	63	84	57	204
Total Hours	89	116	83	288
Hourly Rate	\$300	\$210	\$145	
Total Fees	\$26,700	\$24,360	\$12,035	\$63,095
Combined Direct Expenses				\$1,000
Grand Total Fees & Expenses				\$64,095

Figure VI-2. Phase 1: FY 2022-23 Sewer Rates Update Fee Estimate

Phase 1 FY 2022-23 Sewer Rates Update	<u>Simonson</u> Project Director	<u>Sasser</u> Lead Analyst	<u>Redmond</u> Support Analyst	Total
Task 1.1 - Project Kickoff and Data Collection				
Task hours	2	3	0	5
Task 1.2 - Develop Financial Model				
Task hours	2	6	6	14
Task 1.3 - Rate Recommendations				
Task hours	2	4	6	12
Task 1.4 - Documentation of Results				
Task hours	4	4	6	14
Task 1.5 - Communicate Results				
Task hours	8	8	8	24
Task 1.6 - Implementation				
Task hours	3	3	0	6
Task 1.7 - Meetings with the District				
Task hours	3	3	0	6
Task 1.8 - Project Management				
Task hours	2	1	0	3
Total Hours	26	32	26	84
Hourly Rate	\$300	\$210	\$145	
Total Fees	\$7,800	\$6,720	\$3,770	\$18,290
% of Total Hours	31%	38%	31%	100%
			Total Fees	\$18,290
			Direct Expenses (travel, copies)	\$500
			Total Fees & Expenses	\$18,790

Figure VI-3. Phase 2: FY 2023-24 COS Sewer Rate Study

Phase 2 FY 2023-24 COS Sewer Rate Study	<u>Simonson</u> Project Director	<u>Sasser</u> Lead Analyst	<u>Redmond</u> Support Analyst	Total
Task 2.1 - Project Kickoff and Data Collection				
Task hours	2	2	0	4
Task 2.2 - Develop Financial Model				
Task hours	2	5	5	12
Task 2.3 - Cost-of-Service Analysis				
Task hours	6	14	10	30
Task 2.4 - Comparative Analysis				
Task hours	3	3	8	14
Task 2.5 - Rate Recommendations				
Task hours	8	12	10	30
Task 2.6 - Assess Miscellaneous Fees				
Task hours	6	8	6	20
Task 2.7 - Documentation of Results				
Task hours	8	12	8	28
Task 2.8 - Communicate Results				
Task hours	10	12	8	30
Task 2.9 - Implementation				
Task hours	4	4	0	8
Task 2.10 - Meetings with the District				
Task hours	8	8	0	16
Task 2.11 - Model Instruction/Training				
Task hours	2	2	2	6
Task 2.12 - Project Management				
Task hours	4	2	0	6
Total Hours	63	84	57	204
Hourly Rate	\$300	\$210	\$145	
Total Fees	\$18,900	\$17,640	\$8,265	\$44,805
% of Total Hours	31%	41%	28%	100%
		Total Fees		\$44,805
		Direct Expenses (travel, copies)		\$500
		Total Fees & Expenses		\$45,305

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APPENDIX A: PROJECT TEAM RÉSUMÉS



HF&H Consultants, LLC



RICK SIMONSON, CMC

Senior Vice President



Education and Certifications

- B.S., Business Administration, Accountancy, California State University - Sacramento
- B.A., Communication Studies, Media Production, California State University - Sacramento
- Certified Management Consultant

Professional History

- HF&H Consultants, LLC: 2000 to present
- Contra Costa County Assessor's Office: Auditor/Appraiser, 1996 to 2000
- Laidlaw Transit: Staff Accountant, 1995-1997

Professional Memberships

- Institute of Management Consultants
- American Water Works Association
- Water Environment Federation

Contact Information

(925) 977-6957

Rick@hfh-consultants.com

Range of Experience

Over 20 years of utility rate setting experience with HF&H and has performed over 100 financial planning/rate studies for water, wastewater, and solid waste clients. He brings a depth of knowledge and expertise in Propositions 218 and 26 compliance, rate structure design, and a strong financial modeling background.

Expertise

- *Rates and Charges* – Multi-year financial modeling, cost-of-service analysis, rate structure designs
- *Development impact fees* – Water and wastewater capacity/connection fee charges
- *General Fund Reimbursements* – Public safety, governmental facilities, right-of-way maintenance, stormwater permit compliance
- *Proposition 218 Compliance* – Develop cost-of-service compliant rates and facilitate Prop. 218 process and procedures

Recent Projects as Project Manager

- **West Bay Sanitary District** – Annual Sewer service charges (2015 - 2020); connection fee update (2017).
- **Town of Hillsborough** – Sewer rate study (2021); Water rate study (2016); annual water rate updates (2018-2021); solid waste rate study (2021).
- **City of Beverly Hills** – Water and sewer rate study, water shortage revenue stabilization factors, and water reliability charges. (2018).
- **North San Mateo County Sanitation District (City of Daly City)** – Sewer rate study (2021); stormwater project cost allocation study (2019-present); water rate study (2018).

Speaking Engagements

- SWANA – Western Regional Symposium – Apr. 2019 – “A Holistic Approach to Stormwater Funding: Understanding the Nexus Between Solid Waste and Stormwater ”
- Moderator and Presenter, HF&H/CalRecycle High Diversion Rates & Compensation Workshops, Oct. 2013 (Oakland), Nov. 2013 (Lakewood), and Dec. 2013 (Sacramento)
- SWANA – Western Regional Symposium – May 2005 – “Accurate Solid Waste Rate Comparisons”
- SWANA – Western Regional Symposium – May 2004 – “Annual Solid Waste Rate Adjustments – Index Method or Cost-of-Service Method?”



GABE SASSER, PE

Senior Associate



Industry Experience

- Water, wastewater, stormwater and solid waste utilities
- Rate making for municipal-owned utilities
- Enterprise reimbursements

Education and Certifications

- B.S., Civil Engineering, California Polytechnic State University – San Luis Obispo
- Registered Civil Engineer C88906, California
- Project Management Professional (PMP) -2020

Professional History

- HF&H Consultants, LLC: 2019 to present
- Gas Transmission Systems, Inc: Project Manager, 2016-2019
- Ruggeri-Jensen-Azar: Assistant Engineer, 2014-2016
- Gas Transmission Systems, Inc: Engineer, 2012-2014

Professional Organizations

- Project Management Institute

Contact Information

(925) 900-6005

gsasser@hfh-consultants.com

Range of Experience

Registered civil engineer and certified project management professional. Three years setting utility rates and helping municipal clients of HF&H find economic solutions.

Expertise

- *Rates and Charges* – Multi-year financial modeling, cost-of-service analysis, rate structure design
- *Financial Planning* – stormwater funding strategies, reserve fund management
- *Development impact fees* – Water and wastewater capacity/connection charges; stormwater impact fees
- *Cost Allocations* – overhead allocations, analytical review, Prop 218 compliance

Recent Projects

- *North Coast County Water District* – Water Cost of Service Study
- *South Coast Water District* – Water and Wastewater Cost of Service Study
- *City of Taft* - Wastewater Cost of Service Study
- *City of Bakersfield*: Wastewater Cost of Service and Connection Fee Study
- *Western Hills Water District* – Water Rate Study
- *Nevada County Sanitation District*– Wastewater Rate Study
- *West Bay Sanitary District*: FY 2020-21, FY 2021-22, FY 2022-23 Sewer Rate Studies
- *Town of Hillsborough*: 2020, 2021, 2022 Water Rate Updates; 2021 Sewer Cost of Service Study
- *Foresthill Public Utility District*: Cost of Service & Water Rates Study
- *Sausalito-Marin City Sanitary District*: Sewer Service Charge Study
- *City of Monterey Park* – Utility Rate Study



Anna Redmond Assistant Analyst



Range of Experience

Anna Redmond is an Assistant Analyst with HF&H. Since joining the firm in 2021, Anna has gained experience on a range of projects including rate studies and contract negotiation. The focus bridges the analytical skills she learned receiving her B.S. in Mathematics, with the environmental knowledge she gained earning her M.S. in Earth System Science.

Prior to joining HF&H, Anna specialized in mathematics quality control at McGraw Hill Education’s Digital Platform Group, where she honed her skills in problem solving and demonstrated attention to detail pertaining to mathematical accuracy. Before working at McGraw Hill, Anna spent two years as a graduate research assistant at the University of California, Irvine’s Sustainable Systems Analysis Lab. There, she led research projects related to human factors and climate change that resulted in publication in peer-reviewed journals.

Historical Experience

Years of Experience: 1
Clients Served: 13
Past Engagements: 13

Education

B.S. Mathematics, Ursinus College (Summa Cum Laude)

M.S. Earth System Science, The University of California at Irvine

Zero Waste Principals and Practices, CRRA/SWANA Joint Certification

Professional History

HF&H Consultants, LLC: 2021 to present

McGraw Hill Education: 2016 – 2017

Recent Engagements

- **City of Monterey Park** – Utility Rate Study (2021)
- **City of Monterey Regional Waste Management District** – Index Based Rate Review (2021)
- **City of Pleasanton** – Index Based Rate Review (2021)
- **City of Dublin** – SB 1383 Gap Analysis (2021)
- **City of Carlsbad** – Sustainable Materials Management Plan (2021)
- **County of San Diego** – Non-exclusive Franchise Agreement Compliance Checklist (2021)
- **City of Alameda** – Franchise Management and Compliance Checklist (2021)

Expertise

- Sustainable Materials Management Plans
- Rate Studies
- SB 1383 Compliance
- Policy Analysis
- Report Writing

Recent Clients



Contact Information

(925) 977-6958

Anna@hfh-consultants.com



APPENDIX B: FY 2019-20 SAUSALITO-MARIN CITY SANITARY DISTRICT SEWER SERVICES CHARGE STUDY



HF&H Consultants, LLC



SAUSALITO-MARIN CITY SANITARY DISTRICT

Sewer Service Charge Study



HF&H Consultants, LLC

July 1, 2019 – Final Report

SAUSALITO-MARIN CITY SANITARY DISTRICT

1 East Road
Sausalito, California 94965



SEWER SERVICE CHARGE STUDY

July 1, 2019

HF&H CONSULTANTS, LLC
201 North Civic Drive, Suite 230
Walnut Creek, CA 94596





HF&H CONSULTANTS, LLC

Managing Tomorrow's Resources Today

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Robert D. Hilton, Emeritus
John W. Farnkopf, PE
Laith B. Ezzet, CMC
Richard J. Simonson, CMC
Marva M. Sheehan, CPA
Robert C. Hilton, CMC

July 1, 2019

Mr. Jeffrey Kingston
General Manager
Sausalito-Marín City Sanitary District
1 East Road
Sausalito, California 94965

Subject: Sewer Service Charge Study - Final Report

Dear Mr. Kingston:

HF&H Consultants, LLC, is pleased to submit this Final Sewer Service Charge Study. The report summarizes the projected revenue requirements over the next five fiscal years, updates the cost of service allocation among the customer classes, updates the annual supplemental charge for sewer collection services provided to unincorporated customers, and provides a detailed schedule of the recommended sewer service charges, for conveyance and treatment services, for the next five years.

Very truly yours,
HF&H CONSULTANTS, LLC

John W. Farnkopf, P.E., Senior Vice President
Richard J. Simonson, Vice President

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APPENDIX A. RATE MODEL

ACRONYMS

BOD	Biochemical Oxygen Demand; a component of wastewater strength
CII	Commercial, Institutional, Industrial customers
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.
FH	Floating Home
FY	Fiscal Year
GPD	Gallons Per Day
HCF or CCF	Hundred Cubic Feet of metered water; 748 gallons; a cube of water 4.6 feet on edge
I&I	Inflow and Infiltration; stormwater runoff and shallow groundwater that enter collection systems through surface or subsurface connections, damaged pipes, open pipe joints, or other openings
MFR	Multi Family Residential: attached dwelling units including duplexes, triplexes, fourplexes, apartments, condos, and townhouses
MMWD	Marin Municipal Water District
O&M	Operations and Maintenance
OPEB	Other Post-Employment Benefits
PAYGo	Pay-As-You-Go, in reference to funding capital improvements from cash rather than from borrowed sources of revenue
SFR	Single Family Residential
TCSD	Tamalpais Community Services District
TSS	Total Suspended Solids; a component of wastewater strength

ACKNOWLEDGEMENTS

Board of Directors

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1. EXECUTIVE SUMMARY

1.1 FINDINGS AND RECOMMENDATIONS

- A. **Summary of Services.** The District provides sewer conveyance and treatment services to the incorporated areas of the City of Sausalito and the Tamalpais Community Services District (TCSD). The District provides conveyance, treatment, as well as sewer collection services, to Marin City and other unincorporated areas within the District's boundaries (e.g., floating homes).
- B. **Current Rates – Conveyance and Treatment Services.** All customers within the District's boundaries (incorporated and unincorporated) are provided conveyance and treatment services. **Figure 1-1** summarizes the current rates for conveyance and treatment service, by customer class. Residential customers are charged per dwelling. 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 Rates – Sewer Conveyance and Treatment Services

Customer Class	Current Rates
Single Family	\$866 per year per dwelling unit
Multi Family	\$771 per year per dwelling unit
Floating Home	\$659 per year per dwelling unit
Non-Residential	\$866 per year per equivalent dwelling unit

Note: customers located in the unincorporated areas pay an additional sewer collection charge to cover the District's cost for maintenance and repair of those facilities unique to the unincorporated area. The sewer collection systems located in the incorporated service areas (e.g., Sausalito, TCSD) are owned, maintained, and repaired by the respective agency. A summary of the current and recommended sewer collection rates for the unincorporated area is discussed in **Item E** below.

