

**DRAFT ANNUAL BUDGET**  
**FISCAL YEAR 2018/19**  
**JULY 1, 2018 – JUNE 30, 2019**



**ROSS VALLEY SANITARY DISTRICT**

2960 Kerner Blvd., San Rafael, CA 94901

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





# ROSS VALLEY SANITARY DISTRICT

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## Fiscal Year 2018/19 Budget Acknowledgments

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### BOARD OF DIRECTORS

**DOUG KELLY, PRESIDENT**

ELECTED: JUNE 2016

**MARY SYLLA, TREASURER**

ELECTED: JUNE 2012

**MICHAEL BOORSTEIN, ALTERNATE TREASURER**

ELECTED: JUNE 2014

**THOMAS GAFFNEY, SECRETARY**

ELECTED: JUNE 2014

**PAMELA MEIGS, ALTERNATE SECRETARY**

ELECTED: JUNE 2010

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### EXECUTIVE TEAM

**GREG NORBY, GENERAL MANAGER**

**KATHERINE HAYDEN, INFRASTRUCTURE ASSETS MANAGER**

**STEPHEN MIKSYS, OPERATIONS AND MAINTENANCE MANAGER**

**FELICIA NEWHOUSE, BUSINESS & ADMINISTRATIVE SERVICES MANAGER**



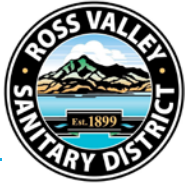


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## MISSION AND VALUES STATEMENT

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### OUR MISSION

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

### OUR VALUES

We strive to conduct our daily activities in a way that reflects pride, efficiency, professionalism, and competence with a team oriented and supportive approach. Individually and as a team we hold and practice the following core values:

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

# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

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### BUDGET INTRODUCTION

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The Ross Valley Sanitary District (“RVSD” or “District”) is a special enterprise district that was formed under the Sanitary District Act of 1923 (California Health and Safety Code, Section 6400 et. seq.). The District was established on May 27, 1899 and serves approximately 15,000 residential and commercial connections over approximately 20 square miles within the incorporated municipalities of Fairfax, Larkspur, Ross and San Anselmo, and the unincorporated areas of Ross Valley in Marin County.

The Fiscal Year 2018/19 (FY 2018/19) Budget represents the fifth year of the five-year financial plan developed to support the 2013 Infrastructure Asset Management Plan and the regulatory requirements of the 2013 Regional Water Quality Control Board’s Cease and Desist Order. During this time, RVSD has implemented sound financial planning systems and practices which have improved the financial health and resiliency of the District.

The Fiscal Year 2018/19 Budget supports the following Strategic Plan goals:

- Utilize best practices of public utility financial planning.
- Manage utility rates to ensure predictable, smooth trends in rates.
- Achieve and maintain the highest possible bond credit rating.
- Track and adequately fund long-term pension and OPEB liabilities.
- Continue progress on critical infrastructure improvements and preventative maintenance.
- Selective use of capital debt to smooth cash flow and support a transition to pay-go funding.
- Fund emergency and capital reserves to ensure greater financial resiliency in the future.

### BUDGET DOCUMENT GUIDE

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The FY 2018/19 Budget document is organized into the following sections:

- FY 2018/19 Budget Overview
  - Revenue Summary
  - Expenditures Summary
- Operations and Maintenance Budget
  - Operating Revenues
  - Operating Expenditures
- Capital Budget
  - Capital Revenues
  - Capital Expenditures
- Reserve Requirements
- Five-Year Financial Forecast

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



# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

### BUDGET OVERVIEW

This section presents a summary of the Budget, by revenue sources and expenses, and between Operations and Maintenance/Administration and Capital. Each of these areas are addressed in greater detail in later sections of this report. Table 1 below shows the District's FY 2017/18 Budget (adopted and revised) and compares it to the proposed FY 2018/19 Budget.

In summary, the proposed Budget includes \$28 million in total revenue, \$54 million in total spending, and an ending fiscal year balance of \$20 million. The Capital Budget for FY 2018/19 of \$31 million will be funded in part by the projected fund balance from FY 2017/18 of \$9 million and recurring revenue of \$7.3 million.

**TABLE 1 – FY 2018/19 BUDGET SUMMARY**

Type	FY 2017/18		FY 2018/19
	Adopted	Revised	Budget
<b>Revenue</b>			
1 Sewer Service Charges	19,289,000	19,398,200	20,568,300
2 Property Tax (Ad Valorem)	6,787,000	6,800,000	7,129,800
3 Proceeds from Financing Activities	25,000,000	25,000,000	-
4 Other Revenue	602,200	523,700	607,300
5 <b>Total Revenue</b>	<b>51,678,200</b>	<b>51,721,900</b>	<b>28,305,400</b>
<b>Expenditures</b>			
6 CMSA Charges	7,610,700	7,611,100	7,909,700
7 Operations	5,839,200	5,514,300	6,750,550
8 Administration	2,175,000	2,047,800	2,102,900
9 Outside Services	1,148,100	933,800	1,360,240
10 Debt Service	3,611,000	3,625,300	4,673,600
11 Capital Projects, Studies, & Equipment	44,590,000	22,898,300	31,168,000
12 <b>Total Operating Expenditure</b>	<b>64,974,000</b>	<b>42,630,600</b>	<b>53,964,990</b>
13 <b>Net Revenue Less Expenditures</b>	<b>(13,295,800)</b>	<b>9,091,300</b>	<b>(25,659,590)</b>
<b>Fund Balances</b>			
14 Operating Reserves	8,337,000	8,337,000	11,128,200
15 Emergency Reserves	2,000,000	2,000,000	2,000,000
16 <b>Total Reserves</b>	<b>10,337,000</b>	<b>10,337,000</b>	<b>13,128,200</b>
17 CERBT Fund	640,000	640,000	640,000
18 Bond Proceeds for Projects	-	13,951,450	-
19 Bond Proceeds for Lateral Grant Program	-	739,300	-
20 Capital Improvement Fund Balance	11,926,900	-	-
21 <b>Total Restricted Funds</b>	<b>12,566,900</b>	<b>15,330,750</b>	<b>640,000</b>
<b>Cash Balance</b>	<b>-</b>	<b>19,623,250</b>	<b>5,863,210</b>
22 <b>Total Reserves, Restricted, And Cash Fund Balances</b>	<b>22,903,900</b>	<b>45,291,000</b>	<b>19,631,410</b>



# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET



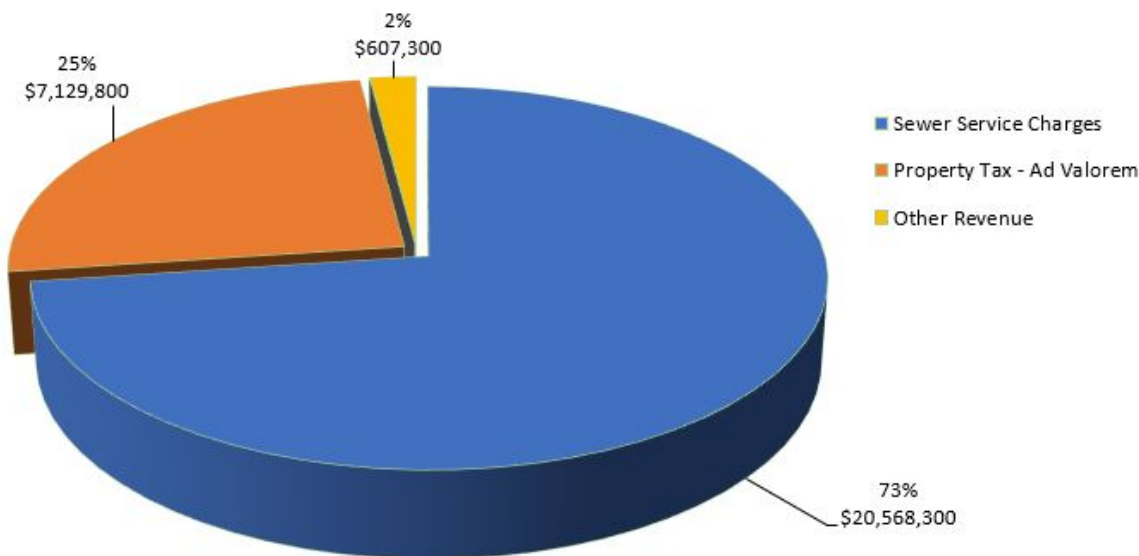
Per Board adopted Financial Policies, the District will maintain Operating Reserves of \$11 million and Emergency Reserves of \$2 million for FY 2018/19. Restricted Funds are those monies that can only be used for specific purposes. The District's bond proceeds and California Employers' Retiree Benefit Trust (CERBT) are restricted funds.

### REVENUE SUMMARY

The District has two major recurring sources of annual revenue: sewer service charges and ad valorem (property taxes). Additionally, the District receives other minor revenue from permit and connection fees, bank deposit interest and miscellaneous income.

In past years, the District has utilized long term debt issuance (bonds) as a revenue source for the capital program. There are no financing activities projected for FY 2018/19. Total revenues for FY 2018/19 are budgeted at approximately \$28 million from sewer service charges, property taxes, and other sources.

**CHART 1 – BUDGETED REVENUE BY SOURCE**



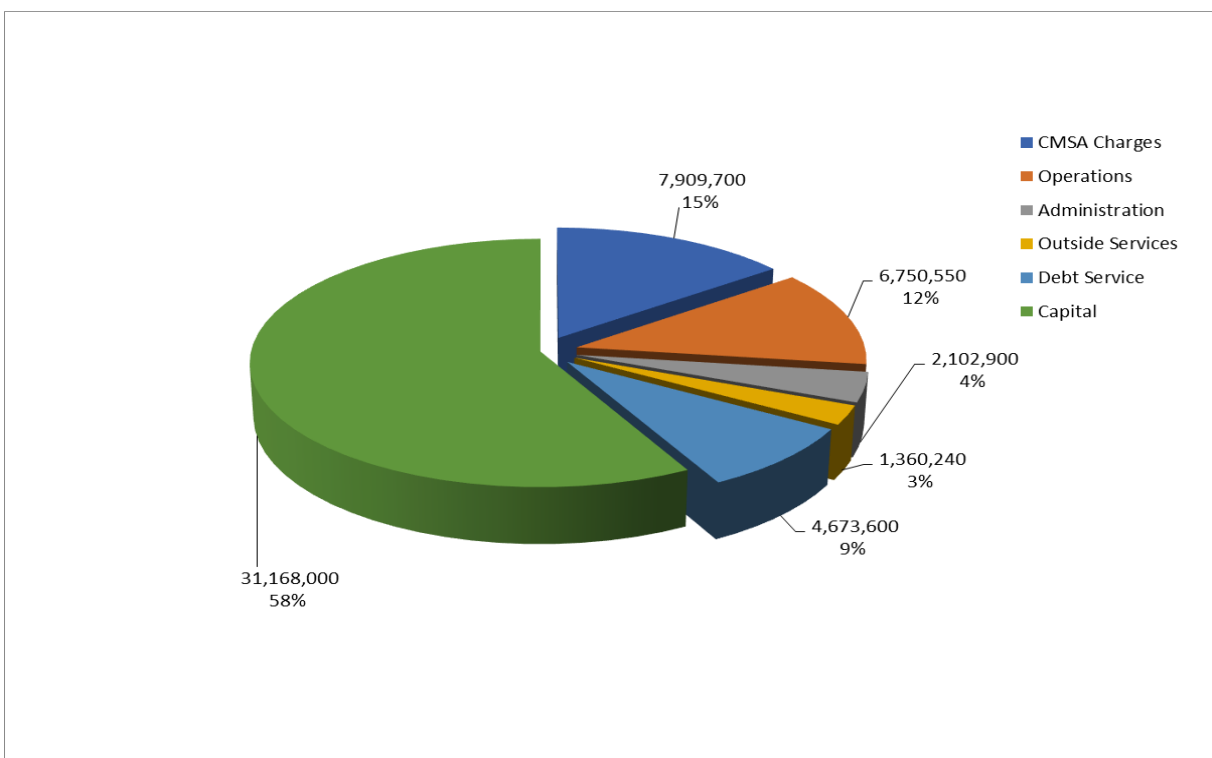


# ROSS VALLEY SANITARY DISTRICT FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

## EXPENDITURES SUMMARY

Expenditures are classified into two basic categories: Operations and Maintenance/Administration and Capital. Chart 2 shows the breakdown of major expenditure categories in FY 2018/19, with Operations/Administration totaling 34% (CMSA, Operations, Administration and Outside Services) and capital spending totaling 66% (Capital plus Debt Service). Within the Operations portion, CMSA treatment charges make up 44% of the expenses, with the remainder made up of RVSD operations, administration, and outside services.

**CHART 2 – BUDGETED EXPENDITURES BY TYPE**



CMSA charges for wastewater treatment and disposal are established by CMSA and apportioned to the member agencies, which then must collect the required cost of service in their respective rates. The District's allocation for FY 2018/19 is 50% of the CMSA Operating Budget and 43% of CMSA's debt service requirements, which together totals \$7.9 million in FY 2018/19, up from \$7.6 million in FY 2017/18.

Personnel costs for operational activities (including all direct wages/salaries, payroll taxes, and benefits) remain relatively flat year-over-year with an increase in the FY 2018/19 budget due primarily to a change in capturing salaries in the operations budget rather than in capital as had been past practice. Total personnel costs in FY 2017/18 were \$5.2 million and personnel costs budgeted for FY 2018/19 are \$6.3 million. A regular increase in salaries is budgeted for the anticipated annual cost of living adjustment of 3.2%.



