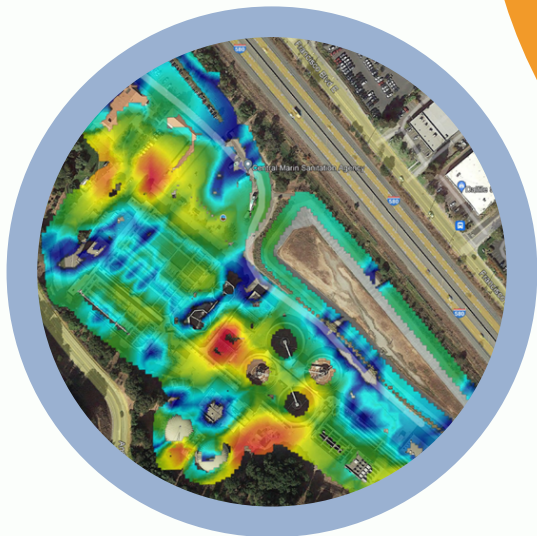




ADOPTED BIENNIAL OPERATING AND CAPITAL BUDGET



July 1, 2023 - June 30, 2024
July 1, 2024 - June 30, 2025

CENTRAL MARIN SANITATION AGENCY

1301 Andersen Drive, San Rafael, CA 94901 | 415.459.1455 | www.cmsa.us

**CMSA ADOPTED BIENNIAL BUDGET
FY24 & FY25**

JULY 1 through JUNE 30

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Central Marin Sanitation Agency

Budget Acknowledgements

San Rafael Sanitation District

Dean DiGiovanni, Chair, appointed, February 2016
Maribeth Bushey, Commissioner, appointed January 2014
Alan Zahradnik, Alternate, appointed December 2018
Mark Solomon, Alternate, appointed December 2018
Katie Rice, Alternate, appointed January 2016

Ross Valley Sanitary District

Doug Kelly, Vice Chair, appointed July 2016
Michael Boorstein, Commissioner, appointed July 2014
Thomas Gaffney, Alternate, appointed July 2014
Pamela Meigs, Alternate, appointed July 2010
Mary Sylla, Alternate, appointed July 2012

Sanitary District No. 2

Eli Beckman, Secretary, appointed December 2018
Fred Cassisa, Alternate, appointed May 2020

Executive Team

Jason R. Dow, P.E., General Manager
Loren Chris Finton, Treatment Plant Manager
Kenneth Spray, CPA, Administrative Services Manager
Peter Kistenmacher, P.E., Technical Services Manager

Finance Team

Heidi Lang, Senior Accountant/Analyst
Ahn Ta, Personnel & Accounting Technician
Adrianna Iacoviello, Administrative Specialist

www.cmsa.us/finance



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**Central Marin Sanitation Agency
California**

For the Biennium Beginning

July 01, 2021

Christopher P. Morill

Executive Director



June 20, 2023

Message from the General Manager

On behalf of the Board of Commissioners and staff of the Central Marin Sanitation Agency (CMSA), I am pleased to present the Agency's FY24 and FY25 budget. This budget serves as the financial plan for both fiscal years and details the resource requirements and costs associated with providing safe, reliable, and environmentally sound wastewater and resource recovery services to approximately 105500 residents, businesses, and institutions in central Marin County. All the financial documents referenced in this document are available online at www.cmsa.us/finance/documents.

This is the Agency's eleventh comprehensive budget using Government Finance Officers Association (GFOA) presentation guidelines. Our goal is to prepare high quality budgets and financial documents that are readily accessible and easily understandable to CMSA's Joint Powers Agency (JPA) members and ratepayers, customers, stakeholders, regulators, and other interested parties.

Achieving Outstanding Performance in the Past, Present, and Future

Since 1985, CMSA has operated a regional wastewater treatment facility that receives, cleans, and discharges wastewater that is collected from households and businesses within the central Marin County, California service area. CMSA has a long history of beneficially reusing biosolids and biogas that are produced during the treatment processes. CMSA strives for, and will continue to maintain or exceed, high industry standards in all aspects of its business and operations. The Agency's high performance has been recognized by national, state, and regional industry groups in the following key areas:

- Achieved compliance with the Environmental Protection Agency's National Pollutant Discharge Elimination System (NPDES) permit requirements for the past five consecutive years.
- Received recognition from the GFOA for Excellence in Financial Reporting for the Agency's Annual Comprehensive Financial Report (21 consecutive years), Outstanding Achievement in Popular Annual Financial Reporting (13 consecutive years), and the Distinguished Budget Presentation Award (8 consecutive years and 2 biennial years).
- Garnered state-level recognition of first place from the California Water Environment Association (CWEA) for Safety Plant of the Year, Engineering Achievement of the Year for the Power Delivery Program, the Community Engagement and Outreach Person of the Year,

the Electrical and Instrumentation Technician of the Year, and second place for Mechanical Technician of the Year.

- Recognized by the regional CWEA Redwood Empire Section for Treatment Plant of the Year, as well as recognizing two Agency employees for exceptional performance in their respective professions.

Major Agency Objectives for FY24 and FY25

- Exceed all NPDES permit requirements for both fiscal years.
- Expand the power delivery program by increasing biogas production and renewable power generation from the newly installed higher capacity cogeneration system.
- Operate the treatment facilities to minimize odors and public complaints.
- Expand use of the new financial system.
- Implement the Agency's business plans for FY24 and FY25 in alignment with the recently adopted 5-year strategic plan and multi-year revenue plan.
- Maintain a safe work environment and promote a culture of safety, measured by no incidents of employee lost time injuries.
- Maintain a high level of service to customers in our service area and clients outside the service area who contract with the Agency for services.
- Upgrade and replace capital assets for reliable, resilient, and sustainable facility operations, to minimize costs to our customers.

FY24 and FY25 Budgets

The Agency is committed to developing fiscally responsible and sustainable biennial budgets, and planning for the future through developing 10-year Capital Improvement Programs (CIP) and Financial Forecasts with each biennial budget.

The FY24 and FY25 budgets include a scheduled reserve draw in the amounts of approximately \$2,924,000 and \$4,428,000 for each of the two fiscal years, respectively. The budget includes an overall operating revenue increase of 6.5% for FY24 and 3.3% for FY25, and an overall expenditure increase of 9% for FY24 and 2.9% for FY25. Debt service revenues total nearly \$5.6 million for each of the fiscal years, of which approximately \$1,125,000 comprises debt service coverage used for CIP funding both years, respectively. The Agency plans to spend approximately \$7.3 million on 36 capital improvement projects next year and approximately \$6.7 million the following year, using a combination of capital revenue sources and reserve

usage from accumulated restricted capital reserve accounts, and amounts from unrestricted capital reserve accounts. Detailed discussions of the Operating Budget, CIP, and 10-year Financial Forecast can be found in Sections 7, 8, and 9, respectively.

The following are the main features of the FY24 and FY25 budgets:

- Total Operating Revenues of approximately \$15.4 million for FY24 and \$15.9 million for FY25, and dedicated capital fees in the amount of approximately \$5 million for FY24 and \$2.7 million for FY25 that consist of a capital fee, a debt service coverage fee, capacity charges, and grants.
- Application of a 36-month wastewater flow and strength methodology for the allocation of the regional sewer service charges to the JPA members. The allocation is based on the JPA member's proportionate share of the 12,054 million gallons of wastewater treated by CMSA during the April 1, 2020 to March 31, 2023 period, along with 30.6 million pounds of Biological Oxygen Demand and 37.2 million pounds of Total Suspended Solids during the same period. The FY24 regional service and capital charges, and debt service CMSA will receive from its JPA members is approximately \$748,000 more than FY23, and FY25 is approximately \$788,000 more than FY24, as scheduled in the Agency's current 5-year Revenue Program.
- The Agency expects to receive approximately \$2.8 million in revenues from other sources for FY24 and \$2.8 million for FY25. The single largest other revenue source is for contracted services with the state of California for providing wastewater treatment and pump station operation and maintenance services to San Quentin State Prison.
- Debt Service of \$5.6 million, or \$108.11 per Equivalent Dwelling Units (EDU), in the combined service area.
- Total Operating Expenditures of approximately \$16 million, an overall increase of 9% from FY23. The main changes to the FY24 budget are due to scheduled salary increases of 7.2%, increases in chemicals and fuels of 39.1%, increases in permit testing and monitoring of 17.4%, increase in utilities of 11.6%, and increases in repairs and maintenance of 13.2%. For FY25, the main changes are due to scheduled salary increases of 4.4%, an increase in insurance of 15.3%, a decrease of permit testing and monitoring of 20.3%, and a decrease in utilities of 10.8%.

Making Significant Capital Investments in the Agency's Infrastructure

The treatment and disposal of wastewater and reuse of its by-products is a highly regulated enterprise that requires significant capital infrastructure. The Agency operates an around-the-clock wastewater facility, and the various fixed assets and equipment used in the treatment processes are subject to heavy usage, sometimes under a challenging operating environment. Capital assets are used to move large volumes of wastewater through the treatment facilities

and are subject to constant contact with wastewater and various chemicals used in the treatment processes. Agency staff monitors new technologies and operational approaches, and evaluates those that may improve the treatment process, save energy, reduce chemical usage, minimize greenhouse gas emissions, and meet changing regulatory requirements. The maintenance, replacement, and addition of capital assets are an essential part of the Agency's budget.

Budgeted capital improvements for FY24 amount to approximately \$7.3 million, and \$6.7 million for FY25. There are 27 priority projects in the CIP, and the most significant include facility improvements, an electrical distribution rehabilitation system, primary clarifiers rehabilitation, a nutrient removal study and predesign, design of a new centrifuge dewatering system, and construction of liquid organic waste storage and biogas treatment upgrades.

The total cost of the planned CIP over the next 10 years is approximately \$74 million and focuses on replacing and rehabilitating aging infrastructure and assets, implementing new projects to reduce energy use and improve operational efficiencies, meeting regulatory objectives, increasing energy self-sufficiency and renewable power delivery, and designing new treatment systems to remove nutrients from the treated wastewater. CIP funding sources are from debt proceeds, ongoing capital-related service charges, debt coverage charges, capacity fees collected from residential and commercial new construction, and capital reserves. By the end of FY24, the Agency will have an estimated \$13 million in capital reserves, and an estimated \$8.5 million for FY25 in capital reserves to finance projects.

Sustainable Budgeting for the Future

The Agency has pursued a number of budget initiatives over the past several years to achieve long-term budgetary sustainability and financial stability. One such initiative was the adoption of a 5-year Revenue Plan to provide JPA members ample time to incorporate Agency revenue requirements into respective financial plans and rate increase processes. The Agency fixed its debt service cost allocation to the JPA members based upon their 10-year average EDU counts to smooth annual fluctuations. CMSA locked-in a five-year, \$8.7 million contract with the State of California to provide wastewater services to the San Quentin Prison. Lastly, the Agency uses debt issuances to level potential revenue increases. For example, in FY21, a \$9 million debt issue financed certain capital improvements and an anticipated a \$13 million debt issue in FY26 will continue to finance major capital improvements.

On the expense reduction side, the Agency issued pension obligation bonds (POBs) in April 2022 to reduce unfunded pension liability in connection with the CalPERS retirement benefit. Debt service on the POBs is less than the otherwise annually scheduled unfunded actuarial liability (UAL) payment to CalPERS, resulting in savings from the UAL amount. The savings are placed in a Section 115 trust to use for future retirement funding. The Agency's most recent labor negotiations with its two employee groups resulted in a five-year contract with benefit savings from employees using spousal medical. The Agency refunds debt where economically feasible

for savings from original issued debt. A 2006 refund resulted in a total savings of \$15 million to our customers from FY16 through FY32.

Our People Make Us a High-Performing Agency

CMSA is recognized as a high-performance wastewater utility within Marin County and the San Francisco Bay Area, and we are sought out by local agencies to provide various wastewater and environmental services. The Agency continues to be recognized by state and national organizations in the areas of permit compliance, facility operations, safety, and financial reporting. I am privileged to work alongside 46 talented, experienced, and dedicated professionals.

On behalf of all the employees, I would like to express our thanks and appreciation to the CMSA Board of Commissioners for supporting the Agency's Vision, Mission, Values, and Goals, and in securing the necessary resources to enable us to achieve a recognized level of high performance in safeguarding public health and the environment.

We hope that this biennial budget will provide the reader with a thorough understanding of the sources and uses of Agency resources. We welcome your comments, feedback, and suggestions for improving future budget publications.

Respectfully,

A handwritten signature in blue ink, appearing to read "J. R. Dow". The signature is fluid and cursive, with a large loop at the beginning.

Jason R. Dow, P.E.
General Manager

SECTION 1. ORGANIZATION

Formation History and Organization

Faced with wastewater collection and treatment challenges unique to central Marin County and the need to meet the 1972 Federal Clean Water Act and subsequent State of California Water Code requirements, Ross Valley Sanitary District (RVSD), Sanitary District No. 2 (SD2) of Marin County, the City of Larkspur (LARK), and the San Rafael Sanitation District (SRSD) united in 1979 to form a JPA and created CMSA. San Quentin State Prison (SQSP), which represents the largest single customer of wastewater treatment services in the combined service area, opted not to join the JPA. The treatment facilities were constructed at a cost of \$84 million and were funded by federal (75%) and state (12.5%) clean water grants and local contributions (12.5%) from the four local wastewater agencies and SQSP. The CMSA wastewater treatment facility, the largest in Marin County, became operational in January 1985. In January 2020, the City of Larkspur withdrew from the JPA.

CMSA's governing body is a five-member Board of Commissioners (Board), appointed by the JPA members. Each JPA member determines the term for its appointed representative(s). SRSD and RVSD each have two members on the Board, while SD2 has one.

The Board sets policy and adopts the biennial budget for CMSA and appoints the General Manager and Treasurer/Controller. The General Manager is the chief executive officer, and the Treasurer/Controller is responsible for all financial operations.

Agency Officials as of June 30, 2023

Board of Commissioners (year appointed):

Michael Boorstein, Commissioner, RVSD (July 2014)
Doug Kelly, Vice Chair, RVSD (July 2016)
Thomas Gaffney, Alternate, RVSD (July 2014)
Pamela Meigs, Alternate, RVSD (August 2010)
Mary Sylla, Alternate, RVSD (July 2012)
Dean DiGiovanni, Chair, SRSD (February 2016)
Maribeth Bushey, Commissioner, SRSD (January 2014)
Katie Rice, Alternate, SRSD (January 2016)
Marc Solomon, Alternate, SRSD (December 2018)
Alan Zahradnik, Alternate, SRSD (December 2018)
Eli Beckman, Secretary, SD2 (December 2018)
Fred Cassisa, Alternate, SD2 (May 2020)

Agency Managers (tenure):

Jason Dow, P.E., General Manager (employee since 1993, General Manager since 2002)
Loren Chris Finton, Treatment Plant Manager (employee since 1997, Manager since 2010)
Kenneth Spray, CPA, Administrative Services Manager (Manager since 2017)
Peter Kistenmacher, P.E., Technical Services Manager (Manager since 2018)

Employees, Service Achievements, and Recognitions

The authorized staffing level for CMSA is 47 full-time positions, including a safety professional position whose salary and benefit costs are shared with another wastewater agency in Marin County.

Characteristics of the workforce:

- 47 authorized positions
- Average age 43.6 years old
- Average length of service is 8.1 years
- Ten employees with over ten years of service
- 23.3% of the current employees meet the minimum requirements for retirement benefits from the California Public Employees Retirement System

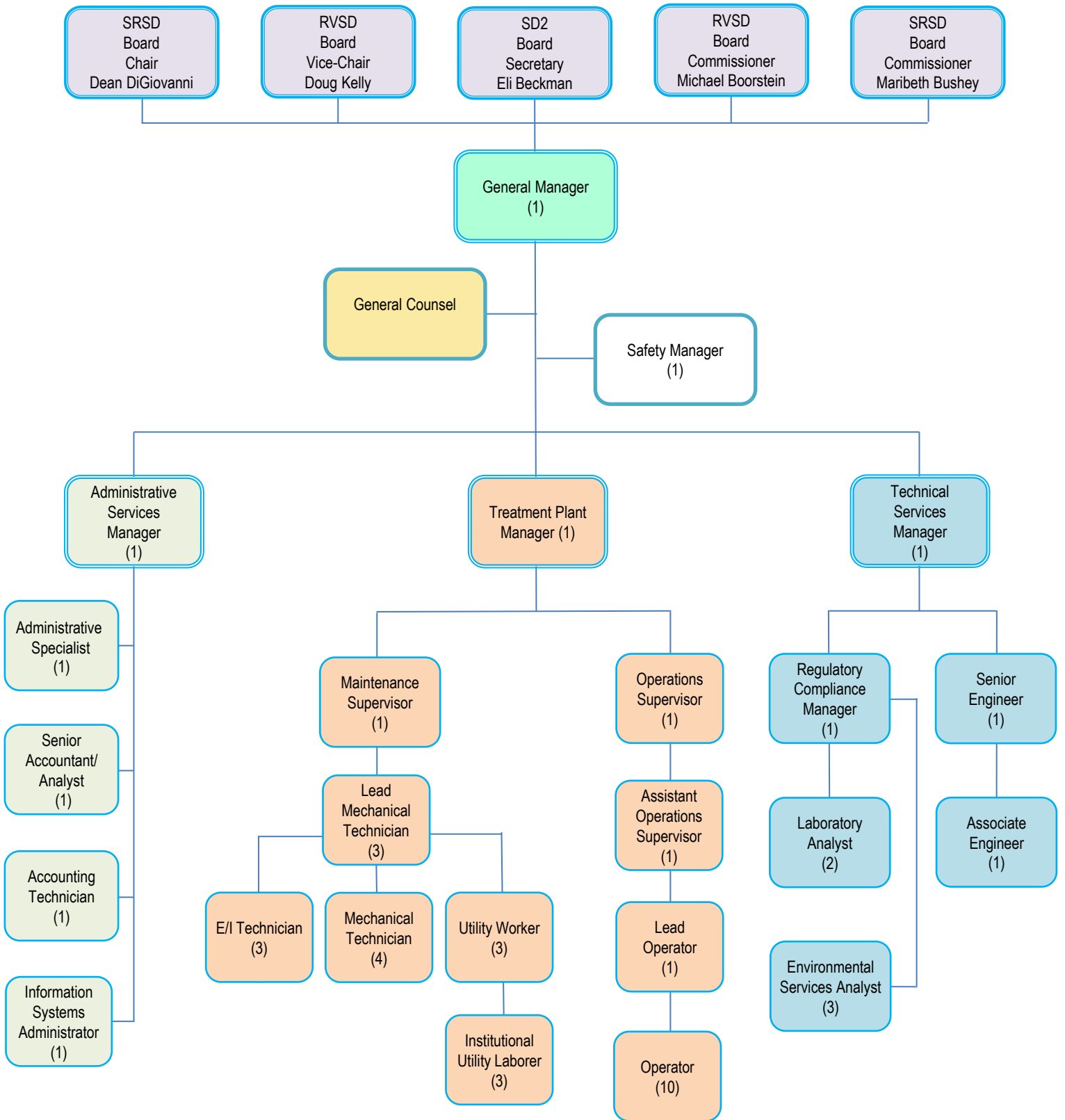
The exceptional dedication, experience, and caliber of the workforce are reflected in the service achievements and recognitions that have been received by the Agency over the years. Below is a summary of the significant accomplishments and the most recent industry awards that have accompanied these accolades.