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

Figure 1-2. Annual Conveyance and Treatment Revenue Requirements

Rate Year	Annual Revenue Requirement	Annual Change
Current Revenue	\$8,347,057	
FY 2019-20	\$8,347,057	0.0%
FY 2020-21	\$8,680,939	4.0%
FY 2021-22	\$9,028,176	4.0%
FY 2022-23	\$9,299,022	3.0%
FY 2023-24	\$9,577,992	3.0%

D. **Recommended Rates – Conveyance and Treatment.** Figure 1-3 summarizes the recommended annual rates, by customer class, to cover the increases in the District’s revenue requirements (summarized in Figure 1-2) to provide sewer conveyance and treatment services during the five-year planning period. No increase in the conveyance and treatment rates is necessary for FY 2019-20.

Figure 1-3. Recommended Rates – Conveyance and Treatment (\$/year/EDU)

Customer Class	Current Rates	FY 2019-20		FY 2020-21			FY 2021-22			FY 2022-23			FY 2023-24	
	\$/EDU	\$/EDU	Change	\$/EDU	Change [1]	%	\$/EDU	Change	%	\$/EDU	Change	%	\$/EDU	Change
Single Family	\$866	\$866	\$0 0.0%	\$906	\$40 4.6%		\$942	\$36 4.0%		\$970	\$28 3.0%		\$999	\$29 3.0%
Multi Family	\$771	\$771	\$0 0.0%	\$793	\$22 2.8%		\$824	\$32 4.0%		\$849	\$25 3.0%		\$875	\$25 3.0%
Floating Home	\$659	\$659	\$0 0.0%	\$682	\$23 3.5%		\$710	\$27 4.0%		\$731	\$21 3.0%		\$753	\$22 3.0%
Non-Residential	\$866	\$866	\$0 0.0%	\$906	\$40 4.6%		\$942	\$36 4.0%		\$970	\$28 3.0%		\$999	\$29 3.0%

[1] FY 2020-21 rate adjustments reflect a 4% average revenue increase; Actual rate increase percentages vary by customer class based on the cost of service analysis using FY 2020-21 projected expenses.

E. **Supplemental Sewer Collection Charge.** In addition to conveyance and treatment services, the District maintains the sewer collection system in the unincorporated areas of the District (e.g., Marin City, floating homes), as service that is not provided to the incorporated areas (e.g., Sausalito and TCSD). As such, customers within the unincorporated area pay an additional sewer collection charge in addition to the conveyance and treatment charges shown in Figure 1-3.

The current sewer collection charge for within the District’s unincorporated service area is \$78 per EDU and generates approximately \$164,000 per year, which is much less than the projected costs, as shown in Figure 1-4.

Figure 1-4. Annual Sewer Collection Revenue Requirement

Rate Year	Annual Revenue Requirement	Annual Change
Current Revenue	\$164,619	
FY 2019-20	\$358,472	117.8%
FY 2020-21	\$369,226	3.0%
FY 2021-22	\$411,815	11.5%
FY 2022-23	\$543,666	32.0%
FY 2023-24	\$723,548	33.1%

An analysis of the costs to provide sewer collection services to the unincorporated areas of the District is included in **Section 6.2** of this report. To cover the annual costs to maintain the sewer collection system, the sewer collection charge rate will increase from the current \$78 per year to \$387 per year by FY 2023-24, for a single family customer, as shown in **Figure 1-5**. Historically, the sewer collection charge has been a uniform rate per EDU, regardless of customer class. However, since average flow differs between residential customer classes, we recommend factoring the multi family and floating home sewer collection system charge in the same manner as the conveyance and treatment rates (as shown in **Figure 1-3**). As a result of this recommended change in the rate structure, the actual rate increase percentages vary by customer class in FY 2019-20. Annually thereafter, each of the sewer collection charge rates increase at the same rate as the annual revenue requirements shown in **Figure 1-4**.

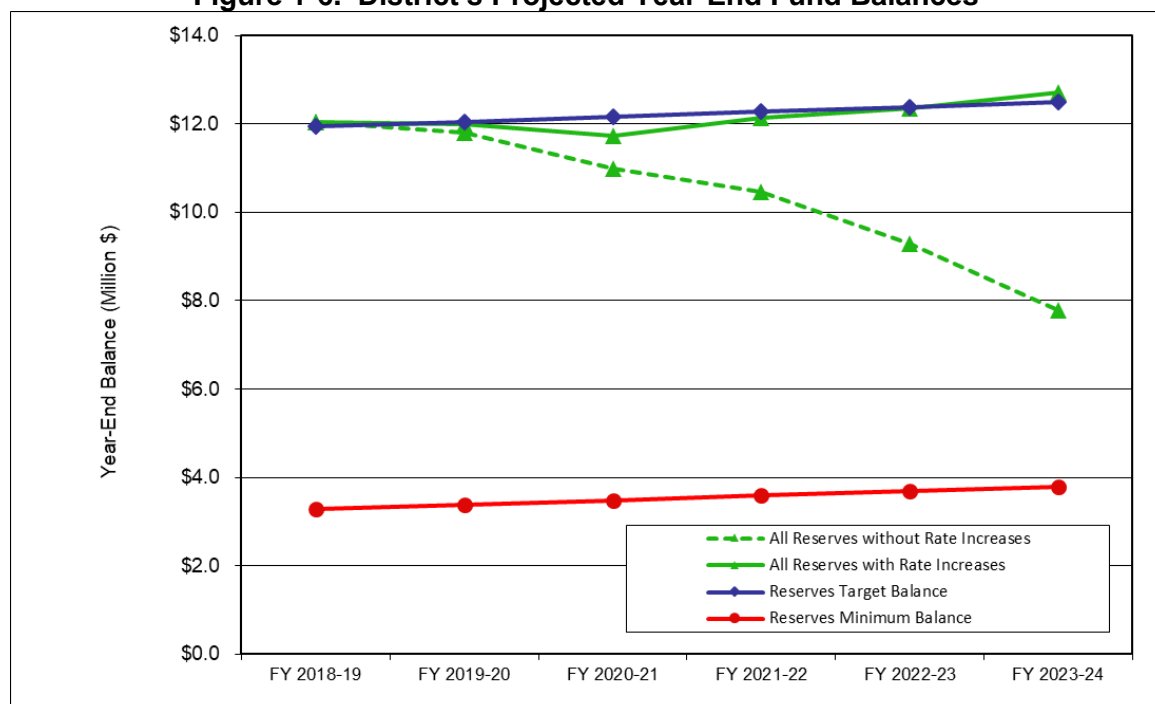
Figure 1-5. Recommended Rates – Sewer Collection Charge (\$/year/EDU)

	Current Rate per EDU	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<u>Residential</u>						
Single family	\$78	\$192	\$198	\$220	\$291	\$387
Multi-Family	\$78	\$169	\$174	\$194	\$256	\$341
Floating Homes	\$78	\$144	\$148	\$165	\$218	\$290
Non Residential	\$78	\$192	\$198	\$220	\$291	\$387

F. **District’s Reserve Fund Balance.** As shown in **Figure 1-6**, with the recommended rates in **Figures 1-3** and **1-5**, the District’s reserve fund balance (solid green line with triangles) will remain at, or slightly above, the District’s target reserve balance (solid blue line with diamonds), which covers the

operating, capital, and other reserve requirements. A description of the District's reserve funds and target balances is included in **Section 3.6** of this report. Without the recommended increases, the District's reserve fund balance 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 1-6. 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 in **Figure 1-7** below. 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.
- B. **Summary of Current and Proposed Rates.** **Figure 1-7** summarizes the current and proposed rates for incorporated and unincorporated customers. The incorporated service area (e.g., Sausalito and TCSD) rates are for sewer conveyance and treatment services only (**Figure 1-3**). The unincorporated service

area (e.g., Marin City and floating homes) rates are for conveyance and treatment services (**Figure 1-3**) and sewer collection services (**Figure 1-5**).

Figure 1-7. Summary of Current and Proposed Rates (by Service Area)

Customer Class	Current Rates	FY 2019-20			FY 2020-21			FY 2021-22			FY 2022-23			FY 2023-24		
	\$/EDU	\$/EDU	Change	\$/EDU	Change [3]	\$/EDU	Change	\$/EDU	Change	\$/EDU	Change	\$/EDU	Change			
Incorporated Service Area (conveyance and treatment)																
Single Family	\$866	\$866	\$0	0.0%	\$906	\$40	4.6%	\$942	\$36	4.0%	\$970	\$28	3.0%	\$999	\$29	3.0%
Multi Family	\$771	\$771	\$0	0.0%	\$793	\$22	2.8%	\$824	\$32	4.0%	\$849	\$25	3.0%	\$875	\$25	3.0%
Non-Residential	\$866	\$866	\$0	0.0%	\$906	\$40	4.6%	\$942	\$36	4.0%	\$970	\$28	3.0%	\$999	\$29	3.0%
Unincorporated Service Area (collection, conveyance, and treatment)																
Single Family	\$944	\$1,058	\$114	12.0%	\$1,103	\$46	4.3%	\$1,162	\$59	5.3%	\$1,261	\$99	8.5%	\$1,386	\$125	9.9%
Multi Family	\$849	\$940	\$91	10.7%	\$966	\$27	2.8%	\$1,018	\$52	5.4%	\$1,105	\$87	8.5%	\$1,215	\$110	10.0%
Floating Home	\$737	\$803	\$66	8.9%	\$831	\$28	3.5%	\$875	\$44	5.3%	\$949	\$74	8.5%	\$1,043	\$94	9.9%
Non-Residential	\$944	\$1,058	\$114	12.0%	\$1,103	\$46	4.3%	\$1,162	\$59	5.3%	\$1,261	\$99	8.5%	\$1,386	\$125	9.9%

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 O&M costs of the District.
- Reflect the proportional impact to cost of service.
- Meet the District's operations and capital funds reserve targets.
- Rates should reflect equity of costs in proportion to the level of service.
- Provide for efficient administration and execution of utility billing.
- Minimize "rate shock" overall and to any specific customer class.
- Rates should be clear and understandable to the customers.
- The rates must comply with Proposition 218 and applicable State codes.

2.3 BACKGROUND

Sausalito-Marin City Sanitary District (District) is responsible for conveyance and treatment of wastewater from the 18,000 residents and businesses in its service area, which includes the City of Sausalito, TCSD, and Marin City. The District's facilities comprise six miles of sewer collection pipelines, 4.5 miles of gravity and pressurized transmission pipelines and 7 sewer pump stations, which convey 1.5 million gallons per day (average dry weather flow) to the District's wastewater treatment plant for treatment and disposal.

In addition, the District maintains the sewer collection system for Marin City and the floating homes in the unincorporated area of Sausalito. The City of Sausalito and TCSD own their respective sewer collection systems and have their own respective charges to maintain them.

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 FY 2019-20 through FY 2023-24.
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 revenue requirements that must be provided from utility rates to cover the cost of service to provide conveyance 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, revenue requirements were projected for FY 2019-20 through FY 2023-24. **Figure 3-1** summarizes the major categories comprising the revenue requirements, indicating the annual change.

Figure 3-1. Revenue Requirement Components

	Budget		Projected			
	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Operating Expenses	\$3,714,323	\$3,825,753	\$3,940,525	\$4,058,741	\$4,180,503	\$4,305,918
Administrative Expenses	\$400,204	\$412,210	\$424,576	\$437,314	\$450,433	\$463,946
National Park Service Lease	\$263,569	\$263,569	\$274,112	\$285,076	\$293,629	\$302,437
Capital Projects: Debt Service	\$2,504,810	\$2,507,493	\$2,504,493	\$2,505,293	\$2,509,693	\$2,527,493
Capital Projects: PAYGo	\$735,110	\$3,334,983	\$3,334,983	\$3,334,983	\$3,334,983	\$3,334,983
Transfer to/(from) Reserves	\$1,808,729	(\$721,009)	(\$498,040)	(\$237,420)	\$28,617	\$333,442
Unincorporated Sewer Collection Revenue	(\$164,619)	(\$358,472)	(\$369,226)	(\$411,815)	(\$543,666)	(\$723,548)
Other Revenue Sources	(\$915,069)	(\$917,469)	(\$930,484)	(\$943,994)	(\$955,169)	(\$966,679)
Net Revenue Requirement	\$8,347,057	\$8,347,057	\$8,680,939	\$9,028,176	\$9,299,022	\$9,577,992
<i>Annual Change</i>		0.0%	4.0%	4.0%	3.0%	3.0%

The operating and capital components of the revenue requirements are based on projections prepared by the District and presented in the District's FY 2018-19 budget, adopted June 4, 2018, and subsequently updated by District staff. Factors driving future cost trends (and related revenue requirements) for each of these components are summarized here.

3.1. OPERATING EXPENSES

This cost category includes salaries and benefits as well as non-personnel related operating and maintenance expenses, such as electrical utility costs, fuel, and non-capital materials and equipment. During the projection period, operating expenses have been escalated 3% annually from FY 2018-19 to FY 2023-24, per District estimate. The cost trend is driven primarily by cost of living adjustments set in labor agreements, and expected increases in health care benefit costs. No staff headcount increases are anticipated.

3.2. 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 at 3% annually for the five-year planning period.

3.3. NATIONAL PARK SERVICE LEASE

This cost category accounts for the District's National Park Service Lease at Fort Baker. However, this is a net zero cost, as the District receives lease payments annually from the National Park Service in the same amount (see further discussion below in **Section 3.8**).

3.4. CAPITAL PROJECTS: DEBT SERVICE

In 2017, the District issued \$26 million in revenue bonds to fund major treatment plant capital improvements, which accounts for the majority of the District's annual debt service, at \$2.1 million per year. In addition, the District has a 30-year loan from the City National Bank in 2008 and a 30-year SRF loan from the State in 2011. These two older loans account for approximately \$400,000 in annual debt service payments. Additional detail is included in Table 6 of Appendix A - Rate Model.