Other Operational Expenditures are costs associated with the general operations of the District and are categorized as: system maintenance, general and administrative costs, facilities and utilities, and Board expenditures. In previous years' budgets, professional services were included in operational expenditures as well as in Outside Services. This year, all professional services are captured under the category of Outside Services. Outside Services total \$1.36 million, an increase of 18% over the previous year budget which includes the District's Community Outreach budget of \$352,400. Other Operational Expenditures are reduced from the prior year's budget, to reflect actual expenditures spent in the prior fiscal year.

Capital expenditures include costs incurred to purchase or build any capital asset, or to rehabilitate and extend the useful life of the District's existing assets. Details of these expenditures can be found in Schedule 10 - Capital Projects, Studies, Special Projects and Equipment, and Schedule 11 – Capital Improvement Project Cost and Funding Details.

The total capital expenditures for FY 2018/19 are approximately \$31.1 million, which includes \$28.6 million for capital projects, \$2.5 million for various capital studies and programs and vehicle and equipment replacement, and \$4.7 million for debt service.

## OPERATIONS AND MAINTENANCE BUDGET

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The Operations and Maintenance Budget is used for all District operational expenditures. Its revenue source is primarily annual sewer service charges. Operating Expenditures include Central Marin Sanitation Agency (CMSA) charges, District operation and administrative costs, and outside services. Net operating revenue is used to support needed improvements of the District's infrastructure assets (Capital Budget).

### OPERATIONS AND MAINTENANCE REVENUE

Total Operations and Maintenance Revenue is budgeted at approximately \$20.9 million. Sewer service charges are a primary and recurring source of revenue and will increase approximately 6.6% or \$1.3 million in FY 2018/19. Other operational revenue is the revenue received by the District for inspection services, interest earned on bank deposits, and other miscellaneous income. The other operational revenue budgeted for FY 2018/19 is \$346,100 which is \$11,000 higher than the previous year due to increased inspection fees and interest earned.

### SEWER SERVICE CHARGES (SSC)

Sewer service charges (also known as rate revenue) have been a primary and stable source of revenue for the District over the past five years. Sewer service charge revenue of approximately \$20.6 million provides 73% of the District's total revenue in FY 2018/19. This revenue is used primarily for operational expenses, with any remaining balance allocated toward the District's capital program expenses. Rate revenue will contribute \$2.8 million in funding towards capital program costs in FY 2018/19.

Sewer service charges are reduced by 25% for qualifying customers who apply to the District's low-income rebate program. In FY 2017/18, the District refunded approximately \$26,000 in sewer service charges to



## ROSS VALLEY SANITARY DISTRICT

### FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

more than 100 qualified households, an increase of \$9,000 in rebates issued over the previous fiscal year. The District continues to promote customer participation and increased awareness of the low-income rebate program via a variety of local public outreach efforts. The District has budgeted \$30,000 in rebate program assistance for FY 2018/19.

Revenues from sewer service charges are determined from rates per Equivalent Dwelling Units (EDU's). Table 2 shows the five-year schedule of rates approved in 2014. The District will conduct a new study this fiscal year to determine a schedule of rates for the next five years.

**TABLE 2 – EDU FIVE YEAR RATE PLAN**



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

Schedule 2 of the Budget Appendix shows the projected EDU's for the Ross Valley and Larkspur rates zones for FY 2018/19 as compared to FY 2017/18.

#### **OTHER REVENUE**

Other revenue received by the District includes inspection fees, connection fees, interest earned on bank deposits, and miscellaneous income. Revenues from these sources represent approximately 2.0% of the total revenues received. Other revenue budgeted for FY 2018/19 is budgeted at 1.0% higher than the previous year due to anticipated increased permit fees and interest earned.

#### **OPERATIONS AND MAINTENANCE EXPENDITURES**

Operations and Maintenance Expenditures are costs associated with the general operations of the District and can be categorized as follows: Central Marin Sanitation Agency CMSA charges, personnel costs, and other operational expenditures, including outside services.

#### **CMSA CHARGES**

Central Marin Sanitation Agency (CMSA) charges are allocated for the wastewater treatment costs and debt service from the CMSA annual budget and represent the District's largest operating expenditure. Costs for wastewater treatment are established by CMSA and apportioned to the member agencies, which

# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET



then must collect the required cost of service in their respective rates. CMSA’s long term debt service payments, used to finance the 2006 Wet Weather Flow plant improvements, have a fixed allocation between the member agencies set in the 2016 Debt Service MOU between the members. RVSD’s share of the debt service payments is fixed at 43% of CMSA’s total debt service. RVSD recovers this debt service payment cost in its wastewater utility service charge to customers, similar to the treatment charges.

The treatment charges are allocated based on the trailing three years of average wastewater flow and strength. This is calculated using 36 months of flow data and 24 months of strength data from each member agency’s wastewater flow. The budgeted treatment charge allocation to RVSD for FY 2018/19 is \$5.77 million and the debt service cost to the District is estimated at \$2.14 million, totaling \$7.9 million in FY 2018/19, an increase from \$7.6 million in FY 2017/18.

The CMSA Board approved a five-year revenue plan for FY 2018/19 to FY 2022/23 with a target CMSA average EDU rate increase of less than 4% per year. The adopted revenue plan is shown in the table below and is based on the average EDU rate in the CSMA service area, debt issuances in FY 2019/20 and FY 2022/23, for a combined debt issuance of approximately \$19 million, with each issuance having a 20-year term. CMSA’s budget is posted on their website at [www.cmsa.us](http://www.cmsa.us).

Within total annual expenditures, CMSA charges make up 45% of the District’s operating expenses, with the remainder made up of personnel costs and other operational expenditures.

**TABLE 3 – CMSA FIVE-YEAR RATE SCHEDULE**

	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
Regional Charge	221	229	237	245	254	254
Capital Fee	17	21	9	13	18	(0)
Debt Service	103	103	120	120	120	138
<b>Total EDU Rate</b>	<b>\$ 341</b>	<b>\$ 353</b>	<b>\$ 366</b>	<b>\$ 379</b>	<b>\$ 392</b>	<b>\$ 392</b>
Increase from Prior Year (%)		3.5%	3.5%	3.5%	3.5%	0.0%
	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
CMSA Total Charge to RVSD	7,909,690	8,199,994	8,440,840	8,750,400	9,071,687	9,061,764
% Increase		3.7%	2.9%	3.7%	3.7%	-0.1%

### PERSONNEL COSTS

Personnel wages and benefits are those expenditures related to payroll and staffing. They include salary and wages of employees, overtime, payroll taxes, health insurance benefits and retirement benefits. This category also includes costs for other post-employment benefits.



# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

**CHART 3 – FY 2018/19 TOTAL PERSONNEL COSTS**

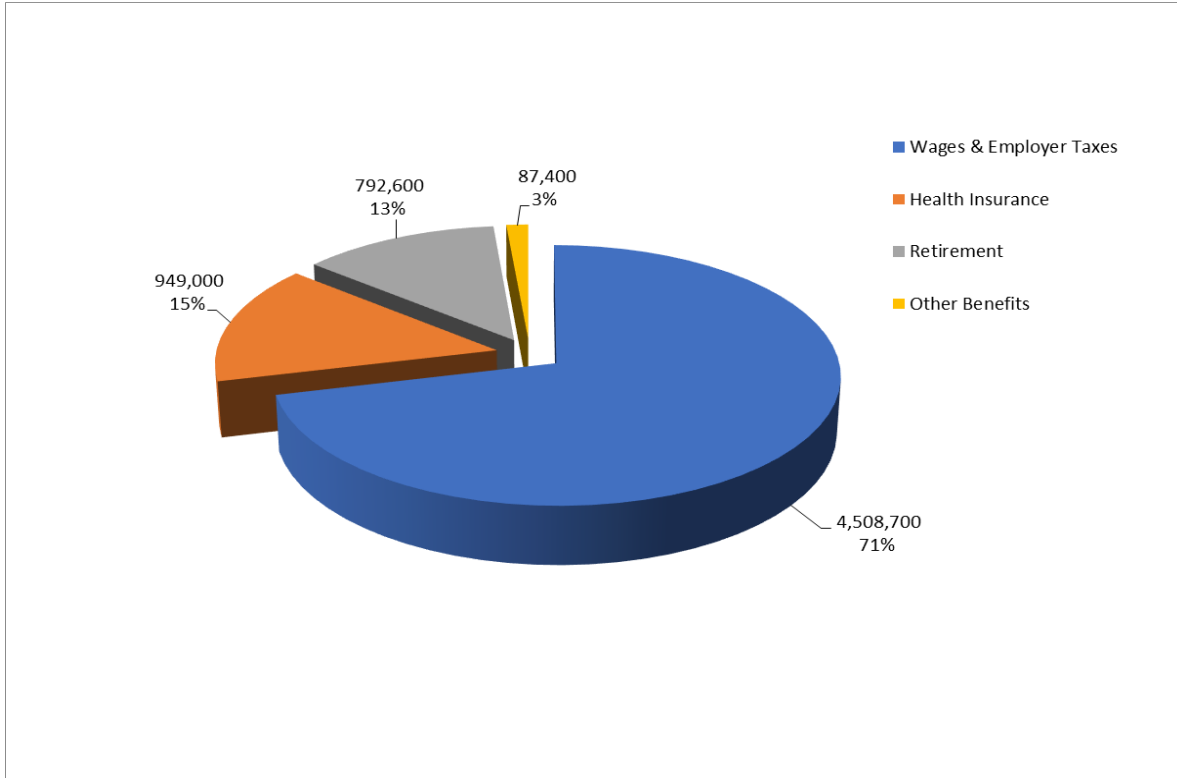


Chart 3 above shows the breakdown of total personnel costs for the new fiscal year. Salaries have been adjusted for a Consumer Price Index (CPI) factor of 3.2% (San Francisco Area – April 2018). These increases affect the salaries, payroll taxes and retirement contributions. Insurance costs are estimated based on actual costs adjusted for inflation. Retirement benefit contributions were budgeted based on a percentage, as provided by CalPERS, of the employee’s base salary.

Salaries and benefits have remained steady year over year. The significant difference between the prior fiscal year and the FY 2018/19 budget year is the calculation of personnel costs in FY 2017/18 did not include salaries and benefits captured in the capital budget.

**TABLE 4 – PERSONNEL COST COMPARISON BETWEEN FISCAL YEARS**

	FY 2017/18	FY 2018/19	Variance	%
Salaries	\$3,544,200	\$4,202,200	\$658,000	19%
Benefits & Payroll Taxes	\$1,667,600	\$2,135,500	\$467,900	28%
Total	\$5,211,800	\$6,337,700	\$1,125,900	22%

# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

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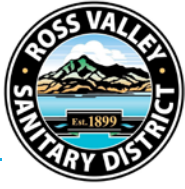
### OTHER OPERATIONAL EXPENDITURES

Other Operational Expenditures are made up of system maintenance, general and administration, facilities and utilities, outside services, and Board-related expenditures. Total other operational expenditures for FY 2018/19 are budgeted at \$2.5 million. The FY 2018/19 Budget is lower than the prior year budget in significant part due to reallocating professional services to the Outside Services category.

System maintenance costs are the expenditures related to the general costs of maintaining the sewer system. Some of the costs included in this category are vehicle fuel and repair, equipment repair, materials, parts and tools and emergency repairs. General and administration are the types of expenditures that contribute to the general operations of the district, such as liability insurance and deductibles, office equipment, software and maintenance, and printing. Facilities and utilities are overhead costs incurred in the daily operations of the District. Utilities include gas, electric and water use for pump stations and for the District headquarters, and telephone related costs. Facilities include rent, garbage, security and janitorial services. Board expenditures are the fees paid to Board members for participation in regular and special meetings.

Outside services are provided to the District as professional services provided by specialty firms. These types of services are generally structured with terms and are facilitated through a contract. Outside services include costs for contracted services to provide community outreach, legal services, human resource management services, competency-based training, information technology (IT), annual financial audits, and other professional services. The FY 2018/19 Budget for outside services is \$1.36 million. Specific outside services include the following:

- **Community Outreach** - \$352,400 is budgeted which includes \$259,300 to continue with the ongoing general communications and outreach by NV5 related to topics such as customer service, lateral replacement, sustainability actions, refinement of website content, regular general manager bulletins, press releases, and social media presence, as well as to develop and implement a strategic outreach program specifically related to the RVSD capital program and construction activities in the new fiscal year.
- **Legal Services** – Approximately \$300,000 is budgeted in the new fiscal year and is anticipated to include the following activities and costs: general legal services are budgeted at \$216,000 for work related to Board meetings facilitation, regular business contracts, and miscellaneous work such as Ordinance updates. Employment matters legal services are budgeted at \$35,000 for miscellaneous employment matters; legal support for labor negotiations is budgeted at \$30,000.
- **Human Resource Support** - \$80,000 is budgeted for outside human resources support, including \$50,000 for a classification and compensation study for all District positions. The most recent study was conducted in 2014 and informed the reorganization efforts. An updated study would serve to refine and validate the reorganization classifications as well as support the next phase of the labor negotiations cycle. Also included in human resource support is \$30,000 for recruitment firm costs to hire a new general manager.