- **Record of Regulatory Compliance:** CMSA has an exceptional regulatory compliance record. Over the past eighteen years, the Agency has only had one minor NPDES permit exceedance. For calendar years 2018-2021, CMSA was recognized by the National Association of Clean Water Agencies (NACWA) with the Gold Peak Performance Award, which recognizes the achievement of obtaining 100% compliance with the NPDES permit requirements over the calendar year. In 2022, CMSA also had full compliance with its permit requirements, and will receive a NACWA Platinum-5 Peak Performance award. The Agency be recognized with a formal presentation of its award at an Awards Ceremony during the July 2023 NACWA Utility Leadership Conference and its 53rd Annual Meeting.
- **Certificate of Achievement for Excellence in Financial Reporting for the Annual Comprehensive Financial Report (ACFR):** Recognition from the GFOA for the Agency's FY20 and FY21 ACFR. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting and its attainment represents a significant accomplishment by a governmental entity. These marked the 19th and 20th consecutive years that the Agency's ACFR had met the high standards of the GFOA for governmental accounting and financial reporting. The Agency expects to receive its 21st ACFR award during FY23. The Agency continually strives to comply with GFOA guidelines and recommendations. All its financial reports—from the Biennial Budget, audited Annual Financial Statements, and ACFR reports, to the monthly Treasurer's and Quarterly Budget Status Reports—are transparent representations of the Agency's financial operations. Each of these reports are presented to the Board for review and acceptance, and are posted on the Agency's website www.cmsa.us/finance/documents.
- **Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR):** Recognition from the GFOA for the Agency's FY20 and FY21 PAFR. The PAFR award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. The PAFR is specifically designed to be readily accessible and easily understandable to the public and other interested parties who do not have a background in public finance. These marked the 11th and 12th consecutive years that the Agency's PAFR had met the

high standards of the GFOA for governmental accounting and financial reporting. The Agency expects to receive its 13th PAFR during FY23.

- **Distinguished Budget Presentation Award:** Recognition from the GFOA for the Agency's FY22 and FY23 Adopted Biennial Budget. The award is the highest form of recognition in governmental budgeting and its attainment represents a significant accomplishment by a governmental entity. The GFOA encourages public entities to prepare budget documents that fully explain the agency's business, are transparent, and are designed to be readily accessible to the public and other interested parties. The Budget Award deems the Agency's budget to be proficient as a policy document, financial plan, operational guide, and communication device for the Agency's business. This marked the 10th consecutive year that the Agency's budget has met the high standards of the GFOA for budget presentation.
- **California Water Environment Association (CWEA):** Since the Agency's FY22 and FY23 biennial budget was adopted, the Agency was recognized in 2021 and 2022 by its industry peers in the CWEA for the following state-level achievements. The CWEA awarded the 2022 state level achievements during its annual conference on April 18-21, 2023.
 - 2021 Safety Program of the Year - 1st Place
 - 2021 Pollution Prevention and Pretreatment Person of the Year (Eromosele Esoimeme) - 1st Place
 - 2021 Digester Volatile Loading Study - 2nd Place
 - 2021 Mechanical Technician of the Year (James Clark) - 3rd Place
 - 2021 Treatment Plant of the Year - 3rd Place
 - 2022 Electrical and Instrumentation Technician (Michael Wilson) - 1st Place
 - 2022 Engineering Achievement Award – Power Delivery Program - 3rd Place
- **Regional Redwood Empire Section CWEA Awards:** The Agency was recognized in 2021 and 2022 by receiving awards for the following achievements:
 - 2021 Treatment Plant of the Year
 - 2021 Safety Program of the Year
 - 2021 Digester Volatile Loading Study
 - 2022 Engineering and Research Achievement – Power Delivery Program
- **Regional Redwood Empire Section CWEA Staff Awards:** Several CMSA staff members were also recognized in 2021 and 2022 by their industry peers from the CWEA Redwood Empire Section by receiving awards in their respective disciplines:
 - 2021 Electrical and Instrumentation Person of the Year (Tony Drady)
 - 2021 Pollution Prevention and Pretreatment Person of the Year (Eromosele Esoimeme)
 - 2021 Young Professional of the Year (Joyce Cheung)
 - 2021 Mechanical Technician of the Year (James Clark)
 - 2022 Electrical and Instrumentation Person of the Year (Michael Wilson)
 - 2022 Mechanical Technician of the Year (Blake Petersen)
 - 2022 Pollution Prevention and Pretreatment Person of the Year (Kyle Carbajal)
 - 2022 Laboratory Person of the Year (Antonette Monsada)

CMSA ORGANIZATIONAL CHART



47 Full Time Equivalent Employees (FTE)
July 1, 2023

CMSA Authorized Staff Positions	FY22	FY23	FY24 & FY25
ADMINISTRATION			
General Manager	1	1	1
Administrative Specialist (I-III)	1	1	1
Administrative Services Manager	1	1	1
Senior Accountant/Analyst	1	1	1
Personnel and Accounting Technician	1	1	1
Information Systems Administrator	1	1	1
Total Administration	6	6	6
HEALTH & SAFETY			
Senior Safety Specialist	1	1	-
Safety Manager*	-	-	1
Total Health & Safety	1	1	1
MAINTENANCE			
Treatment Plant Manager (.5 FTE split with Operations)	0.5	0.5	0.5
Maintenance Supervisor	1	1	1
Assistant Maintenance Supervisor**	1	-	-
Lead Mechanical Technician	1	2	3
Lead Maintenance Worker***	1	1	-
Mechanical Technician (I-III)	4	4	4
Utility Worker	3	3	3
Electrical/Instrumentation Tech (I-III)	3	3	3
Total Maintenance	14.5	14.5	14.5
NON-AGENCY MAINTENANCE			
Institutional Utility Laborer (I-III)	3	3	3
Total Non-Agency Maintenance	3	3	3
OPERATIONS			
Treatment Plant Manager (.5 FTE split with Maintenance)	0.5	0.5	0.5
Operations Supervisor	1	1	1
Assistant Operations Supervisor	1	1	1
Lead Operator	1	1	1
Operator (Trainee, I-III)	10	10	10
Total Operations	13.5	13.5	13.5
TECHNICAL SERVICES			
Technical Services Manager	1	1	1
Senior Engineer****	-	1	1
Associate Engineer	2	1	1
Regulatory Compliance Manager	1	1	1
Laboratory Analyst	2	2	2
Environmental Services Analyst (I-II)	3	3	3
Total Technical Services	9	9	9
TOTAL AUTHORIZED STAFFED POSITIONS	47	47	47

* The Senior Safety Specialist is planned to be promoted to Safety Manager in FY24

** The Assistant Maintenance Supervisor position was replaced by a Lead Mechanical Technician during FY23

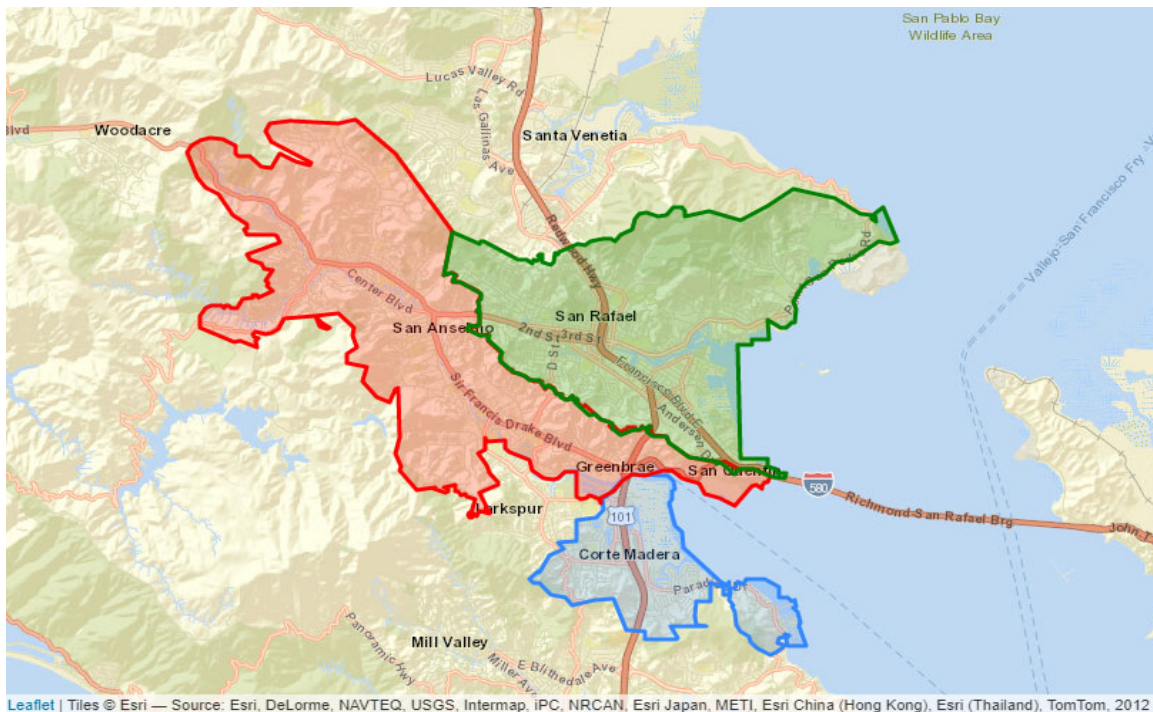
*** The Lead Maintenance Worker position is eliminated in FY24 and replaced by an additional Lead Mechanical Technician

****An Associate Engineer was promoted in January 2023 to Senior Engineer

SECTION 2. LOCATION AND SERVICE AREA, LOCAL DEMOGRAPHICS AND ECONOMY

Location and Service Area

Located within Marin County, CMSA is in San Rafael, California, and is adjacent to the San Rafael side of the Richmond-San Rafael Bridge. The shaded area on the map below highlights the CMSA service area. It measures approximately 43.5 square miles, and encompasses the residents, businesses, and institutions within the City of Larkspur, the Towns of Corte Madera, Fairfax, Ross, and San Anselmo, portions of the City of San Rafael, the unincorporated areas of Ross Valley and San Quentin Village, and SQSP. The April 2020 census reported that Marin County has a total population of 262,321. The Agency provides services to an approximate population of 105,040 within this area or 51,268 EDUs.



Population of Cities, Towns, and Correctional Facilities in the CMSA Service Area

City of San Rafael (Approximately 2/3 of the city's population)	39,002
City of Larkspur	12,928
Town of San Anselmo	12,693
Town of Corte Madera	10,141
Unincorporated CMSA Service Area (San Quentin Village, Greenbrae, Tiburon Peninsula)	7,935
Town of Fairfax	7,521
Kentfield	6,808
San Quentin State Prison	3,273
Sleepy Hollow	2,401
Town of Ross	2,338

Sources: United States Census Bureau State and County Quick Facts (2020 Census), Bureau of Economic Analysis; San Quentin State Prison SB601 Report June 2022

Local Demographics and Economy

The county's residents continue to have the highest California per capita income of \$145,575 (CA per capita \$70,192), and a median per household income of \$131,008 (CA median \$84,097).

Marin's annual 2022 unemployment rate of 2.7% was among the lowest in California and remains below the national level of 3.6%. Seven of the top ten employers in the CMSA service area, as measured by number of employees, are governmental entities. Many of the remaining businesses employ between 1-360 employees, and approximately 90% of these business enterprises include goods and services occupations.

Source: California <https://labormarketinfo.edd.ca.gov> and <https://www.census.gov/quickfacts>

Ten of the Largest Employers and Number of Employees in CMSA Service Area

San Quentin State Prison	1,810
BioMarin	1,700
Marin Health Medical Center	1,650
Dominican University	1,033
Golden Gate Transit	845
College of Marin	512
Restoration Hardware	500
City of San Rafael	420
San Rafael City Schools	404
Tamalpais Union High School District	368

The local real estate and housing market continued to improve during 2022. The annual mean/median home sale price for a home in Marin was \$1,909,245/\$1,500,000 for an average home living area of 1,997 square feet as reported by the Marin County assessor's office for the calendar year ending December 2022, compared to \$1,829,342/\$1,400,000 and 1,997 square feet reported at the end of December 2021. The impact of current inflationary economic conditions on interest rates has resulted in a significant downward trend on 2023 home sales where annualizing the data the county has reported through May 2023 results in a \$1,757,784/\$1,135,350 mean/median sales data statistic for a mean home living area of 1,927 square feet.

Source: www.marincounty.org/depts/ar/divisions/assessor/sales

Equivalent Dwelling Units

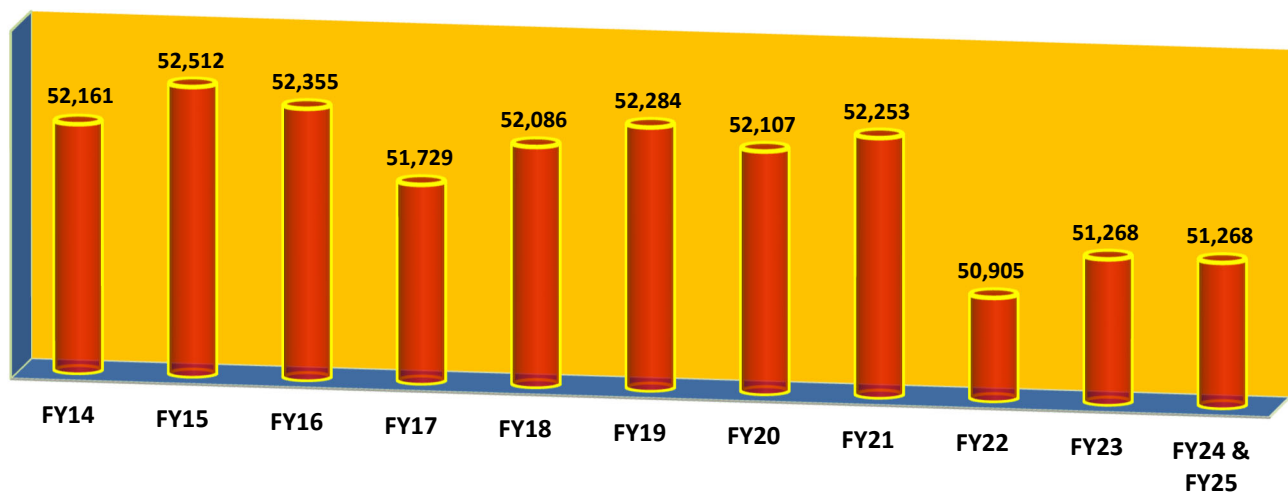
In past fiscal years, EDUs had been used to determine the number of households served, as well as the sewer service charge (SSC) to set the Agency's annual service fee. An EDU refers to a unit of wastewater discharge, and is the estimated volume and strength generated by an average, single-family residence. Each JPA member is responsible for determining the number of EDU counts in its jurisdiction and works with the Marin County Tax Collector to add the SSC to the property tax bill, which is the method used to collect SSC payments from its customers. The annual SSC EDU rate is established each July 1 in the CMSA adopted budget. The Agency's EDU rate is based on the total revenue budget for SSC, capital fee, and debt service charged to members divided by the number of reported EDUs. The EDU rate is used to determine fee schedules for waste haulers and industrial monitoring. Additional information can be found by referring to CMSA's Fee Schedule Ordinance available on the www.cmsa.us website.

The Agency utilizes two different units of measure for allocating SSC and debt service charges to the JPA members. The allocation of SSC is based on the strength and volume of wastewater discharged from each JPA member into CMSA for treatment, as indicated by measurements taken by CMSA from the prior wet weather period (the 36-month period April 1 to March 31 for strength and volume).

The allocation of debt service is pursuant to an October 2016 Debt Service Payment Agreement between CMSA and the JPA members, as well as the Master Indenture between CMSA and the Bond Trustee. The proportionate allocation of the debt service payment and coverage to each JPA member is based upon average EDU counts over a 10-year period from FY07 to FY16 reported for the JPA service area. This allocation method smooths out unit count fluctuations and promotes stable and predictable debt service costs to members.

The chart and table below display the total EDU count within the CMSA service area for the last 10 years, and estimates FY24 and FY25 to be the same as FY23. The number of residential EDUs tends to be stable in the central Marin service area because there is generally very little commercial and residential development. The fluctuations from year-to-year are generally due to sewer connections for new construction and variable water usage for commercial properties. The significant decrease of 1,348 EDUs in FY22 was caused by serious drought conditions. Over the past decade, increased drought-related water conservation efforts and reduced water consumption by commercial users have also had a stabilizing effect on the EDU count. Effective FY13, CMSA entered a service contract with the State of California for wastewater service for SQSP and established 4,005 EDUs for the prison’s fixed EDU count.

EDU Totals for the CMSA Service Area Fiscal Year End June 30th



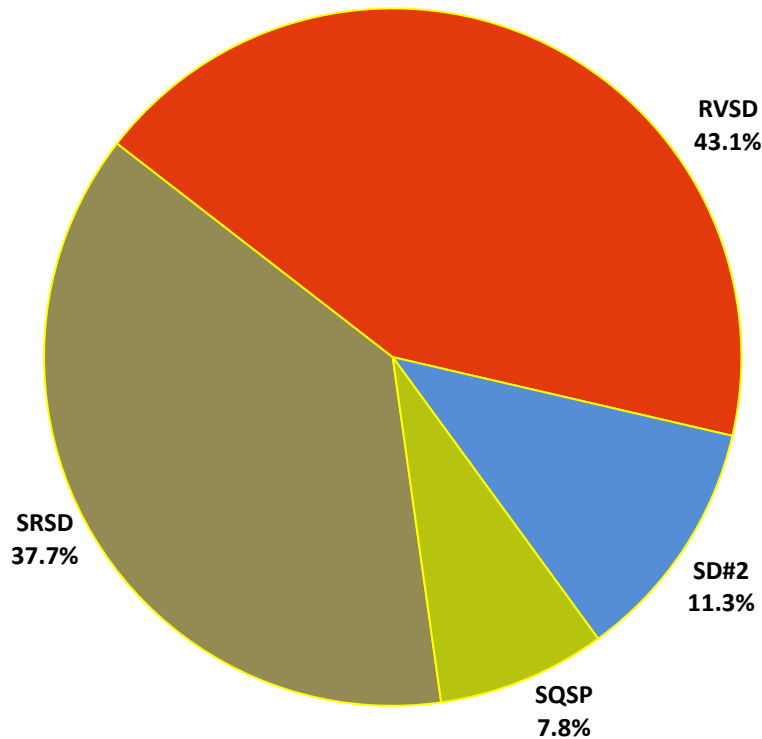
EDU Count by JPA Member and SQSP FY14 to FY24 and FY25 Estimated

Fiscal Year	SRSD	RVSD	City of Larkspur (RVSD)	SD2	SQSP	Total EDU Count
Estimated FY24 & FY25	19,334	22,114		5,815	4,005	51,268
FY23	19,334	22,114		5,815	4,005	51,268
FY22	19,122	22,098		5,680	4,005	50,905
FY21	19,674	22,422		6,152	4,005	52,253
FY20	19,609	22,248	See Note	6,245	4,005	52,107
FY19	19,716	19,345	3,066	6,152	4,005	52,284
FY18	19,565	19,448	3,060	6,008	4,005	52,086
FY17	19,332	19,298	3,039	6,055	4,005	51,729
FY16	19,555	19,700	3,019	6,076	4,005	52,355
FY15	19,643	19,666	2,982	6,216	4,005	52,512
FY14	19,703	19,498	2,949	6,006	4,005	52,161

Note: The City of Larkspur withdrew from the Joint Powers Agreement on January 31, 2020, and after that event, its EDU count has been included in the RVSD count. RVSD has serviced the Larkspur area since 1993.

The pie chart below shows the EDU count reported by each JPA member as a percentage of the total number EDUs in the service area.