Over the next five years, the District will continue to pay down its existing debt, without making additional debt issuances. As shown in **Figure 3-1**, The District's debt service level will remain fairly consistent at approximately \$2.5 million during the five-year planning period.

3.5. CAPITAL PROJECTS: PAYGO

In addition to the major capital improvements funded with debt, the District maintains a capital improvement program for replacement and rehabilitation of its system, which is funded through rates on a pay-as-you go (PAYGo) basis. The District's capital improvement plan over the five-year planning period is summarized in **Figure 3-2**.

Figure 3-2. PAYGo Capital Projects

Cash-funded (PAYGo) Projects	Projected					Total
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	
Treatment Plant Improvements						
Shop/Operator/Equipment Facilities Study/Pre-Design	\$0	\$0	\$75,000	\$175,000	\$0	\$250,000
Biosolids Handling (Long Term)	\$100,000	\$400,000	\$0	\$0	\$0	\$500,000
Engineering and Project Management (10%)	\$10,000	\$40,000	\$7,500	\$17,500	\$0	\$75,000
Subtotal, Treatment Plant	\$110,000	\$440,000	\$82,500	\$192,500	\$0	\$825,000
Conveyance System						
Coloma/Whiskey Springs Pump Station Improvements	\$2,500,000	\$2,500,000	\$0	\$0	\$0	\$5,000,000
Beach Force Main Rehabilitation	\$200,000	\$200,000	\$2,000,000	\$0	\$0	\$2,400,000
Site Access Control & Security	\$0	\$0	\$50,000	\$50,000	\$50,000	\$150,000
Main St. to Alexander Ave Force Main Inspection	\$0	\$0	\$0	\$250,000	\$0	\$250,000
Locust St. Force Main Inspection	\$0	\$0	\$0	\$200,000	\$200,000	\$400,000
Princess St. Pump Station Study	\$0	\$0	\$0	\$400,000	\$0	\$400,000
Engineering and Project Management (10%)	\$270,000	\$270,000	\$205,000	\$90,000	\$25,000	\$860,000
Subtotal, Transport System	\$2,970,000	\$2,970,000	\$2,255,000	\$990,000	\$275,000	\$9,460,000
Unincorporated Collection System						
Pump Station Improvements	\$0	\$0	\$500,000	\$1,500,000	\$1,500,000	\$3,500,000
Collection System Rehabilitation, Phase II	\$0	\$0	\$0	\$350,000	\$1,000,000	\$1,350,000
Engineering and Project Management (10%)	\$0	\$0	\$50,000	\$185,000	\$250,000	\$485,000
Subtotal, Unincorporated Collection System	\$0	\$0	\$550,000	\$2,035,000	\$2,750,000	\$5,335,000
Total	\$3,080,000	\$3,410,000	\$2,887,500	\$3,217,500	\$3,025,000	\$15,620,000
Accumulated Construction Cost Inflation		3.30%	6.71%	10.23%	13.87%	
Grand Total Inflated Pay-As-You-Go Projects	\$3,080,000	\$3,522,530	\$3,081,219	\$3,546,660	\$3,444,504	\$16,674,913
					Annual Average	\$3,334,983

The project costs summarized in **Figure 3-2** include a 3.30% annual inflation factor, based on the historical annual change in the construction cost index published by Engineering News Record from 2008 through 2018.

The anticipated cost of the capital improvement projects from FY 2019-20 to FY 2023-24 fluctuates each year from \$3.0 to \$3.5 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 net revenue requirement for capital improvement projects in this study assumes annually recurring costs of \$3,334,983.

3.6. TRANSFER TO/(FROM) 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 Operations, Capital, Disaster Recovery, Repair & Replacement, and Self-Insurance Deductible. 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.

3.6.1 Operations 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 9 months of annual O&M expenses to provide adequate cash flow. If this minimum balance is maintained, the District should be able to fund its monthly operations cash flow over this extended period without relying on the use of a short-term loan. Maintaining the minimum balance for the Operations Reserve is recommended as the highest priority for the District.

3.6.2 Capital Reserve

The Capital 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 depends on the level of construction and the target is equal to 1.5 times the average annual cash-funded capital project expenditures over the five-year planning period (~\$5.0 million).

3.6.3 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 the average annual cash-funded capital project expenditures over the five-year planning period (~3.3 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.

3.6.4 Repair & Replacement Reserve

The District's Repair & Replacement Reserve provides capital for the renewal and replacement of equipment. The target balance for this reserve is 2.0 times the District's average annual expenditures on replacement equipment (~\$250,000).

3.6.5 Self-Insurance Deductible Reserve

The District maintains a reserve of \$100,000 to cover the deductibles on the various insurance policies carried by the District.

3.7. UNINCORPORATED SEWER COLLECTION SYSTEM REVENUE

In addition to providing treatment services, the District maintains the sewer collection system for customers in the unincorporated areas of its service area (e.g., Marin City,

floating homes). As such, these customers pay a supplemental charge, in addition to cost of treatment, for the costs associated with the operations, maintenance, repair, and improvements to the collection system in these areas. Costs associated with sewer collection are expected to increase based on increased O&M costs, as well as capital improvements beginning FY 2021-22 and continuing through FY 2023-24. (Additional detail is included in Table 8 of Appendix A - Rate Model).

3.8. OTHER REVENUE SOURCES

This revenue category mainly includes the revenue from the ad valorem taxes received from Marin County. During this rate study period, the ad valorem taxes are conservatively assumed to remain flat. This revenue category also accounts for the payment of the National Park Service lease at Fort Baker and revenues generated from the Sausalito Pump Station.

3.9 PROJECTED RATE REVENUE INCREASES

The District's net revenue requirements increase over the next five years primarily due to inflationary increases in O&M expenses and a slight increase in annual capital spending compared to previous years. The increases in revenue from rates that will be needed to fund the increasing revenue requirements are shown in **Figure 3-3**.

Figure 3-3. Projected Rate Revenue Increases

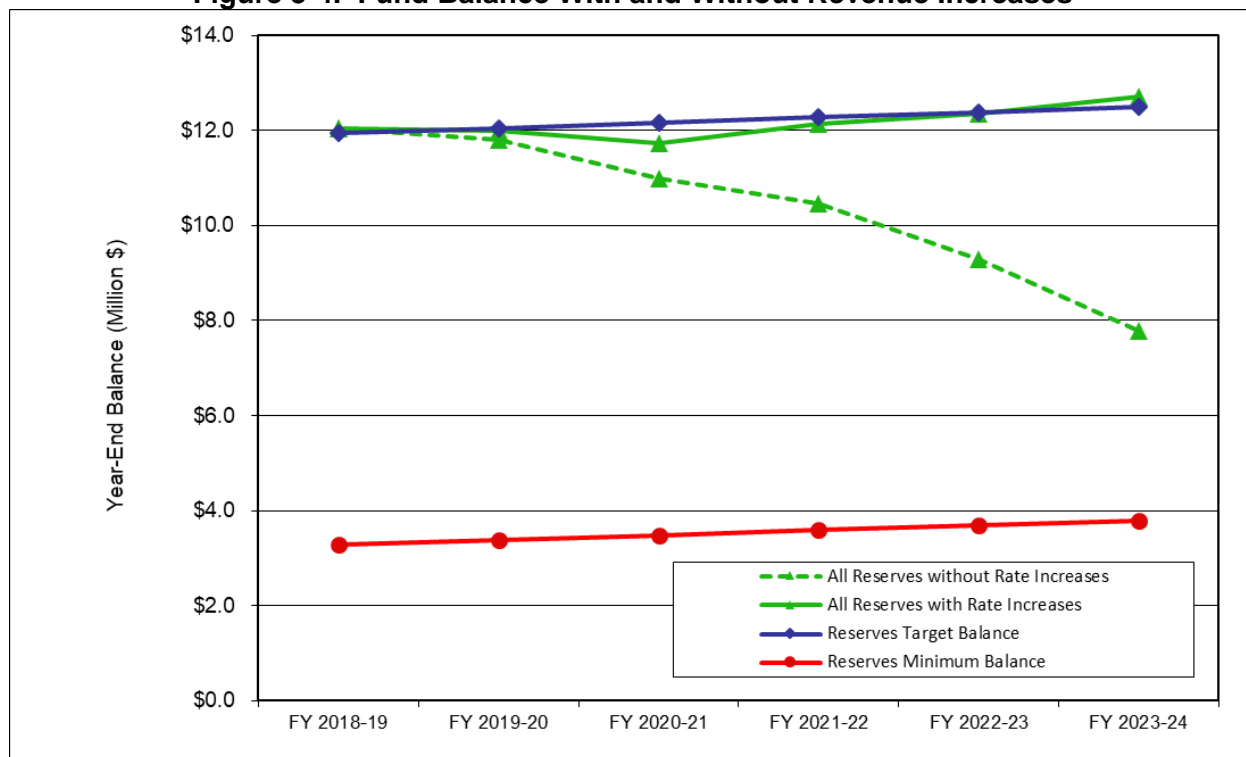
Rate Year	Annual Revenue Requirement	Annual Change
Current Revenue	\$8,347,057	
FY 2019-20	\$8,347,057	0.0%
FY 2020-21	\$8,680,939	4.0%
FY 2021-22	\$9,028,176	4.0%
FY 2022-23	\$9,299,022	3.0%
FY 2023-24	\$9,577,992	3.0%

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) and without the rate increases (dashed green line). 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 on at all times during 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 will reach, and slightly exceed, the target balance by FY 2023-24.

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



3.10.1 Minimum Fund 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 nine months of O&M expenses.

3.10.2 Target Fund Balance

The proposed revenue increases move the fund balance (solid green line) upward and just above the target balance (blue line) by Fiscal Year 2023-24. The target balance is the sum of the minimum balance for operations (red line) plus an allowance for the District’s other reserves: Capital, Disaster Recovery, Repair & Replacement, and Self-Insurance Deductible, whose target balances were discussed in **Section 3.6** above.

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 conveyance and treatment services to three residential customer classes: single family, multi family, and floating homes. All residential customers pay the sum of a base component and a volumetric component. The base component is the same for all three customer classes. The volumetric component differs between the three classes based on demonstrated differences in the average wastewater contribution by each customer class (i.e., flow ratio). The flow ratio reflects a reduced wastewater contribution from multi family and floating home customers in relationship to single family customers.

The residential rate structure will not change during this five-year planning period. However, the current flow ratios (which were established based on actual water demand patterns measured over five years ago) have been reviewed and updated based on more-recent actual water use patterns for each residential customer class (see discussion in **Section 5.3.2.** of this report).

4.3 NON-RESIDENTIAL CUSTOMER RATE DESIGN

To calculate the charges for non-residential customers, the District has established a set of strength factors and a standard flow rate per EDU. The strength factor for a commercial customer reflects the pollutant content of their wastewater and the resulting ease or difficulty of treatment. For example, offices are assigned a strength factor of 1.0 because their wastewater strength is considered equal to a single family residence. A deli or market is assigned a strength factor of 1.7 because of its moderate strength characteristics. A restaurant is assigned a strength factor of 2.4 because of its high strength characteristics. A flow factor is established for each non-residential customer as the ratio of its flow based on water use to the standard flow rate of 200 gallons per day per EDU.

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 below:

Non-residential EDUs = Flow factor multiplied times Strength factor

Flow factor = annualized metered water use¹, converted to gallons per day divided by the standard flow rate of 200 gallons per day per EDU, and

Strength factor = either 1.00 for low strength, 1.70 for medium strength, or 2.40 for high strength customers.

Non-Residential Charge = (Charge per EDU) x (flow factor) x (strength factor)

The non-residential rate structure will not change during the five-year planning period.

¹ A non-residential customer's annualized metered water use is estimated by summing the most-recent actual February and August water use, as reported by Marin Municipal Water District, multiplied by 6.

5. COST OF SERVICE AND RATE ANALYSIS

A cost of service analysis determines the cost of providing service to each customer class. The cost of service depends on the characteristics of the rate design (discussed in **Section 4**), which defines the services charged to each class of customers. For residential customers, single family, multi family and floating home EDUs are factored in proportion to the differences in flow based on average flow per EDU for each class. Rates for non-residential EDUs are equal to single family residential rates and EDUs are factored based on both flow and strength.

5.1 COST OF SERVICE ANALYTICAL APPROACH

The cost of service analysis needs to determine the portion of costs that will be allocated to customers in proportion to flow. *Not all costs are proportionate to flow; in fact the majority of costs are independent of flow.* Certain operating costs, such as personnel costs, which are a significant portion of the District's costs, would be incurred regardless of how much flow was produced by customers. There are also capital costs that provide capacity for average customer flows with no allowance for peak flows or inflow and infiltration. These are essentially equivalent capital costs per EDU that do not recognize differences in flows among classes or for peak flows. The combination of these fixed operating and capital costs are referred to as the "base cost component."

Other costs fluctuate based on variations in flow among customer classes and for peak capacity. Such variable operating costs include power for pumping and for chemicals and solids disposal at the treatment plant. The capital costs that are dependent on flow are related to the additional peak capacity that must be provided for customers that discharge more and for overall peak wet weather capacity that is attendant with the capacity that is provided for customer flows.² The combination of these flow related operating and capital costs is referred to as the "volumetric cost component."

The cost of service analysis employed in this report for purposes of calculating rates segregates the revenue requirements into the base and volumetric cost components. The base cost component represents the common costs for conveyance and treatment of wastewater. The volumetric cost component apportions the costs associated with above average flows among the customer classes in proportion to their respective flows. The sum of the base and volumetric cost components determines each class' charge per EDU.

²Based on District flow studies, 80% of peak flow is related to I&I and 20% is related to customer wastewater discharges.