## ROSS VALLEY SANITARY DISTRICT FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

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- **Competency Based Training/Certification Program** - \$198,000 is budgeted for the third and final phase of competency-based training/certification for all areas of RVSD operations. The first phase of work, now completed, focused on pump stations standard operating procedures (SOPs). The second phase covers all aspects of gravity sewer lines, force mains, and related systems, equipment, and processes which is currently underway and are anticipated to be completed in July 2018. The final phase of work encompasses SOPs and training modules in the following areas: inspections, including standard tasks such as lateral construction inspection underground locating services; and sanitary sewer overflows (SSOs), including standard tasks for field operations response such as initial reporting, field assessment, clean-up actions, and final reporting in compliance with State Water Regional Control Board regulations.
- **IT Services** - \$198,840 is budgeted for ongoing IT support services, upgrades to the District's servers, an independent IT audit, and expansion and improvements to the SharePoint system. IT support services continue to be provided by IT Hub at an annual cost of \$63,840. IT Hub delivers network, application, system and e-management services for a flat monthly fee, providing the District with predictable IT support costs and a proactive approach to IT management. Upgrades to the District servers are budgeted at \$33,000 which includes two new server stations with new operating systems and client access licenses with "open value" software assurance (no upgrade costs). The District's older servers will be repurposed as emergency back-up for disaster recovery planning. An independent audit of the District's system vulnerability is proposed at a cost of approximately \$20,000, and new SharePoint modules including development of a new District intranet, wastewater taxonomy package (document management), and Board packet workflow design and implementation is budgeted at a cost of \$75,000.

### CAPITAL BUDGET

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The total capital program expenditures of \$31.1 million include the following major categories: \$28.6 million in capital projects, and \$2.5 million in special programs, equipment and studies, including \$1.1 million dedicated to the lateral replacement program financial assistance (grants and loans).

Funding sources for the FY 2018/19 Capital Budget include \$34.7 million in carryover funds from the FY 2017/18 budget, \$2.8 million from sewer service charge revenue net of operating expenses, and \$7.1 million of ad valorem revenue.

### CAPITAL REVENUE

The District has two recurring revenue sources to the capital fund: ad valorem and connection fees. In addition, the District can utilize long term debt in the form of bonds and/or government loan programs such as the Clean Water State Revolving Fund (SRF). Only ad valorem and connection fee revenue sources will support the FY 2018/19 Capital Budget.



# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

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### **AD VALOREM**

Ad valorem revenue is budgeted at \$7.1 million for FY 2018/19, an increase of 4.8% over last fiscal year, representing 25% of total District revenue. Since the economic recovery from the Great Recession of 2008, this revenue source has continued along an upward trend. Marin County property values and turnover in real estate sales are the driving contributors to the positive revenue stream. However, due to its somewhat unpredictable nature, a conservative 4.5% increase is forecast for future revenue.

### **CONNECTION FEES**

New development or major remodels of existing structures represent less than 4% of recurring capital revenue sources and are based on limited growth expectations in the communities served by the District.

### **DEBT FINANCING**

In 2013 and 2014, the District issued revenue bonds of \$17.8 million and \$30 million respectively. Proceeds from 2013 bond was used to retire debt and to fund capital projects beginning in FY 2013/14. The 2014 Bond issuance was the first of two anticipated under the 2014 Rate Study and five-year financial plan. Proceeds from the 2013 and 2014 Bonds are fully expended.

The District received \$25 million in proceeds from a bond issuance in January 2018. These bond proceeds are dedicated to finance the District's capital improvement program in the amount of \$23.75 million and the lateral grant program in the amount of \$1.25 million. The 2018 Bonds are projected to be fully expended in FY 2018/19. No new debt issuances are projected for the FY 2018/19 budget year.

### **CAPITAL EXPENDITURES**

The District Capital Budget is grouped into the following categories: gravity sewer projects, pump station projects, force main projects, other capital projects, and lateral program, equipment, special projects and studies. Total capital spending is budgeted at \$31.1 million. See Schedule 10 for a breakdown by category. Approximately 80% of the expenditures are for in-progress capital projects in construction currently or expected to be during the new fiscal year. Approximately 90% of the total pipeline rehabilitation and replacement mileage targeted in the 2013 IAMP 5-year schedule will be completed by the end of FY 2018/19. The following is a summary of projects and costs by category.

#### **GRAVITY SEWER PROJECTS**

Gravity Sewer Projects (\$17.9 million) include a mix of restoration, rehabilitation, and replacement work. Except for the as-needed construction services and Inflow and Infiltration (I&I) reduction work, these projects are all under construction currently or have construction contract award pending. Approximately 15 miles of gravity sewer lines will be upgraded with these projects, all of which are included in the high-risk areas identified by condition assessment and risk modeling in the 2013 IAMP.

The Inflow and Infiltration (I&I) Reduction Program is a new capital activity and includes \$900,000 for large-scale joint grouting of existing terra cotta (TCP) and vitrified (VCP) clay pipe that is in good structural condition but has unsealed joints that allow excessive infiltration. The joint grouting method seals up the



## ROSS VALLEY SANITARY DISTRICT FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

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clay pipe joints and eliminates up to 90% of the infiltration that occurs during saturated soil conditions. At an average cost of approximately \$80,000 per mile, compared to over \$1 million per mile for CIPP work, joint grouting is a cost-effective method to reduce infiltration in pipes that are in otherwise good operating and structural condition. This first year will target 6 miles of pipe in upper Sleepy Hollow to eliminate a costly downstream pipeline replacement in upper Butterfield Road that is a flow restriction under peak wet weather flows. These newly grouted lines will be monitored for pre- and post-grouting flows to confirm the effectiveness and gather data used to plan expanded use of joint grouting in similar pipelines.

### **PUMP STATION PROJECTS**

The pump station projects (\$6.8 million) are already under construction, with work expected to be completed during this new fiscal year. These projects will complete the major pump station upgrades recommended in the 2013 IAMP.

### **FORCE MAIN PROJECTS**

These projects (\$500,000) are addressing the remaining force main work identified in the 2013 IAMP and will eliminate several high failure risk areas of the system. Examples include replacement of degraded and undersized air release valves on the PS-14 force main, and repairs to force main isolation valves along the Greenbrae (PS 12 and PS 13) force main.

### **OTHER CAPITAL PROJECTS**

Work under this category includes rehabilitation and upgrades to the Kerner administrative office and the Larkspur Landing operations base. One major change from the prior fiscal year budget is the reduction by \$6 million in funds for the Larkspur Landing remediation (previously estimated at \$7 million) due to the continued uncertainty regarding if or when EPA will provide approval for remediation work to proceed. The past year's lack of progress with EPA, despite significant work by the technical team and staff, has indicated how uncertain this process is and raised questions for the District to consider moving forward as to how best to approach the future remediation. A \$1 million placeholder budget line item is included (rather than the past \$7 million figure) to support legal, technical, and other activities should the EPA approval be issued during the new fiscal year.

### **LATERAL PROGRAM, EQUIPMENT, SPECIAL PROJECTS AND STUDIES**

- **Lateral Replacement Grant and Loan Funding** – Financial assistance funding and maximum amounts for lateral replacement are established each fiscal year as part of the annual budget process. Funding for financial assistance in FY 2018/19 includes lateral replacement grant and lateral replacement loan funding. Funding for lateral replacement grants is \$800,000, the same as the prior fiscal year, allocated into two specified categories as follows:

Pavement Condition Index and High I&I Basins – \$500,000 to provide individual grants up to \$2,500 for properties that are either in high I&I basins as determined by prior RVSD flow studies; or are located on streets with Paving Condition Index (PCI) values

# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

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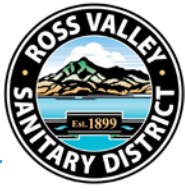


of 30 or lower or which are planned for future paving by local agencies within the next 12 to 18 months.

Common Interest Developments (CID, or condominiums) – \$300,000 to provide individual property owner or Homeowner’s Association (HOA) grants up to \$1,500 per unit. This is a new category of grants, developed specifically for the CID’s that are just now entering phase 3 of the compliance process, during which replacement needs identified in Phase 2 assessments are being constructed by the HOA’s or individual unit owners.

Lateral replacement loans- Funding for lateral replacement loans is proposed to be \$300,000, which is \$100,000 less than the prior fiscal year. The lower total amount is based on the actual level of loan activity in the past fiscal year. The standard maximum loan amount remains at \$10,000. For properties facing higher paving costs due work in moratorium street, or to remove illegal storm water connections such as sump pumps or roof drains, the maximum amount is \$15,000.

- **Capitalized Equipment** – The largest expenditure for new equipment will be for a new pipeline inspection van, including the new generation of high definition, high speed video inspection equipment and software systems (\$450,000) Like most digital technology systems, pipeline inspection systems have improved dramatically, making replacement of the 10-year old equipment now in use a good investment. The new system will provide twice the inspection speed, high definition scanning that provide much more useful information on defects, integration with GPS and GIS data for location of defects, infiltration rate characterization for the pipe, and much faster interpretation and analysis of the pipe condition information. Based on the higher production rates for both field work and data analysis, approximate annual labor savings are estimated to be \$200,000.
- **Rate Study** – the District last updated its rates in 2014, adopting a five-year schedule of rates through Fiscal Year 2018/19. A new rate study is proposed to evaluate the annual recurring revenue required to maintain the District financial health and infrastructure assets over the subsequent five-year period. The rate study scope of work also anticipates an analysis of blending the Ross Valley and Larkspur rate areas, and future annexing of the Murray Park and San Quentin Village rate payers. This study is budgeted at \$120,000.
- **Infrastructure Asset Management Plan Update** – RVSD is nearing completion of the capital program work identified in its first five-year Infrastructure Asset Management Plan (2013 IAMP). All of the associated capital projects will be completed in calendar year 2019. The risk profile of the system has been significantly improved with the risk-based focus of gravity sewer line projects in the first 5-year IAMP. The 2013 IAMP projects will have replaced or rehabilitated over 34 miles of gravity sewer lines. The new 5-year IAMP will shift focus from pipeline structural stability, major

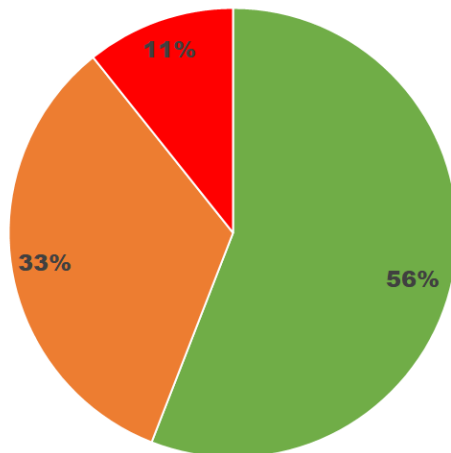


# ROSS VALLEY SANITARY DISTRICT FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

pump stations, and force mains to focus on future priority needs. These are expected to include large scale I&I reduction work, high risk creek crossing pipes, and on-going restoration/maintenance actions that maintain the system at its targeted level of service and condition. The updated plan will retain the risk-based approach and will be completed over FY 2018/19. Outside engineering consulting and technical services to develop the 2019-2024 IAMP will be retained to develop the plan, conduct updated risk modeling, complete condition assessment on the smaller HDPE pipe material force mains, update the collections system hydraulics model, and conduct pilot studies to confirm I&I reduction actions and outcomes before scaling these up to system-wide deployment. The total budget for the consultant activities related to the IAMP update is \$1.1 million. To put the 5-year IAMP cost in perspective, assuming approximately \$10 million per year in future asset management work, this equates to an expenditure of 2% to optimize approximately \$50 million in future infrastructure asset management costs through 2025.

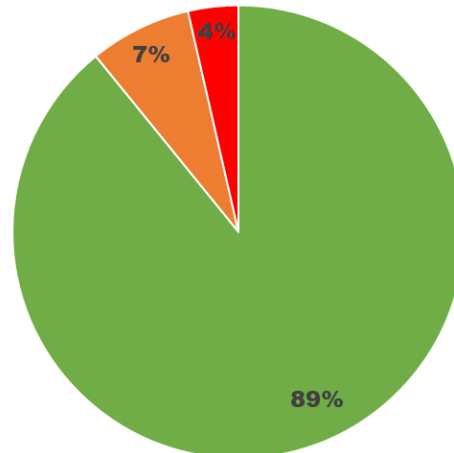
### Risk Before Rehabilitation

■ Low ■ Medium ■ High



### Risk After Rehabilitation

■ Low ■ Medium ■ High



The charts above show the low/medium/high risk before rehabilitation compared to the low/medium/high risk after rehabilitation, including construction projects currently underway and scheduled to the end of FY 2018/19.

### DEBT SERVICE

The 2013 Infrastructure Asset Management Plan (IAMP) anticipated a total of approximately \$67 million in long-term debt financing to pay for the related five years of the District's capital program, from FY 2013/14 through FY 2018/19. There are no bond issuances proposed for Fiscal Year 2018/19. The District's current debt issues total \$66,495,000 with an annual debt service obligation of approximately \$4.7 million,

# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

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a \$1 million increase in annual debt service over last fiscal year due to the \$25 million bond issuance in FY 2017/18.

RVSD was recently upgraded to a favorable AA- rating from Standard & Poor for its consistently strong financial performance. The projected debt service ratio for FY 2018/19 will remain favorable at 2.2.

### RESERVE REQUIREMENTS

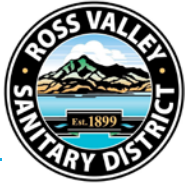
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Operational reserves are intended to cover the cash flow imbalances that occur between April and December, the months when the lump sum revenue payments are received from Marin County (tied to the tax rolls), while regular monthly expenses continue to require payment. As set by the District's Board-approved Reserve Policy, the target balance is calculated as budgeted operating expenses from July 1 to December 31. For FY 2018/19, the District's operational reserve requirement is \$11 million.