EDU's by JPA Members and SQSP as a Percentage of Total EDU's for FY24 and FY25



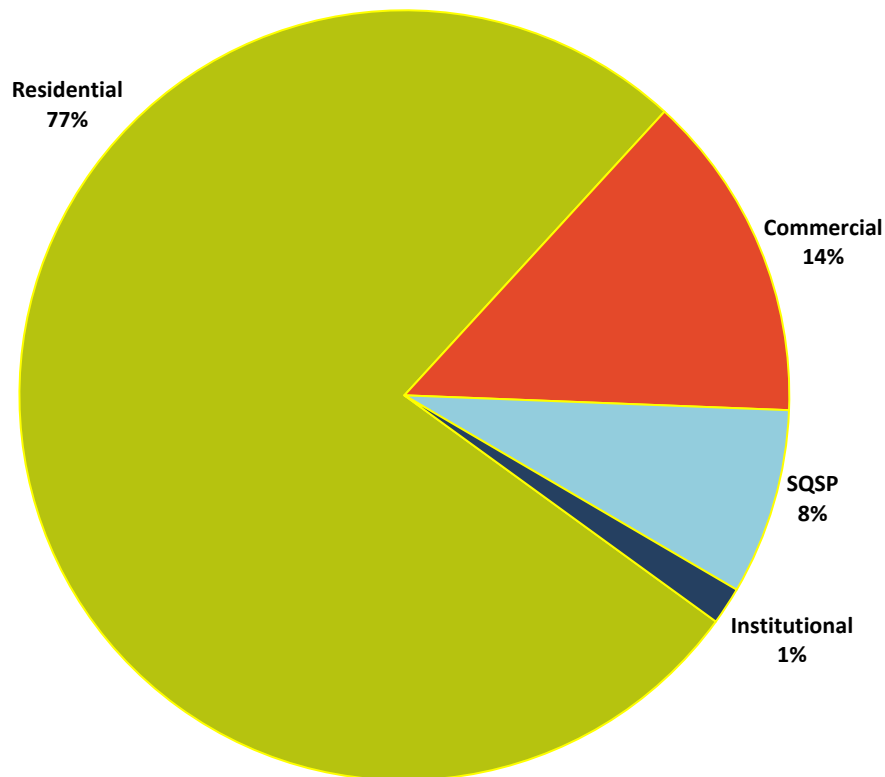
The table and chart below show the EDU count presented by connection type reported by the JPA members and SQSP. There are three types of connections: residential, commercial, and institutional. Institutional connections represent property tax exempt governmental entities (federal, state, county, city, and special districts) that are billed separately because these institutions are not on the Marin County property tax rolls.

FY24 and FY25 Initial EDU Count by Connection Types

	SRSD	RVSD	SD2	SQSP	Total by Type
Residential	15,745	19,032	4,603	-	39,380
Commercial	3,441	2,584	1,052	-	7,077
Institutional	148	498	160	4,005	4,811
Total	19,334	22,114	5,815	4,005	51,268

Source: Property Tax Reports, County of Marin

FY24 and FY25 EDU by Connection Type and SQSP as a Percentage of Total EDUs



SECTION 3. FACILITIES, WASTEWATER TREATMENT PROCESS, WORKLOAD, AND PERFORMANCE METRICS

Facilities

The CMSA wastewater treatment facilities, pictured below, are a vital component of the central Marin wastewater management system. This extensive system includes over 70 pump stations, more than 450 miles of sewer pipelines located throughout the service area, as well as two major interceptors to transport the wastewater to the treatment plant, and a two-mile long outfall through which the treated wastewater is discharged into the San Francisco Bay. In full compliance with federal, state, and regional water quality regulations, CMSA processes and disposes an average of 8.3 million gallons of wastewater per day during the dry weather season and 10.2 million gallons of wastewater per day during wet weather flows, and has treated more than 129 million gallons per day during peak rainfall periods.

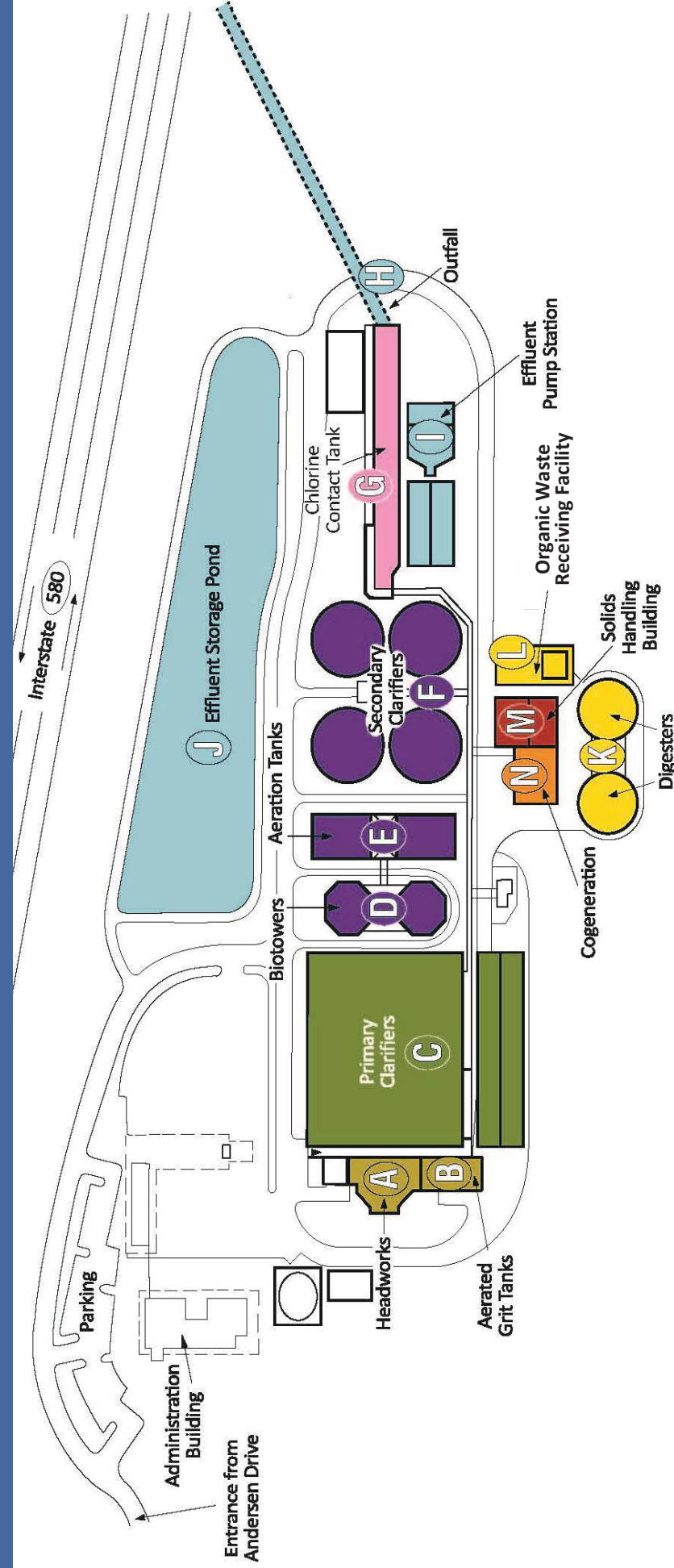


(Clockwise upper left to right): Effluent Storage Pond, Maintenance Annex (red roof behind the pond), Chlorination/Dechlorination Building, Chlorine Contact Tanks, Effluent Pump Station, Secondary Clarifiers, Organic Waste Receiving Facility, Solids Handling and Cogeneration Building, Digesters and Digester Building, Aeration Tanks, Biotowers, Primary Clarifiers and Blending Channel, and Headworks. The two orange-roofed buildings in the lower left are the Maintenance Building (top) and the Administration Building (bottom).

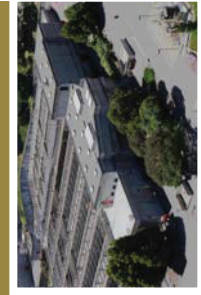
TAKE A TOUR OF THE TREATMENT PLANT !

On an average dry weather day, the CMSA facility receives over 8 million gallons of wastewater, and a drop of water takes about 15 hours to travel through the plant from when it's received at the Headworks, and then treated and released into San Francisco Bay. During the rainy season, the amount of water received can jump to over 100 million gallons per day, and a drop of water only takes about four hours to move through the plant.

Follow the diagram and the steps below to see what happens!



STEP 1: PRE-TREATMENT



A Upstream, in the collection system, chemicals are injected into the sewer pipelines to control odors and reduce corrosion. As

the wastewater enters the treatment plant at the **Headworks**, mechanical screens remove material such as cloth, wipes, and plastic. (These items should not be flushed down household drains.)

B The wastewater then enters **Aerated Grit Tanks** where granular materials, such as sand and silt, settle to the bottom and are removed. The collected materials are then washed and hauled to landfill for disposal.

STEP 2: PRIMARY TREATMENT



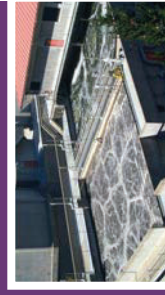
C Wastewater moves slowly through settling tanks called **Primary Clarifiers**. In these long rectangular tanks grease, oil, and other floating material rise to the top and are scraped off at one end, while heavier materials settle to the bottom and are collected at the other end.

Both materials are pumped to anaerobic digesters for further treatment.

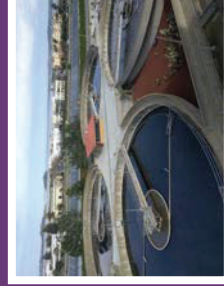
STEP 3: SECONDARY TREATMENT



D **Biotowers** are where the first stage of a dual biological process takes place. Wastewater from primary treatment is pumped to the biotowers which trickles down through a dense plastic grid. Microorganisms (called **Biomass**) grow on this grid and consume the organic material in the wastewater.



E In the **Aeration Tanks**, fine air bubbles are released from the bottom of the tanks and provide air for microorganisms that consume most of the remaining organic matter. These microorganisms are called activated sludge.



F **Secondary Clarifiers** settle out the microorganisms from the aeration tanks. Rotating arms move it to the center of the tank where it is removed.

Some microbes are returned to the aeration tanks to maintain a useful population. The rest is *wasted*, meaning it is removed, thickened, and then sent to the anaerobic digesters for further treatment.

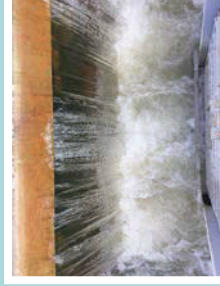
STEP 4: DISINFECTION & DECHLORINATION



G The wastewater then has to be fully disinfected before discharge into the San Francisco Bay.

The disinfection process occurs in the **Chlorine Contact Tanks**, where sodium hypochlorite (bleach) is added to the water to remove harmful pathogens. The bleach is then removed through the dechlorination process.

STEP 5: DISCHARGE



H Fully treated wastewater (final effluent) is discharged into San Francisco Bay through a large pipe, an **Outfall**, where it's mixed with the bay water through 176 diffusers.



I When wastewater flows are significant and occur during high tide, the **Effluent Pump Station** is used to pump the treated wastewater through the Outfall. The station has five pumps that are fully automated.



J The **Effluent Storage Pond** is used for temporary storage of disinfected wastewater during maintenance work, and can hold up to 7 million gallons.

STEP 6: DIGESTION & ENERGY RECOVERY AND EXPORT

K Materials that are removed from the primary and secondary treatment processes are pumped to the **Anaerobic Digesters**.

The digesters are heated to approximately 100 degrees F and anaerobic microorganisms consume the sludges to produce biogas.

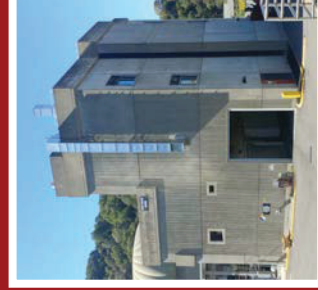


L CMSA also accepts Fats, Oils and Grease (FOG) and commercial food waste from private haulers at the **Organic Waste Receiving Facility**. These materials are processed and pumped to the digesters to produce additional biogas for the cogeneration engine.



STEP 7: BIOSOLIDS PRODUCTION & SOLIDS HANDLING

M After the digestion process, treated solids (biosolids) are then dewatered in high-speed centrifuges to reduce the water content. These dewatered biosolids are then delivered to beneficial reuse sites.



STEP 8: COGENERATION ENGINE

N The biogas produced in the digesters is used as fuel in an engine/generator that supplies the electricity and heat needed to operate the facility, making us energy self-sufficient. Plus, some extra renewable power is exported to the grid.



[Return to TOC](#)

WANT SEE THE REAL THING?
Call us at 415-459-1455
for an appointment to take a tour!

Key Workload and Performance Metric Indicators for FY23 and FY24 and FY25 Projections

The following section summarizes the Agency's key workload and performance metrics for the July 1, 2020 - June 30, 2023 fiscal periods. The data presented is required for regulatory compliance in the Agency's NPDES permit and is compiled from the *Performance Metric Report* and *NPDES Permit Compliance, Treatment Process, and Maintenance Activities Report* prepared for the monthly Board meeting agendas. These reports are publicly available in the consent calendar of the agenda packets published on the CMSA website (<http://www.cmsa.us/board/agendas-and-minutes>). The Agency has received the prestigious NACWA Platinum-5 Peak Performance Award for 100% attainment and compliance with its NPDES permit limits for the past five consecutive years.

The wastewater treatment plant was designed and built to remove pollutants from influent wastewater flows which is accomplished through physical, biological, and chemical processes. While some of the reported performance metrics can be directly correlated to specific parts of the budget, most of the metrics reported below are accomplished through the interconnection of responsibilities amongst the Operations, Technical Services, and Maintenance Departments that each has a duty to contribute to the successful operations of the wastewater facilities. The end goal of the total operating budget is to produce wastewater effluent that is 100% compliant with the Agency's NPDES permit requirements, effectively regulate wastewater dischargers in our service area, beneficially reuse recycled water and biosolids, and produce renewable power.

A. Volume of Wastewater Treated (FY24 \$15.9M & FY25 \$16.4M Total Operating Expenditures): The Agency received and treated approximately 4,870 million gallons (MG) of wastewater during FY23. The table below shows the monthly wastewater volume, in million gallons, received as influent flow from each satellite collection entity: SRSD, RVSD, SQSP, and SD2, over the past three fiscal years. The total treated flow volume was significantly lower in FY21 due to milder and less frequent storm events between the months of October through February. The flow volume increased in FY22 and FY23 as rainfall returned to Marin County after several years of drought. Future weather patterns are difficult to predict, therefore this statistic is not projected for FY24 and FY25. The total operating budget represents the total cost to treat the total wastewater flow into the treatment plant and discharge effluent flow into the San Francisco Bay to comply with the Agency's NPDES permit requirements.

TOTAL TARGET MEASUREMENT: 165 – 820 MG per month and 1,090 MG – 9,940 per year															
	SRSD			RVSD			SQSP			SD2			TOTAL MEASUREMENT		
	FY21	FY22	FY23	FY21	FY22	FY23	FY21	FY22	FY23	FY21	FY22	FY23	FY21	FY22	FY23
Jul	106.7	96.6	98.8	115.6	99.0	100.1	12.6	13.2	17.9	26.7	23.1	28.2	261.6	231.9	245.0
Aug	99.5	92.6	106.2	115.4	101.2	107.3	14.3	13.6	17.5	27.2	23.8	29.9	256.4	231.2	260.9
Sep	95.4	84.9	100.9	107.7	103.5	109.1	18.8	13.9	15.5	26.8	22.7	29.8	248.7	225.0	255.3
Oct	99.2	183.2	100.5	112.2	196.8	111.0	18.9	20.6	18.4	28.4	43.8	28.1	258.7	444.4	258.0
Nov	103.2	144.7	113.6	127.1	179.3	117.3	17.5	17.4	17.3	26.8	36.8	29.2	274.6	378.2	277.4
Dec	120.6	269.3	198.0	145.7	340.7	220.4	16.0	25.5	24.3	28.9	59.8	55.7	311.2	695.3	498.4
Jan	135.1	154.9	317.6	166.1	199.8	447.2	17.5	17.7	29.6	33.9	39.4	80.1	352.6	411.8	874.5
Feb	114.4	94.5	162.2	142.7	126.1	202.7	15.9	13.3	18.2	28.4	27.7	43.1	301.4	261.6	426.2
Mar	126.7	98.7	297.5	155.5	137.2	403.2	16.1	15.1	27.5	29.9	31.0	71.8	328.2	282.0	800.0
Apr	103.3	102.9	134.5	125.7	129.1	184.9	13.8	16.3	19.4	23.8	31.8	35.0	266.6	280.1	373.8
May	99.9	95.7	117.3	112.4	114.9	152.1	13.9	15.8	19.6	24.7	31.4	34.1	250.9	257.8	323.1
Jun	107.0	98.0	101.5	102.3	100.2	126.0	13.1	16.4	20.0	23.8	30.5	29.9	246.2	245.1	277.4
Total	1311.0	1516.0	1,848.6	1528.4	1827.8	2,281.3	188.4	198.8	245.2	329.3	401.8	494.9	3357.1	3944.4	4,870.0
% Total Flow	39.1%	38.4%	38.0%	45.5%	46.3%	46.8%	5.6%	5.0%	5.0%	9.8%	10.2%	10.2%	100.0%	100.0%	100.0%

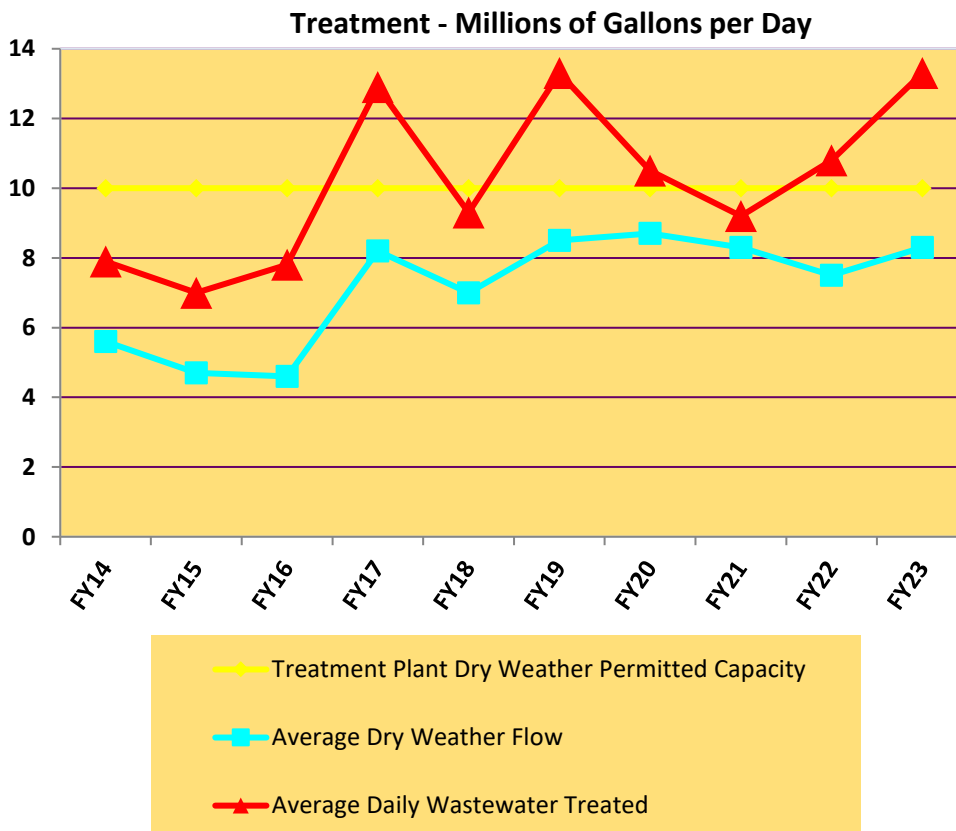
Average Daily Effluent Flow. The Agency’s permitted dry weather capacity is 10 million gallons per day (MGD). Below is the average daily dry weather flow, daily wastewater treated, and annual flows for the past three years with the same volume of influent flows projected for FY24 and FY25.