5.2 COST ALLOCATION FACTORS

Separate cost allocation factors were developed to allocate operating and capital costs to the base and volumetric cost components. The derivation of the cost allocation factors is described in the next section.

5.2.1 O&M and Capital Cost Allocations

The cost allocation factors were derived as shown in **Figures 5-1** and **5-2**. For purposes of deriving the O&M cost allocation factors, the FY 2019-20 projections were used, which are representative of future years. 89% of the District's O&M cost is fixed; in other words, the District would incur virtually all of these costs regardless of the amount of wastewater flow.

Figure 5-1. O&M Cost Allocation Factors

Operating and Administrative Expenses	FY 2019/20	BASE		VOLUMETRIC	
	From Table 1	%	\$	%	\$
<u>Salaries and Benefits</u>					
Salary	\$1,669,748	100%	\$1,669,748	0%	\$ -
Payroll Taxes	119,105	100%	119,105	0%	-
Retirement	310,361	100%	310,361	0%	-
Employee Benefits	405,027	100%	405,027	0%	-
Workers Comp	49,900	100%	49,900	0%	-
<u>Operations</u>					
Chemicals	190,418	20%	38,084	80%	152,335
Fuel	13,236	100%	13,236	0%	-
Permits & Fees	130,804	100%	130,804	0%	-
Waste Disposal	111,951	20%	22,390	80%	89,561
Parts, Tools, Materials & Supplies	63,612	100%	63,612	0%	-
Vehicles	14,214	100%	14,214	0%	-
Safety	36,853	20%	7,371	80%	29,483
<u>System & Plant Maintenance</u>					
Treatment & Collection System	217,280	100%	217,280	0%	-
Unincorporated Area Collection System	72,100	100%	72,100	0%	-
City of Sausalito Pump Stations	17,253	20%	3,451	80%	13,802
Wastewater Monitoring & Testing	83,691	100%	83,691	0%	-
<u>Utilities & Communication</u>					
Communication	31,146	100%	31,146	0%	-
Electricity	283,390	20%	56,678	80%	226,712
Water	5,665	100%	5,665	0%	-
<u>Administrative</u>					
Professional Development	29,664	100%	29,664	0%	-
Professional Services	253,895	100%	253,895	0%	-
Insurance	50,092	100%	50,092	0%	-
Administrative	78,559	100%	78,559	0%	-
NPS Lease	263,569	100%	263,569	0%	-
Total Operating and Admin Expenses	\$ 4,501,532		\$3,989,640		\$ 511,892
	% of Total	100%	89%		11%

For purposes of deriving the capital cost allocation factors, the five-year capital improvement plan was used (FY 2019-20 through FY 2023-24). In this case, the capital improvement plan reflects the future capital projects, which is more representative than using the just one year's projected capital expenditures.

Figure 5-2. Capital Cost Allocation Factors

CAPITAL PROJECTS	5-Yr Total	BASE		VOLUMETRIC	
	(from Table 5, Appendix A)	%	\$	%	\$
Treatment Plant Improvements					
Shop/Operator/Equipment Facilities Study/Pre-Design	\$250,000	100%	\$ 250,000	0%	\$ -
Biosolids Handling (Long Term)	\$500,000	20%	\$ 100,000	80%	\$ 400,000
Engineering and Project Management	\$75,000	100%	\$ 75,000	0%	\$ -
Conveyance System					
Coloma/Whiskey Springs Pump Station Improvements	\$5,000,000	20%	\$1,000,000	80%	\$ 4,000,000
Beach Force Main Rehabilitation	\$2,400,000	20%	\$480,000	80%	\$ 1,920,000
Site Access Control & Security	\$150,000	20%	\$30,000	80%	\$ 120,000
Main St. to Alexander Ave Force Main Inspection	\$250,000	20%	\$50,000	80%	\$ 200,000
Locust St. Force Main Inspection	\$400,000	20%	\$80,000	80%	\$ 320,000
Princess St. Pump Station Study	\$400,000	20%	\$80,000	80%	\$ 320,000
Engineering and Project Management	\$860,000	100%	\$860,000	0%	\$ -
Unincorporated Collection System					
Pump Station Improvements	\$3,500,000	20%	\$ 700,000	80%	\$ 2,800,000
Collection System Rehabilitation, Phase II	\$1,350,000	20%	\$ 270,000	80%	\$ 1,080,000
Engineering and Project Management	\$485,000	100%	\$ 485,000	0%	\$ -
Total Capital Expenses (5-yr period)	\$15,620,000		\$ 4,460,000		\$ 11,160,000
Average Annual Capital	\$3,124,000		\$ 892,000		\$ 2,232,000
	% of Total	100%		29%	71%

By contrast with the District's O&M costs, the District's planned infrastructure costs are heavily dependent on providing capacity for peak flow. The facilities are sized to provide significant additional capacity for above-average customer flows and Inflow & Infiltration (I&I).

5.2.2 Base and Volumetric Cost Allocations

The combination of the O&M and capital cost allocation factors indicates that 64% of the revenue requirement is the base component and 36% is the volumetric component (see **Figure 5-3**). These percentages are applied to the FY 2019-20 net revenue requirement to determine the respective base and volumetric cost components of the residential and non-residential rates. The derivation of the corresponding charges is described in the next section.

Figure 5-3. Base and Volumetric Allocation Factors

REVENUE REQUIREMENT	BASE	VOLUMETRIC	TOTAL
	\$	\$	
FY 2019-20 Operating & Admin. Expenses [1]	\$ 3,989,640	\$ 511,892	\$4,501,532
Average Annual Capital Expenses [2]	\$ 892,000	\$2,232,000	\$3,124,000
Grand Total	\$ 4,881,640	\$2,743,892	\$7,625,532
% of Total	64%	36%	100%

[1] from Figure 5-1

[2] from Figure 5-2

5.3 BASE AND VOLUMETRIC EDUs

This section describes how the base and volumetric cost allocation factors developed in **Figure 5-3** are applied to the District's FY 2019-20 net revenue requirement to determine the base and volumetric charges for residential and non-residential charges. Deriving the charges requires determining the number of base and volumetric EDUs.

5.3.1 Base EDUs

The base charge is determined by dividing the base cost component by the total base EDUs for residential and non-residential customers. For residential customers, each dwelling unit is considered to be one EDU. For non-residential customers, the number of EDUs depends on how the flow rate for each non-residential customer compares with the single family standard flow rate of 200 gpd per EDU, as well as the strength factor for each commercial customer class. The standard flow rate allows for adequate capacity to convey and treat wastewater from all customers in the District's service area. It is recommended that the standard flow rate remain as 200 GPD based on the District's recent wastewater system flow monitoring data.

5.3.2 Volumetric EDUs

The historical winter water use for the most-recent three year period was analyzed in order to determine flow factors for each residential customer class. The residential flow data is shown in **Figure 5-4** and includes flow from all residential customers whose wastewater flow is treated at the Districts' wastewater treatment plant, including the Tamalpais Community Services District (TCSD). We note that these flows represent MMWD winter water demands. For single family customers, there is a small amount of unsewered outside water use such as for irrigation and washing that was excluded (i.e., 5% was considered unsewered, leaving a return rate of 95%).

Figure 5-4. Estimated Residential Flows

Customer Classes	3-Year		MMWD Annual Total (GPD)	Return Rate (%)	Annual Total (GPD) - Adjusted	FY18-19 EDUs Reported to County	GPD per EDU	Factors based on GPD per EDU
	3-Year	Average						
	Average	Total						
	Total (HCF)	Annualized (HCF)						
Residential (1 winter bill)								
Single Family	36,196	217,176	445,093	95%	424,204	3,188	133	1.00
Multi-Family	34,183	205,098	420,340	100%	420,340	4,584	92	0.69
Floating Homes	1,663	9,978	20,449	100%	20,449	398	51	0.39
Subtotal - Residential	72,042	432,252	885,882		864,993	8,170		

The volumetric charge is determined by dividing the volumetric cost component by the total volumetric EDUs. The resulting unit cost represents the cost associated with above-average flow and capacity. This cost is then proportioned among the residential classes on the basis of the average flow per class. For non-residential customers, the cost is proportioned on the basis of that part of their EDUs that is related to their flows, as distinct from the portion that is related to strength.

The average flow per residential class is shown in **Figure 5-4**. Single family, multi family, and floating home flows per EDU were determined to be 133, 92, and 51 GPD, respectively, which means that multi family flow is 69% of single family flow, and floating home flow is 39% of single family flow. The single family residential customer class is assigned a flow factor of 1.0. The multi family residential class was factored down to 69% of a single family EDU for use in apportioning the volumetric-related costs, and floating home EDUs were factored down to 39% of a single family EDU.

Figure 5-5 shows how the multi-family and floating home dwelling units (i.e., customers) were factored to yield their volumetric EDUs for purposes of determining volumetric charges.

Figure 5-5. Multi Family and Floating Home Volumetric EDU Calculation

Residential Customer Class	# of Dwelling Units [1]	Volume Factors [2]	Volumetric EDUs
	(a)	(b)	(c) = (a)*(b)
Single family	3,188	1.00	3,188
Multi-Family	4,584	0.69	3,159
Floating Homes	398	0.39	154
Total	8,170		6,501

5.4 COST OF SERVICE – SEWER CONVEYANCE AND TREATMENT

Figure 5-6 summarizes the derivation of the sewer conveyance and treatment rates, by customer class in FY 2020-21, based on the cost of service. Note: the cost of service is being calculated for FY 2020-21 (the second year of the five-year planning period) because the District is not changing the sewer conveyance and treatment rates for FY 2019-20.

Figure 5-6. Cost of Service –Sewer Conveyance and Treatment (by customer class)

	Base EDUs	Volume Factors	Volumetric EDUs	Cost Allocation			Ratio Compared to SFR
				Base	Volumetric	Total	
<i>Cost Allocation Factors [1]</i>				64%	36%		
<i>Conveyance and Treatment Revenue Requirement [2]</i>				\$ 5,555,801	\$ 3,125,138	\$ 8,680,939	
<i>EDUs</i>				10,254	8,585		
<i>\$/EDU</i>				\$542	\$364		
<u>Residential</u>	(a)	(b)	(c) = (a)*(b)				
Single family	3,188	1.00	3,188	\$542	\$364	\$906	1.00
Multi-Family	4,584	0.69	3,159	\$542	\$251	\$793	0.88
Floating Homes	398	0.39	154	\$542	\$141	\$682	0.75
Total Residential	8,170		6,501				
Non Residential	2,080	1.00	2,080	\$542	\$364	\$906	1.00
Growth	4	1.00	4	\$542	\$364	\$906	1.00
Total	10,254		8,585				

[1] Cost allocation factors from Figure 5-3.

[2] FY 2020-21 net revenue requirement from Figure 3-1.

The District's net revenue requirement for FY 2020-21, totaling \$8,680,939, is used to allocate base and volumetric costs. Approximately 64% of the \$8,680,939, or \$5,555,801, constitutes the base cost and is divided by the 10,254 base EDUs. This results in a base charge, common to all customer classes, of \$542 per year. Approximately 36% of the \$8,680,939, or \$3,125,138, constitutes the volumetric cost and is divided by the 8,585 volumetric EDUs. This results in a volumetric charge of \$364 per EDU. The results are volumetric charge components of \$364, \$251 and \$141 for single family, multi family and floating home EDUs, respectively. These amounts are the unit costs of service for each residential class that reflect their average flows per EDU.

Note that the combined cost of \$793 per multi family EDU is 88% of the \$906 single family cost, and the \$682 cost per EDU for floating homes is 75%. This occurs even though multi family residential flow is 69% of single family residential flow because 64% of the costs (i.e., Base costs) are not related to differences in flow or the need for peak capacity; the same relationship is true for floating homes.

6. FIVE-YEAR RATE PLAN RECOMMENDATION

6.1. PROPOSED ANNUAL SEWER CONVEYANCE AND TREATMENT RATES

A five-year rate plan was prepared based on the District's net revenue requirements. The rates included in the five-year plan reflect the cost of service analysis, which establishes the allocation of the revenue requirement among the user classes based on their relative proportionate shares of base and volumetric cost components. The proposed five-year rate plan is shown in **Figure 6-1**. It should be noted that this five-year financial plan assumes no change in the sewer conveyance and treatment rates for the first year; therefore, the cost of service remains unchanged for FY 2019-20.

Figure 6-1. Proposed Annual Sewer Conveyance and Treatment Rates

Customer Class	Current Rates	FY 2019-20			FY 2020-21			FY 2021-22			FY 2022-23			FY 2023-24		
	\$/EDU	\$/EDU	Change	Change	\$/EDU	Change	Change	\$/EDU	Change	Change	\$/EDU	Change	Change	\$/EDU	Change	Change
Single Family	\$866	\$866	\$0	0.0%	\$906	\$40	4.6%	\$942	\$36	4.0%	\$970	\$28	3.0%	\$999	\$29	3.0%
Multi Family	\$771	\$771	\$0	0.0%	\$793	\$22	2.8%	\$824	\$32	4.0%	\$849	\$25	3.0%	\$875	\$25	3.0%
Floating Home	\$659	\$659	\$0	0.0%	\$682	\$23	3.5%	\$710	\$27	4.0%	\$731	\$21	3.0%	\$753	\$22	3.0%
Non-Residential	\$866	\$866	\$0	0.0%	\$906	\$40	4.6%	\$942	\$36	4.0%	\$970	\$28	3.0%	\$999	\$29	3.0%

Note that customers located in the District's unincorporated service area, including Marin City and floating homes, are subject to an additional sewer collection system charge, as discussed below.