The District maintains an emergency reserve for use during operational or financial emergencies. Emergencies constitute significant unforeseen events that have a dramatic and immediate impact on the operations, assets or financial condition of the District. Per policy, the target amount of the reserve is calculated to be at least equal to 10% of the budgeted annual operating expenses, but not less than \$2 million.

Ross Valley Sanitary District maintains a California Employers' Retiree Benefit Trust (CERBT) fund for future payments of retiree post-employment health benefits. This is a restricted reserve and may not be used for any other purpose. Annual contributions to this reserve are based on the most recent actuarial analysis with the policy goal of fully funding the liability in the most fiscally responsible manner. The District is currently working with an outside actuarial consultant to make a recommendation to the Board for the appropriate contribution to this fund. The amount budgeted for FY 2018/19 is \$100,000.

The District's financial policies include a targeted Capital Reserve equal to the annual average of the future five years of capital expenses. However, this reserve has not been funded yet and remains unfunded in the new fiscal year.



## ROSS VALLEY SANITARY DISTRICT FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

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### FIVE-YEAR FINANCIAL FORECAST

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As part of the District's budget process, a rolling five-year financial forecast is developed each fiscal year. Influential financial variables such as service rates, capital program costs, operation and maintenance costs, CMSA annual charges, and debt service schedules are updated and incorporated into the forecast. Other factors that may be reasonably estimated, such as inflation factors and wage and benefit adjustments, are also incorporated. The five-year financial forecast is shown in Schedule 8 (Summary) and Schedule 9 (Details).

The updated five-year financial forecast supports the following summary observations and conclusions. In FY 2018/19, revenue is sufficient to cover operating expenses, with approximately \$2.8 million available to transfer to capital program uses. Recurring revenue of \$7.1 million in property tax (ad valorem) less \$4.7 million in annual debt service, provides RVSD with approximately \$2.4 million in ongoing net revenue to support capital programs. Capital funding requirements will continue to exceed available revenues, but the deficit will decrease as expenditures decrease and level off beginning in FY 2019/20. Long term debt will still be required for the capital program in future years, but no new borrowing is proposed for FY 2018/19.

Recognizing the limitations in forecasting influential cost and revenue factors, the forecast results indicate RVSD can maintain sound financial health through FY 2023/24, with timely and reasonable adjustments to revenue and expenses each new fiscal year. The following is a summary of key factors influencing the forecast, and how these could vary from the projection.

**Larkspur Landing Property Sale** – The RVSD parcel at 2000 Larkspur Landing Circle had an appraised value of \$12.8 million in 2010. The FY 2017/18 forecast included an assumed onetime payment of this amount in 2019/20. Due to the uncertainty in the timing, remediation costs, transaction costs, and value of any future development or sale transaction, staff's recommendation is to exclude anticipated revenue from the property's sale or other mechanisms so that it does not skew conclusions or decisions related to RVSD's future financial management.

**RWQCB CDO Compliance** – Most of the 2013 Cease and Desist Order work will be complete by FY 2019/20. The District is now exposed to additional potential requirements under the new 5-year NPDES permit issued earlier this year. However, all the required actions in the NPDES permit are already reflected in the capital program and this forecast. The District should prioritize its outreach to the RWQCB in 2018 to seek several key updates to the 2013 CDO, specifically deletion of the prescriptive mileage targets for gravity line rehabilitation. The financial forecast assumes a significant reduction from over 5 miles per year to 2 miles or less per year of major rehabilitation work, which is supported by RVSD's asset condition data and recent system performance. These factors should help in supporting the requested updates to the CDO.

# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

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**Capital Borrowing Costs** – The District has recently completed a \$25 million bond issuance, and these proceeds will be used by the end of FY 2018/19. The forecast assumes incremental future borrowing from either bonds or SRF loans. The SRF interest rates are expected to remain about one-half of market rates. RVSD’s success in securing SRF financing could have a significant impact on the actual versus forecast cost of capital. Funding levels for the SRF program have become highly uncertain due to the political environment at the federal government level, while at the same time demand for the loans have increased dramatically. RVSD should submit its applications this year for future projects but recognize the uncertainty in timing and availability of any SRF funds.

**Sewer Service Charges** – The District last updated its rates in 2014, adopting a five-year schedule of rates. The last of the five yearly rate adjustments will occur in this new FY 2018/19. Beyond FY 2018/19, the forecast reflects modest rate adjustments of 4% per year as an assurance toward financial sustainability. The planned rate study to be done in FY 2018/19 will define what level of future rate changes are needed, accounting for the lower future capital program costs and other key financial factors.



# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

### Ross Valley Sanitary District Schedule 1 - Fiscal Year 2018/19 Budget Summary

	Type	FY 2017/18		FY 2018/19
		Adopted	Revised	Budget
<b>Revenue</b>				
1	Sewer Service Charges	19,289,000	19,398,200	20,568,300
2	Property Tax (Ad Valorem)	6,787,000	6,800,000	7,129,800
3	Proceeds from Financing Activities	25,000,000	25,000,000	-
4	Other Revenue	602,200	523,700	607,300
5	<b>Total Revenue</b>	<b>51,678,200</b>	<b>51,721,900</b>	<b>28,305,400</b>
<b>Expenditures</b>				
6	CMSA Charges	7,610,700	7,611,100	7,909,700
7	Operations	5,839,200	5,514,300	6,750,550
8	Administration	2,175,000	2,047,800	2,102,900
9	Outside Services	1,148,100	933,800	1,360,240
10	Debt Service	3,611,000	3,625,300	4,673,600
11	Capital Projects, Studies, & Equipment	44,590,000	22,898,300	31,168,000
12	<b>Total Operating Expenditure</b>	<b>64,974,000</b>	<b>42,630,600</b>	<b>53,964,990</b>
13	<b>Net Revenue Less Expenditures</b>	<b>(13,295,800)</b>	<b>9,091,300</b>	<b>(25,659,590)</b>
<b>Fund Balances</b>				
15	Operating Reserves	8,337,000	8,337,000	11,128,200
16	Emergency Reserves	2,000,000	2,000,000	2,000,000
17	<b>Total Reserves</b>	<b>10,337,000</b>	<b>10,337,000</b>	<b>13,128,200</b>
18	CERBT Fund	640,000	640,000	640,000
19	Bond Proceeds for Projects	-	13,951,450	-
20	Bond Proceeds for Lateral Grant Program	-	739,300	-
21	Capital Improvement Fund	11,926,900	-	-
22	<b>Total Restricted Funds</b>	<b>12,566,900</b>	<b>15,330,750</b>	<b>640,000</b>
23	<b>Cash Balance - Unrestricted</b>	<b>-</b>	<b>19,623,250</b>	<b>5,863,210</b>
24	<b>Total Reserves, Restricted, And Cash Fund Balances</b>	<b>22,903,900</b>	<b>45,291,000</b>	<b>19,631,410</b>



# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET



### Ross Valley Sanitary District FY 2018/19 Budget Schedule 2 - Funding Sources Detail

Funding	FY 2017/2018		FY 2018/2019 Budget	% Change
	Adopted	Revised Budget		
<b>Sewer Service Revenue [1]</b>				
1 Ross Valley - Single Family	9,501,600	9,577,800	10,169,000	6%
2 Ross Valley - Multi Family	4,059,800	4,063,600	4,330,900	7%
3 Ross Valley - Commercial	2,482,400	2,448,800	2,596,700	6%
4 Larkspur - Single Family	1,687,500	1,671,800	1,749,300	5%
5 Larkspur - Multi Family	1,107,700	1,147,000	1,201,600	5%
6 Larkspur - Commercial	450,000	489,200	520,800	6%
7 Total Sewer Service Charges	19,289,000	19,398,200	20,568,300	6%
<b>Property Taxes</b>				
8 Property Taxes Collected - Ad Valorem	6,787,000	6,800,000	7,129,800	5%
9 Total Property Taxes	6,787,000	6,800,000	7,129,800	5%
<b>Other Revenue Sources</b>				
10 Inspections	190,000	190,000	193,850	2%
11 Interest Earnings	105,000	105,000	107,250	2%
12 Miscellaneous	40,000	40,000	45,000	13%
13 Proceeds from Financing Activities	25,000,000	25,000,000	-	-100%
14 Connections	266,000	187,500	260,000	39%
15 Public Sewer Extensions	1,200	1,200	1,200	0%
16 Total Other Revenue	25,602,200	25,523,700	607,300	-98%
<b>17 Total Revenue and Other Sources</b>	<b>51,678,200</b>	<b>51,721,900</b>	<b>28,305,400</b>	<b>-45%</b>

[1] Revenues from Sewer Rates are determined from rates per EDU's determined by residential winter water use or commercial. The Rate per EDU is set by the Board at a public hearing. Below is the table used in determining the revenues.

	FY 2017/2018		FY 2018/2019 Budget	% Change
	Adopted	Revised Budget		
<b>Equivalent Dwelling Units (EDU's)</b>				
Ross Valley - Single Family	11,100	11,189	11,187	0%
Ross Valley - Multi Family	5,300	5,305	5,301	0%
Ross Valley - Commercial	2,900	2,861	2,857	0%
Larkspur - Single Family	1,500	1,486	1,485	0%
Larkspur - Multi Family	1,100	1,139	1,139	0%
Larkspur - Commercial	400	435	442	2%
<b>Total # of EDU's</b>	<b>22,300</b>	<b>22,415</b>	<b>22,411</b>	<b>0%</b>
<b>Rate Per EDU</b>				
Rate per EDU - Ross Valley Single Family	\$ 856	\$ 856	\$ 909	6%
Rate per EDU - Ross Valley Multi Family	\$ 766	\$ 766	\$ 817	7%
Rate per EDU - Ross Valley Commercial	\$ 856	\$ 856	\$ 909	6%
Rate per EDU - Larkspur Single Family	\$ 1,125	\$ 1,125	\$ 1,178	5%
Rate per EDU - Larkspur Multi Family	\$ 1,007	\$ 1,007	\$ 1,055	5%
Rate per EDU - Larkspur Commercial	\$ 1,125	\$ 1,125	\$ 1,178	5%



# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

### Ross Valley Sanitary District FY 2018/19 Budget Schedule 3 - Budget Detail

		FY 2017/2018		FY 2018/2019
		Adopted	Revised	Budget
<b>Operating Fund</b>				
<b>Sources of Operating Revenue</b>				
1	Sewer Service Charges	19,289,000	19,398,200	20,568,300
2	Other Income	335,000	335,000	346,100
3	<b>Total Sources of Operating Revenues</b>	<b>19,624,000</b>	<b>19,733,200</b>	<b>20,914,400</b>
<b>Uses of Operating Expenditures</b>				
<b>CMSA Expenditures</b>				
4	Treatment Charges - CMSA	5,478,800	5,870,700	5,771,700
5	Debt Service - CMSA	2,131,900	1,740,400	2,138,000
6	<b>Total CMSA Expenditures</b>	<b>7,610,700</b>	<b>7,611,100</b>	<b>7,909,700</b>
<b>Maintenance/Repair/Inspection Expenditures</b>				
7	Salaries & Benefits - Operations	3,896,400	4,005,800	5,012,900
8	Other Operational Expenditures	1,942,800	1,508,500	1,737,650
9	<b>Total General Operating Expenditures</b>	<b>5,839,200</b>	<b>5,514,300</b>	<b>6,750,550</b>
<b>Administrative Expenditures</b>				
10	Salaries & Benefits - Administration	1,315,400	1,283,500	1,324,800
11	Office Supplies & Equipment	80,000	60,300	60,000
12	General Administrative Expenditures	225,700	223,500	236,700
13	Facilities & Utilities - Administration	136,100	113,200	107,200
14	Low Income Assistance Program	50,000	50,000	30,000
15	Board Fees & Other Expenditures	61,800	60,800	64,900
16	Insurance (includes Excess Liability)	306,000	256,500	279,300
17	<b>Total Administrative Expenditures</b>	<b>2,175,000</b>	<b>2,047,800</b>	<b>2,102,900</b>
<b>Outside Services</b>				
18	Community Outreach	160,000	159,100	352,400
19	Human Resources Consultant	111,600	94,100	80,000
20	Professional Services - Accounting/IT/Other	476,500	396,000	639,640
21	Professional Services - Legal	400,000	284,600	288,200
22	<b>Total Outside Services</b>	<b>1,148,100</b>	<b>933,800</b>	<b>1,360,240</b>
23	<b>Total Uses of Operating Expenditures</b>	<b>16,773,000</b>	<b>16,107,000</b>	<b>18,123,390</b>
24	<b>Net Operating Results</b>	<b>2,851,000</b>	<b>3,626,200</b>	<b>2,791,010</b>

# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET



### Ross Valley Sanitary District FY 2018/19 Budget Schedule 3 - Budget Detail (continued)

		FY 2017/2018		FY 2018/2019
		Adopted	Revised	Budget
<b>Capital Fund</b>				
<b>Sources of Capital Revenue</b>				
25	Property Tax (Ad Valorem)	6,787,000	6,800,000	7,129,800
26	Proceeds from Bonds	25,000,000	25,000,000	-
27	Proceeds from Sale of Property	-	-	-
28	Proceeds from SRF Loans	-	-	-
29	Connection Fees	266,000	187,500	260,000
30	Other	1,200	1,200	1,200
31	Transfers	-	-	-
32	<b>Total Sources of Capital Revenue</b>	<b>32,054,200</b>	<b>31,988,700</b>	<b>7,391,000</b>
<b>Uses of Capital Expenditures</b>				
<b>Debt Service</b>				
33	Interest Expense on Debt	2,410,000	2,410,000	2,903,600
34	Principal Payments on Debt	1,120,000	1,120,000	1,670,000
35	General Administrative Expenditures	81,000	90,300	95,000
36	Bond Administration	-	5,000	5,000
37	<b>Total Debt Service and Related Costs</b>	<b>3,611,000</b>	<b>3,625,300</b>	<b>4,673,600</b>
<b>Studies, Special Projects &amp; Equipment</b>				
38	Studies	108,000	7,500	120,000
39	Lateral Grant Programs	800,000	348,800	800,000
40	Lateral Loan Programs	300,000	-	300,000
41	Assessments and Updates	500,000	-	785,000
42	Equipment	536,000	33,500	537,000
43	<b>Total Studies, Special Projects &amp; Equipment</b>	<b>2,244,000</b>	<b>389,800</b>	<b>2,542,000</b>
<b>Capital Projects</b>				
44	Gravity Sewer Improvements	26,070,000	17,490,300	17,931,000
45	Pump Station Improvements	8,551,000	4,854,700	6,813,000
46	Force Main Improvements	-	51,900	500,000
47	Other Capital Projects	7,725,000	111,600	3,382,000
48	<b>Total Capital Projects</b>	<b>42,346,000</b>	<b>22,508,500</b>	<b>28,626,000</b>
49	<b>Total Uses of Capital Expenditures</b>	<b>48,201,000</b>	<b>26,523,600</b>	<b>35,841,600</b>
50	<b>Net Capital Results</b>	<b>(16,146,800)</b>	<b>5,465,100</b>	<b>(28,450,600)</b>
51	<b>Beginning Balance - Operations and Capital</b>	<b>36,199,700</b>	<b>36,199,700</b>	<b>45,291,000</b>
52	<b>Ending Balance - Operations and Capital</b>	<b>22,903,900</b>	<b>45,291,000</b>	<b>19,631,410</b>
<b>Breakdown of Ending Balance - Operations and Capital</b>				
53	Reserve for Operations (50% of Operations Budget)	8,337,000	8,337,000	11,128,200
54	Reserve for Emergency Reserves	2,000,000	2,000,000	2,000,000
55	Reserve for Equipment Replacement	-	-	-
56	<b>Total Reserves</b>	<b>10,337,000</b>	<b>10,337,000</b>	<b>13,128,200</b>
57	Restricted for CERBT	640,000	640,000	640,000
58	Capital Improvement Fund Balance	11,926,900	-	-
59	Restricted Bond Proceeds for Projects	-	13,951,450	-
60	Restricted Bond Proceeds for Lateral Grant Program	-	739,300	-
61	<b>Total Restricted Funds</b>	<b>12,566,900</b>	<b>15,330,750</b>	<b>640,000</b>
62	<b>Cash Balance - Unrestricted</b>	<b>-</b>	<b>19,623,250</b>	<b>5,863,210</b>
63	<b>Total Reserve, Restricted, Cash Funds Balances</b>	<b>22,903,900</b>	<b>45,291,000</b>	<b>19,631,410</b>



# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

### Ross Valley Sanitary District Schedule 4 - FY 2018/19 Departmental Budget Summary

District Expenditures by Department	FY 2017/18 Adopted	FY 2017/18 Revised	FY 2018/19 Budget	% Change FY 18/19 vs FY 17/18 Budget
<b>Operational Expenditures</b>				
1 Treatment Charges	7,610,700	7,611,100	7,909,700	4%
2 Operations	5,839,200	5,514,300	6,750,550	16%
3 Administration	2,175,000	2,047,800	2,102,900	-3%
4 Outside Services	1,148,100	933,800	1,360,240	18% [1]
5 <b>Total Operational Expenditures</b>	<b>16,773,000</b>	<b>16,107,000</b>	<b>18,123,390</b>	<b>8%</b>
6 Capital Expenditures	48,201,000	26,523,600	35,841,600	-26%
7 <b>Total District Expenditures by Department</b>	<b>64,974,000</b>	<b>42,630,600</b>	<b>53,964,990</b>	<b>-17%</b>

District Expenditures by Category	FY 2017/18 Adopted	FY 2017/18 Revised	FY 2018/19 Budget	% Change FY 18/19 vs FY 17/18 Budget
<b>District Operations</b>				
<i>Salaries &amp; Benefits</i>				
8 Salaries	3,544,200	3,324,600	4,202,200	19%
9 Benefits & Payroll Taxes	1,667,600	1,964,700	2,135,500	28% [2]
10 <b>Total Salaries and Benefits</b>	<b>5,211,800</b>	<b>5,289,300</b>	<b>6,337,700</b>	<b>22%</b>
<i>Other Operational Expenditures</i>				
11 Professional Services	127,000	-	-	-100%
12 System Maintenance	1,045,600	898,800	1,025,900	-2%
13 General & Administration	909,400	792,000	847,350	-7%
14 Facilities & Utilities	658,600	521,200	577,600	-12%
15 Board Expenditures	61,800	60,800	64,900	5%
16 <b>Total Other Operational Expenditures</b>	<b>2,802,400</b>	<b>2,272,800</b>	<b>2,515,750</b>	<b>-10%</b>
<i>Outside Services</i>				
17 Outside Services	1,148,100	933,800	1,360,240	18%
18 <b>Total Operational Expenditures</b>	<b>9,162,300</b>	<b>8,495,900</b>	<b>10,213,690</b>	<b>11%</b>
<i>CMSA Charges</i>				
19 Treatment and Debt Service Charges	7,610,700	7,611,100	7,909,700	4%
<i>Capital Expenditures</i>				
20 Debt Service	3,611,000	3,625,300	4,673,600	29% [3]
21 Capital Budget	44,590,000	22,898,300	31,168,000	-30%
22 <b>Total Capital Expenditures</b>	<b>48,201,000</b>	<b>26,523,600</b>	<b>35,841,600</b>	<b>-26%</b>
23 <b>Total District Expenditures by Category</b>	<b>64,974,000</b>	<b>42,630,600</b>	<b>53,964,990</b>	<b>-17%</b>

# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET



### Administration

Administration Expenditures by Category		FY 2017/18 Adopted	FY 2017/18 Revised	FY 2018/19 Budget	% Change FY 18/19 vs FY 17/18 Budget
1	Salaries	879,400	845,900	859,500	-2%
2	Benefits & Payroll Taxes	436,000	437,600	465,300	7%
3	<b>Total Salaries and Benefits</b>	<b>1,315,400</b>	<b>1,283,500</b>	<b>1,324,800</b>	<b>1%</b>
4	General & Administration	661,700	590,300	606,000	-8%
5	Facilities & Utilities	136,100	113,200	107,200	-21%
6	Board Expenditures	61,800	60,800	64,900	5%
7	<b>Total Other Expenditures</b>	<b>859,600</b>	<b>764,300</b>	<b>778,100</b>	<b>-9%</b>
8	<b>Total Administration Expenditures by Category</b>	<b>2,175,000</b>	<b>2,047,800</b>	<b>2,102,900</b>	<b>-3%</b>

Administration Expenditures by Category		FY 2017/18 Adopted	FY 2017/18 Revised	FY 2018/19 Budget	% Change FY 18/19 vs FY 17/18 Budget
<b>Salaries &amp; Benefits</b>					
9	Salaries	867,500	835,300	850,300	-2%
10	Overtime	11,900	10,600	9,200	-23%
11	<b>Subtotal Salaries/Wages</b>	<b>879,400</b>	<b>845,900</b>	<b>859,500</b>	<b>-2%</b>
<b>Benefits &amp; Payroll Taxes</b>					
12	Employee Fitness	1,200	700	600	-50%
13	Insurance - Medical/Dental/Vision	211,800	198,700	145,200	-31%
14	Insurance - Other	6,000	6,600	6,200	3%
15	Insurance - Workers Comp & Unemployment	34,600	24,200	4,300	-88%
16	Payroll Taxes	59,100	58,700	66,000	12%
17	Recruiting/Retention	2,000	300	600	-70%
18	Retirement - Employer	121,300	117,800	166,900	38% [4]
19	Temporary Help	-	30,600	75,500	
20	<b>Subtotal Benefits &amp; Payroll Taxes</b>	<b>436,000</b>	<b>437,600</b>	<b>465,300</b>	<b>7%</b>
21	<b>Total Salaries &amp; Benefits</b>	<b>1,315,400</b>	<b>1,283,500</b>	<b>1,324,800</b>	<b>1%</b>
<b>General &amp; Administration</b>					
22	Membership Dues/Certifications	46,500	45,300	45,300	-3%
23	Bank Fees	5,700	5,300	5,700	0%
24	Conferences/Trainings/Meetings	42,500	27,800	40,000	-6%
25	Insurance - Deductibles	132,000	106,900	132,000	0%
26	Insurance - Liability	174,000	149,600	147,300	-15%
27	Collection Fee - County of Marin	49,000	51,900	53,700	10%
28	Low Income Assistance Program	50,000	50,000	30,000	-40%
29	Miscellaneous	600	1,500	1,200	100%
30	Office Equipment	51,800	35,000	39,600	-24%
31	Office Supplies	28,200	25,300	20,400	-28%
32	Postage & Shipping	5,700	5,100	5,400	-5%
33	Property Taxes	20,800	31,300	21,900	5%
34	Software & Maintenance	35,300	34,700	39,900	13%
35	Travel & Meals	19,600	20,600	23,600	20%
36	<b>Total General &amp; Administration</b>	<b>661,700</b>	<b>590,300</b>	<b>606,000</b>	<b>-8%</b>



# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

### Administration - Continued

Administration Expenditures by Category		FY 2017/18	FY 2017/18	FY 2018/19	% Change
		Adopted	Revised	Budget	FY 18/19 vs FY 17/18 Budget
<b>Facilities &amp; Utilities</b>					
37	Utilities - Admin	25,000	31,900	38,900	56% [5]
38	Utilities - Telephone/Internet	26,600	27,400	27,700	4%
39	Facilities - Maintenance	84,500	53,900	40,600	-52%
40	<b>Total Facilities &amp; Utilities</b>	<b>136,100</b>	<b>113,200</b>	<b>107,200</b>	<b>-21%</b>
<b>Board Fees</b>					
41	Board Fees	42,000	45,700	45,200	8%
42	Travel & Meals - Board	6,600	3,100	6,000	-9%
43	Conferences/Trainings/Meetings	13,200	12,000	13,700	4%
44	<b>Total Board Expenditures</b>	<b>61,800</b>	<b>60,800</b>	<b>64,900</b>	<b>5%</b>
45	<b>Subtotal Other Expenditures</b>	<b>859,600</b>	<b>764,300</b>	<b>778,100</b>	<b>-9%</b>
46	<b>Total Administration Expenditures</b>	<b>2,175,000</b>	<b>2,047,800</b>	<b>2,102,900</b>	<b>-3%</b>

### Outside Services

Operating Expenditures by Category - Summary		FY 2017/18	FY 2017/18	FY 2018/19	% Change
		Adopted	Revised	Budget	FY 18/19 vs FY 17/18 Budget
<b>Outside Services</b>					
1	Audit	27,000	16,500	21,200	-21%
2	Community Outreach - Public Outreach	160,000	159,100	352,400	120% [6]
3	Human Resources Consultant	111,600	94,100	80,000	-28%
4	Information Technology (IT)	96,000	87,700	198,840	107% [7]
5	Consultant Services - Capital Assets	206,500	196,900	318,000	54% [1]
6	Legal - General	190,000	212,900	216,000	14% [8]
7	Legal - Regulatory	30,000	-	-	-100%
8	Legal - Employment Matters	180,000	71,700	72,200	-60%
9	Professional Services - Other	147,000	94,900	101,600	-31%
10	<b>Total Outside Services</b>	<b>1,148,100</b>	<b>933,800</b>	<b>1,360,240</b>	<b>18%</b>

# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET



### Operations

Operating Expenditures by Category	FY 2017/18 Adopted	FY 2017/18 Revised	FY 2018/19 Budget	% Change
				FY 18/19 vs FY 17/18 Budget
1 Salaries	2,664,800	2,478,700	3,342,700	25%
2 Benefits & Payroll Taxes	1,231,600	1,527,100	1,670,200	36% [2]
3 Total Salaries and Benefits	3,896,400	4,005,800	5,012,900	29%
4 Professional Services	127,000	-	-	-100%
5 System Maintenance	1,045,600	898,800	1,025,900	-2%
6 General & Administration	247,700	201,700	241,350	-3%
7 Facilities & Utilities	522,500	408,000	470,400	-10%
8 Total Other Expenditures	1,942,800	1,508,500	1,737,650	-11%
9 Total Operations- All Depts. - Expenditures by Category	5,839,200	5,514,300	6,750,550	16%