MILLIONS GALLONS PER DAY	FY21	FY22	FY23	Projected Flows	
				FY24	FY25
Dry Weather Flow (July-Sept), MGD	8.3	7.5	8.3	8.3	8.3
Daily Average Wastewater Treated, MGD	9.2	10.8	13.3	13.3	13.3
Total Fiscal Year Influent Flow Treated, MG	3,357.1	3,944.4	4,870.0	4,870.0	4,870.0
TOTAL OPERATING BUDGET	\$13.2M	\$13.7M	\$14.7M	\$15.9M	\$16.4M

The graph below presents the average volume of wastewater treated and discharged into San Francisco Bay from FY14 through June FY23.

The yellow line is the Agency’s permitted dry weather flow, which has remained constant through several five-year NPDES permit cycles.

- The turquoise line shows the average dry weather flow each year during the months of July, August, and September.
- The red line represents the average annual daily wastewater treated and is higher than the turquoise line because it includes storm water that infiltrates into sewer pipelines during wet weather season rain events.



The increases in the average daily flow are due to higher-than-normal seasonal rainfalls during the wet weather months, and the sharp declines are indicative of dry winters. Decreases in average dry weather flow are also associated with lower water usage by our customers due to their increased water conservation efforts during the proclaimed drought years.

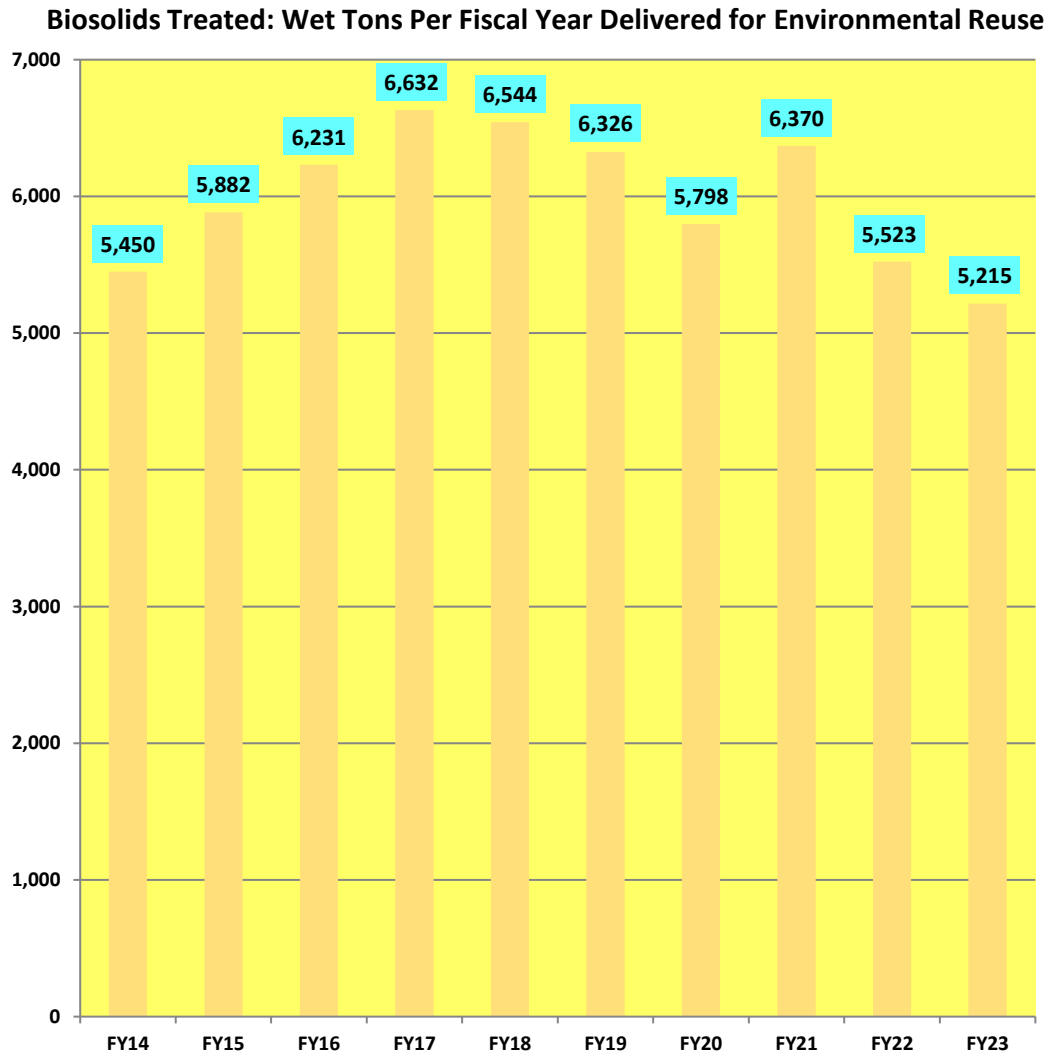
The Agency beneficially reuses approximately 10-15% of its treated water for irrigating landscaping, cogeneration engine cooling, hosing down and washing tanks and equipment, and diluting chemicals used in the treatment process. Recycled water is also used to maintain a wildlife sanctuary habitat for endangered turtles at Remillard Park in the City of Larkspur.

The Agency has a recycled water truck filling station that our JPA members regularly use for sewer flushing and dust control within our service area, saving potable water.

B. Biosolids Management Production: Biosolids are renewable by-products of the wastewater treatment process. In the spirit of its mission and vision, CMSA beneficially reuses biosolids as alternative daily landfill cover in Marin County during the wet weather season, as fertilizer and soil amendments on agricultural land in Solano County during the dry weather season, and as a feedstock at the bio-fertilizer production facility. To further diversify biosolids management options, the Agency has partnered with 16 wastewater agencies within the San Francisco Bay Area region to evaluate the feasibility of expanding land application in the region and using biosolids to produce a marketable product. The quantity in wet tons of biosolids reused is the performance measure for this budget.

ANNUAL TARGET/GOAL TO REMOVE FOR BIOSOLIDS REUSE: 4,320 Wet Tons – 7,980 Wet Tons					
				Projected Number Tons	
WET TONS REPORTED REMOVED:	FY21	FY22	FY23	FY24	FY25
Total Biosolids Management Budget*	\$443K	\$404K	\$502K	\$489K	\$489K
Total Biosolids Reuse (removed for):	6,370	5,523	5,215	6,000	6,220
Landfill Alternative Daily Cover	2,013	1,837	2,345	2,200	2,250
Fertilizer/Soil Amendment	2,230	2,076	1,190	1,989	2,100
Lystek Bio-fertilizer	2,127	1,610	1,680	1,811	1,870

*Reference: Technical Services Department Biosolids Management Budget.



CMSA's mission is to provide environmental and resource recovery services with a vision to capture and utilize renewable resources. High flows during wet weather transport solids that had settled in the collection system to the treatment plant which increases biosolids production. Lower production amounts over the past two years are the result of digesters being out of service for cover replacements. The bar chart above shows the annual volume of biosolids produced and beneficially reused.

- C. Odor Alerts and Complaints:** Unpleasant odors occur naturally in the wastewater collection system and in treatment processes. The Agency has implemented a multi-phased approach to manage odor generation that includes: (1) introduction of a calcium nitrite solution into specific locations in the sewer collection system to control the production of hydrogen-sulfide gas by microorganisms; (2) the addition of 50% strength hydrogen peroxide into the influent wastewater prior to entry into the facility's headworks to neutralize odorous compounds; and (3) the use of odor control masking agents when treatment processes are removed or placed into service. We routinely monitor odor generating processes, and the Agency posts odor alerts on the CMSA website to inform the public of the potential generation of odors due to process changes, warm weather, and other environmental or operational factors. The performance metric for the Odor Control Budget, and reported in the monthly agenda Performance Metric report, is the number of alerts issued and the

number of complaints received from the public. The table below shows the number of posted alerts and public complaints received over the past three years. The Agency's annual goal is zero complaints.

ANNUAL TARGET/GOAL ODOR COMPLAINTS = 0					
	FY21	FY22	FY23	Projected Alerts	
				FY24	FY25
Total Odor Control Budget*	\$502K	\$497K	\$514K	\$669K	\$669K
Number of Odor Alerts Issued	33	22	21	19+/-	19+/-
Number of Odor Complaints Received	0	0	0	0	0

*Reference: Operations Dept. line-item chemical account budgets for Nitrate, Hydrogen Peroxide, and Odor Control.

- D. Conventional Pollutants Removed:** The Agency's NPDES permit contains specific requirements for the removal of conventional pollutants, wastewater solids and organic material, before the treated water is discharged into the San Francisco Bay. The table below shows the fiscal year quantity of conventional pollutants removed. This metric is an example where the Operations, Technical Services, and Maintenance Department responsibilities and budgets interconnect to produce a desired outcome.

ANNUAL TARGET/GOAL >85% REMOVAL CONVENTIONAL POLLUTANT					
UNIT OF MEASURE: TONS	FY21	FY22	FY23	Projected Removals	
				FY24	FY25
Total Suspended Solids (TSS) and % removed	6,677 98.4%	5,986 97.4%	6,380 96.8%	6,000 97%	6,000 97%
Organics (Biological Oxygen Demand - BOD) and % removed	4,533 97.6%	4,233 97.1%	4,271 96.4%	4,100 96%	4,100 96%

- E. Priority Pollutants Removal:** The Agency's NPDES permit requires the removal of priority pollutants – mercury and copper. The percentage of these pollutants removed from the treated effluent discharged into the San Francisco Bay is shown in the table below. The Agency's optimal goal is 100%, but a more realistic and achievable goal is between 85% and 95%. While the Technical Services Pretreatment Sampling budget monitors industrial dischargers, the Countywide Cooperative Public Education Program budget supports programs that educate the public on ways they can contribute to the removal of mercury and copper.

MONTHLY AVERAGE	FY21	FY22	FY23	Projected Removal Rate	
				FY24	FY25
Mercury (Goal 88-99%)	98%	86%	94%	90%	90%
Copper (Goal 84-98%)	96%	78%	76%	80%	80%

- F. Biogas and Energy Production:** The treatment plant’s anaerobic digesters produce biogas. This renewable resource, repurposed as fuel in a cogeneration system, generates renewable electricity to power Agency facilities, with the excess power sold to Marin Clean Energy. The amount of biogas generated proportionately decreases the volume of natural gas purchased from outside suppliers. The estimated quantity of biogas and electrical energy produced, and the economic value of natural gas savings shown in the table reinforces the significant savings of capturing and utilizing this biogas resource.

ANNUAL GOAL BIOGAS: 72 to 114 Mft ³ NATURAL GAS: 45.6 to 73.2 Mft ³					
	Projected Production				
	FY21	FY22	FY23	FY24	FY25
Total Natural Gas Budget*	\$38K	\$40K	\$98K	\$132K	\$82K
Biogas – million cubic feet	100	74	90	80	85
Energy Produced – Megawatt hours	5,339	4,374	5,483	5,000	5,200
Value of Biogas Produced	\$356,373	\$426,496	\$888,307	\$500,000	\$550,000

*Reference: Operations Department budget (7502)

- G. Work Orders Completed:** The Agency has over 4,000 assets that include the treatment facilities and systems, equipment, buildings, vehicles, computers, and other assets. These assets need to be proactively maintained (preventative work) and repaired and rehabilitated as needed (corrective work). The Operations and Maintenance Departments schedule preventative and corrective work order activities and track progress using an asset management system. The table below shows the number of work order hours completed over the past three fiscal years, a key performance measure of workplace productivity for the two departments.

BUDGET	FY21	FY22	FY23	FY24	FY25
Operations Department	\$3.38M	\$4.49M	\$4.95M	\$5.34M	\$5.49M
Maintenance Department	\$2.10M	\$3.28M	\$3.50M	\$3.40M	\$3.50M
TOTAL	\$5.48M	\$7.77M	\$8.45M	\$8.74M	\$8.99M

	Projected Work Order Hours				
COMPLETED WORK ORDERS*	FY21	FY22	FY23*	FY24	FY25
Preventative Work Orders - # Hours	14,008	14,156	11,465	13,100	13,100
Corrective Work Orders - # Hours	5,886	5,579	5,245	5,315	5,315
Unplanned Corrective Maintenance - # Hours	812	537	443	300	300
TOTAL WORK ORDER HOURS	20,706	20,272	17,153	18,715	18,715

*Source: CMSA July 2022-June 2023 Agendas NPDES Permit Compliance and Performance Metric reports
<http://www.cmsa.us/board/agendas-and-minutes>

The Operations and Maintenance budget represents the total cost, including salaries, equipment, tools, chemicals, and utilities expended to execute the work orders.

H. Employee Training: CMSA supports employee training and development. We strongly believe continued training is important to our employees' professional development and job satisfaction, as well as for the effective functioning of the organization. Training includes mandatory topics such as safety and employment law (diversity, discrimination, harassment prevention and ethics) and job specific educational courses. Methods of training include attendance at virtual and in-person seminars and conferences, as well as computer-based webinars. The total Agency training budget and internal and external hours employees spent in training and development sessions are the key performance measures in the table below.

	FY21	FY22	FY23	Projected Hours	
				FY24	FY25
Total Agency Training Budget	\$88K	\$89K	\$112K	\$121K	\$97K
Internal Hours	1,699	1,777	1,291	2,250	1,500
External Hours	19	386	664	1,000	600

Reference: Department budget accounts for Meetings/Training (7601), Conferences (7602), Outside Safety Training (7739).

I. Water Sample Analyses: The Agency has a certified environmental laboratory where Agency staff routinely sample and analyze influent and effluent wastewater for various compounds pursuant to permit requirements. Samples from numerous treatment processes are also analyzed to ensure that the treatment systems are operating properly. The performance measure for the Permit Testing and Monitoring Budget is the number of laboratory tests performed to monitor water quality and permit compliance. The chart below shows the number of water sample analyses the laboratory performed, and the projection for FY24 and FY25. The number of analyses performed is based upon need and circumstances, therefore, the Range/Target/Goal is variable as reported in the monthly agenda Performance Metrics report.

	FY21	FY22	FY23	Projected number Tests/Analyses	
				FY24	FY25
Permit Testing & Monitoring Budget (Excludes Pretreatment & Underground Tank Testing*)	\$139K	\$133K	\$174K	\$214K	\$160K
NPDES Compliance Analyses	4,441	4,549	3,991	3,900	3,900
Process Control Analyses	16,374	7,675	8,469	8,300	8,300
Contract Laboratory Analyses	571	593	730	675	675
Quality Control Testing	6,153	5,929	8,466	8,100	8,100

* Reference: Technical Services line-item budget accounts (7301, 7310, 7311, 7313).

J. Number of Inspections Performed and Permits Issued: The United States Environmental Protection Agency and the State Regional Water Resources Control Board require wastewater agencies to regulate commercial and industrial businesses in their service areas to ensure specific pollutants and materials are not discharged into the sanitary sewer system

that can detrimentally affect the environment, public health, or wastewater treatment processes. Regulated businesses include restaurants, dental offices, car washes, dry cleaners, metal plating shops, auto repair facilities, manufacturing plants, and other business types that have the potential to produce environmentally harmful waste products. The Contract Service Revenues budget line items for Fats, Oils, and Grease (FOG), Pollution Prevention, and the Mercury Source Control Programs recover costs to perform inspections and issue permits for other local agencies where CMSA has contracts to perform these services. The number of completed inspections and permits issued shown in the table below are the key performance measures for the referenced revenue line items. Fluctuations in the number of inspections are dependent upon customer compliance and by the number of new and existing businesses in the service area. Permits are issued for 1-, 2- or 3-year periods.

	FY21	FY22	FY23	Projected Number Inspections/Permits	
				FY24	FY25
Total FOG, Permit & Inspections, and Mercury Source Revenue*	\$108K	\$135K	\$140K	\$115K	\$117K
Source Control and Pollution Prevention Inspections (Target varies based upon need)	170	197	232	250	250
FOG Program Food Service Establishment Inspections (Target 240 – 600 per year)	569	381	447	400	400
Permits Issued and Renewed (Varies based upon need)	16	91	239	150	150

*Reference: Schedule of Revenues and Other Financing Sources budget accounts (6201, 6202, 6203, 6204, 6205, 6206, 6207, 6301).

K. Public Outreach and Education: CMSA is the lead agency for a countywide cooperative public education program to educate the public about important environmental issues related to water quality, stormwater, and wastewater. Staff attend community-based events such as the Marin County Fair, local festivals, farmers' markets, and Earth Day events. The program hires a juggler to deliver entertaining environmental messages to elementary school children. Attendance at public outreach and education events is a key performance measure for the program budget. The Agency tracks the number of people who visit the public education booth and take our environmental quiz, and the number of children who attend the educational school events. A calendar of events where CMSA will be in attendance is available on the Agency's website www.cmsa.us/localevents.

3000 ANNUAL TARGET FOR PUBLIC EDUCATION EVENT ATTENDEES, SCHOOL EVENTS AND AGENCY TOURS (as requested)					
	FY21	FY22	FY23	Projected Attendance	
				FY24	FY25
Total Public Education Program Budget*	\$30K	\$29K	\$31K	\$31K	\$31K
Public Education Event Visitors: # events/attendees	0	5/1,673	6/3,323	5/3,300	5/3,300
School Education Events: #/attendance	22/3,983	20/4,827	20/4,401	17/4100	17/4100
Agency Tours: # events/attendees	12/146	13/138	19/471	18/450	18/450

*Reference: Technical Services Department budget account 7737. Performance outcomes for FY24 & FY25 projected to be same as FY23.

SECTION 4. STRATEGIC PLAN

The Strategic Plan (SP) charts a strategic path to effectively maintain and improve the Agency's operations and services. CMSA's SP has been constructed to prioritize projects, focus energy and resources, and guide fundamental decisions and actions that will successively build on each other into the future.

In May 2021, the Board of Commissioners adopted a new 5-year SP with updated Mission, Vision, and Value statements and Organizational Goals that will guide the Agency for the five fiscal years, from FY22 to FY26. A consultant was used to facilitate a robust multi-phase development process with the Board and the Agency Strategic Planning Committee (ASPC). First, the consultant held a kick-off meeting with the ASPC to review the process to update the SP, and later interviewed each Board member to discuss CSMA accomplishments, the value of an SP, the current Mission, Vision, Values, and Goals, and ideas for revisions. The consultant then used an iterative process of ASPC meetings and Board workshops to ultimately craft the revised and updated SP.

Mission

Central Marin Sanitation Agency protects the environment and public health and is integral to the community by providing wastewater, environmental, and resource recovery services.

Vision

Central Marin Sanitation Agency will be a forward-thinking organization by providing innovative and effective wastewater services, capturing and utilizing renewable resources, and implementing sustainable solutions for an enhanced quality of life.

Values

- Continuous regulatory compliance to protect the environment.
- Sound financial practices.
- Effective asset management.
- A safe and healthy workplace.
- Creating job satisfaction within a diverse workforce.
- Engaging public outreach and educational programs.
- Leadership, partnership, teamwork, and collaboration.

Goals

- CMSA will effectively operate and maintain its treatment facilities in compliance with changing regulations.
- CMSA will continually improve financial management practices to ensure transparency, financial sustainability, and sound fiscal principles.
- CMSA will further develop resource recovery opportunities to achieve community, environmental, and economic benefits.
- CMSA will be a leader and/or an active participant in collaborative efforts to address industry and community challenges and opportunities.

- CMSA will attract and retain high quality employees by engaging staff, fostering professional development, valuing diversity, and promoting a culture of safety.
- CMSA will expand its use of technology to improve communication and processes and strengthen system integrity.

The Agency’s budget is closely aligned with the SP and the annual Business Plan, and a majority of the FY23 Business Plan’s strategic actions were considered in the budget development process.

The Board reviews and approves the annual Business Plan in July of each year, after which it is available on the Agency website.