6.2. SEWER COLLECTION SYSTEM CHARGE

The District's customers that are located in the unincorporated service area (e.g., Marin City and floating homes), are subject to a supplemental charge to recover the cost of maintenance, repair and upgrade of their sewer collection systems, which are owned and operated by the District. Customers within Sausalito and TCSD are not subject to this supplemental charge as the District does not own and/or maintain the sewer collection systems within Sausalito and TCSD. The District only provides conveyance and treatment services. The City of Sausalito and TCSD own their respective sewer pipeline collection systems and has their own respective charges to maintain them.

6.2.1. Sewer Collection System Revenue Requirement

Figure 6-2 summarizes the projected annual O&M and capital costs to maintain the unincorporated sewer collection system.

Figure 6-2. Projected Annual Sewer Collection Costs

Unincorporated Collection System Costs	Projected				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Operations and Maintenance					
Labor & Benefits	\$206,715	\$212,916	\$219,304	\$225,883	\$232,660
Expenses	\$105,000	\$108,150	\$111,395	\$114,736	\$118,178
Overhead	\$46,757	\$48,160	\$49,605	\$51,093	\$52,626
Subtotal - O&M Costs	\$358,472	\$369,226	\$380,303	\$391,712	\$403,464
Capital Projects					
Pump Station Improvements	\$0	\$0	\$500,000	\$1,500,000	\$1,500,000
Collection System Rehabilitation	\$0	\$0	\$0	\$350,000	\$1,000,000
Engineering and Project Mgmt	\$0	\$0	\$50,000	\$185,000	\$250,000
Subtotal - Capital Projects	\$0	\$0	\$550,000	\$2,035,000	\$2,750,000
Construction Cost Inflation		3.30%	6.71%	10.23%	13.87%
Subtotal, Adjusted Capital Project Costs	\$0	\$0	\$586,899	\$2,243,186	\$3,131,367
Total Annual Costs	\$358,472	\$369,226	\$967,202	\$2,634,899	\$3,534,831

The current sewer collection charge for the approximately 2,100 dwelling units within the unincorporated area is \$78 per EDU, and generates approximately \$164,000 per year (see Appendix A – Table 1), much less than the projected costs. Therefore, the current sewer collection charge will need to increase over the five-year planning period. In addition, as shown in **Figure 6-2**, the District anticipates significant capital expenses in the last few years of the five-year planning period (over \$3 million in FY 2023-24). The capital project costs portion of the revenue requirements was calculated assuming the capital projects will be “debt funded” using the District’s reserves. This methodology is recommended in an effort to reduce rate volatility, and not cause the sewer collection charge to spike in FY 2022-23 and FY 2023-24, only to drop significantly thereafter, as the need for major rehabilitation diminishes. Debt financing the capital projects will spread the cost of the capital projects over a 30-year period. **Figure 6-3** summarizes the annual debt service payments for the use of the District’s reserves to fund the sewer collection system capital projects. Note: The annual debt service payments include interest at 3.4% per year (based on the State’s LAIF rate as of 12/31/2018 plus 1%). It is appropriate to include interest even though the District is not actually procuring a loan, because the sewer collection services are only provided to a small subset (approximately 20%) of the District’s service area and the reserves are contributed to by the entire service area.

Figure 6-3. Projected Annual Sewer Collection System Debt-Service Payments

Fiscal Year	System Capital Project Costs	Annual Debt Service (30 years @ 3.4%)				
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
	(from Figure 6-2)					
2019/2020	\$0	\$0	\$0	\$0	\$0	\$0
2020/2021	\$0	\$0	\$0	\$0	\$0	\$0
2021/2022	\$586,899	\$0	\$0	\$31,512	\$31,512	\$31,512
2022/2023	\$2,243,186	\$0	\$0	\$0	\$120,442	\$120,442
2023/2024	\$3,131,367	\$0	\$0	\$0	\$0	\$168,130
	\$5,961,452	\$0	\$0	\$31,512	\$151,954	\$320,084

Figure 6-4 summarizes the adjusted annual revenue requirement to provide the sewer collection services to the unincorporated areas of the District.

Figure 6-4. Annual Sewer Collection System Revenue Requirement

Collection System Costs	Projected				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Annual Operations and Maintenance Costs					
Labor & Benefits	\$206,715	\$212,916	\$219,304	\$225,883	\$232,660
Expenses	\$105,000	\$108,150	\$111,395	\$114,736	\$118,178
Overhead	\$46,757	\$48,160	\$49,605	\$51,093	\$52,626
Subtotal - O&M Costs	\$358,472	\$369,226	\$380,303	\$391,712	\$403,464
Annual Debt Service - Capital Projects	\$0	\$0	\$31,512	\$151,954	\$320,084
Total Annual Costs	\$358,472	\$369,226	\$411,815	\$543,666	\$723,548

6.2.2. Recommended Sewer Collection Rates

Figure 6-5 presents the five-year recommended sewer collection rates based on the annual costs above. The sewer collection rate will increase from the current \$78 per year to \$387 per year in FY 2023-24.

Figure 6-5. Supplemental Charge Five-Year Rate Projections

Collection System Costs	Current Rate	Projected				
		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Costs						
Labor & Benefits		\$206,715	\$212,916	\$219,304	\$225,883	\$232,660
Expenses		\$105,000	\$108,150	\$111,395	\$114,736	\$118,178
Overhead		\$46,757	\$48,160	\$49,605	\$51,093	\$52,626
Subtotal - O&M Costs		\$358,472	\$369,226	\$380,303	\$391,712	\$403,464
Annual Debt Service - Capital Projects		\$0	\$0	\$31,512	\$151,954	\$320,084
Total Costs [1]		\$358,472	\$369,226	\$411,815	\$543,666	\$723,548
Total Effective EDUs [2]		1,869	1,869	1,869	1,869	1,869
Annual Sewer Collection Charge (\$/EDU) - SFR and Non Residential	\$78	\$192	\$198	\$220	\$291	\$387
Annual % Increase		146%	3%	12%	32%	33%

[1] From Figure 6-3

[2] From Figure 6-5

Historically, the supplemental sewer collection charge has been a uniform rate per EDU, regardless of customer class. However, since flow differs between residential customer classes (as shown in **Figure 5-4**), we recommend factoring the multi family and floating home sewer collection system charge in the same manner as the conveyance and treatment rates (as shown in **Figure 5-6**). **Figure 6-6** calculates the effective EDUs (to account for the differences in flow) used to calculate the per EDU rates in **Figure 6-5**. **Figure 6-7** calculates the per dwelling unit rates for multi family and floating home customers to reflect the differences in average flow compared to single family customers

Figure 6-6. Equivalent Dwelling Unit Calculation – Sewer Collection Services

	Dwelling Units/EDUs	Ratio Compared to SFR	Adjusted Dwelling Units/EDUs
		(from Fig. 5-6)	
<u>Residential Dwelling Units</u>	(a)		(c) = (a)*(b)
Single family	84	1.00	84
Multi-Family	1,180	0.88	1,038
Floating Homes	398	0.75	299
Total Residential	1,662		1,420
Non Residential EDUs	449	1.00	449
Total	2,111		1,869

Figure 6-7. Summary of Annual Supplemental Sewer Collection Charge

Customer Class	Ratio Compared to SFR	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
	(from Fig. 5-6)					
Rate per EDU (from Fig. 6-4)		\$192	\$198	\$220	\$291	\$387
<u>Residential</u>						
Single family	1.00	\$192	\$198	\$220	\$291	\$387
Multi-Family	0.88	\$169	\$174	\$194	\$256	\$341
Floating Homes	0.75	\$144	\$148	\$165	\$218	\$290
Non Residential	1.00	\$192	\$198	\$220	\$291	\$387

6.3 SUMMARY OF RECOMMENDED RATES

Figure 6-8 reiterates the five-year rate projections presented in **Figure 6-1** for conveyance and treatment services provided to the District’s incorporated service area, as well as the total rate per EDU to the District’s customers located in the

unincorporated service area (e.g., Marin City and floating homes), which includes sewer collection rates (presented in Figure 6-7) in addition to the conveyance and treatment services provided to the incorporated service area.

Figure 6-8. Annual Recommended Rates

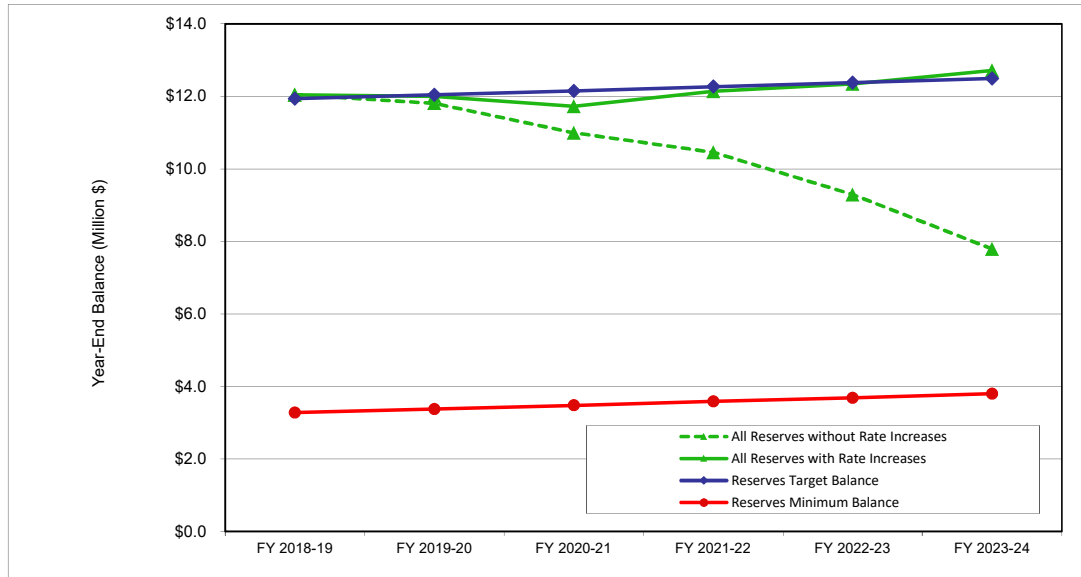
Customer Class	Current Rates	FY 2019-20			FY 2020-21			FY 2021-22			FY 2022-23			FY 2023-24		
	\$/EDU	\$/EDU	Change		\$/EDU	Change [1]		\$/EDU	Change		\$/EDU	Change		\$/EDU	Change	
Incorporated Service Area (conveyance and treatment)																
Single Family	\$866	\$866	\$0	0.0%	\$906	\$40	4.6%	\$942	\$36	4.0%	\$970	\$28	3.0%	\$999	\$29	3.0%
Multi Family	\$771	\$771	\$0	0.0%	\$793	\$22	2.8%	\$824	\$32	4.0%	\$849	\$25	3.0%	\$875	\$25	3.0%
Non-Residential	\$866	\$866	\$0	0.0%	\$906	\$40	4.6%	\$942	\$36	4.0%	\$970	\$28	3.0%	\$999	\$29	3.0%
Unincorporated Service Area (collection, conveyance, and treatment)																
Single Family	\$944	\$1,058	\$114	12.0%	\$1,103	\$46	4.3%	\$1,162	\$59	5.3%	\$1,261	\$99	8.5%	\$1,386	\$125	9.9%
Multi Family	\$849	\$940	\$91	10.7%	\$966	\$27	2.8%	\$1,018	\$52	5.4%	\$1,105	\$87	8.5%	\$1,215	\$110	10.0%
Floating Home	\$737	\$803	\$66	8.9%	\$831	\$28	3.5%	\$875	\$44	5.3%	\$949	\$74	8.5%	\$1,043	\$94	9.9%
Non-Residential	\$944	\$1,058	\$114	12.0%	\$1,103	\$46	4.3%	\$1,162	\$59	5.3%	\$1,261	\$99	8.5%	\$1,386	\$125	9.9%

[1] 4% revenue increase varies by customer class based on FY 2020-21 cost of service analysis

Appendix A: Rate Model

	A	B	C	D	E	F	G	H	I	J
1	Sausalito-Marin City Sanitary District									
2	Wastewater Financial Plan									
3	Summary & Assumptions									
4										
5			Current				Proposed			
6			FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24		
7	Annual Revenue Increases									
8	Sewer Conveyance and Treatment Rate			0.0%	4.0%	4.0%	3.0%	3.0%	To Table 3	
9	Unincorporated Sewer Collection Rate			145.8%	3.0%	11.5%	32.0%	33.1%	From Table 8	
10										
11	Annual Rate (\$/EDU)									
12	Sewer Transport and Treatment									
13	Single Family/Commercial (per EDU)		\$866	\$866	\$906 [1]	\$942	\$970	\$999		
14	Multi Family (per DU)		\$771	\$771	\$793	\$824	\$849	\$875		
15	Floating Homes (per DU)		\$658	\$658	\$682	\$710	\$731	\$753		
16										
17	Unincorporated Sewer Collection									
18	Single Family/Commercial (per EDU)		\$78	\$192	\$198	\$220	\$291	\$387		
19	Multi Family (per DU)		\$78	\$169	\$174	\$194	\$256	\$341		
20	Floating Homes (per DU)		\$78	\$144	\$148	\$165	\$218	\$290		
21										
22	Unincorporated Collection, Transport, and Treatment									
23	Single Family/Commercial (per EDU)		\$944	\$1,058	\$1,103	\$1,162	\$1,261	\$1,386		
24	Multi Family (per DU)		\$849	\$940	\$966	\$1,018	\$1,105	\$1,215		
25	Floating Homes (per DU)		\$736	\$802	\$831	\$875	\$949	\$1,043		

[1] 4% average revenue increase varies by customer class based on FY 2020-21 cost of service analysis (from Table 10)



	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Notes
53	Inflation Assumptions						
54	a. Interest on Reserve Balances	2.40%	2.40%	2.40%	2.40%	2.40%	2.40% Dec 2018 LAIF rate
55	b. General Inflation	Budget	3.00%	3.00%	3.00%	3.00%	3.00% District estimate
56	c. OPEB reserve transfer	Budget	4.12%	4.12%	4.12%	4.12%	4.12% District estimate
57	d. Construction Cost Inflation	Budget	3.30%	3.30%	3.30%	3.30%	3.30% ENR SF CCI - 2008 to 2018 Avg.
58							