Operating Expenditures by Category	FY 2017/18 Adopted	FY 2017/18 Revised	FY 2018/19 Budget	% Change
				FY 18/19 vs FY 17/18 Budget
<b>Salaries &amp; Benefits</b>				
<i>Salaries/Wages</i>				
10 Salaries	2,966,300	2,912,600	2,967,400	0%
11 Overtime	177,900	112,000	287,200	61% [9]
12 Standby Overtime	135,900	140,500	88,100	-35%
13 Capitalized Labor	(615,300)	(686,400)	-	-100% [2]
14 Subtotal Salaries/Wages	2,664,800	2,478,700	3,342,700	25%
<i>Benefits &amp; Payroll Taxes</i>				
15 Boot Allowance	6,000	4,300	5,000	-17%
16 Employee Exams	6,000	1,300	3,600	-40%
17 Employee Fitness	3,600	1,000	900	-75%
18 Insurance - Medical/Dental/Vision	598,800	571,200	640,800	7%
19 Insurance - Other	24,000	23,400	25,100	5%
20 Insurance - Workers Comp & Unemployment	188,400	117,900	127,400	-32%
21 Payroll Taxes	244,000	230,300	240,500	-1%
22 Recruiting/Retention	4,000	1,800	1,200	-70%
23 Retirement - Employer	580,700	575,900	625,700	8%
24 Capitalized Benefits	(423,900)	-	-	-100% [2]
25 Subtotal Benefits & Payroll Taxes	1,231,600	1,527,100	1,670,200	36%
26 Total Salaries & Benefits	3,896,400	4,005,800	5,012,900	29%
<b>Professional Services</b>				
27 Consultant Services - Capital Assets	127,000	-	-	-100%
28 Total Professional Services	127,000	-	-	-100%
<b>System Maintenance</b>				
29 Concrete, Soil & Rock	207,400	152,200	130,000	-37%
30 Emergency Repairs	100,000	101,500	100,000	0%
31 Emergency Response	42,000	-	40,000	-5%
32 Equipment Rental	45,900	29,500	45,900	0%
33 Equipment Repair	77,200	91,100	128,100	66% [10]
34 Fats, Oils, & Grease (FOG) Program	25,000	17,800	20,000	-20%
35 Permits	16,900	17,700	15,400	-9%
36 Safety Equipment & Gear	26,700	50,400	39,500	48% [11]
37 Materials & Parts	191,200	170,800	228,300	19%
38 Tools	110,400	81,700	101,800	-8%
39 Uniforms	18,400	24,300	26,200	42%
40 Vehicle - Fuel	65,800	67,300	64,800	-2%
41 Vehicle - Repair	123,800	94,500	85,900	-31%
42 Capitalized System Maintenance	(5,100)	-	-	-100%
43 Total System Maintenance	1,045,600	898,800	1,025,900	-2%



# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

### Operations - Continued

Operating Expenditures by Category	FY 2017/18 Adopted	FY 2017/18 Revised	FY 2018/19 Budget	% Change FY 18/19 vs FY 17/18 Budget
<b>General &amp; Administration</b>				
44 Membership Dues/Certifications	31,200	27,800	30,700	-2%
45 Conferences/Trainings/Meetings	41,300	32,000	24,800	-40%
46 Office Equipment	14,100	4,700	10,000	-29%
47 Office Supplies	17,000	13,400	11,100	-35%
48 Software & Maintenance	58,800	86,000	92,600	57% [12]
49 CMMS Maintenance/Support	61,000	15,200	52,650	-14%
50 Travel & Meals	24,300	22,600	19,500	-20%
51 <b>Total General &amp; Administration</b>	<b>247,700</b>	<b>201,700</b>	<b>241,350</b>	<b>-3%</b>
<b>Facilities &amp; Utilities</b>				
52 Facilities - Rent - Ops & Maint	45,600	45,400	67,900	49% [13]
53 Facilities - Maintenance - Ops & Maint	64,200	53,100	35,900	-44%
54 Utilities - Ops & Maint	21,800	36,500	29,400	35%
55 Utilities - Telephone/Internet - Ops & Maint	81,600	83,100	92,400	13% [14]
56 Utilities - Water Line Maint	12,600	-	-	-100%
57 Utilities - Power Pumps	296,700	189,900	244,800	-17%
58 <b>Total Facilities &amp; Utilities</b>	<b>522,500</b>	<b>408,000</b>	<b>470,400</b>	<b>-10%</b>
59 <b>Subtotal Other Expenditures</b>	<b>1,942,800</b>	<b>1,508,500</b>	<b>1,737,650</b>	<b>-11%</b>
60 <b>Total Operations - All Departments</b>	<b>5,839,200</b>	<b>5,514,300</b>	<b>6,750,550</b>	<b>16%</b>

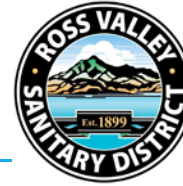
**Notes:**

- [1] Additional \$120k Consultant Services for Capital Asset department engineering studies
- [2] Capitalized Labor \$541K & Benefits \$423K from FY 17/18, a contra expense account was taken out from FY 18/19 budget.
- [3] Start of \$25m 2018 Revenue Bonds schedule payments for Principal and Interest at \$1.5m
- [4] Increase in District Contribution to Calper's Retirement Account to 3.2% and Unfunded Liability to \$401K
- [5] Water, Electric, Gas, Sewer and Sanitation where properly budgeted based on current invoices compared to under estimated amount from prior FY budget
- [6] Mostly from Public Relations services by NV5 Inc. at \$259k an approved budget by GM
- [7] Software and Hardware upgrades and change in contract agreements
- [8] Downey Brand budgeted for \$18k per month for various legal services
- [9] Overtime hours was properly estimated based from Actual Time Control data compared to under estimated numbers from prior FY17/18 Budget.
- [10] Preventive maintenance and camera replacement additional amount per budget request of \$58.4K
- [11] Based on the actual expense averages of FY2016, 2017 and 2018 vendors
- [12] Renewal of SmartFLOE \$55k, Telstar Instr. \$15k, ESRI Desktop Upgrade \$6.7k, Fleetio \$5.4k and others
- [13] Rentals from Andersen Place \$48K, United Site-Restroom \$8.3K, and Nat'l Const.-Fence \$10.8k
- [14] Comcast-Internet \$46.8k, Verison Wireless-Cell \$33.6k, and AT&T \$3.6k



# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET



### Ross Valley Sanitary District FY 2018/19 Budget Schedule 5 - Debt Service Summary

Debt Issues	Original Principal	Outstanding Principal	FY18/19 Debt
2013 Revenue Bonds	17,780,000	16,620,000	1,142,600
2014 Revenue Bonds	30,155,000	28,005,000	1,888,300
2018 Revenue Bonds	21,870,000	21,870,000	1,542,700
		<b>66,495,000</b>	<b>4,573,600</b>
Proposed Debt Issue		<b>0</b>	<b>0</b>
<b>Total Current and Proposed Debt Issues</b>		<b>66,495,000</b>	

2013 Revenue Bonds			
Original Principal	Rate	Term	Maturity
17,780,000	3.0% - 5.0%	30 yrs	1/1/2040

Fiscal Year Ended June 30,	Principal	Interest	Total
2019	335,000	807,600	1,142,600
2020	350,000	792,150	1,142,150
2021	370,000	774,150	1,144,150
2022	385,000	757,200	1,142,200
2023	400,000	739,500	1,139,500
2024 - 2028	2,310,000	3,387,900	5,697,900
2029 - 2033	2,910,000	2,768,000	5,678,000
2034 - 2038	3,720,000	1,943,250	5,663,250
2039 - 2043	5,840,000	917,500	6,757,500
	<b>16,620,000</b>	<b>12,887,250</b>	<b>29,507,250</b>

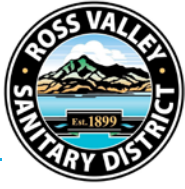
2014 Revenue Bonds			
Original Principal	Rate	Term	Maturity
30,155,000	3.5% - 5.0%	25 yrs	1/1/2040

Fiscal Year Ended June 30,	Principal	Interest	Total
2019	830,000	1,058,294	1,888,294
2020	860,000	1,025,094	1,885,094
2021	895,000	990,694	1,885,694
2022	930,000	954,894	1,884,894
2023	975,000	908,394	1,883,394
2024 - 2028	5,595,000	3,829,219	9,424,219
2029 - 2033	6,580,000	2,851,725	9,431,725
2034 - 2038	7,780,000	1,646,175	9,426,175
2039 - 2043	3,560,000	215,000	3,775,000
	<b>28,005,000</b>	<b>13,479,488</b>	<b>41,484,488</b>

2018 Revenue Bonds			
Original Principal	Rate	Term	Maturity
21,870,000	4.0% - 5.0%	25 yrs	1/1/2043

Fiscal Year Ended June 30,	Principal	Interest	Total
2019	505,000	1,037,653	1,542,653
2020	500,000	1,047,100	1,547,100
2021	515,000	1,027,100	1,542,100
2022	540,000	1,006,500	1,546,500
2023	560,000	984,900	1,544,900
2024 - 2028	3,210,000	4,507,250	7,717,250
2029 - 2033	4,110,000	3,619,000	7,729,000
2034 - 2038	5,245,000	2,483,750	7,728,750
2039 - 2043	6,685,000	1,035,250	7,720,250
	<b>21,870,000</b>	<b>16,748,503</b>	<b>38,618,503</b>

Debt Service Ratio	FY 2017/2018		FY 2018/2019
	Adopted	Revised	Budget
Sources of Revenue	26,411,000	26,533,200	28,305,400
Less: Operating Expenditure	(16,773,000)	(16,107,000)	(18,123,390)
Net Operating Revenue	9,638,000	10,426,200	10,182,010
Less: Debt Service	(3,611,000)	(3,625,300)	(4,673,600)
Net Revenues in excess of Annual Debt Service	6,027,000	6,800,900	5,508,410
<b>Net Revenues as ratio of annual Debt Service</b>	<b>2.7</b>	<b>2.9</b>	<b>2.2</b>
<b>Debt Ratio per District Financial Policy</b>	<b>1.50</b>	<b>1.50</b>	<b>1.50</b>



# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

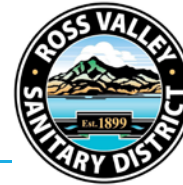
### Ross Valley Sanitary District FY 2018/19 Budget Schedule 6 - Position Allocation

Position	Salary Range [3] Monthly		Full Time Positions	
	Step 1	Step 6	2017/18	2018/19
<b>Administration</b>				
General Manager [1]	\$ 17,669		1	1
Business & Administrative Services Manager [2]	\$ 10,177	\$ 13,390	1	1
Accounting & Financial Analyst	\$ 8,612	\$ 10,991	1	1
Executive Assistant to the General Manager/Clerk of the Board	\$ 6,728	\$ 8,586	1	1
Administrative Specialist	\$ 6,334	\$ 8,084	1	1
Administrative Coordinators	\$ 5,382	\$ 6,869	2	2
<b>Administration Total</b>			<b>7</b>	<b>7</b>
<b>Operations</b>				
Operations & Maintenance Manager [2]	\$ 10,177	\$ 12,988	1	1
Line Maintenance Supervisor	\$ 7,997	\$ 10,206	1	1
Pump Station Supervisor	\$ 7,997	\$ 10,206	1	1
Collection System Worker	\$ 5,946	\$ 7,589	10	10
<b>Operations Total</b>			<b>13</b>	<b>13</b>
<b>Capital Assets Program</b>				
Infrastructure Assets Manager [2]	\$ 12,747	\$ 15,318	1	1
Engineer	\$ 10,493	\$ 13,392	1	1
Engineering Technician	\$ 6,728	\$ 8,586	1	1
Capital Assets Analyst	\$ 7,612	\$ 9,715	1	1
Repair Supervisor	\$ 7,997	\$ 10,206	1	1
Crew Lead	\$ 7,426	\$ 9,478	1	1
Collection System Worker	\$ 5,946	\$ 7,589	5	5
Inspection Superintendent	\$ 9,987	\$ 12,746	1	1
Inspector	\$ 7,612	\$ 9,715	2	2
Condition Assessment Supervisor	\$ 7,997	\$ 10,206	1	1
<b>Capital Assets Program Total</b>			<b>15</b>	<b>15</b>
<b>Total Employee Count (All positions are full time)</b>			<b>35</b>	<b>35</b>

[1] The General Manager's salary is an annual amount that is set by contract.

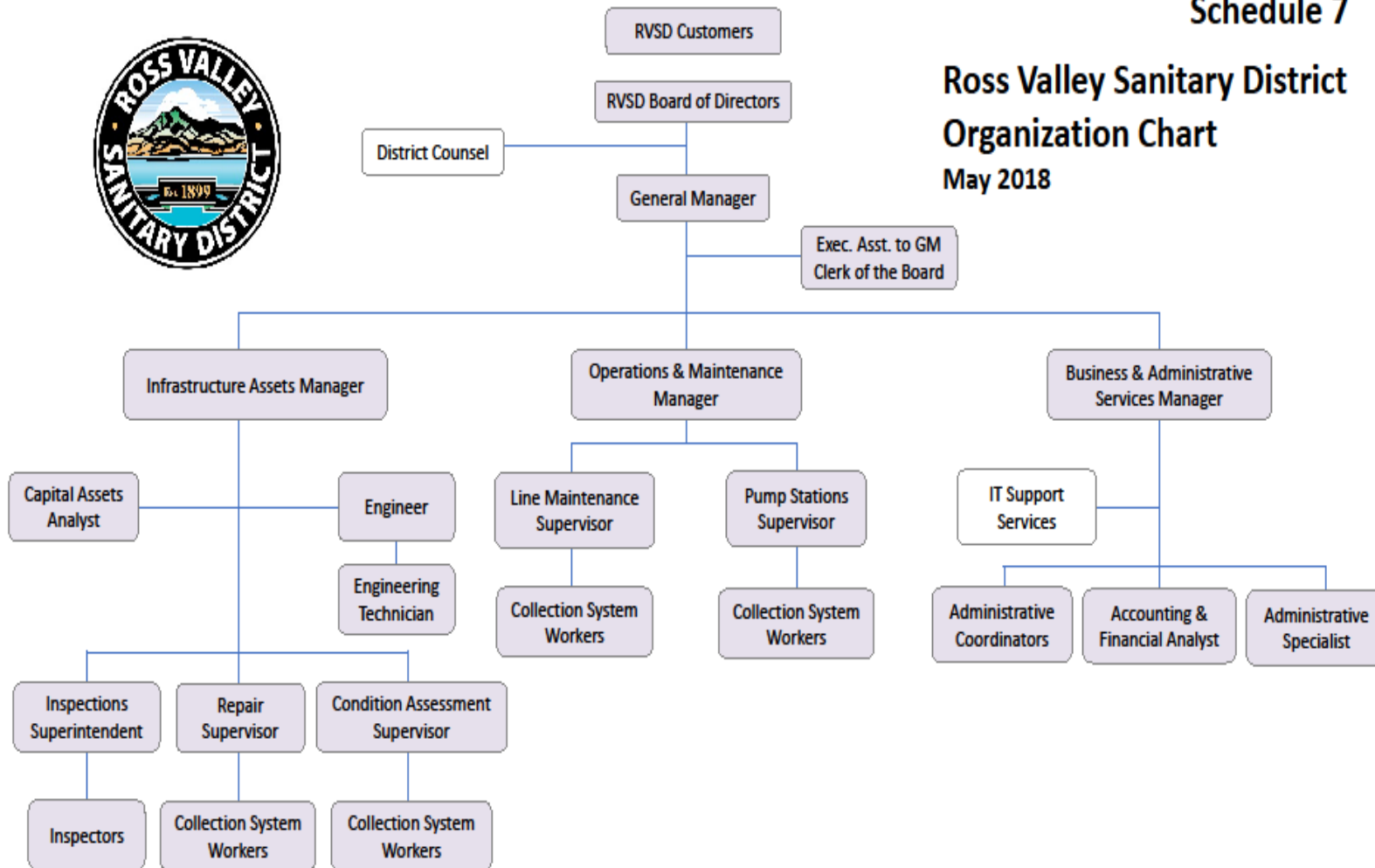
[2] Executive Management Salary is a range from low to high.