SECTION 5. FINANCIAL REPORTING AND FINANCIAL POLICIES SUMMARY

The Agency is a Joint Powers Agency and its activities are accounted for in a single enterprise fund. A comprehensive set of Board adopted financial policies provides direction to protect the Agency’s assets and investments through sound financial management. The Agency uses the accrual method of accounting in accordance with Generally Accepted Accounting Principles (GAAP) to produce its financial statements. The accrual method records revenue when earned and records expenses when incurred. The cash basis of accounting is used to produce the budget which records revenue when cash is received and records expenses when actually paid. The primary difference is that economic events are recognized at the time the transaction occurs regardless of when cash transactions occur. CMSA’s annual financial statements and the Agency’s compliance with policies and internal controls are audited by an independent outside auditor in accordance with generally accepted governmental auditing standards, and the financial statements meet the State Controller’s Minimum Audit Requirements for California Special Districts. The Agency’s audited financial statements are filed with the State Controller’s Office and the County of Marin Auditor-Controller, are provided to various bond rating agencies, and are available to the general public for review. CMSA’s Financial Policies Manual is available on the CMSA website at www.cmsa.us/documents/administrative.

CMSA Financial Policies Table of Contents



CMSA’s values include:

“Sound financial practices .”
“Effective asset management .”

Financial Policies Summary

The Board adopted a comprehensive set of financial policies which are periodically reviewed and updated to align with GFOA best practices, recommendations from the Agency's independent auditors, the latest GASB pronouncements, and changes in Agency business practices. Since then, the Agency has undertaken a schedule to review one of its three major sets of policy documents annually on a rotating basis. The set of policies includes Financial, Personnel, and Administrative. The Financial Policy Manual was updated and adopted by the board during October 2020, and the Pension Funding Policy was updated in December 2021. Administrative Policies were reviewed and updated in July 2022, and the Personnel Policies and Procedures Manual was adopted September 2022.

Major financial policy areas are displayed in the graphic on the previous page and each specific policy is summarized below. The framework of the financial policies governs the overall financial management and fiscal health of the Agency, and promotes accountability to effectively direct the financial planning, management, and operations of the Agency. The General Manager and Administrative Services Manager are responsible for ensuring staff compliance with financial policies. A summary of each policy area is presented below:

- **Internal Controls:** Defines authorization levels, signatory requirements, segregation of duties, internal documentation requirements, monthly financial review, cash receipts, security, fiduciary responsibilities, and other internal control policies and procedures that Agency staff is required to follow.
- **Financial Reporting:** Defines the internal monthly Board reports and external financial reports required to be prepared by the Agency, including the audited financial statements, CAFR, financial and payroll reporting required by the IRS and the State of California, and debt reporting.
- **Revenue Management:** Provides direction on the funding requirements and management of Agency revenues, with respect to its organizational budgets, goals, and objectives. Defines the types of revenue sources, such as service charge allocations for the JPA members, debt service charges, capacity charges, CMSA service contracts, and other forms of revenue.
- **Treasury:** Defines the roles and responsibilities of the General Manager and Treasurer and includes comprehensive investment guidelines that cover how assets are to be invested to maintain safety, liquidity, and yield.
- **Expenditure Management:** Defines management of expenditures, including the required levels of approval and documentation, and accounting for transactions in the proper accounting period. Revenue Management and Expenditure Management policies form the cash basis of budgeting—where the money comes from (revenues) and where the money goes (expenditures).
- **Financial Planning:** Defines the balanced budget and specific planning documents required to be adopted by the Board of Commissioners, including the budget, the 10-year capital improvement program, OPEB funding plan, and 10-year financial forecast, as well as monthly reporting requirements.
- **Procurement Management:** Defines the levels of authority for purchase orders, and signatory requirements for all types of procurement expenditures, such as professional service agreements, maintenance service contracts, construction contracts, equipment procurement, and materials and supplies purchases. This policy also includes guidelines for petty cash and credit card purchases.
- **Asset Management:** Defines the type of assets and the capitalization dollar thresholds for assets to be capitalized, the proper accounting for assets, disposal guidelines, and requires on-going asset condition assessment programs to facilitate projected replacement(s) and budget planning.

SECTION 6. BUDGET DEVELOPMENT: BALANCED BUDGET, BASIS OF BUDGETING, ACCOUNTING, DEVELOPMENT AND ADMINISTRATION

The Board approves and adopts a balanced budget prior to the start of every other fiscal year, beginning July 1. The Board, General Manager, and Agency staff each have their respective Agency, departmental, and program responsibilities to develop a financially responsible budget. The FY24 and FY25 Budget is the Agency’s third biennial budget presentation. The Budget Calendar process will be repeated in 2024 to determine if budget amendments will be required for the FY25 Budget. Budget development is guided by financial policies and procedures, the SP, long- and short-term organizational goals and objectives, the economic climate, and other external factors.

FY24 and FY25 Budget Calendar – Development, Adoption, and Administration



Balanced Budget: The budget is balanced when revenues and other financing sources (uses) equal expenditures. When revenues exceed expenditures, surplus funds are transferred into designated reserve accounts in accordance with the Agency’s Financial Reserves Policy.

Cash Basis of Budgeting: The Agency’s biennial budget and 10-year forecast are based on the cash method of accounting and exclude non-cash depreciation and amortization expenses. Revenues are budgeted according to what is expected to be collected during the budget year, and expenditures are budgeted according to what is expected to be spent during the fiscal year. The cash basis recognizes revenue when cash is received and recognizes expenses when cash is spent.

Accrual Basis of Accounting: The Agency is an enterprise fund and accounts for all its financial activity utilizing the accrual method of accounting in accordance with all applicable Government Accounting Standards Board (GASB) pronouncements for accounting, and recognizes revenues, expenses, assets, and liabilities in the proper fiscal year. The accrual method recognizes transactions and events when they occur, regardless of when cash is received or spent. One of the primary differences between the cash basis of budgeting and the accrual basis of accounting is the accrual method matches revenues to expenses which gives a more accurate picture of the Agency’s financial condition.

Development, Adoption, and Administration: The biennial budget development cycle begins with an analysis of the current year budget compared to projected annual expenditures and long-term capital improvement program funding needs, and serves as the baseline for the upcoming budget. During the course of budget development, the General Manager and Administrative Services Manager meet with the Board Finance Committee to review options to balance the budget including possible refining of expenditure budgets and/or appropriate funds from various designated reserves. A proposed budget is presented to the Board in May during a publicly noticed meeting where customers and other stakeholders in the service area are encouraged to provide input on the budget for Board consideration. Any direction provided by the Board in May is incorporated into the final proposed budget, which is presented to the Board in June at a publicly noticed meeting for consideration of adoption. Once adopted, the budget serves as the revenue collection and spending plan for the following two July 1 to June 30 fiscal periods.

During the course of the fiscal year, finance staff prepares, and management staff reviews, detailed monthly budget performance reports and corresponding revenue and expenditure analyses. Finance staff also prepares a quarterly budget status report for Board review which details the financial performance of the Agency, describes billings and revenue collections, and analyzes operations and capital expenditures. The quarterly budget performance reports are available for public review and are included in the Board meeting agenda packets which are available on the Agency website at www.cmsa.us/board/agendas-and-minutes.

Beginning in January 2024 there will be a post-adoption review of the FY25 Adopted Budget that follows the budget development process shown in the above “Budget Calendar – Development, Adoption and Administration” diagram. Identified adjustments to the current budget will be presented to the Board for consideration and adoption. FY25 Budget Adjustments will also be available on the Agency website.

SECTION 7. FY24 AND FY25 BUDGET - DISCUSSION AND ANALYSIS

The Agency began development of the FY24 and FY25 two-year budget in February 2023, and it will be adopted by the Board in June 2023. The budget's three major components consist of (1) operating revenues, expenses, and debt service (Section 7), (2) CIP expenditures and the 10-year CIP projections (Section 8), and (3) the 10-year Financial Forecast assumptions (Section 9). The FY24 and FY25 Budget is balanced with revenues and expenses generally close, and unrestricted reserves used to balance it as needed. The tables, charts, and descriptions below for both revenues and expenses provide information about the various revenue sources and expense/expenditure uses.

CMSA's primary source of revenue is the SSC received from the JPA members. SSCs are based upon each respective member's volume and strength of wastewater received and treated. This method is a fair determination because it recognizes that wastewater volume and strength vary per JPA member, and it assigns costs based upon the actual burden placed on the treatment facility. The Agency has now completed 10 years, beginning in FY14, of allocating the SSC to the JPA members using the 36-month wastewater strength and flow methodology.

Table 1 shows the FY22 actual and FY23, FY24, and FY25 budgeted operating revenues and expenses, with usage funds flowing from unrestricted capital reserves. Major changes to FY24 and FY25 revenues and expenditures from FY23 and FY24 are discussed in the narrative following Table 1.

Table 1: Overview of Operating Revenues and Expenses for FY22, FY23, FY24 and FY25

	FY22 Audited Actuals	FY23 Budget	FY24 Adopted Budget	FY24 Change from FY23	FY25 Adopted Budget	FY25 Change from FY24
Total Operating Revenues (Excludes Capital Fee, Capacity Charges, Debt Service, and Other Capital Financing Sources)	\$13,942,599	\$14,531,347	\$15,481,288	6.5%	\$15,995,246	3.3%
Total Operating Expenses	13,097,237	14,696,127	16,012,135	9.0%	16,481,071	2.9%
Surplus/(Usage)	\$ 845,362	\$ (164,780)	\$ (530,847)	222.2%	\$ (485,825)	-8.5%

Note: Budget usages transfer from designated reserve funds per Financial Policy on Reserves.

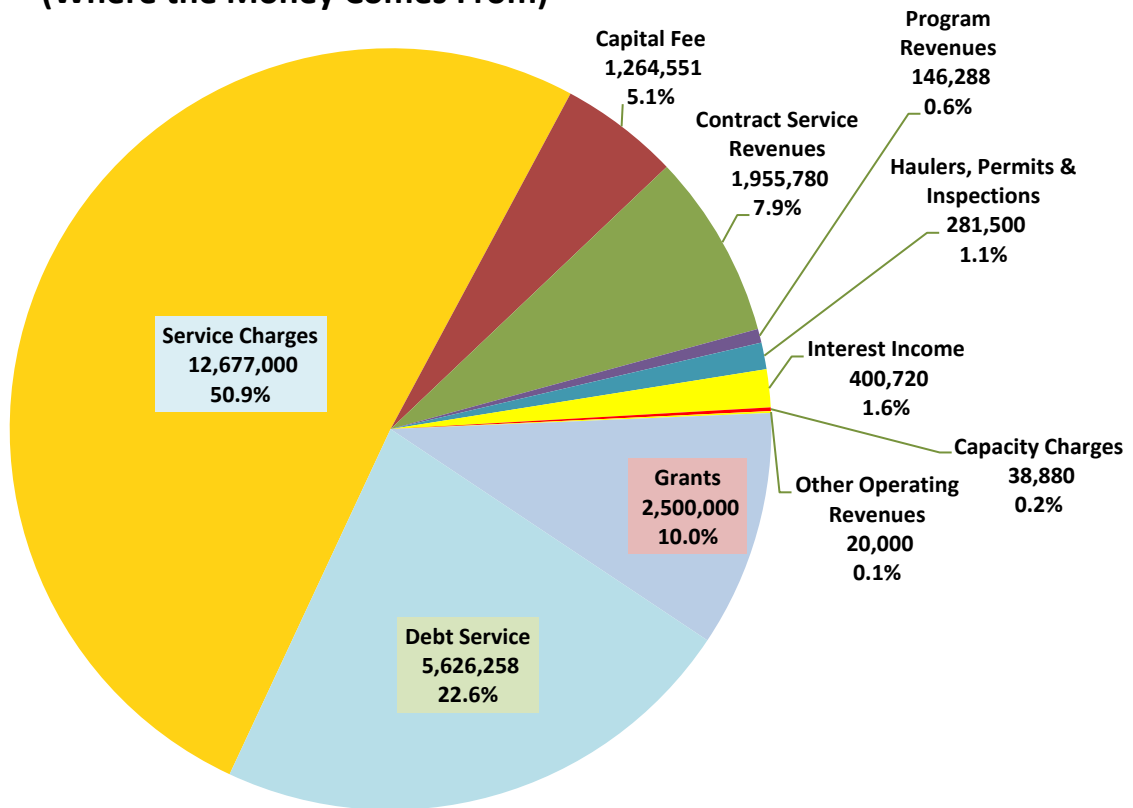
Total FY24 operating revenues increase by 6.5% and operating expenditures increase by 9%, and for FY25 revenues increase 3.3% and expenses 2.9%. There are budgeted operating reserve usages for FY24 and FY25 in the amounts of approximately \$(530,000) and \$(485,000), respectively.

Adopted FY24 and FY25 Revenues: Table 2 summarizes revenues by source for FY22 actual, adopted FY23, and adopted FY24 and FY25 budgets. A brief analysis that describes the difference between FY23 and FY24 and FY25 revenue categories follows the pie chart below.

Table 2: Revenues by Source for FY22 Actual, FY23 Adopted, and FY24 and FY24 Proposed Budgets

Revenue Sources by Category	FY22 Audited Actuals	FY23 Budget	FY24 Proposed Budget	FY24 Change from FY23	% Total Revenue	FY25 Proposed Budget	FY25 Change from FY24	% Total Revenue
Operating Revenues								
Service Charges	\$11,777,219	\$12,189,423	\$12,677,000	4.0%	50.9%	\$13,184,079	4.0%	56.8%
Contract Service Revenues	1,774,862	1,871,186	1,955,780	4.5%	7.9%	1,995,295	2.0%	8.6%
Program Revenues	115,059	126,648	146,288	15.5%	0.6%	151,134	3.3%	0.7%
Haulers, Permits, & Inspections	271,903	272,725	281,500	3.2%	1.1%	319,538	13.5%	1.4%
Interest Income	(197,571)	51,365	400,720	-9.5%	1.6%	325,200	-18.8%	1.4%
Other Operating Revenues	201,127	20,000	20,000	0.0%	0.1%	20,000	0.0%	0.1%
Total Operating Revenues	\$13,942,599	\$14,531,347	\$15,481,288	3.7%	62.1%	\$15,995,246	3.3%	68.9%
Capital Fee	749,811	977,581	1,264,551	29.4%	5.0%	1,546,375	22.3%	6.7%
Capacity Charges	1,171,130	247,117	38,880	-84.3%	0.2%	39,435	1.4%	0.2%
Debt Service	5,656,101	5,652,539	5,626,258	-0.5%	22.6%	5,625,351	0.0%	24.2%
Grants	0	0	2,500,000	100.0%	10.0%	0	-100.0%	0%
Total Non-Operating Revenues	\$ 7,577,042	\$ 6,877,237	\$9,429,689	0.8%	37.9%	\$ 7,211,161	23.5%	31.1%
TOTAL REVENUES	\$21,519,641	\$21,408,584	\$24,910,977	14.3%	100.0%	\$23,206,407	-6.8%	100.0%

**FY24 Budget Revenues by Source
(Where the Money Comes From)**



(A list of acronyms and their definitions used in the revenues and expenditures analyses can be found in Section 11 - Key Terms and Financial Glossary with Acronym Listing)

Service Charges: A fee collected for providing wastewater treatment service that is allocated to each JPA member based on delivered wastewater flow and strength to CMSA from April 1, 2020 to March 31, 2023. Flow is measured in millions of gallons and strength factors are measured in pounds of biological oxygen demand and pounds of total suspended solids. The SSCs are budgeted to increase by 4% to fund increased operating expenses with usages to draw from unrestricted capital reserves used as a financing source to fund capital projects as planned in the 10-year financial forecast (Section 9).

Service Charge Capital Fee: A fee collected from JPA members that flows directly into unrestricted capital reserves to fund capital projects within the term of the 10-year CIP.

Contract Services: Revenues received for services provided by the Agency under contract to local agencies are expected to increase by 4.5% in FY24 and 2.0% in FY25.

- \$815,000 for SQSP wastewater services for FY24 and FY25. The budget is based upon the flow/strength allocation times the sum of the CMSA Operation and Maintenance (O&M) budget and capital budget.
- \$437,065 and \$458,918 for FY24 and FY25, respectively, for SQSP pump station maintenance. This contract increases by the Bay Area Consumer Price Index (CPI) in the amount of 5.6% for FY24 and estimated 5% in FY25.
- \$20,000 for San Quentin (SQ) Village for FY24 and FY25. SQ Village is a county sewer maintenance district and is in the process of annexing into the RVSD.
- \$489,901 and \$499,699 for SD2 Pump Station Maintenance for each of FY24 and FY25, respectively. Costs vary by different amounts of approved maintenance work.
- The Agency also has contracts with six local agencies for a FOG and pollution prevention source control program services and has a contract with one neighboring sanitary district to administer its dental amalgam source control program. Budgeted revenues for these agencies amount to \$80,293 and \$83,106 for each of FY24 and FY25, respectively.

Program Revenues: Revenues received in accordance with agreements with program participants for the Health and Safety and the Marin County Cooperative Public Education Program. Revenues are expected to increase 15.5% for FY24 for changes in specific program items and increase 3.3% for FY25.

Haulers, Permits, and Inspection: Revenues received from charges for septage disposal from private waste haulers, permit fees for industrial waste dischargers, administrative costs for source control program inspections, tipping fees for organic waste disposal, and other services. Revenues are increasing from more septic and organic waste hauler loads.

Interest income: The Agency maintains its investments in liquid investment pools with the State of California Local Agency Investment Fund (LAIF) and a smaller principal balance in the California Asset Management Program (CAMP). Interest rates for both LAIF and CAMP increased sharply due to inflation but has been estimated conservatively for LAIF at 1.9% both years and 4.8% for CAMP for both years. Interest income is budgeted at approximately \$400,000 for FY24 and \$325,000 for FY25.

Capacity Charges: Revenue received from new connections to the sanitary sewer system or expansion of an existing connection's fixture units. Capacity charges when received may be used for capital purposes only. Due to generally few new connections, the Agency budgets for two new connections each for SRSD and RVSD and for one new connection for SD2.

The capacity charge fee for a single-family dwelling unit will increase 1.43% from \$7,666 to \$7,776 for FY24 and an estimated 1.4% also for FY25 as adjusted by the Engineering News Record (ENR) Construction Cost Index for the San Francisco Bay Area for the 12-month period from April to April. The Agency's capacity charge Fee Schedule Ordinance No. 2019-1 is available on the website at www.cmsa.us/documents/ordinances.