	A	B	C	D	E	F	G	H
1	Sausalito-Marin City Sanitary District							
2	Wastewater Financial Plan							
3	Table 1. Revenue Requirements							
4								
5								
6		Budgeted	Projected					
7		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Notes
8	Sewer Conveyance and Treatment Rate							
9	Salaries and Benefits							
10	Salary	\$1,621,115	\$1,669,748	\$1,719,841	\$1,771,436	\$1,824,579	\$1,879,317	
11	Payroll Taxes	\$115,636	\$119,105	\$122,678	\$126,359	\$130,149	\$134,054	
12	Retirement	\$301,321	\$310,361	\$319,671	\$329,262	\$339,139	\$349,314	
13	Employee Benefits	\$393,230	\$405,027	\$417,178	\$429,693	\$442,584	\$455,861	
14	Workers Comp	\$48,447	\$49,900	\$51,397	\$52,939	\$54,528	\$56,163	
15	Subtotal	\$2,479,749	\$2,554,141	\$2,630,766	\$2,709,689	\$2,790,979	\$2,874,709	
16								
17	Operations							
18	Chemicals	\$184,872	\$190,418	\$196,131	\$202,015	\$208,075	\$214,317	
19	Fuel	\$12,850	\$13,236	\$13,633	\$14,042	\$14,463	\$14,897	
20	Permits & Fees	\$126,994	\$130,804	\$134,728	\$138,770	\$142,933	\$147,221	
21	Waste Disposal	\$108,690	\$111,951	\$115,309	\$118,768	\$122,332	\$126,001	
22	Parts, Tools, Materials & Supplies	\$61,759	\$63,612	\$65,520	\$67,486	\$69,510	\$71,596	
23	Vehicles	\$13,800	\$14,214	\$14,640	\$15,080	\$15,532	\$15,998	
24	Safety	\$35,780	\$36,853	\$37,959	\$39,098	\$40,271	\$41,479	
25	Subtotal	\$544,745	\$561,087	\$577,920	\$595,258	\$613,115	\$631,509	
26								
27	System & Plant Maintenance							
28	Treatment & Collection System	\$210,951	\$217,280	\$223,798	\$230,512	\$237,427	\$244,550	
29	Unincorporated Area Collection System	\$70,000	\$72,100	\$74,263	\$76,491	\$78,786	\$81,149	
30	City of Sausalito Pump Stations	\$16,750	\$17,253	\$17,770	\$18,303	\$18,852	\$19,418	
31	Subtotal	\$297,701	\$306,632	\$315,831	\$325,306	\$335,065	\$345,117	
32								
33	Wastewater Monitoring & Testing	\$81,253	\$83,691	\$86,201	\$88,787	\$91,451	\$94,194	
34								
35	Utilities & Communication							
36	Communication	\$30,239	\$31,146	\$32,081	\$33,043	\$34,034	\$35,055	
37	Electricity	\$275,136	\$283,390	\$291,892	\$300,649	\$309,668	\$318,958	
38	Water	\$5,500	\$5,665	\$5,835	\$6,010	\$6,190	\$6,376	
39	Subtotal	\$310,875	\$320,201	\$329,807	\$339,702	\$349,893	\$360,389	
40								
41	General & Administrative							
42	Professional Development	\$28,800	\$29,664	\$30,554	\$31,471	\$32,415	\$33,387	
43	Professional Services	\$246,500	\$253,895	\$261,512	\$269,357	\$277,438	\$285,761	
44	Insurance	\$48,633	\$50,092	\$51,595	\$53,143	\$54,737	\$56,379	
45	Administrative	\$76,271	\$78,559	\$80,916	\$83,343	\$85,844	\$88,419	
46	Subtotal	\$400,204	\$412,210	\$424,576	\$437,314	\$450,433	\$463,946	
47								
48	Other Expenses							
49	NPS Lease	\$263,569	\$263,569	\$274,112	\$285,076	\$293,629	\$302,437	From NPS Payments below
50	Subtotal Other Expenses	\$263,569	\$263,569	\$274,112	\$285,076	\$293,629	\$302,437	
51								
52	Subtotal Ops & Admin	\$4,378,096	\$4,501,532	\$4,639,213	\$4,781,131	\$4,924,565	\$5,072,302	
53	Annual increase		2.8%	3.1%	3.1%	3.0%	3.0%	

	A	B	C	D	E	F	G	H
1	Sausalito-Marín City Sanitary District							
2	Wastewater Financial Plan							
3	Table 1. Revenue Requirements							
4								
5								
6		Budgeted	Projected					
7		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Notes
54								
55	Debt Service							
56	2008 City National Bank Loan	\$221,262	\$221,262	\$221,262	\$221,262	\$221,262	\$221,262	From Table 6
57	2011 SRF Loan - Locust St	\$148,830	\$148,830	\$148,830	\$148,830	\$148,830	\$148,830	From Table 6
58	2017 Revenue Bonds	\$2,134,717	\$2,137,400	\$2,134,400	\$2,135,200	\$2,139,600	\$2,157,400	From Table 6
59	Subtotal	\$2,504,810	\$2,507,493	\$2,504,493	\$2,505,293	\$2,509,693	\$2,527,493	
60	<i>Annual increase</i>		0.1%	-0.1%	0.0%	0.2%	0.7%	
61								
62	Non-Operating & Other Revenue							
63	Sausalito Pump Station	(\$80,000)	(\$82,400)	(\$84,872)	(\$87,418)	(\$90,041)	(\$92,742)	
64	Unincorporated Sewer Collection Revenue	(\$164,619)	(\$358,472)	(\$369,226)	(\$411,815)	(\$543,666)	(\$723,548)	From Table 8
65	Tax Allocation	(\$570,000)	(\$570,000)	(\$570,000)	(\$570,000)	(\$570,000)	(\$570,000)	
66	Miscellaneous	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	(\$1,500)	
67	NPS Payments	(\$263,569)	(\$263,569)	(\$274,112)	(\$285,076)	(\$293,629)	(\$302,437)	
68	Subtotal	(\$1,079,688)	(\$1,275,941)	(\$1,299,710)	(\$1,355,810)	(\$1,498,835)	(\$1,690,227)	
69								
70	Transfers							
71	To/(From) Capital Reserve	\$735,110	\$3,334,983	\$3,334,983	\$3,334,983	\$3,334,983	\$3,334,983	From Table 4
72	To/(From) Operating Reserve	\$1,567,552	(\$975,009)	(\$758,096)	(\$503,783)	(\$244,311)	\$53,678	From Table 4
73	To/(From) R/R Reserve	\$0	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	From Table 4
74	To/(From) Self-Insurance, Deductible Reserve	\$100,000	\$0	\$0	\$0	\$0	\$0	From Table 4
75	To/(From) OPEB	\$141,177	\$147,000	\$153,056	\$159,362	\$165,928	\$172,764	From Table 4
76	Subtotal	\$2,543,839	\$2,613,973	\$2,836,943	\$3,097,562	\$3,363,599	\$3,668,425	
77								
78	Net Revenue Requirement	\$8,347,057	\$8,347,057	\$8,680,939	\$9,028,176	\$9,299,022	\$9,577,992	
79	<i>Annual increase</i>		0.0%	4.0%	4.0%	3.0%	3.0%	
80	<i>Cumulative increase</i>		0.0%	4.0%	8.2%	11.4%	14.7%	
81								
82	FY 2018-19 Budget Figures from Adopted Budget FY 2018/19							
83								
84								
85								

	A	B	C	D	E	F	G	H
1	Sausalito-Marin City Sanitary District							
2	Wastewater Financial Plan							
3	Table 2. Revenue Calculation at Current Rates (incl. Growth)							
4								
5								
6		Tax Roll	Projected					
7		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Notes
8	Sewer Conveyance and Treatment Rate							
9	<u>Single Family Dwelling Units</u>							
10	Sausalito	1,351	1,355	1,359	1,363	1,367	1,371	includes growth at 4 EDUs per year
11	Unincorporated	84	84	84	84	84	84	
12	TCS D	1,753	1,753	1,753	1,753	1,753	1,753	
13	Total Units	3,188	3,192	3,196	3,200	3,204	3,208	
14	Transport and Treatment Charge per DU	\$866	\$866	\$866	\$866	\$866	\$866	
15	Single Family Transport and Treatment Revenue	\$2,760,808	\$2,764,272	\$2,767,736	\$2,771,200	\$2,774,664	\$2,778,128	
16								
17	<u>Multi Family Dwelling Units</u>							
18	Sausalito	2,704	2,704	2,704	2,704	2,704	2,704	
19	Marin Housing Authority	290	290	290	290	290	290	
20	Unincorporated	904	904	904	904	904	904	
21	TCS D	686	686	686	686	686	686	
22	Total Units	4,584	4,584	4,584	4,584	4,584	4,584	
23	Transport and Treatment Charge per DU	\$771	\$771	\$771	\$771	\$771	\$771	
24	Multi Family Transport and Treatment Revenue	\$3,534,264	\$3,534,264	\$3,534,264	\$3,534,264	\$3,534,264	\$3,534,264	
25								
26	<u>Floating Home Dwelling Units</u>							
27	Sausalito	0	0	0	0	0	0	
28	Unincorporated	398	398	398	398	398	398	
29	TCS D	0	0	0	0	0	0	
30	Total Units	398	398	398	398	398	398	
31	Transport and Treatment Charge per DU	\$658	\$658	\$658	\$658	\$658	\$658	
32	Floating Home Rate Revenue	\$261,884	\$261,884	\$261,884	\$261,884	\$261,884	\$261,884	
33								
34	<u>Non Residential EDUs</u>							
35	Sausalito	1,561	1,561	1,561	1,561	1,561	1,561	
36	Unincorporated	449	449	449	449	449	449	
37	TCS D	70	70	70	70	70	70	
38	Total Units	2,080	2,080	2,080	2,080	2,080	2,080	
39	Transport and Treatment Charge per EDU	\$866	\$866	\$866	\$866	\$866	\$866	
40	Non Residential Rate Revenue	\$1,801,280	\$1,801,280	\$1,801,280	\$1,801,280	\$1,801,280	\$1,801,280	
41								
42	Total Transport and Treatment Revenue	\$8,358,236	\$8,361,700	\$8,365,164	\$8,368,628	\$8,372,092	\$8,375,556	
43	Less: Marin Housing Authority 5% Credit	(\$11,180)	(\$11,180)	(\$11,180)	(\$11,180)	(\$11,180)	(\$11,180)	
44	Adjusted Transport and Treatment Revenue	\$8,347,057	\$8,350,521	\$8,353,985	\$8,357,449	\$8,360,913	\$8,364,377	
45	Transport and Treatment - Total EDUs	10,250	10,254	10,258	10,262	10,266	10,270	Total EDUs served by the District
46								
47								
48	TCS D Subtotal							
49	Single Family Dwelling Units	\$1,518,098						
50	Multi Family Dwelling Units	\$528,906						
51	Non Residential EDUs	\$60,620						
52		\$2,107,624						

	A	B	C	D	E	F	G
1	Sausalito-Marín City Sanitary District						
2	Wastewater Financial Plan						
3	Table 3. Rate Revenue Increases						
4							
5		Budget	Projected				
6		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
7							
8	Sewer Conveyance and Treatment Rate						
9	Transport and Treatment Charges - Existing	\$8,347,057	\$8,347,057	\$8,347,057	\$8,347,057	\$8,347,057	\$8,347,057
10	Transport and Treatment Charges - Growth	\$0	\$3,464	\$6,928	\$10,392	\$13,856	\$17,320
11	Revenue at Current Rates	\$8,347,057	\$8,350,521	\$8,353,985	\$8,357,449	\$8,360,913	\$8,364,377
12	Net Revenue Requirement	\$8,347,057	\$8,347,057	\$8,680,939	\$9,028,176	\$9,299,022	\$9,577,992
13	Surplus/(Deficit) before Rate Increase	\$0	\$3,464	(\$326,954)	(\$670,728)	(\$938,109)	(\$1,213,616)
14							
15							
16	Transport and Treatment Revenue Analysis						
17	Annual Increase in Rate		0.0%	4.0%	4.0%	3.0%	3.0%
18	Cumulative Increase		0.0%	4.0%	8.2%	11.4%	14.7%
19							
20	Revenue at Current Rates (incl. growth)	\$8,347,057	\$8,347,057	\$8,347,057	\$8,347,057	\$8,347,057	\$8,347,057
21	Revenue From Rate Increases Effective:						
22	July 1, 2019		\$0	\$0	\$0	\$0	\$0
23	July 1, 2020			\$333,882	\$333,882	\$333,882	\$333,882
24	July 1, 2021				\$347,238	\$347,238	\$347,238
25	July 1, 2022					\$270,845	\$270,845
26	July 1, 2023						\$278,971
27	Subtotal, Transport and Treatment Revenue Increase	\$0	\$0	\$333,882	\$681,120	\$951,965	\$1,230,936
28							
29	Total Transport and Treatment Revenue (after rate adjs)	\$8,347,057	\$8,347,057	\$8,680,939	\$9,028,176	\$9,299,022	\$9,577,992
30							
31	Total Revenue at Proposed Rates	\$8,347,057	\$8,347,057	\$8,680,939	\$9,028,176	\$9,299,022	\$9,577,992
32	Net Revenue Requirement	\$8,347,057	\$8,347,057	\$8,680,939	\$9,028,176	\$9,299,022	\$9,577,992
33	Surplus/(Deficit) after Rate Increase	\$0	\$0	\$0	\$0	\$0	\$0