[3] April CPI percent is at 3.2%



Schedule 7

Ross Valley Sanitary District  
 Organization Chart  
 May 2018





# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

### Ross Valley Sanitary District FY 2018/19 Budget Schedule 8 - Five Year Financial Forecast Summary

	FY 2018/2019 Budget	FY 2019/2020 Forecast	FY 2020/2021 Forecast	FY 2021/2022 Forecast	FY 2022/2023 Forecast	FY 2023/2024 Forecast
<b>Revenues and Other Sources</b>						
1 Sewer Service Charges	20,570,000	21,390,000	22,250,000	23,140,000	24,070,000	25,030,000
2 Property Tax - Ad Valorem	7,130,000	7,450,000	7,790,000	8,140,000	8,510,000	8,890,000
3 Proceeds from Financing Activities	-	12,000,000	7,580,000	5,820,000	4,120,000	3,810,000
5 Other Revenue	610,000	610,000	610,000	610,000	610,000	610,000
6 <b>Expected Revenues and Other Sources</b>	<b>28,310,000</b>	<b>41,450,000</b>	<b>38,230,000</b>	<b>37,710,000</b>	<b>37,310,000</b>	<b>38,340,000</b>
<b>Expenditures and Other Uses</b>						
7 CMSA Charges	7,910,000	8,200,000	8,440,000	8,750,000	9,070,000	9,060,000
8 Operations	6,750,000	7,080,000	7,420,000	7,790,000	8,170,000	8,570,000
9 Administration	2,100,000	2,200,000	2,290,000	2,400,000	2,520,000	2,620,000
10 Outside Services	1,360,000	1,390,000	1,420,000	1,450,000	1,480,000	1,510,000
11 <b>Total Operations &amp; Maintenance</b>	<b>18,120,000</b>	<b>18,870,000</b>	<b>19,570,000</b>	<b>20,390,000</b>	<b>21,240,000</b>	<b>21,760,000</b>
12 <b>Debt Service</b>	<b>4,675,000</b>	<b>5,300,000</b>	<b>5,290,000</b>	<b>5,790,000</b>	<b>6,160,000</b>	<b>6,430,000</b>
13 Studies, Special Projects & Equipment	2,550,000	1,760,000	1,630,000	2,220,000	1,580,000	1,460,000
14 Capital Projects	28,620,000	13,270,000	15,530,000	9,580,000	9,080,000	8,400,000
15 <b>Total Capital Projects and Other Uses</b>	<b>31,170,000</b>	<b>15,030,000</b>	<b>17,160,000</b>	<b>11,800,000</b>	<b>10,660,000</b>	<b>9,860,000</b>
16 <b>Total Expected Expenditures and Other Uses</b>	<b>53,965,000</b>	<b>39,200,000</b>	<b>42,020,000</b>	<b>37,980,000</b>	<b>38,060,000</b>	<b>38,050,000</b>
17 <b>Net Revenue Less Expenditures</b>	<b>(25,655,000)</b>	<b>2,250,000</b>	<b>(3,790,000)</b>	<b>(270,000)</b>	<b>(750,000)</b>	<b>290,000</b>
18 <b>Beginning Fund Balance</b>	<b>45,291,000</b>	<b>19,636,000</b>	<b>21,886,000</b>	<b>18,096,000</b>	<b>17,826,000</b>	<b>17,076,000</b>
19 <b>Ending Fund Balance</b>	<b>19,636,000</b>	<b>21,886,000</b>	<b>18,096,000</b>	<b>17,826,000</b>	<b>17,076,000</b>	<b>17,366,000</b>
<b>Minimum Reserve Requirements</b>						
20 Operating Reserve	11,128,000	12,085,000	12,430,000	13,090,000	13,700,000	14,095,000
21 Emergency Reserve	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
<b>Total Reserve Requirement</b>	<b>13,128,000</b>	<b>14,085,000</b>	<b>14,430,000</b>	<b>15,090,000</b>	<b>15,700,000</b>	<b>16,095,000</b>
<b>Restricted Funds Allocation</b>						
22 Restricted CERBT Fund	640,000	640,000	640,000	640,000	640,000	640,000
24 Restricted Bond Proceeds for Projects	-	-	-	-	-	-
25 Restricted Bond Proceeds for Lateral Grant Program	-	-	-	-	-	-
27 <b>Total Restricted Funds</b>	<b>640,000</b>	<b>640,000</b>	<b>640,000</b>	<b>640,000</b>	<b>640,000</b>	<b>640,000</b>
28 <b>Cash Balance</b>	<b>5,868,000</b>	<b>7,161,000</b>	<b>3,026,000</b>	<b>2,096,000</b>	<b>736,000</b>	<b>631,000</b>
29 <b>Debt Service Ratio (Net Operating Revenues/Debt Service)</b>	<b>2.2</b>	<b>2.0</b>	<b>2.1</b>	<b>2.0</b>	<b>1.9</b>	<b>2.0</b>

# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET



### Ross Valley Sanitary District FY 2018/19 Budget Schedule 9 - Five Year Financial Forecast Detail

		FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024
Assmpts		Budget	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Operating Fund</b>							
<b>Operating Revenues</b>							
1	Sewer Service Charges	4.0%	20,570,000	21,390,000	22,250,000	23,140,000	24,070,000
2	Other Income	1.0%	350,000	350,000	350,000	350,000	350,000
3	<b>Total Operating Revenues</b>		<b>20,920,000</b>	<b>21,740,000</b>	<b>22,600,000</b>	<b>23,490,000</b>	<b>24,420,000</b>
<b>Operating Expenditures</b>							
<b>CMSA Expenditures</b>							
4	Treatment Charges - CMSA		5,770,000	6,070,000	5,960,000	6,270,000	6,590,000
5	Debt Service - CMSA		2,140,000	2,130,000	2,480,000	2,480,000	2,910,000
6	<b>Total CMSA Expenditures</b>		<b>7,910,000</b>	<b>8,200,000</b>	<b>8,440,000</b>	<b>8,750,000</b>	<b>9,070,000</b>
			3.5%	3.7%	2.9%	3.7%	-0.1%
<b>Maintenance/Repair/Inspection Expenditures</b>							
7	Salaries & Benefits - Operations	5.5%	5,010,000	5,290,000	5,580,000	5,890,000	6,210,000
8	Other Operational Expenditures	3.0%	1,740,000	1,790,000	1,840,000	1,900,000	2,020,000
9	<b>Total General Operating Expenditures</b>		<b>6,750,000</b>	<b>7,080,000</b>	<b>7,420,000</b>	<b>7,790,000</b>	<b>8,170,000</b>
<b>Administrative Expenditures</b>							
10	Salaries & Benefits - Administration	5.5%	1,320,000	1,390,000	1,470,000	1,550,000	1,640,000
11	Office Supplies & Equipment	3.0%	60,000	60,000	60,000	60,000	60,000
12	General Administrative Expenditures	3.0%	240,000	250,000	260,000	270,000	280,000
13	Facilities & Utilities - Administration	3.0%	110,000	110,000	110,000	110,000	110,000
14	Low Income Assistance Program	0.0%	30,000	40,000	30,000	40,000	40,000
15	Board Fees & Other Expenditures	1.5%	60,000	60,000	60,000	60,000	60,000
16	Insurance (includes Excess Liability)	3.0%	280,000	290,000	300,000	310,000	320,000
17	<b>Total Administrative Expenditures</b>		<b>2,100,000</b>	<b>2,200,000</b>	<b>2,290,000</b>	<b>2,400,000</b>	<b>2,520,000</b>
<b>Outside Services</b>							
18	Community Outreach	3.0%	350,000	360,000	370,000	380,000	390,000
19	Human Resources Consultant	3.0%	80,000	80,000	80,000	80,000	80,000
20	Professional Services - Accounting/IT/Other	3.0%	640,000	660,000	680,000	700,000	720,000
21	Professional Services - Legal	0.0%	290,000	290,000	290,000	290,000	290,000
22	<b>Total Outside Services</b>		<b>1,360,000</b>	<b>1,390,000</b>	<b>1,420,000</b>	<b>1,450,000</b>	<b>1,480,000</b>
23	<b>Total Operating Expenditures</b>		<b>18,120,000</b>	<b>18,870,000</b>	<b>19,570,000</b>	<b>20,390,000</b>	<b>21,240,000</b>
24	<b>Net Operating Revenue</b>		<b>2,800,000</b>	<b>2,870,000</b>	<b>3,030,000</b>	<b>3,100,000</b>	<b>3,180,000</b>
<b>Transfer Out to:</b>							
25	Capital Fund		(2,800,000)	(2,870,000)	(3,030,000)	(3,100,000)	(3,180,000)
26	<b>Total Transfers Out</b>		<b>(2,800,000)</b>	<b>(2,870,000)</b>	<b>(3,030,000)</b>	<b>(3,100,000)</b>	<b>(3,180,000)</b>
27	<b>Net Operating Results</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

### Schedule 9 - Five Year Financial Forecast Detail (continue)

<b>Capital Fund</b>								
<b>Capital Revenues and Other Sources</b>								
28	Property Tax - Ad Valorem	4.85% - 4.50%	7,130,000	7,450,000	7,790,000	8,140,000	8,510,000	8,890,000
29	Connection Fees	1.0%	260,000	260,000	260,000	260,000	260,000	260,000
30	Proceeds from Bonds		-	12,000,000	-	-	-	-
31	Proceeds from SRF Loans		-	-	7,580,000	5,820,000	4,120,000	3,810,000
32	Other		-	-	-	-	-	-
<b>33</b>	<b>Total Revenue &amp; Other Sources</b>		<b>7,390,000</b>	<b>19,710,000</b>	<b>15,630,000</b>	<b>14,220,000</b>	<b>12,890,000</b>	<b>12,960,000</b>
<b>Transfer In from:</b>								
34	Operating Fund		2,800,000	2,870,000	3,030,000	3,100,000	3,180,000	3,620,000
<b>35</b>	<b>Total Transfers In</b>		<b>2,800,000</b>	<b>2,870,000</b>	<b>3,030,000</b>	<b>3,100,000</b>	<b>3,180,000</b>	<b>3,620,000</b>
<b>36</b>	<b>Total Revenues, Other Sources and Transfers</b>		<b>10,190,000</b>	<b>22,580,000</b>	<b>18,660,000</b>	<b>17,320,000</b>	<b>16,070,000</b>	<b>16,580,000</b>
<b>Expenditures and Other Uses</b>								
<b>Debt Service</b>								
37	Bond Interest Expense on Debt		2,900,000	3,280,000	3,190,000	3,110,000	3,010,000	2,910,000
38	Bond Principal Payments on Debt		1,670,000	2,020,000	2,100,000	2,190,000	2,280,000	2,380,000
39	SRF Loans		-	-	-	490,000	870,000	1,140,000
40	General Administrative Expenditures		100,000	-	-	-	-	-
41	Bond Administration		5,000	-	-	-	-	-
<b>42</b>	<b>Total Debt Service</b>		<b>4,675,000</b>	<b>5,300,000</b>	<b>5,290,000</b>	<b>5,790,000</b>	<b>6,160,000</b>	<b>6,430,000</b>
<b>Studies, Special Projects &amp; Equipment [Sch 9]</b>								
43	Studies		120,000	120,000	120,000	120,000	120,000	120,000
44	Lateral Grant Program		800,000	800,000	800,000	800,000	800,000	800,000
45	Lateral Loan Program		300,000	300,000	300,000	300,000	300,000	300,000
46	Assessments and Updates		790,000	340,000	200,000	780,000	130,000	-
47	Equipment		540,000	200,000	210,000	220,000	230,000	240,000
<b>48</b>	<b>Total Studies, Special Projects &amp; Equipment</b>		<b>2,550,000</b>	<b>1,760,000</b>	<b>1,630,000</b>	<b>2,220,000</b>	<b>1,580,000</b>	<b>1,460,000</b>
<b>Capital Projects [Sch 10]</b>								
49	Gravity Sewer Improvements		17,930,000	11,900,000	13,010,000	8,730,000	7,530,000	7,310,000
50	Pump Station Improvements		6,810,000	410,000	1,080,000	850,000	1,550,000	1,090,000
51	Force Main Improvements		500,000	960,000	1,440,000	-	-	-
52	Other Capital Projects		3,380,000	-	-	-	-	-
<b>53</b>	<b>Total Capital Projects</b>		<b>28,620,000</b>	<b>13,270,000</b>	<b>15,530,000</b>	<b>9,580,000</b>	<b>9,080,000</b>	<b>8,400,000</b>
<b>54</b>	<b>Total Expenditures and Other Uses</b>		<b>35,845,000</b>	<b>20,330,000</b>	<b>22,450,000</b>	<b>17,590,000</b>	<b>16,820,000</b>	<b>16,290,000</b>
<b>55</b>	<b>Capital Net Results</b>		<b>(25,655,000)</b>	<b>2,250,000</b>	<b>(3,790,000)</b>	<b>(270,000)</b>	<b>(750,000)</b>	<b>290,000</b>
<b>56</b>	<b>Beginning Fund Balance</b>		<b>45,290,000</b>	<b>19,635,000</b>	<b>21,885,000</b>	<b>18,095,000</b>	<b>17,825,000</b>	<b>17,075,000</b>
<b>57</b>	<b>Ending Fund Balance</b>		<b>19,635,000</b>	<b>21,885,000</b>	<b>18,095,000</b>	<b>17,825,000</b>	<b>17,075,000</b>	<b>17,365,000</b>
<b>Debt Ratio Service Ratio (Net Revenues/Debt Service)</b>								
58	Net Operating Revenues (Exp) and Debt Service Revenues		10,190,000	10,580,000	11,080,000	11,500,000	11,950,000	12,770,000
59	Annual Debt Service		(4,675,000)	(5,300,000)	(5,290,000)	(5,790,000)	(6,160,000)	(6,430,000)
60	Net Revenues in excess of Annual Debt Service		5,515,000	5,280,000	5,790,000	5,710,000	5,790,000	6,340,000
<b>61</b>	<b>Net Revenues as ratio of annual Debt Service</b>		<b>2.2</b>	<b>2.0</b>	<b>2.1</b>	<b>2.0</b>	<b>1.9</b>	<b>2.0</b>
<b>62</b>	<b>Debt Ratio per District Financial Policy</b>		<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>