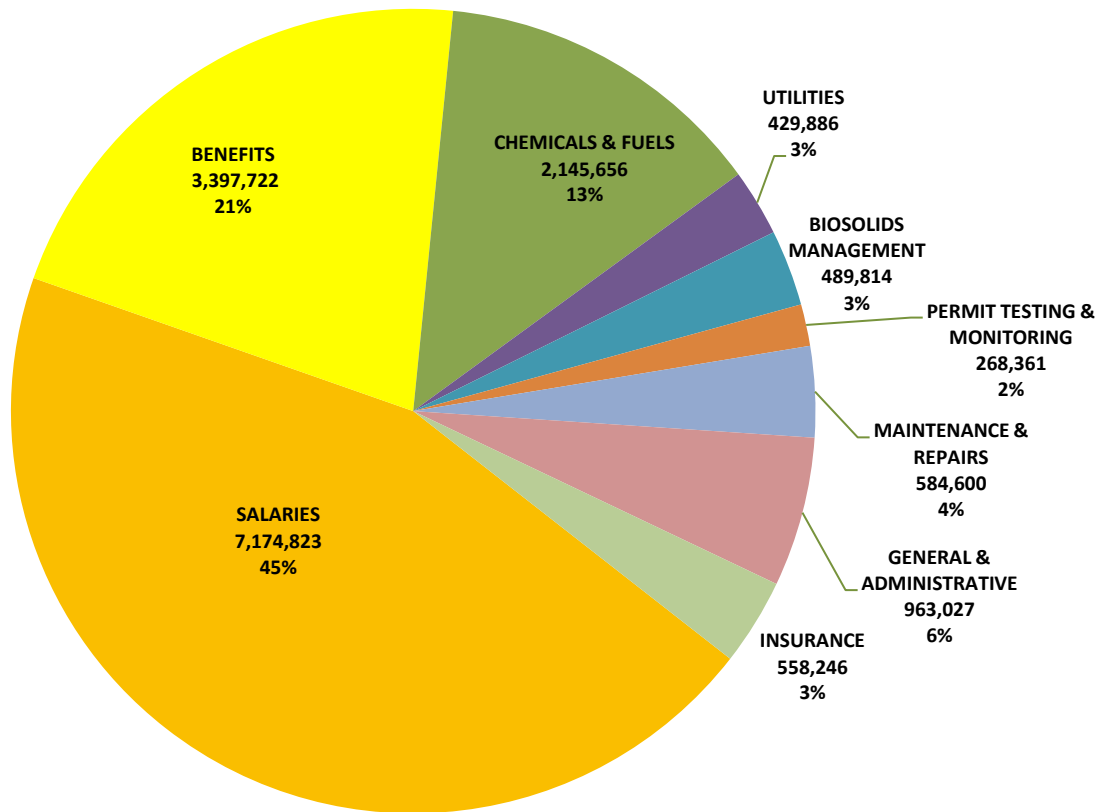
Adopted FY24 and FY25 Operating Expenses: Approximately 90% of the operating budget is related to fixed costs over which the Agency has limited control once agreements are in place, and include salaries, benefits, chemicals, biosolids hauling and reuse, permit sampling requirements, biosolids monitoring compliance, insurance, utilities, and several operating permits required by regulatory agencies. The remaining 10% represents professional affiliations, memberships, professional development, and general and administrative expenses that include a varying degree of funds available for discretionary use.

The Agency's FY24 and FY25 budget for expenses is summarized in Table 3 below, Budget by Category of Expenses. A descriptive analysis for each expense category can be found following the pie chart.

Table 3: Budget by Category of Expenses for FY22 Actual, FY23 Adopted, FY24 and FY25 Adopted Budgets

Operating Expenses by Category	FY22 Audited Actuals	FY23 Budget	FY24 Adopted Budget	FY24 Change from FY23	% Total Adopted Budget	FY25 Adopted Budget	FY25 Change from FY24	% Total Adopted Budget
Salaries	\$ 6,243,727	\$ 6,691,422	\$ 7,174,823	7.2%	44.9%	\$ 7,489,296	4.4%	45.6%
Benefits	2,967,239	3,321,609	3,397,722	2.3%	21.3%	3,513,140	3.4%	21.4%
Chemicals & Fuel	1,077,079	1,542,730	2,145,656	39.1%	13.4%	2,224,923	3.7%	13.5%
Utilities	591,548	385,082	429,886	11.6%	2.7%	383,466	-10.8%	2.3%
Biosolids Management	433,202	502,387	489,814	-2.5%	3.1%	489,814	0.0%	3.0%
Permit Testing & Monitoring	198,248	228,547	268,361	17.4%	1.7%	214,005	-20.3%	1.3%
Maintenance & Repairs	340,837	516,220	584,600	13.2%	3.7%	574,900	-1.7%	3.5%
General & Administrative	799,441	998,061	963,027	-3.5%	6.0%	947,883	-3.0%	5.8%
Insurance	445,916	510,069	558,246	9.4%	3.5%	643,644	15.3%	3.9%
Total Expenses	\$13,097,237	\$14,696,127	\$16,012,135	9.0%	100.0%	\$16,481,071	2.9%	100.0%

FY24 Budget by Category of Expenditure (Where the Money is Spent)



Salaries: Salaries are budgeted to increase by 7.2% for FY24 due to a 4.5% COLA salary adjustment for Agency employees effective July 1, 2023, and anticipated compensation adjustments for 24 eligible staff. Salaries are budgeted to increase 4.4% for FY25.

Benefits: Total employee benefit costs increase 2.3% for FY24 and increase 3.4% for FY25. The FY24 increase is due to new employees hired at the entry level of their classification with lower compensation and retirement costs. Employee benefits include costs for retirement pensions, medical, retiree medical, and other benefits. Retiree medical costs for FY24 is \$174,000 and FY25 is \$182,000, and includes Agency paid minimum insurance premiums to CalPERS medical for eligible retired employees, plus reimbursement amounts paid to retirees for the employee portion withheld from pension checks.

Retired employee medical benefits changed to a defined contribution plan from a defined benefit plan for employees hired on or after June 1, 2010. The defined contribution plan known as MARA (medical after retirement account) consists of an employer-only contribution in the amount of 1.5% of employee base salary to an employer sponsored Health Reimbursement Account that can be accessed by the employee

after retirement. Employees hired before June 1, 2010 receive an employee-only defined benefit medical plan if they retire from the Agency and meet certain eligibility requirements.

Funding for the retired medical payments is held within CERBT (California Employers Retirement Benefit Trust). The trust is a Section 115 trust that holds and accumulates amounts to be used for the exclusive benefit of retirees and their spouses if continuance, offered at the minimum level only, is elected at the time of retirement. There are 10 active employees eligible to receive this benefit. The Agency funds the trust in the amounts necessary in accordance with a Board adopted Other Post-Employment Benefits (OPEB) funding plan for full funding in approximately five years near or at which time benefits will be paid from the trust. The OPEB funding plan may be subject to change conditioned upon changes in the GASB 75 ADC and other OPEB funding assumptions. Earnings of the trust are currently self-supporting to pay benefit obligations from the trust.

Chemicals and Fuel: This category is budgeted to increase 39.1% for FY24 and increase 3.7% for FY25 due to significant inflation in connection with chemicals and fuel. It is not known when the inflation will subside to thus reduce the costs of chemicals and fuels. Significant savings were achieved when the Agency joined the Bay Area Chemical Consortium (BACC) in FY14, a regional chemical purchasing cooperative. Chemical suppliers bid to supply chemicals to the members of the cooperative, by region, which results in lower unit costs than what the Agency would be able to obtain on its own. While the Agency can develop projections for the quantity of chemicals used, the cooperative helps reduce the challenges and risks associated with estimating the future volatility of commodity unit prices.

Utilities: This category for electricity, natural gas, water, and other utilities is budgeted to increase 11.6% for FY24 and to decrease 10.8% for FY25. The FY24 increase is due to increased procurement costs for natural gas, electric, and water. The decrease for FY25 anticipates a drop in natural gas usage.

Biosolids Management: This category is budgeted to decrease 2.5% for FY24 and no change is expected for FY25, due to the estimated number of loads delivered to reuse sites remaining approximately constant.

Permit Testing and Monitoring: This category is budgeted to increase 17.4% for FY24 and decrease 20.3% for FY25. The FY24 increase is for a specific permit testing requirement that will not recur in FY25.

General and Administrative: This category is budgeted to decrease 3.5% for FY24 and 1.6% for FY25. The decreases are not due to a specific item but rather changes in several items including professional services, permit fees, and information technology software.

Insurance: Insurance is budgeted to increase 9.4% for FY24 and 15.3% for FY25, respectively. The property insurance program has experienced adverse underwriting conditions that led to substantial increases for each of the two fiscal years. The Agency's insurance administrator, California Sanitation Risk Management Authority, recently created a pooled program for property coverage from the previous fully insured program, to achieve savings from purchasing insurance in higher volumes for the pool. The other insurance coverages saw approximate 10% increases for each of the two fiscal years.

Operating and Capital Budget for FY24 and FY25 Overview

The budget overview provided below summarizes the Agency's primary sources and uses of funds, to give the reader an understanding of the budget and its organization. This overview also assists the reader in locating additional detail within the budget document.

Revenues:

Where the Money Comes From

Below is a listing of the budget documents which describe the Agency's source of funds.

DOCUMENT TITLE	BUDGET PURPOSE	EXPLANATION
Funding requirements and Sources Summary Section 7	A snapshot summary.	Displays total expenditures and total revenues and summarizes anticipated reserve increases and uses, to estimate ending funding sources.
Schedule of Revenues and Other Financing Sources Section 7	Revenue budget requirements.	A detailed revenue budget by category for all line items in each revenue category, including the use of reserves as a revenue source.

Expenditures:

Where the Money Is Spent

The budget documents listed below describe the Agency use of funds in greater detail.

DOCUMENT TITLE	BUDGET PURPOSE	EXPLANATION
Summary of Expenditures by Departments and Category Section 7	A snapshot summary of expenditures by departments and by category.	The summary presents comparisons of actual FY22 expenditures to the FY23 adopted budget and the FY24 and FY25 adopted budgets.
Summary of Benefit Expenditures and Benefits as a Percent of Total Revenue Section 7	A snapshot of each type of benefit reflected as a percentage of operating revenue.	The summary presents comparisons of actual FY22 expenditures to the FY23 adopted budget and the FY24 and FY25 adopted budgets, showing the reader the cumulative effect of each benefit active and retired employees receive compared to total operating revenue.
Departmental Operating Budgets Section 7	The departmental budget documents show in greater detail how each department expects to spend their budgeted dollars during FY24 and FY25. CMSA's departments are: *Administration *Health & Safety	Descriptions of each department and its core functions, responsibilities, and initiatives, including a summary of expenditures by category, and an authorized position head count for three fiscal years. Operating Budget detailed by line-item account number for three fiscal years for each department. The budget account description explains what the

DOCUMENT TITLE	BUDGET PURPOSE	EXPLANATION
<p>Departmental Operating Budgets</p> <p>Section 7 (continued)</p>	<p>*Maintenance *Operations *Technical Services</p> <p>*Non-Agency Health & Safety *Non-Agency Technical Services *Non-Agency Maintenance</p>	<p>budgeted dollars are spent on. Additional notes and information that affected the development of the budget are also included.</p> <p>Non-Agency is a cost center that tracks reimbursable expenses related to services provided to other local agencies.</p>
<p>Capital Improvement Program</p> <p>(Section 8)</p>	<p>The FY24 and FY25 Capital Improvement Program provides a discussion of the summary tables and charts for the CIP FY24 and FY25 Budget and 10-Year Forecast, detailed information by account number, and descriptions and elements involved for selected planned projects.</p>	<p>Capital Improvement Program discussion compares the FY23 adopted budget to the adopted budget for FY24 and FY25 and provides a narrative about significant changes in the projects planned for the next two fiscal years.</p> <p>Capital Improvement Program FY24 and FY25 Budget and 10-Year Forecast. This schedule shows the FY23 Adopted Budget, the FY24 and FY25 Budget, and presents a projected 10-year forecast for planned activities by budget line-item account.</p> <p>The Account/Project Descriptions and Full-Page Project Descriptions are explanations of how the budget will be spent and provides additional detail about each project and future planned activities.</p>
<p>10-Year Financial Forecast</p> <p>(Section 9)</p>	<p>Long-term strategic budgetary examination of future operations.</p>	<p>Projections for future planned operations provide decision-making guidance for the timing and needs for funding sources and requirements.</p>
<p>Debt Obligation</p> <p>(Section 10)</p>	<p>Debt Service payments to bondholders of Agency debt for Series 2015 and Series 2020 Revenue Bonds and Pension Obligation Bonds.</p>	<p>The Series 2015 and Series 2020 Revenue Bond schedule shows total principal and interest payment amounts due for debt service for each fiscal year through FY41. The Series 2022 Pension Obligation Bonds schedule shows total principal and interest payments due through FY38.</p>

**CENTRAL MARIN SANITATION AGENCY
FUNDING REQUIREMENTS AND SOURCES SUMMARY**

Funding Requirements	Actual	(a)	(b)	(b-a) / (a)	(c)	(c-b) / (b)
	FY22	Budget FY23	Adopted FY24	Change vs FY23	Adopted FY25	Change vs FY24
<i>Operating:</i>						
Salaries and Wages	\$ 6,243,727	\$ 6,691,422	\$ 7,174,823	7.2%	\$ 7,489,296	4.4%
Employee Benefits ^{(1) (2)}	2,967,239	3,321,609	3,397,722	2.3%	3,513,139	3.4%
Chemicals & Fuels	1,077,079	1,542,730	2,145,656	39.1%	2,224,923	3.7%
Biosolids Management	433,202	502,387	489,814	-2.5%	489,814	0.0%
Permit Testing & Monitoring	198,248	228,547	268,361	17.4%	214,005	-20.3%
Maintenance & Repairs	340,837	516,220	584,600	13.2%	574,900	-1.7%
Utilities	591,547	385,082	429,886	11.6%	383,466	-10.8%
Insurance	445,916	510,069	558,246	9.4%	643,644	15.3%
General & Administrative	799,441	998,061	963,027	-3.5%	947,883	-1.6%
Operating before debt and capital	13,097,236	14,696,127	16,012,135	9.0%	16,481,070	2.9%
Debt Service	4,524,881	4,522,031	4,501,006	-0.5%	4,500,281	0.0%
Operating before capital	17,622,117	19,218,158	20,513,141	6.7%	20,981,351	2.3%
Capital Improvements	\$ 6,770,091	\$ 7,447,506	\$ 7,322,080	-1.7%	6,653,300	-9.1%
Total requirements	<u>\$ 24,392,208</u>	<u>\$ 26,665,664</u>	<u>\$ 27,835,221</u>	4.4%	<u>\$ 27,634,651</u>	-0.7%
Funding Sources	Actual	Budget	Adopted	(b-a) / (a)	Adopted	(c-b) / (b)
	FY22	FY23	FY24	Change vs FY23	FY25	Change vs FY24
Service Charges	\$ 11,777,219	\$ 12,189,423	\$ 12,677,000	4.0%	\$ 13,184,079	4.0%
Capital Fee	749,811	977,581	1,264,551	29.4%	1,546,375	22.3%
Debt Service Charge	5,656,101	5,652,539	5,626,258	-0.5%	5,625,351	0.0%
Capacity Charges	1,171,130	247,117	38,880	-84.3%	39,435	1.4%
Contract Service Revenues	1,774,862	1,871,186	1,955,780	4.5%	1,995,295	2.0%
Program Revenues	115,059	126,648	146,288	15.5%	151,134	3.3%
Haulers, Permits & Inspections	271,903	272,725	281,500	3.2%	319,538	13.5%
Other Revenues	201,127	20,000	20,000	0.0%	20,000	0.0%
Interest Income	(197,571)	51,365	400,720	680.1%	325,200	-18.8%
Grants	-	-	2,500,000		-	
Subtotal funding sources	21,519,641	21,408,584	24,910,977	16.4%	23,206,407	-6.8%
Total Reserve (Increase) Usage	2,872,567	5,257,080	2,924,244	-44.4%	4,428,244	51.4%
Total funding sources	<u>\$ 24,392,208</u>	<u>\$ 26,665,664</u>	<u>\$ 27,835,221</u>	4.4%	<u>\$ 27,634,651</u>	-0.7%

Note 1: FY22 actual includes \$865,040 to add-back a noncash accrual for reductions in actuarial valuations for pension and OPEB

Note 2: FY23 projection includes \$429,948 debt service for POBs and \$197,389 for transfer to Keenan trust

**CENTRAL MARIN SANITATION AGENCY
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**

Account #	Description	Actual FY22	Budget FY23	Adopted FY24	FY24 Change vs FY23	Adopted FY25	FY25 Change vs FY24
<u>Service Charges to Members¹</u>							
330-6001	SRSD	\$ 5,243,218	\$ 5,426,731	\$ 5,416,882	-0.2%	\$ 5,633,557	4.0%
330-6001	RVSD	5,608,312	5,804,603	6,172,431	6.3%	6,419,328	4.0%
330-6001	SD #2	925,689	958,089	1,087,687	13.5%	1,131,194	4.0%
Totals		<u>\$ 11,777,219</u>	<u>\$ 12,189,423</u>	<u>\$ 12,677,000</u>	4.0%	<u>\$ 13,184,079</u>	4.0%
<u>Capital Fee to Members¹</u>							
330-6002	SRSD	\$ 333,816	\$ 435,219	\$ 540,343	24.2%	\$ 660,766	22.3%
330-6002	RVSD	357,060	465,524	615,710	32.3%	752,930	22.3%
330-6002	SD #2	58,935	76,838	108,498	41.2%	132,679	22.3%
Totals		<u>\$ 749,811</u>	<u>\$ 977,581</u>	<u>\$ 1,264,551</u>	29.4%	<u>\$ 1,546,375</u>	22.3%
<u>Debt Service Cost to Members (2)</u>							
330-6010/6011	SRSD	\$ 2,145,805	\$ 2,144,355	\$ 2,133,663	-0.5%	\$ 2,133,294	0.0%
330-6010/6011	RVSD	2,459,688	2,458,027	2,445,770	-0.5%	2,445,347	0.0%
330-6010/6011	SD #2	668,608	668,157	664,825	-0.5%	664,710	0.0%
330-6010/6011	SQSP	382,000	382,000	382,000	0.0%	382,000	0.0%
Totals		<u>\$ 5,656,101</u>	<u>\$ 5,652,539</u>	<u>\$ 5,626,258</u>	-0.5%	<u>\$ 5,625,351</u>	0.0%
Total Billed Charges to Members		<u>\$ 18,183,131</u>	<u>\$ 18,819,543</u>	<u>\$ 19,567,809</u>	4.0%	<u>\$ 20,355,805</u>	4.0%
<u>Capacity Charges⁽³⁾</u>							
332-6901	SRSD	\$ 920,511	\$ 227,072	\$ 15,552	-93.2%	\$ 15,774	1.4%
332-6902	RVSD	146,574	13,363	15,552	16.4%	15,774	1.4%
332-6903	SD #2	104,045	6,682	7,776	16.4%	7,887	1.4%
Totals		<u>\$ 1,171,130</u>	<u>\$ 247,117</u>	<u>\$ 38,880</u>	-84.3%	<u>\$ 39,435</u>	1.4%

Note 1: See flow-strength tables in appendix A

Note 2: See EDU allocation table in appendix A

Note 3: ENR index for Apr to Apr = 1.43%

CENTRAL MARIN SANITATION AGENCY
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
(Continued)