	A	B	C	D	E	F	G	H
1	Sausalito-Marín City Sanitary District							
2	Wastewater Financial Plan							
3	Table 4. Reserves							
4								
5		Budgeted	Projected					
6		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Notes
7	Operating Reserves with increase							
8	Sewer Conveyance and Treatment Rate	\$2,634,562	\$4,788,886	\$4,421,842	\$4,265,505	\$4,362,781	\$4,724,976	
9	Operating Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0	\$0	From Table 3
10								
11	TCSD Payments (non-service charge):							
12	Capital deferral repayment	\$183,855	\$183,855	\$183,855	\$183,855	\$183,855	\$183,855	per draft agreement
13	Interdistrict Loan P&I	\$74,892	\$74,892	\$74,892	\$74,892	\$74,892	\$74,892	per draft agreement
14	Mediated Settlement	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000	\$0	\$1.2M settlement paid off in FY 2022-23; per draft agreement
15	Transfers:							
16	(To)/From Revenue Requirements	\$1,567,552	(\$975,009)	(\$758,096)	(\$503,783)	(\$244,311)	\$53,678	
17	(To)/From R&R Reserve	\$0	\$0	\$0	\$0	\$0	\$0	
18	(To)/From Capital Reserve	\$0	\$0	\$0	\$0	\$0	\$0	
19	Subtotal	\$4,700,861	\$4,312,624	\$4,162,493	\$4,260,469	\$4,617,216	\$5,037,401	
20	Estimated Interest Income	\$88,025	\$109,218	\$103,012	\$102,312	\$107,760	\$117,149	Assumption a.
21	Year-End Balance	\$4,788,886	\$4,421,842	\$4,265,505	\$4,362,781	\$4,724,976	\$5,154,549	
22	Target Balance	\$3,280,000	\$3,380,000	\$3,480,000	\$3,590,000	\$3,690,000	\$3,800,000	9 mos. of O&M Expenses
23	% of target	146%	131%	123%	122%	128%	136%	
24	Capital Reserve							
25	Beginning Balance	\$6,264,840	\$6,322,396	\$6,635,832	\$6,505,302	\$6,814,486	\$6,656,193	To Above
26	Transfers:							
27	(To)/From Revenue Requirements	\$735,110	\$3,334,983	\$3,334,983	\$3,334,983	\$3,334,983	\$3,334,983	To Table 1
28	(To)/From Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	From Above
29	(To)/From Disaster Recovery	\$0	\$0	\$0	\$0	\$0	\$0	To Below
30	Connection Fee Revenues	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	4 EDUs per year
31	Capital outlay	(\$116,700)	(\$120,201)	(\$123,807)	(\$127,521)	(\$131,347)	(\$135,287)	FY 2018/19 from Adopted budget; inflation adj all other years
32	CIP expenditures (PAYGo)	(\$735,110)	(\$3,080,000)	(\$3,522,530)	(\$3,081,219)	(\$3,546,660)	(\$3,444,504)	From Table 5
33	Subtotal	\$6,173,140	\$6,482,177	\$6,349,478	\$6,656,543	\$6,496,462	\$6,436,384	
34	Estimated Interest Income	\$149,256	\$153,655	\$155,824	\$157,942	\$159,731	\$157,111	Assumption a.
35	Year-End Balance	\$6,322,396	\$6,635,832	\$6,505,302	\$6,814,486	\$6,656,193	\$6,593,495	
36	Target Balance	\$5,002,474	\$5,002,474	\$5,002,474	\$5,002,474	\$5,002,474	\$5,002,474	1.5 x Avg Annual PAYGo CIP expenditures
37								
38	Repair & Replacement Reserve							
39	Beginning Balance	\$423,318	\$319,628	\$318,317	\$313,457	\$304,857	\$292,319	
40	Transfers:							
41	(To)/From Revenue Requirements	\$0	\$107,000	\$107,000	\$107,000	\$107,000	\$107,000	To Table 1
42	Annual R&R Contributions	\$0	\$0	\$0	\$0	\$0	\$0	To Above
43	(To)/From Capital Reserve	(\$112,500)	(\$115,875)	(\$119,351)	(\$122,932)	(\$126,620)	(\$130,418)	FY 2018/19 from Adopted budget; inflation adj all other years
44	R&R Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	
45	Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	
46	Subtotal	\$310,818	\$310,753	\$305,966	\$297,526	\$285,238	\$268,900	
47	Estimated Interest Income	\$8,810	\$7,565	\$7,491	\$7,332	\$7,081	\$6,735	Assumption a.
48	Year-End Balance	\$319,628	\$318,317	\$313,457	\$304,857	\$292,319	\$275,635	
49	Target Balance	\$220,000	\$228,375	\$235,226	\$242,283	\$249,552	\$257,038	2x Avg R&R Cost
50								
51	Disaster Recovery Reserve							
52	Beginning Balance	\$500,000	\$512,000	\$524,288	\$536,871	\$549,756	\$562,950	
53	Transfers (To)/From Capital Reserve	\$0	\$0	\$0	\$0	\$0	\$0	From Above
54	Subtotal	\$500,000	\$512,000	\$524,288	\$536,871	\$549,756	\$562,950	
55	Estimated Interest Income	\$12,000	\$12,288	\$12,583	\$12,885	\$13,194	\$13,511	Assumption a.
56	Year-End Balance	\$512,000	\$524,288	\$536,871	\$549,756	\$562,950	\$576,461	
57	Target Balance	\$3,334,983	\$3,334,983	\$3,334,983	\$3,334,983	\$3,334,983	\$3,334,983	Avg Annual PAYGo Capital Expense
58								

	A	B	C	D	E	F	G	H
1	Sausalito-Marín City Sanitary District							
2	Wastewater Financial Plan							
3	Table 4. Reserves							
4								
5		Budgeted	Projected					
6		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Notes
59	Self-Insurance & Deductible Reserve							
60	Beginning Balance	\$0	\$101,200	\$103,629	\$106,116	\$108,663	\$111,271	
61	Transfers:							
62	(To)/From Revenue Requirements	\$100,000	\$0	\$0	\$0	\$0	\$0	
63	Subtotal	\$100,000	\$101,200	\$103,629	\$106,116	\$108,663	\$111,271	
64	Estimated Interest Income	\$1,200	\$2,429	\$2,487	\$2,547	\$2,608	\$2,670	
65	Year-End Balance	\$101,200	\$103,629	\$106,116	\$108,663	\$111,271	\$113,941	
66	Target Balance	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
67								
68								
69								
70	Operating Reserves without increase							
71	Beginning Balance	\$2,634,562	\$4,788,886	\$4,229,168	\$3,530,266	\$2,680,957	\$1,669,827	From Below
72	Operating Surplus/(Deficit)	\$0	\$3,464	(\$326,954)	(\$670,728)	(\$938,109)	(\$1,213,616)	From Table 3
73	Unincorporated Collection System Revenue	\$0	(\$193,853)	(\$204,607)	(\$247,196)	(\$379,047)	(\$558,929)	If no change to \$78 collection system charge
74	TCSD Payments (non-service charge):							
75	Capital deferral repayment	\$183,855	\$183,855	\$183,855	\$183,855	\$183,855	\$183,855	
76	Interdistrict Loan P&I	\$74,892	\$74,892	\$74,892	\$74,892	\$74,892	\$74,892	
77	Mediated Settlement	\$240,000	\$240,000	\$240,000	\$240,000	\$240,000	\$0	
78	Transfers:							
79	(To)/From Revenue Requirements	\$1,567,552	(\$975,009)	(\$758,096)	(\$503,783)	(\$244,311)	\$53,678	
80	(To)/From R&R Reserve	\$0	\$0	\$0	\$0	\$0	\$0	
81	(To)/From Capital Reserve	\$0	\$0	\$0	\$0	\$0	\$0	
82	Subtotal	\$4,700,861	\$4,122,234	\$3,438,257	\$2,607,306	\$1,618,237	\$209,707	
83	Estimated Interest Income	\$88,025	\$106,933	\$92,009	\$73,651	\$51,590	\$22,554	
84	Year-End Balance	\$4,788,886	\$4,229,168	\$3,530,266	\$2,680,957	\$1,669,827	\$232,262	
85								
86	Retirement Reserve for New Pensions (GASB 45)							
87	Beginning Unfunded Balance	\$0	\$0	\$0	\$0	\$0	\$0	
88	Annual OPEB Cost	(\$141,177)	(\$147,000)	(\$153,056)	(\$159,362)	(\$165,928)	(\$172,764)	From 2018-19 Budget and with input from District
89	Transfers:							
90	(To)/From Operating Reserve	\$0	\$0	\$0	\$0	\$0	\$0	
91	(To)/From Revenue Requirements	\$141,177	\$147,000	\$153,056	\$159,362	\$165,928	\$172,764	To Table 1
92	Net OPEB Obligation at EOY	\$0	\$0	\$0	\$0	\$0	\$0	
93								
94	All Reserves without Rate Increases	12,044,109	11,811,234	10,992,012	10,458,719	9,292,559	7,791,794	
95	All Reserves with Rate Increases	12,044,109	12,003,908	11,727,250	12,140,542	12,347,708	12,714,081	
96	Reserves Target Balance	\$11,937,456	\$12,045,831	\$12,152,683	\$12,269,740	\$12,377,008	\$12,494,495	
97	Reserves Minimum Balance	\$3,280,000	\$3,380,000	\$3,480,000	\$3,590,000	\$3,690,000	\$3,800,000	

	A	B	D	E	F	G	H	I	J	
1	Sausalito-Marín City Sanitary District									
2	Wastewater Financial Plan									
3	Table 5. Capital Improvement Program									
4										
5										
6	Projected						5-year Total			
7	Cash-funded (PAYGo) Projects	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	(FY 2019-20 to FY 2023-24)		Notes	
8	Sewer Conveyance and Treatment Rate									
9	Shop/Operator/Equipment Facilities Study/Pre-Design	\$0	\$0	\$75,000	\$175,000	\$0	\$250,000			
10	Biosolids Handling (Long Term)	\$100,000	\$400,000	\$0	\$0	\$0	\$500,000			
11	Engineering and Project Management (10%)	\$10,000	\$40,000	\$7,500	\$17,500	\$0	\$75,000			
12	Subtotal, Treatment Plant	\$110,000	\$440,000	\$82,500	\$192,500	\$0	\$825,000			
15										
16	Conveyance System (excl. Marin City collection system)									
17	Coloma and Whiskey Springs Pump Station Improvements	\$2,500,000	\$2,500,000	\$0	\$0	\$0	\$5,000,000			
18	Beach Force Main Rehabilitation	\$200,000	\$200,000	\$2,000,000	\$0	\$0	\$2,400,000			
19	Site Access Control & Security	\$0	\$0	\$50,000	\$50,000	\$50,000	\$150,000			
20	Main St. to Alexander Ave Force Main Inspection	\$0	\$0	\$0	\$250,000	\$0	\$250,000			
21	Locust St. Force Main Inspection	\$0	\$0	\$0	\$200,000	\$200,000	\$400,000			
22	Princess St. Pump Station Study	\$0	\$0	\$0	\$400,000	\$0	\$400,000			
23	Engineering and Project Management (10%)	\$270,000	\$270,000	\$205,000	\$90,000	\$25,000	\$860,000			
24	Subtotal, Conveyance System	\$2,970,000	\$2,970,000	\$2,255,000	\$990,000	\$275,000	\$9,460,000			
27										
28	Unincorporated Collection System									
29	Pump Station Improvements	\$0	\$0	\$500,000	\$1,500,000	\$1,500,000	\$3,500,000			
30	Collection System Rehabilitation	\$0	\$0	\$0	\$350,000	\$1,000,000	\$1,350,000			
31	Engineering and Project Management (10%)	\$0	\$0	\$50,000	\$185,000	\$250,000	\$485,000			
32	Subtotal, Unincorporated Collection System	\$0	\$0	\$550,000	\$2,035,000	\$2,750,000	\$5,335,000		To Table 9	
35										
36								Avg. Annual		
37	Grand Total Pay-As-You-Go Projects	\$3,080,000	\$3,410,000	\$2,887,500	\$3,217,500	\$3,025,000	\$15,620,000	\$3,124,000		
38	Construction Cost Inflation	0.00%	3.30%	6.71%	10.23%	13.87%				
39	Grand Total Inflated Pay-As-You-Go Projects	\$3,080,000	\$3,522,530	\$3,081,219	\$3,546,660	\$3,444,504	\$16,674,913	\$3,334,983		
40								To Table 4		
41										
42	INFORMATIONAL ONLY									
43	Projected									
44	Bond Funded Projects	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	Notes			
45										
46	Treatment Plant Improvements									
47	Treatment and Wet Weather Flow Upgrade	\$12,500,000	\$0	\$0	\$0	\$0				
48	Generator Reliability Improvements & Princess Controls Relocation	\$1,000,000	\$1,000,000	\$0	\$0	\$0				
49	Primary Clarifier & Digester Upgrades	\$400,000	\$1,200,000	\$400,000	\$0	\$0				
50	Storm Drain Rehabilitation	\$0	\$150,000	\$0	\$0	\$0				
51	Engineering and Project Management (10%)	\$1,390,000	\$235,000	\$40,000	\$0	\$0				
52		\$15,290,000	\$2,585,000	\$440,000	\$0	\$0				