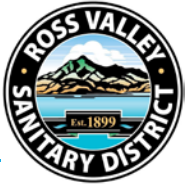
# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET



### Ross Valley Sanitary District Schedule 10 - Capital Projects, Studies, Special Projects & Equipment

Project #	Project Description	FY 2017/2018		FY 2018/2019
		Budget	Projected	Budget
<b>Capital Projects</b>				
931	FY 2015/16 Gravity Sewer Improvements	6,901,000	6,495,100	495,000
932	FY 2016/17 Gravity Sewer Rehabilitation	8,890,000	4,839,900	6,877,000
924	Gravity Sewer Rehabilitation -A	-	-	-
926	Gravity Sewer Rehabilitation -B	-	-	-
928	SSRMP - Magnolia Project	-	-	-
933	FY 2016/17 Gravity Sewer Improvements Nokomis/Meadowcroft	2,393,000	-	4,770,000
938	2016 Magnolia Ave San Anselmo	-	-	-
939	Kentfield/Larkspur/Greenbrae FM	-	-	-
940	Ichabod/Van Ripper Sleepy Hollo	-	-	-
943	Baywood Ct Creek Crossing emergency Repairs	-	551,500	-
945	FY 2016/17 Gravity Sewer Improvements Butterfield/Meadowcroft-Arroyo	-	-	100,000
937	Large Diameter Gravity Sewer Rehabilitation Project II-1	2,820,000	2,903,300	-
941	Large Diameter Gravity Sewer Rehabilitation Project II-2	2,194,000	1,747,200	342,000
942	Large Diameter Gravity Sewer Rehabilitation Project II-3A	1,942,000	420,400	3,487,000
981	Inflow and Infiltration Reduction Program	160,000	8,600	900,000
918	As-Needed, On Call Sanitary Sewer System Construction Services	450,000	-	630,000
917/919	District Capitalized Repairs FY 2018/19	320,000	524,300	330,000
<b>Gravity Sewer Total</b>		<b>26,070,000</b>	<b>17,490,300</b>	<b>17,931,000</b>
902	PS 15 Kentfield Pump Station Improvements	1,510,000	303,900	2,497,000
903	PS 15 Kentfield Pump Station Communtor replacement	175,000	253,200	-
904	PS 12 Bon Air and PS 13 Greenbrae Pump Station Rehabilitation	6,635,000	4,120,200	3,940,000
905	Pump Station Equipment Upgrades FY 2018/19	231,000	177,400	376,000
<b>Pump Station Total</b>		<b>8,551,000</b>	<b>4,854,700</b>	<b>6,813,000</b>
930	Force Main Appurtenance Projects	-	51,900	-
960	FY 2019/20 Force Main Appurtenance Projects	-	-	500,000
<b>Force Main Total</b>		<b>-</b>	<b>51,900</b>	<b>500,000</b>
900	Larkspur Landing EPA Clearance Activities	7,000,000	87,200	1,000,000
900	Larkspur Landing Site and Facility Improvements	600,000	-	1,306,000
901	Kerner Building Improvements	125,000	24,400	1,076,000
<b>Other Capital Projects Total</b>		<b>7,725,000</b>	<b>111,600</b>	<b>3,382,000</b>
<b>Capital Projects Total</b>		<b>42,346,000</b>	<b>22,508,500</b>	<b>28,626,000</b>
<b>Studies, Special Projects &amp; Equipment</b>				
Project #	Project Description	FY 2017/2018		FY 2018/2019
		Adopted	Revised Budget	Budget
978	Lateral Replacement Grant Program	800,000	348,800	800,000
	Lateral Replacement Loan Program	300,000	-	300,000
935/950	Capitalized Equipment	536,000	33,500	537,000
979	Infrastructure Asset Management Program Support/Plan Update	500,000	-	785,000
979	Studies/Reviews/Software/Miscellaneous	108,000	7,500	120,000
<b>Studies, Special Projects and Equipment Total</b>		<b>2,244,000</b>	<b>389,800</b>	<b>2,542,000</b>
<b>Total</b>		<b>44,590,000</b>	<b>22,898,300</b>	<b>31,168,000</b>



# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET

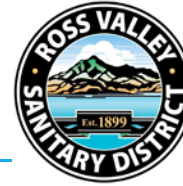
Ross Valley Sanitary District  
**Schedule 11- Capital Improvement Project Cost and Funding Details**  
**Studies, Special Projects & Equipment and Funding Details**

Project Number	Project Name	Project Description	Direct Project Costs			Funding Sources				
			Professional Services	Construction	FY 2018/19 Total Direct Costs	General Funds and Capital Fund Balances [1]	2018 Bond Proceeds	SRF Loans [2]	Other [3]	FY 2018/19 Total Funding
<b>CAPITAL IMPROVEMENT PROJECTS</b>										
<b>Gravity Sewer Improvement Projects</b>										
931	FY 2015/16 Gravity Sewer Improvements	6.7 mi of gravity sewer in Kentfield and Ross	45,000	450,000	495,000		495,000			495,000
932	FY 2016/17 Gravity Sewer Rehabilitation	6.4 mi of gravity sewer in Fairfax, San Anselmo, and Larkspur	638,000	6,239,000	6,877,000		6,877,000			6,877,000
933	FY 2016/17 Gravity Sewer Improvements	0.6 mi of diversion and replacement gravity sewer in San Anselmo	390,000	4,380,000	4,770,000		4,770,000			4,770,000
945	FY 2016/17 Gravity Sewer Improvements	0.4 mi of diversion and replacement gravity sewer in San Anselmo	100,000		100,000		100,000			100,000
941	Large Diameter Gravity Sewer Rehabilitation Project II-2	CIPP lining of 0.6 mi of 18- and 36-inch trunk sewer in downtown San Anselmo	42,000	300,000	342,000		342,000			342,000
942	Large Diameter Gravity Sewer Rehabilitation Project II-3A	0.4 miles of trunk sewer reconstruction in Ross	257,000	3,230,000	3,487,000	2,119,550	1,367,450			3,487,000
981	Inflow and Infiltration Reduction Program	I&I reduction on gravity sewers	150,000	750,000	900,000	900,000				900,000
918	As-Needed, On Call Sanitary Sewer System Construction Services	As-needed pipe and manhole repair, rehabilitation, replacement, and installation	120,000	510,000	630,000	630,000				630,000
917	District Capitalized Repairs FY 2018/19	Repair, restoration, and other pipeline improvements	-	330,000	330,000	330,000				330,000
<b>Subtotal Gravity Sewer Improvement Projects</b>			<b>1,742,000</b>	<b>16,189,000</b>	<b>17,931,000</b>	<b>3,979,550</b>	<b>13,951,450</b>	<b>-</b>	<b>-</b>	<b>17,931,000</b>
<b>Pump Station Projects</b>										
904	PS 12 Bon Air and PS 13 Greenbrae Pump Station Rehabilitation	Full pump station rehabilitation to improve the capacity, operation, and reliability of PS 12 Bon Air and PS 13 Greenbrae pump stations.	400,000	3,540,000	3,940,000	3,940,000				3,940,000
902	PS 15 Kentfield Pump Station Improvements	Replace variable frequency drives and miscellaneous electrical and instrumentation improvements at PS 15 Kentfield	297,000	2,200,000	2,497,000	2,497,000				2,497,000
905	Pump Station Equipment Upgrades FY 2018/19			376,000	376,000	376,000				376,000
<b>Subtotal Pump Station Projects</b>			<b>697,000</b>	<b>6,116,000</b>	<b>6,813,000</b>	<b>6,813,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,813,000</b>
<b>Force Main Projects</b>										
960	FY 2019/20 Force Main Appurtenance Projects	Isolation and air relief valves, bypass connections, and corrosion protection	500,000	-	500,000	500,000				500,000
<b>Subtotal Force Main Projects</b>			<b>500,000</b>	<b>-</b>	<b>500,000</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500,000</b>
<b>Other Capital Projects</b>										
900	Larkspur Landing EPA Clearance Activities	Complete environmental remediation to remove PCB contamination	300,000	700,000	1,000,000	1,000,000				1,000,000
900	Larkspur Landing Site and Facility Improvements	Upgrade employee workspace and operations base including paving, one new module, and frontage improvements	105,000	1,201,000	1,306,000	1,306,000				1,306,000
901	Kerner Building Improvements	Upgrade employee workspace and administration base including building layout, carpet, paint, and fixture upgrades; electrical work; landscaping and other site improvements.	115,000	961,000	1,076,000	1,076,000				1,076,000
<b>Subtotal Other Capital Projects</b>			<b>520,000</b>	<b>2,862,000</b>	<b>3,382,000</b>	<b>3,382,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,382,000</b>
<b>TOTAL CAPITAL IMPROVEMENT PROJECTS</b>			<b>3,459,000</b>	<b>25,167,000</b>	<b>28,626,000</b>	<b>14,674,550</b>	<b>13,951,450</b>	<b>-</b>	<b>-</b>	<b>28,626,000</b>



# ROSS VALLEY SANITARY DISTRICT

## FISCAL YEAR 2018/19 DRAFT ANNUAL BUDGET



### Schedule 11 – Capital Improvement Project Cost and Funding Details (continue)

Studies, Special Projects & Equipment									
<b>Lateral Replacement Programs - Grants and Loans</b>									
	Lateral Replacement Grant Program		800,000	800,000	60,700	739,300			800,000
	Lateral Replacement Loan Program		300,000	300,000	300,000				300,000
	<b>Subtotal Lateral Replacement Programs</b>		<b>1,100,000</b>	<b>1,100,000</b>	<b>360,700</b>	<b>739,300</b>	<b>-</b>	<b>-</b>	<b>1,100,000</b>
<b>Equipment</b>									
	Vehicles and Equipment		537,000	537,000	537,000				537,000
	<b>Subtotal Equipment</b>		<b>537,000</b>	<b>537,000</b>	<b>537,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>537,000</b>
<b>Studies</b>									
	Infrastructure Asset Management Program Support/Plan Update	785,000		785,000	785,000				785,000
	Studies/Reviews/Software/Miscellaneous	120,000		120,000	120,000				120,000
	<b>Subtotal Studies</b>	<b>905,000</b>	<b>-</b>	<b>905,000</b>	<b>905,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>905,000</b>
<b>Total Studies, Special Projects &amp; Equipment</b>		<b>905,000</b>	<b>1,637,000</b>	<b>2,542,000</b>	<b>1,802,700</b>	<b>739,300</b>	<b>-</b>	<b>-</b>	<b>2,542,000</b>
<b>Totals</b>		<b>4,364,000</b>	<b>26,804,000</b>	<b>31,168,000</b>	<b>16,477,250</b>	<b>14,690,750</b>	<b>-</b>	<b>-</b>	<b>31,168,000</b>

[1] General Funds are from transfers of net revenues from Operations and Debt Service. The source of funds are from sewer rate charges and property tax revenue. Capital Fund balances are from prior years fund balances to be used for capital projects.

[2] In February 2018, \$21.9 million in Revenue Bonds were issued at a premium to generate \$23.75 million in capital project funding and \$1.25 million for the Lateral Grant replacement program. In FY 18-19

[3] State Revolving Fund (SRF) Loans are subject to an application and funding process that will be submitted in future years for eligible projects.

[4] Other sources of Capital funding are from connection fees and other