Account #	Description	Actual FY22	Budget FY23	Adopted FY24	FY24 Change vs FY23	Adopted FY25	FY25 Change vs FY24
<u>Contract Service Revenues</u>							
330-6130	Marin Airporter Property Use	\$ 64,800	\$ 68,202	\$ 71,817	5.3%	\$ 75,408	5.0%
330-6131	Marin Clean Energy Revenue	35,431	25,000	41,704	66.8%	43,164	3.5%
330-6101	SQ State Prison Wastewater Services	815,000	740,422	815,000	10.1%	815,000	0.0%
330-6102	SQ State Prison Pump Station Maint	415,570	413,895	437,065	5.6%	458,918	5.0%
330-6110	SQ Village Wastewater Services	16,988	34,800	20,000	-42.5%	20,000	0.0%
330-6120	SD #2 Pump Station Maintenance	358,236	480,295	489,901	2.0%	499,699	2.0%
330-6201	LGVSD - FOG & pollution prevention	14,934	23,519	14,605	-37.9%	15,117	3.5%
330-6202	RVSD - FOG	14,287	29,095	22,624	-22.2%	23,416	3.5%
330-6203	SRSD - FOG	26,162	39,911	28,671	-28.2%	29,675	3.5%
330-6204	TCSO - FOG	1,894	2,459	1,440	-41.4%	1,491	3.5%
330-6205	SD #2 - FOG	5,748	8,912	7,408	-16.9%	7,668	3.5%
330-6206	Almonte SD - FOG	3,342	1,199	1,205	0.5%	1,247	3.5%
330-6207	Novato SD - Dental Amalgam	2,470	3,477	4,340	24.8%	4,492	3.5%
	Total contract service revenues	<u>\$ 1,774,862</u>	<u>\$ 1,871,186</u>	<u>\$ 1,955,780</u>	4.5%	<u>\$ 1,995,295</u>	2.0%
<u>Program Revenues</u>							
330-6220	Health & Safety Program	\$ 77,851	\$ 83,080	\$ 94,714	14.0%	\$ 98,877	4.4%
330-6221	County-wide Public Education Program	37,208	43,568	51,574	18.4%	52,257	1.3%
330-6222	Outside Safety Training	-	-	-	-	-	0.0%
	Total program revenues	<u>\$ 115,059</u>	<u>\$ 126,648</u>	<u>\$ 146,288</u>	15.5%	<u>\$ 151,134</u>	3.3%
<u>Haulers, Permits & Inspection</u>							
330-6301	Permit and Inspection Fees	\$ 42,562	\$ 31,000	\$ 34,336	10.8%	\$ 33,443	-2.6%
330-6401	Revenue from Haulers - Septic	118,529	103,400	113,828	10.1%	138,445	21.6%
330-6402	Revenue from Haulers - RV	4,733	2,500	3,910	56.4%	4,010	2.6%
330-6403	Revenue from Haulers - FOG	52,558	78,400	75,902	-3.2%	84,336	11.1%
330-6404	Revenue from Haulers - Liquid Waste	-	500	500	0.0%	500	0.0%
330-6405	Revenue from Foodwaste Disposal	53,521	56,925	52,024	-8.6%	57,804	11.1%
330-6650	Revenue from Laboratory Services	-	-	1,000	0.0%	1,000	0.0%
	Total haulers, permits & inspection	<u>\$ 271,903</u>	<u>\$ 272,725</u>	<u>\$ 281,500</u>	3.2%	<u>\$ 319,538</u>	13.5%
<u>Interest Income</u>							
332-6502	Interest Income - WFB	\$ 2	\$ 1,734	\$ -	-	\$ -	0.0%
332-6510	Interest Income - US Bank	1,114	1,250	2,000	-	2,000	0.0%
332-6520	Interest Income - LAIF	66,289	48,000	380,000	691.7%	304,000	-20.0%
332-6521	Investment Interest - CAMP	994	381	18,720	4813.4%	19,200	2.6%
	Total interest income	<u>\$ 68,399</u>	<u>\$ 51,365</u>	<u>\$ 400,720</u>	680.1%	<u>\$ 325,200</u>	-18.8%
<u>Other Revenues</u>							
332-6709	Other non-operating rev (exp) net	\$ (64,843)	\$ 20,000	\$ 20,000	0.0%	\$ 20,000	0.0%
	Grants	-	-	2,500,000	-	-	-100.0%
	Total other revenues	<u>\$ (64,843)</u>	<u>\$ 20,000</u>	<u>\$ 2,520,000</u>	12500.0%	<u>\$ 20,000</u>	-99.2%
	Grand total revenues	<u>\$ 2,165,380</u>	<u>\$ 2,341,924</u>	<u>\$ 5,304,288</u>	126.5%	<u>\$ 2,811,167</u>	-47.0%

Central Marin Sanitation Agency FY24 and FY25 Operating Budget

Summary of Expenditures by Departments and Category

Operating Expenditures by Department	FY22 Actual	FY23 Budget	% Change			% Change		
			FY24 Adopted Budget	FY24 Adopted from FY23 Budget	Adopted as % of Budget	FY25 Adopted Budget	FY25 Adopted from FY24 Budget	Adopted as % of Budget
ADMINISTRATION	2,589,090	2,823,785	3,957,252	40.1%	24.7%	4,127,894	4.3%	25.0%
HEALTH & SAFETY	173,745	186,891	180,836	-3.2%	1.1%	185,069	2.3%	1.1%
TECHNICAL SERVICES	2,901,023	3,228,579	3,103,921	-3.9%	19.4%	3,133,987	1.0%	19.0%
OPERATIONS	4,452,325	4,957,084	5,392,670	8.8%	33.7%	5,541,620	2.8%	33.6%
MAINTENANCE	2,981,054	3,499,788	3,377,456	-3.5%	21.1%	3,492,501	3.4%	21.2%
TOTAL	13,097,237	14,696,127	16,012,135	9.0%	100.0%	16,481,071	2.9%	100.0%

Operating Expenditures by Category	FY22 Actual	FY23 Budget	% Change			% Change		
			FY24 Adopted Budget	FY24 Adopted from FY23 Budget	Adopted as % of Budget	FY25 Adopted Budget	FY25 Adopted from FY24 Budget	Adopted as % of Budget
SALARIES	6,243,727	6,691,422	7,174,823	7.2%	44.8%	7,489,296	4.4%	45.4%
BENEFITS	2,967,239	3,321,609	3,397,722	2.3%	21.2%	3,513,140	3.4%	21.3%
SUB-TOTAL	9,210,966	10,013,031	10,572,545	5.6%	66.0%	11,002,436	4.1%	66.8%
CHEMICALS & FUELS	1,077,079	1,542,730	2,145,656	39.1%	13.4%	2,224,923	3.7%	13.5%
UTILITIES	591,548	385,082	429,886	11.6%	2.7%	383,466	-10.8%	2.3%
BIOSOLIDS MANAGEMENT	433,202	502,387	489,814	-2.5%	3.1%	489,814	0.0%	3.0%
PERMIT TESTING & MONITORING	198,248	228,547	268,361	17.4%	1.7%	214,005	-20.3%	1.3%
MAINTENANCE & REPAIRS	340,837	516,220	584,600	13.2%	3.7%	574,900	-1.7%	3.5%
GENERAL & ADMINISTRATIVE	799,441	998,061	963,027	-3.5%	6.0%	947,883	-1.6%	5.8%
INSURANCE	445,916	510,069	558,246	9.4%	3.5%	643,644	15.3%	3.9%
SUB-TOTAL	3,886,271	4,683,096	5,439,590	16.2%	34.0%	5,478,635	0.7%	33.2%
TOTAL	13,097,237	14,696,127	16,012,135	9.0%	100.0%	16,481,071	2.9%	100.0%

**Central Marin Sanitation Agency
FY24 and FY25 Operating Budget**

Summary of Benefit Expenditures and Benefits as a Percent of Total Revenue

Schedule of Benefits as a Percent of Operating Revenues

(excludes Debt Service, Capital Fee, Capacity Charge, Other Financing Sources, and Reserve Increase/Usage)

Benefit Expenditures	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget	Benefits as a Percent of FY24 Total Revenue	FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Benefits as a Percent of FY25 Total Revenue
					\$ 15,481,288			\$ 15,995,246
RETIREMENT (CALPERS CLASSIC, PEPRA, UAL)	1,596,299	1,815,246	1,881,147	3.6%	12.2%	1,917,706	1.94%	12.0%
<i>CALPERS CLASSIC</i>	435,323	440,762	484,055	9.8%	3.13%	506,879	4.7%	3.17%
<i>CALPERS PEPRA</i>	185,600	220,239	261,277	18.6%	1.69%	273,789	4.79%	1.71%
<i>CALPERS UNFUNDED ACCRUED LIABILITY - CLASSIC</i>	969,132	1,147,545	1,135,765	-1.0%	7.34%	1,137,038	0.11%	7.11%
<i>CALPERS UNFUNDED ACCRUED LIABILITY - PEPRA</i>	6,244	6,700	50	-99.3%	0.00%	-	-100.00%	0.00%
RETIREMENT - CALPERS SURVIVORS	2,431	2,973	3,247	9.2%	0.02%	3,377	4.00%	0.02%
RETIREMENT - PARS (Alternate Retirement Plan)	3,259	5,848	8,609	47.2%	0.06%	8,883	3.18%	0.06%
RETIREMENT - SOCIAL SECURITY/MEDICARE	91,899	97,025	104,034	7.2%	0.67%	108,716	4.50%	0.68%
CALPERS MEDICAL	772,160	848,302	882,135	4.0%	5.70%	942,120	6.80%	5.89%
MEDICAL - FLEX \$	110,271	91,010	100,970	10.9%	0.65%	100,970	0.00%	0.63%
DENTAL	78,663	74,338	74,218	-0.2%	0.48%	74,218	0.00%	0.46%
LIFE INSURANCE, AD&D, LTD	29,852	32,730	33,331	1.8%	0.22%	34,830	4.50%	0.22%
VISION	10,524	17,717	17,580	-0.8%	0.11%	18,108	3.00%	0.11%
PEHP/MARA	57,868	65,817	69,785	6.0%	0.45%	72,925	4.50%	0.46%
CALPERS MEDICAL - RETIRED EMPLOYEES	75,032	77,171	79,769	3.4%	0.52%	83,357	4.50%	0.52%
MEDICAL REIMBURSEMENTS - RETIRED EMPLOYEES	100,590	104,888	94,180	-10.2%	0.61%	98,419	4.50%	0.62%
ANNUAL OPEB CONTRIBUTION	-	39,958	-	-100.0%	0.00%	-	0.00%	0.00%
BENEFIT ADMINISTRATION FEES	16,377	17,535	17,163	-2.1%	0.11%	17,850	4.00%	0.11%
TOTAL *	2,945,225	3,290,558	3,366,168	2.3%	21.74%	3,481,479	3.43%	21.77%

* Benefit line items for unemployment benefits and uniforms are excluded from the Benefit Expenditures FY24 and FY25 table.

Administration

The Administration Department provides administrative, financial, human resources, and information technology related services for the Agency. The Board of Commissioners appoints the General Manager who is responsible for the overall operations and management of the Agency. The department added project accounting and credit card payments to cashiering as part of its goal to expand use of its financial system.

The Department is responsible for the following functions:

- Provides administrative support to the Board of Commissioners.
- Represents the Agency on legal, legislative, and regulatory matters.
- Maintains relations and communicates with JPA members, Marin County local agencies, regional and state government agencies, stakeholders, and the public.
- Develops and manages the Agency's biennial budget, revenue plans, and financial forecast.
- Manages the Agency's finances and investments.
- Provides human resource services to departments and employees.
- Protects agency employees and assets through risk management programs with the California Sanitation Risk Management Authority.
- Maintains the Agency's communication and information technology systems.

Administration

Expenditures by Category	FY22 Actual	FY23 Budget	FY24 Budget	FY25 Budget
SALARIES	\$1,180,345	\$1,198,982	\$1,326,930	\$1,383,622
BENEFITS	497,585	556,048	1,557,894	1,579,422
SUBTOTAL	\$1,677,930	\$1,755,030	2,884,824	\$2,963,044
INSURANCE	445,916	510,069	558,246	643,644
INTERNET & TELEPHONE	45,606	52,372	64,630	65,090
ADMINISTRATION	419,638	506,314	449,552	456,116
SUBTOTAL	\$ 911,160	\$1,068,755	\$1,072,428	\$1,164,850
TOTAL	\$2,589,090	\$2,823,785	\$3,957,252	\$4,127,894

Authorized Positions	FY22	FY23	FY24	FY25
General Manager	1	1	1	1
Administrative Services Manager	1	1	1	1
Administrative Specialist	1	1	1	1
Senior Accountant/Analyst	1	1	1	1
Personnel and Accounting Technician	1	1	1	1
Information Systems Administrator	1	1	1	1
TOTAL	6	6	6	6

Central Marin Sanitation Agency FY24 and FY25 Operating Budget

Line Item Accounts

ADMINISTRATION

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
SALARIES & BENEFITS						
100-0110-440-7001	Salaries wages - regular	ASM	1,143,062	1,154,866	1,254,625	8.6%
100-0110-440-7003	Salaries wages - temp	ASM	15,105	20,000	50,000	150.0%
100-0110-440-7004	Salaries wages - board	GM	22,050	17,100	17,100	0.0%
100-0110-440-7005	Salaries wages - overtime	GM	128	7,016	5,205	-25.8%
Subtotal Salaries & Wages			1,180,345	1,198,982	1,326,930	10.7%
100-0110-440-7021	Retirement - CalPERS Classic	ASM	128,932	137,960	165,888	20.2%
100-0110-440-7022	Retirement - CalPERS PEPRA	ASM	8,356	8,743	9,432	7.9%
100-0110-440-7023	Retirement - CalPERS Survivors	ASM	343	467	521	11.6%
100-0110-440-7024	Retirement - CalPERS Classic UAL	ASM	150,754	178,507	1,135,765	536.3%
100-0110-440-7025	Retirement - CalPERS PEPRA UAL	ASM	972	1,042	50	-95.2%
100-0110-440-7027	Retirement - PARS benefit	ASM	948	3,319	2,516	-24.2%
100-0110-440-7028	Medicare	ASM	16,971	17,820	19,240	8.0%
100-0110-440-7041	Benefits - medical active	ASM	116,658	125,304	137,925	10.1%
100-0110-440-7042	Benefits - flex\$	ASM	26,044	25,776	24,416	-5.3%
100-0110-440-7043	Benefits - dental	ASM	10,783	11,667	11,915	2.1%
100-0110-440-7044	Benefits - Life-AD&D-LTD Insurance	ASM	4,655	5,137	5,351	4.2%
100-0110-440-7045	Benefits - vision	ASM	1,640	2,781	2,822	1.5%
100-0110-440-7046	Benefits - employer paid MARA	ASM	7,356	8,050	8,608	6.9%
100-0110-440-7047	Benefits - retiree medical premium	ASM	12,021	11,023	13,076	18.6%
100-0110-440-7048	Benefits - retiree reimburse medical	ASM	7,863	7,475	15,438	106.5%
100-0110-440-7049	Benefits - retiree medical prefund	ASM	-	6,271	-	-100.0%
100-0110-440-7051	Benefits - EAP	ASM	574	704	687	-2.4%
100-0110-440-7061	Unemployment benefits	ASM	-	1,250	1,489	19.1%
100-0110-440-7062	Benefit administration fees	ASM	2,713	2,752	2,755	0.1%
Subtotal Benefits			497,585	556,048	1,557,894	180.2%
Total Salaries & Benefits			1,677,930	1,755,030	2,884,824	64.4%

***Position Code**

GM General Manager
 ASM Administrative Services Manager
 OS Operations Supervisor
 ISA Information Systems Administrator
 AS Administrative Specialist

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
1,311,083	4.5%	Salaries for six full-time employees. FY24 and FY25 increases are for a 4.5% COLA and leave balance cash-outs.
50,000	0.0%	The Agency internship program employs the equivalent of 1.75 full time employees.
17,100	0.0%	Compensation for attending Board and committee meetings.
5,439	4.5%	Authorized overtime to complete special activities or assignments.
1,383,622	4.3%	
173,353	4.5%	Employer contributions for CalPERS 2.7% @ 55 for Classic employee retirement program. The FY24 employer contribution rate is 15.95% for Classic employees and CalPERS estimates 16% for FY25.
9,882	4.8%	Employer contributions for CalPERS 2% @ 62 retirement program for PEPRAs employees hired after January 1, 2013. The FY24 employer PEPRAs contribution rate is 7.68% and CalPERS estimates FY25 to be 7.7%.
542	4.0%	Annual Survivors Benefit premium.
1,137,038	0.1%	The Classic unfunded accrued liability is the total minimum required employer contribution established in the CalPERS Actuarial Valuation Report dated June 30, 2021. The Agency issued POBS in FY22 to pay off the CalPERS UAL.
-	-100.0%	The PEPRAs unfunded accrued liability is the total minimum required employer contribution. The Agency issued POBS in FY22 to pay off the CalPERS UAL.
2,516	0.0%	PARS is retirement account for part-time and temporary employees. The employer rate is 3.75%.
20,106	4.5%	Employer's 1.45% share of Medicare for all employees.
147,304	6.8%	Medical coverage up to the Kaiser family rate. FY24 assumes a 6.6% premium increase and FY25 assumes a 6.8% increase.
24,416	0.0%	Medical benefit differential paid for family coverage to two eligible employees. FY24 decreases due to the increased Kaiser medical premium reduces this employee benefit.
11,915	0.0%	Dental is self-insured.
5,592	4.5%	Employer paid life, accidental death & dismemberment, and long-term disability insurances.
2,907	3.0%	Employer paid vision benefits.
8,995	4.5%	PEHP: Post Employment Health Plan (also known as MARA: medical after retirement account). Employer contribution of 1.5% of base salary.
13,664	4.5%	Medical benefits for four retired employees at the SF-Bay Area PERS Kaiser single rate.
16,133	4.5%	Medical benefits in excess of the CalPERS PEMCHA minimum reimbursed directly to retirees.
-	0.0%	Prefunding of the Agency's post-employment health benefit obligations for current retirees and employees. Prefunding is not currently in use per the Agency's OPEB Funding Plan updated annually.
704	2.5%	Employee assistance program that provides counseling, professional consultation, and work/life referral services.
1,489	0.0%	An allowance for unemployment benefits paid to State Employment Development Department (EDD) for claims filed by separated employees.
2,866	4.0%	Administrative fees charged for EDIS dental, CalPERS medical, PEHP, and NAVIA Flex 125 plans.
1,579,422	1.4%	
2,963,044	2.7%	

**Central Marin Sanitation Agency
FY24 and FY25 Operating Budget**

Line Item Accounts

ADMINISTRATION

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
INSURANCE						
100-0110-440-7401	Ins - general liability & auto	ASM	78,230	95,976	81,095	-15.5%
100-0110-440-7402	Ins - pollution liability	ASM	1,240	1,448	1,429	-1.3%
100-0110-440-7403	Ins - employees comm bond	ASM	350	1,800	1,800	0.0%
100-0110-440-7404	Ins - commercial crime	ASM	2,285	1,649	2,904	76.1%
100-0110-440-7406	Ins - property	ASM	139,208	164,082	241,025	46.9%
100-0110-440-7405	Ins - workers compensation	ASM	224,603	245,114	229,993	-6.2%
Subtotal Insurance			445,916	510,069	558,246	9.4%
Internet and Telephone						
100-0110-440-7501	Internet & telephone	ISA	45,606	52,372	64,630	23.4%
Subtotal Internet and Telephone			45,606	52,372	64,630	23.4%
GENERAL ADMINISTRATIVE						
100-0110-440-7601	Meetings/Training	GM	4,238	4,000	4,500	12.5%
100-0110-440-7602	Conferences	GM	12,838	25,000	25,000	0.0%
100-0110-440-7603	Commissioners - meetings/conferences	GM	-	8,000	4,000	-50.0%
100-0110-440-7610	Prof affiliation memberships	ASM	8,720	5,840	7,476	28.0%
100-0110-440-7611	Membership - BACWA	GM	8,531	8,702	8,963	3.0%
100-0110-440-7612	Membership - NBWA	GM	5,560	5,560	5,727	3.0%
100-0110-440-7613	Membership - CASA	GM	17,100	17,955	18,494	3.0%
100-0110-440-7614	Membership - NACWA	GM	11,590	12,051	12,776	6.0%
100-0110-440-7615	Membership - Bay Area Biosolids Coalition	GM	3,250	6,500	6,500	0.0%
100-0110-440-7616	Membership - BACWWE	GM	3,250	8,000	8,000	0.0%
100-0110-440-7650	Office expenses	AS	14,610	35,000	25,000	-28.6%
100-0110-440-7651	Safety supplies	OS	26,270	30,105	22,426	-25.5%
100-0110-440-7652	Information technology software	ISA	38,118	66,103	62,000	-6.2%
100-0110-440-7670	Printing & publications	AS	3,121	2,750	2,500	-9.1%
100-0110-440-7701	Prof svcs - general	GM	85,611	55,000	55,000	0.0%

***Position Code**

GM General Manager
 ASM Administrative Services Manager
 OS Operations Supervisor
 ISA Information Systems Administrator
 AS Administrative Specialist

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
89,205	10.0%	CSRMA pooled insurance coverage for general, automobile, and error and omission liability premiums.
1,572	10.0%	CSRMA pollution liability insurance for cleanup costs resulting from underground fuel storage tank system leaks and releases and other pollution caused losses.
-	-100.0%	CSRMA public official bonds for four Agency employees and one commissioner who are authorized to sign Agency checks, and includes employees who handle Agency funds such as petty cash.
3,194	10.0%	Coverage for dishonest public employees, loss of money orders, depositor's forgery, or counterfeit currency. It is intended to cover all employees not covered under the employee/public official bonds.
301,281	25.0%	CSRMA property insurance coverage for all Agency buildings and structures. Property insurance experiencing hard market due to natural catastrophes and stability of carriers.
248,392	8.0%	CSRMA workers' compensation (WC) insurance for Agency employees.
643,644	15.3%	
65,090	0.7%	Expenses associated with telephone, internet and email services, cell phones, portable radios, and data plan expenses. Network security and telecommunications costs have increased.
65,090	0.7%	
4,500	0.0%	Expenses associated with meetings, staff travel, training, and attendance at single-day professional meetings and seminars. Includes allowed expenses pursuant to the Agency's travel expense reimbursement policy.
25,000	0.0%	Expenses associated with staff attendance at multi-day professional conferences, seminars, and training events outlined in the Agency's travel expense reimbursement policy.
4,000	0.0%	An allowance for Board member attendance at conferences and meetings.
6,936	-7.2%	Professional memberships, license, and registration requirements for department staff.
9,232	3.0%	Annual membership dues to the Bay Area Clean Water Agencies (BACWA).
5,899	3.0%	Annual membership dues to the North Bay Watershed Association (NBWA).
19,141	3.5%	Annual membership dues to the California Association of Sanitation Agencies (CASA).
13,287	4.0%	Annual membership dues to the National Association of Clean Water Agencies (NACWA).
6,728	3.5%	Agency membership for Bay Area Biosolids-to-Energy Coalition.
8,240	3.0%	Agency sponsorship for the Bay Area Consortium for Water & Wastewater Education Program.
25,000	0.0%	Costs associated with the Agency's administrative operations, including office supplies, copier leases, office furniture, office equipment service and repairs, and other related expenses.
22,860	1.9%	Annual expenses for safety training, first aid and emergency supplies, defibrillator and fire extinguisher testing, various one-time purchases, and safety assessment expenses to correct workplace hazards.
63,574	2.5%	Expenses related to Information Technology equipment and software licenses and upgrades.
2,750	10.0%	Expenses associated with newspaper subscriptions, publication of notices, and copy services at local print shops.
55,000	0.0%	Expenses for general governmental and human resource services such as recruitments, background reference checks, and employment law staff training and development.