	A	B	C	D	E	F	G	H	I
1	Sausalito-Marín City Sanitary District								
2	Wastewater Financial Plan								
3	Table 6. Debt Service								
4									
5									
6					Projected				
7		FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24		
8	Sewer Conveyance and Treatment Rate								
9	2008 City National Bank Loan (matures 2028)								
10	Principle	\$148,962	\$155,132	\$161,558	\$168,250	\$175,219	\$182,476		
11	Interest	\$72,300	\$66,130	\$59,704	\$53,013	\$46,044	\$38,786		
12	Total Payment	\$221,262	\$221,262	\$221,262	\$221,262	\$221,262	\$221,262		per debt service schedule
13									
14	2011 SRF Loan - Locust St (matures 2032)								
15	Principle	\$103,903	\$106,605	\$109,376	\$112,220	\$115,138	\$118,131		
16	Interest	\$44,927	\$42,226	\$39,454	\$36,610	\$33,693	\$30,699		
17	Total Payment	\$148,830	\$148,830	\$148,830	\$148,830	\$148,830	\$148,830		per debt service schedule
18									
19	2017 Revenue Bond (matures 2042)								
20	Principle	\$820,000	\$825,000	\$855,000	\$890,000	\$930,000	\$985,000		
21	Interest	\$1,314,717	\$1,312,400	\$1,279,400	\$1,245,200	\$1,209,600	\$1,172,400		
22	Total Payment	\$2,134,717	\$2,137,400	\$2,134,400	\$2,135,200	\$2,139,600	\$2,157,400		per debt service schedule
23									
24									
25	Total debt and loan repayment	\$2,504,810	\$2,507,493	\$2,504,493	\$2,505,293	\$2,509,693	\$2,527,493		
26									
27	Debt Service Coverage								
28	Revenue Sources								
29									
30	Sewer Service Charges	\$8,347,057	\$8,347,057	\$8,680,939	\$9,028,176	\$9,299,022	\$9,577,992		Table 3
31	Sausalito Pump Station	\$80,000	\$82,400	\$84,872	\$87,418	\$90,041	\$92,742		Table 1
32	Tax allocation	\$570,000	\$570,000	\$570,000	\$570,000	\$570,000	\$570,000		Table 1
33	Reserve interest earnings	\$0	\$0	\$0	\$0	\$0	\$0		from Table 4
34	Bond Fund Interest	\$163,080	\$163,080	\$163,080	\$163,080	\$163,080	\$163,080		from District Budget
35	Connection Fees	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000		Table 4
36		\$9,185,137	\$9,187,537	\$9,523,891	\$9,873,674	\$10,147,142	\$10,428,814		
37									
38	Operating Expenses	(\$4,378,096)	(\$4,378,096)	(\$4,501,532)	(\$4,639,213)	(\$4,781,131)	(\$4,924,565)		Table 1
39	Net Revenue	\$4,807,041	\$4,809,441	\$5,022,359	\$5,234,461	\$5,366,011	\$5,504,249		
40									
41	Debt Service	\$2,504,810	\$2,507,493	\$2,504,493	\$2,505,293	\$2,509,693	\$2,527,493		
42									
43	Coverage ratio	1.92	1.92	2.01	2.09	2.14	2.18		
44									

	A	B	C	D	E	F	G
1	Sausalito-Marín City Sanitary District						
2	Wastewater Financial Plan						
3	Table 7. FY 2019-20 Fixed vs Variable Expense Analysis						
4							
5	Operating and Administrative Expenses	FY 2019-20	BASE	VOLUMETRIC	NOTES		
6		From Table 1	%	\$	%	\$	
7	Salaries and Benefits						
8	Sewer Conveyance and Treatment Rate	\$1,669,748	100%	\$ 1,669,748	0%	\$ -	
9	Payroll Taxes	119,105	100%	119,105	0%	-	
10	Retirement	310,361	100%	310,361	0%	-	
11	Employee Benefits	405,027	100%	405,027	0%	-	
12	Workers Comp	49,900	100%	49,900	0%	-	
13							
14	Operations						
15	Chemicals	190,418	20%	38,084	80%	152,335	
16	Fuel	13,236	100%	13,236	0%	-	
17	Permits & Fees	130,804	100%	130,804	0%	-	
18	Waste Disposal	111,951	20%	22,390	80%	89,561	
19	Parts, Tools, Materials & Supplies	63,612	100%	63,612	0%	-	
20	Vehicles	14,214	100%	14,214	0%	-	
21	Safety	36,853	20%	7,371	80%	29,483	
22							
23	System & Plant Maintenance						
24	Treatment & Collection System	217,280	100%	217,280	0%	-	
25	Unincorporated Area Collection System	72,100	100%	72,100	0%	-	
26	City of Sausalito Pump Stations	17,253	20%	3,451	80%	13,802	
27							
28	Wastewater Monitoring & Testing	83,691	100%	83,691	0%	-	
29							
30	Utilities & Communication						
31	Communication	31,146	100%	31,146	0%	-	
32	Electricity	283,390	20%	56,678	80%	226,712	
33	Water	5,665	100%	5,665	0%	-	
34							
35	Administrative						
36	Professional Development	29,664	100%	29,664	0%	-	
37	Professional Services	253,895	100%	253,895	0%	-	
38	Insurance	50,092	100%	50,092	0%	-	
39	Administrative	78,559	100%	78,559	0%	-	
40							
41	NPS Lease	263,569	100%	263,569	0%	-	
42							
43	Total Operating and Admin Expenses	\$ 4,501,532		\$ 3,989,640		\$ 511,892	
44	% of Total	100%		89%		11%	
45							
46							
47							

	A	B	C	D	E	F	G
1	Sausalito-Marin City Sanitary District						
2	Wastewater Financial Plan						
3	Table 7. FY 2019-20 Fixed vs Variable Expense Analysis						
4							
48	CAPITAL PROJECTS	5-Yr Total	BASE	VOLUMETRIC			
49		From Table 5	%	\$	%	\$	
50							NOTES
51	Treatment Plant Improvements						
52	Shop/Operator/Equipment Facilities Study/Pre-Di	\$250,000	100%	\$ 250,000	0%	\$ -	
53	Biosolids Handling (Long Term)	\$500,000	20%	\$ 100,000	80%	\$ 400,000	
54	Engineering and Project Management	\$75,000	100%	\$ 75,000	0%	\$ -	
55							
56	Conveyance System						
57	Coloma/Whiskey Springs Pump Station Improverr	\$5,000,000	20%	\$1,000,000	80%	\$ 4,000,000	
58	Beach Force Main Rehabilitation	\$2,400,000	20%	\$480,000	80%	\$ 1,920,000	
59	Site Access Control & Security	\$150,000	20%	\$30,000	80%	\$ 120,000	
60	Main St. to Alexander Ave Force Main Inspection	\$250,000	20%	\$50,000	80%	\$ 200,000	
61	Locust St. Force Main Inspection	\$400,000	20%	\$80,000	80%	\$ 320,000	
62	Princess St. Pump Station Study	\$400,000	20%	\$80,000	80%	\$ 320,000	
63	Engineering and Project Management	\$860,000	100%	\$860,000	0%	\$ -	
64							
65	Unincorporated Collection System						
66	Pump Station Improvements	\$3,500,000	20%	\$ 700,000	80%	\$ 2,800,000	
67	Collection System Rehabilitation, Phase II	\$1,350,000	20%	\$ 270,000	80%	\$ 1,080,000	
68	Engineering and Project Management	\$485,000	100%	\$ 485,000	0%	\$ -	
69							
70	Total Capital Expenses (5-yr period)	\$15,620,000		\$ 4,460,000		\$ 11,160,000	
71	Average Annual Capital	\$3,124,000		\$ 892,000		\$ 2,232,000	
72	% of Total	100%		29%		71%	
73							
74							
75	REVENUE REQUIREMENT	BASE	VOLUMETRIC	TOTAL			
76		\$	\$	\$			
77	FY 2019-20 Operating & Admin. Expenses [1]	\$ 3,989,640	\$ 511,892	\$ 4,501,532			
78	Average Annual Capital Expenses [2]	\$ 892,000	\$ 2,232,000	\$ 3,124,000			
79	Grand Total	\$ 4,881,640	\$ 2,743,892	\$ 7,625,532			
80	% of Total	64%	36%	100%			
81							

	A	B	C	D	E	F	G	H
1	Sausalito-Marin City Sanitary District							
2	Wastewater Financial Plan							
3	Table 8. Unincorporated Collection System Costs							
4								
5								
6	Collection System Costs	Current Rate	Projected					Notes
7	Annual Operations and Maintenance Costs		FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	
8	Sewer Conveyance and Treatment Rate		\$206,715	\$212,916	\$219,304	\$225,883	\$232,660	Provided by District
9	Expenses		\$105,000	\$108,150	\$111,395	\$114,736	\$118,178	Provided by District
10	Overhead		\$46,757	\$48,160	\$49,605	\$51,093	\$52,626	Provided by District
11	Subtotal - O&M Costs		\$358,472	\$369,226	\$380,303	\$391,712	\$403,464	
12								
13	Annual Debt Service - Capital Projects		\$0	\$0	\$31,512	\$151,954	\$320,084	From Table 9
14	Total Costs		\$358,472	\$369,226	\$411,815	\$543,666	\$723,548	To Table 1
15	Total Adjusted EDUs		1,869	1,869	1,869	1,869	1,869	From Below
16	Annual Charge (\$/EDU) - SFR and Comm	\$78	\$192	\$198	\$220	\$291	\$387	To Table 3 and Summary & Assumptions
17	Annual % Increase		146%	3%	12%	32%	33%	
18								
19								
20	Dwelling Units							
21	Single Family Dwelling Units	84	84	84	84	84	84	
22	Multi Family Dwelling Units	1,180	1,180	1,180	1,180	1,180	1,180	Marin Housing Authority at 0.95 to reflect 5% discount
23	Floating Home Dwelling Units	398	398	398	398	398	398	
24	Non Residential EDUs	449	449	449	449	449	449	
25		2,111	2,111	2,111	2,111	2,111	2,111	
26								
27								
28								
29								
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
41	Annual Collection Charge (by Component)							
42	Annual O&M Collection Costs		\$358,472	\$369,226	\$380,303	\$391,712	\$403,464	
43	Total EDUs		1,869	1,869	1,869	1,869	1,869	
44	Annual O&M Collection Charge (\$/EDU)		\$192	\$198	\$203	\$210	\$216	
45	% of Total Collection Charge		100%	100%	92%	72%	56%	
46								
47	Annual CIP Collection Costs		\$0	\$0	\$31,512	\$151,954	\$320,084	
48	Total EDUs		1,869	1,869	1,869	1,869	1,869	
49	Annual CIP Collection Charge (\$/EDU)		\$0	\$0	\$17	\$81	\$171	
50	% of Total Collection Charge		0%	0%	8%	28%	44%	

EDU Calculation

	Dwelling Units/EDUs	Rate Differential Factor	Adjusted Dwelling Units/EDUs
<u>Residential Dwelling</u>	(a)	(b)	(c) = (a)*(b)
Single family	84	1.00	84
Multi-Family	1,180	0.88	1,038
Floating Homes	398	0.75	299
Total Residential	1,662		1,420
Non Residential ED	449	1.00	449
Total	2,111		1,869

To Above

	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1														
2	Sausalito-Marín City Sanitary District													
3	Wastewater Financial Plan													
4	Table 9. Unincorporated Collection System Costs - Debt Service													
5	Assumptions:													
6	Term <input type="text" value="30"/> years													
7	Interest Rate <input type="text" value="3.40%"/> 12/31/2018 LAIF rate + 1.0%													
8														
9														
10														
11														
12														
13														
14														
15														
16														
17														
18														
19														
20														

	Annual Collection System Capital Project Costs											
Fiscal Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29		
2019/2020	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2020/2021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2021/2022	\$586,899		\$31,512	\$31,512	\$31,512	\$31,512	\$31,512	\$31,512	\$31,512	\$31,512	\$31,512	\$31,512
2022/2023	\$2,243,186			\$120,442	\$120,442	\$120,442	\$120,442	\$120,442	\$120,442	\$120,442	\$120,442	\$120,442
2023/2024	\$3,131,367				\$168,130	\$168,130	\$168,130	\$168,130	\$168,130	\$168,130	\$168,130	\$168,130
2024/2025	\$0											
2025/2026	\$0											
2026/2027	\$0											
2027/2028	\$0											
	\$5,961,452	\$0	\$0	\$31,512	\$151,954	\$320,084	\$320,084	\$320,084	\$320,084	\$320,084	\$320,084	\$320,084
		Annual Debt Service										

	B	C	D	E	F	G	H	I	J
2	Sausalito-Marín City Sanitary District								
3	Wastewater Financial Plan								
4	Table 10. Calculation of Transport and Treatment Rate by Customer Class								
5									
6	Conveyance and Treatment Rate								
7									
8		Base EDUs	Volume Factors	Volumetric EDUs	Base	Volumetric	Total	Ratio Compared to SFR	
9		<i>Cost Allocation Factors [1]</i>			64%	36%			Notes
10		<i>Conveyance and Treatment Revenue Requirement [2]</i>			\$ 5,555,801	\$ 3,125,138	\$ 8,680,939		From Table 7
11				<i>EDUs</i>	10,254	8,585			From Table 1; FY FY 2020/21 Net Revenue Requirement
12				<i>\$/EDU</i>	\$542	\$364			
13									
14	Residential	(a)	(b)	(c) = (a)*(b)					
15	Single family	3,188	1.00	3,188	\$542	\$364	\$906	1.00	Total Rate to Summary & Assumptions Table
16	Multi-Family	4,584	0.69	3,159	\$542	\$251	\$793	0.88	Total Rate to Summary & Assumptions Table
17	Floating Homes	398	0.39	154	\$542	\$141	\$682	0.75	Total Rate to Summary & Assumptions Table
18	Total Residential	8,170		6,501					
19									
20	Non Residential	2,080	1.00	2,080	\$542	\$364	\$906	1.00	Total Rate to Summary & Assumptions Table
21									
22	Growth	4	1.00	4	\$542	\$364	\$906	1.00	
23									
24	Total	10,254		8,585					
25		From		As					
26		Table 2		calculated					
27									



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