Central Marin Sanitation Agency FY24 and FY25 Operating Budget

Line Item Accounts

ADMINISTRATION

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
100-0110-440-7702	Prof svcs - regulatory	GM	49,580	60,000	5,000	-91.7%
100-0110-440-7703	Prof svcs - finance/audit	ASM	73,159	51,000	65,895	29.2%
100-0110-440-7704	Prof svcs - labor relations	GM	9,867	11,248	11,530	2.5%
100-0110-440-7705	Prof svcs - legal	GM	22,117	30,000	30,000	0.0%
100-0110-440-7731	Employee health maintenance	AS	1,489	3,500	3,500	0.0%
100-0110-440-7751	Bank fees - general	ASM	13,687	6,500	3,500	-46.2%
100-0110-440-7762	Postage & shipping	AS	4,704	3,500	3,750	7.1%
100-0110-440-7763	Trade discounts	ASM	-	-	-	0.0%
100-0110-440-7769	Contingency	GM	-	50,000	50,000	0.0%
100-0110-442-7904	Bank Fees - Trustee	ASM	-	-	8,015	0.0%
Subtotal General & Administrative			419,638	506,314	449,552	-11.2%
Subtotal (excluding Salary and Benefits)			911,160	1,068,755	1,072,428	0.3%
Total Administration			2,589,090	2,823,785	3,957,252	40.1%

***Position Code**

GM General Manager
 ASM Administrative Services Manager
 OS Operations Supervisor
 ISA Information Systems Administrator
 AS Administrative Specialist

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
5,000	0.0%	Consultation and advice on regulatory compliance and permit issues.
68,270	3.6%	Expenses for professional services related to the financial operations of the Agency: annual audit of financial statements; annual renewal financial software license and support; GFOA Award program fees; actuarial, financial and operational analyses. Increases are projected in FY24 when the Agency sends a request for proposal for auditing services.
11,934	3.5%	IDEA annual fee for labor relations and negotiations services.
30,000	0.0%	Expenses for general, employment law, and construction/contract legal services.
3,500	0.0%	Expense for workplace safety related physicals, pre-employment exams, and urgent care at Kaiser Hospital and Medical Center of Marin.
3,500	0.0%	Bank fees and investment expenses for California Asset Management Program and Westamerica Bank accounts, and includes finance charges and late payment fees.
3,750	0.0%	Postage, delivery, and overnight shipping expenses.
-	0.0%	Account used to record vendor payment discounts received and taken for paying bills within payment terms.
50,000	0.0%	Funds available for transfer to other operating budget accounts for unplanned and unanticipated activities.
8,015	0.0%	Bank administration fees for 2022 POBs and 2015 and 2020 Revenue Bonds.
456,116	1.5%	
1,164,850	8.6%	
4,127,894	4.3%	

CMSA Health & Safety

The Health and Safety Department is managed by the Agency’s Safety Manager, who is responsible for developing, coordinating, and overseeing implementation of a comprehensive occupational safety, health, and injury management program at CMSA and the Novato Sanitary District (NSD). As part of its ongoing commitment to maintain a safe work environment, the department initiated a safety culture survey for feedback from employees on the effectiveness of the safety program. The department is responsible for the management and coordination of activities in support of the following:

- Assessments of facilities and equipment to identify risks to the employees and Agency/District, and to ensure compliance with applicable occupational safety, health, and injury management regulatory requirements.
- Development of site-specific programs and procedures, communication and training that fulfill regulatory requirements and support management of occupational safety, health, and injury management risks. Includes planning/management of outside expertise as necessary.
- Coordination of medical evaluations, hearing tests, training, assessment, and compliance activities; and maintenance of associated records. Assistance with maintaining pertinent, well-organized files in support of the occupational safety, health, and injury management programs.
- Coordination of the injury management program including reviewing and processing claims, investigating, or overseeing the investigation of claims, developing case management strategies in consultation with the third-party administrator, and coordinating effective return-to-work programs.
- Monitoring of legislative and regulatory changes at the local, state, and federal levels, as well as trends and innovations in the fields of occupational safety, health, injury management, and workers’ compensation.

Health & Safety Expenditures by Category	FY22 Actual	FY23 Budget	FY24 Budget	FY25 Budget
SALARIES	\$ 88,169	\$ 89,957	\$ 95,527	\$ 99,696
BENEFITS	41,022	49,891	33,068	34,935
SUBTOTAL	\$129,191	\$139,848	\$128,595	\$134,631
ADMINISTRATION	44,554	47,043	52,241	50,438
SUBTOTAL	\$ 44,554	\$ 47,043	\$ 52,241	\$ 50,438
TOTAL	\$173,745	\$186,891	\$180,836	\$185,069

Authorized Positions	FY22	FY23	FY24	FY25
Safety Manager	-	-	1	1
Senior Safety Specialist	1	1	-	-
TOTAL	1	1	1	1

Central Marin Sanitation Agency FY24 and FY25 Operating Budget

Line Item Accounts

CMSA Health & Safety Department

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
<u>SALARIES & BENEFITS</u>						
100-0120-440-7001	Salaries wages - regular	ASM	85,388	87,065	92,635	6.4%
100-0120-440-7015	Salaries wages - car allowance	ASM	2,781	2,892	2,892	0.0%
Subtotal Salaries Wages			88,169	89,957	95,527	6.2%
100-0120-440-7021	Retirement - CalPERS Classic	ASM	-	-	-	0.0%
100-0120-440-7022	Retirement - CalPERS PEPRA	ASM	6,195	6,406	6,882	7.4%
100-0120-440-7023	Retirement - CalPERS Survivors	ASM	34	40	45	12.5%
100-0120-440-7024	Retirement - CalPERS Classic UAL	ASM	21,536	25,501	-	-100.0%
100-0120-440-7025	Retirement - CalPERS PEPRA UAL	ASM	139	149	-	-100.0%
100-0120-440-7028	Medicare	ASM	1,254	1,304	1,385	6.2%
100-0120-440-7041	Benefits - medical active	ASM	7,655	9,734	18,310	88.1%
100-0120-440-7043	Benefits - dental	ASM	890	1,004	1,026	2.2%
100-0120-440-7044	Benefits - Life-AD&D-LTD Insurance	ASM	406	442	461	4.3%
100-0120-440-7045	Benefits - vision	ASM	147	239	243	1.7%
100-0120-440-7046	Benefits - employer paid MARA	ASM	1,219	1,286	1,344	4.5%
100-0120-440-7047	Benefits - retiree medical premium	ASM	1,267	1,107	1,313	18.6%
100-0120-440-7048	Benefits - retiree reimburse medical	ASM	-	1,681	1,550	-7.8%
100-0120-440-7049	Benefits - retiree medical prefund	ASM	-	540	-	-100.0%
100-0120-440-7051	Benefits - EAP	ASM	58	101	59	-41.6%
100-0120-440-7061	Unemployment benefits	ASM	-	120	213	77.5%
100-0120-440-7062	Benefit administration fees	ASM	221	237	237	0.0%
Subtotal Benefits			41,022	49,891	33,068	-33.7%
Total Salaries & Benefits			129,191	139,848	128,595	-8.0%
<u>GENERAL ADMINISTRATIVE</u>						
100-0120-440-7601	Meetings/Training	SM	448	1,205	602	-50.0%
100-0120-440-7602	Conferences	SM	637	2,410	1,807	-25.0%
100-0120-440-7610	Prof affiliation memberships	SM	615	615	621	1.0%
100-0120-440-7650	Office expenses	SM	-	301	301	0.0%
100-0120-440-7651	Safety supplies	SM	26	120	120	0.0%
100-0120-440-7652	Information technology software	SM	2,108	2,834	2,839	0.2%
100-0120-440-7670	Printing & publications	SM	1,045	1,024	992	-3.1%

***Position Code**

ASM Administrative Services Manager

SM Safety Manager

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
96,804	4.5%	CMSA's 60.25% share of the Senior Safety Specialist (SSS) position. FY24 includes 4.5% COLA, and leave balance cash-out. FY25 includes a 4.5% COLA adjustment.
2,892	0.0%	CMSA's 60.25% share of the SSS car allowance.
99,696	4.4%	
-	0.0%	Employer contributions for CalPERS 2.7% @ 55 for Classic employee retirement program. The FY24 employer contribution rate is 15.95% for Classic employees and CalPERS estimates 16% for FY25.
7,211	4.8%	Employer contributions for CalPERS 2% @ 62 retirement program for PEPRAs employees hired after January 1, 2013. The FY24 employer PEPRAs contribution rate is 7.68% and CalPERS estimates FY25 to be 7.7%.
47	4.4%	Annual Survivors Benefit premium.
-	0.0%	The Classic unfunded accrued liability is the total minimum required employer contribution established in the CalPERS Actuarial Valuation Report dated June 30, 2021. The Agency issued POBS in FY22 to pay off the CalPERS UAL.
-	0.0%	The PEPRAs unfunded accrued liability is the total minimum required employer contribution. The Agency issued POBS in FY22 to pay off the CalPERS UAL.
1,447	4.5%	Employer's 1.45% share of Medicare for all employees.
19,555	6.8%	Medical coverage up to the Kaiser family rate. FY24 assumes a 6.6% premium increase and
1,026	0.0%	Dental is now self-insured.
481	4.3%	Employer paid life, accidental death & dismemberment, and long-term disability insurances.
250	2.9%	Employer paid vision benefits.
1,405	4.5%	PEHP: Post Employment Health Plan (also known as MARA: medical after retirement account). Employer contribution of 1.5% of base salary.
1,372	4.5%	Medical benefits for a .60 share of one retired employee at the SF-Bay Area PERS Kaiser single rate.
1,620	4.5%	Medical benefits in excess of the CalPERS PEMCHA minimum reimbursed directly to retirees.
-	0.0%	Prefunding of the Agency's post-employment health benefit obligations for current retirees and employees. Prefunding is not currently in use per the Agency's OPEB Funding Plan updated annually.
61	3.4%	Employee assistance program that provides counseling, professional consultation, and work/life referral services.
213	0.0%	An allowance for unemployment benefits paid to State Employment Development Department (EDD) for claims filed by separated employees.
247	4.2%	Administrative fees charged for EDIS dental, CalPERS medical, PEHP, and NAVIA Flex 125 plans.
34,935	5.6%	
134,631	4.7%	
602	0.0%	Visual aids for meetings, tools, IT equipment, training materials, and refreshments.
1,807	0.0%	Safety related conferences, professional development, webinars, and industry conferences.
621	0.0%	Institute of Hazardous Materials (CHMM), Board of Certified Safety Professionals, National Safety Council, and American Society of Safety Professionals.
301	0.0%	Supplies
120	0.0%	
2,906	2.4%	MSDS Online, Keller Online
992	0.0%	Mancomm Regulations, CalOSHA Reporter, Safety Alert for Supervisors, NFPA/ANSI Standards

Central Marin Sanitation Agency
FY24 and FY25 Operating Budget
 Line Item Accounts

CMSA Health & Safety Department

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
100-0120-440-7701	Prof svcs - general	SM	80	3,013	2,711	-10.0%
100-0120-440-7738	H&S Program ARSSO CMSA Share	SM	27,473	28,375	31,580	11.3%
100-0120-440-7739	Outside safety training	SM	12,122	7,146	10,668	49.3%
Subtotal Administrative			44,554	47,043	52,241	11.0%
Subtotal (excluding Salary and Benefits)			44,554	47,043	52,241	11.0%
Total Health & Safety			173,745	186,891	180,836	-3.2%

***Position Code**

ASM Administrative Services Manager
 SM Safety Manager

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
2,711	0.0%	Contracted services to assist in completion/developing of programs.
32,843	4.0%	The budget is for costs shared equally between CMSA and NSD for NSD's Administrative/Risk Services & Safety Officer (25% of total salary and benefits, split 50/50).
7,535	-29.4%	Training expenses for required safety programs that include hearing tests, CPR/first aid, fire extinguisher, incident command, traffic control, defensive driving, and many other Cal/OSHA programs that facilitate a safe work environment.
50,438	-3.5%	
50,438	-3.5%	
185,069	2.3%	

Technical Services

The Technical Services Department provides full engineering support for the Agency and is responsible for all regulatory compliance activities required by the Agency's NPDES permit. One of its major accomplishments is to install and bring online a new higher capacity cogeneration system to expand its renewable energy program. Technical Services is responsible for the following functions:

- Design small maintenance and capital projects and oversee the design of larger projects outsourced to engineering consulting firms.
- Manage construction contracts and associated engineering construction records.
- Assist with operational studies and energy efficiency evaluations.
- Negotiate and administer the Agency's service and commodity contracts for employee uniforms, biosolids hauling and reuse, natural gas supply, and procurement of chemicals used in the wastewater and biosolids treatment processes.
- Prepare and administer the Agency's grant funding applications and associated contracts such as for the CalRecycle Organics Grant.
- Chair the Agency's Capital Improvement Program (CIP) Committee which develops, implements, and manages the Agency's 10-year CIP and prepares the biennial CIP budget with the 10-year forecast.
- Chair the Agency Strategic Planning Committee which oversees the implementation of the Agency's 5-year Strategic Plan and annual business plan.
- Chair the Agency Process Control Team which discuss and implement changes that will improve effluent quality and efficiency in the operation of the treatment facilities.
- Assist with Underground Service Alert (U.S.A) utility locating services.
- Regulate commercial and industrial discharge of wastewater into the collection and treatment systems.
- Operate an accredited TNI-2 environmental laboratory that performs most of the routine testing required in the Agency's NPDES permit and oversees specialized outside analytical testing services.
- Provide source control program administration services and at times laboratory services under contract with wastewater and other local agencies in Marin County.
- Lead the Wastewater Treatment Agencies of Marin County Cooperative Public Education Program.

Technical Services				
Expenditures by Category	FY22 Actual	FY23 Budget	FY24 Budget	FY25 Budget
SALARIES	\$1,406,372	\$1,501,308	\$1,567,066	\$1,637,458
BENEFITS	600,541	667,164	450,610	470,701
SUBTOTAL	\$2,006,913	\$2,168,472	\$2,017,676	\$2,108,159
BIOSOLIDS DISPOSAL	433,202	502,387	489,814	489,814
PERMIT TESTING & MONITORING	198,248	228,547	268,361	214,005
ADMINISTRATION	262,660	329,173	328,070	322,009
SUBTOTAL	\$ 894,110	\$1,060,107	\$1,086,245	\$1,025,828
TOTAL	\$2,901,023	\$3,228,579	\$3,103,921	\$3,133,987

Authorized Positions	FY22	FY23	FY24	FY25
Technical Services Manager	1	1	1	1
Senior Engineer*	-	1	1	1
Associate Engineer	2	1	1	1
Regulatory Compliance Manager	1	1	1	1
Laboratory Analyst	1	2	2	2
Environmental Services Analyst (I-II)	3	3	3	3
TOTAL	9	9	9	9

* An Associate Engineer was promoted in January 2023.

Central Marin Sanitation Agency FY24 and FY25 Operating Budget

Line Item Accounts

TECHNICAL SERVICES

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
SALARY & WAGES						
100-0230-440-7001	Salaries wages - regular	ASM	1,374,141	1,458,066	1,554,514	6.6%
100-0230-440-7003	Salaries wages - temp	TSM	14,930	30,000	-	-100.0%
100-0230-440-7005	Salaries wages - overtime	TSM	13,423	10,215	9,414	-7.8%
100-0230-440-7009	Salaries wages - standby	TSM	3,878	3,027	3,138	3.7%
Subtotal Salary & Wages			1,406,372	1,501,308	1,567,066	4.4%
100-0230-440-7021	Retirement - CalPERS Classic	ASM	63,934	71,868	85,654	19.2%
100-0230-440-7022	Retirement - CalPERS PEPPRA	ASM	58,645	68,539	75,463	10.1%
100-0230-440-7023	Retirement - CalPERS Survivors	ASM	508	600	670	11.7%
100-0230-440-7024	Retirement - CalPERS Classic UAL	ASM	193,826	229,509	-	-100.0%
100-0230-440-7025	Retirement - CalPERS PEPPRA UAL	ASM	1,249	1,340	-	-100.0%
100-0230-440-7028	Medicare	ASM	20,539	21,334	22,722	6.5%
100-0230-440-7041	Benefits - medical active	ASM	130,425	135,923	126,236	-7.1%
100-0230-440-7042	Benefits - flex\$	ASM	45,658	46,346	58,346	25.9%
100-0230-440-7043	Benefits - dental	ASM	15,081	15,000	15,319	2.1%
100-0230-440-7044	Benefits - Life-AD&D-LTD Insurance	ASM	6,067	6,604	6,880	4.2%
100-0230-440-7045	Benefits - vision	ASM	2,115	3,575	3,629	1.5%
100-0230-440-7046	Benefits - employer paid MARA	ASM	15,454	16,989	18,110	6.6%
100-0230-440-7047	Benefits - retiree medical premium	ASM	11,558	11,023	13,076	18.6%
100-0230-440-7048	Benefits - retiree reimburse medical	ASM	28,857	22,004	15,438	-29.8%
100-0230-440-7049	Benefits - retiree medical prefund	ASM	-	8,063	-	-100.0%
100-0230-440-7051	Benefits - EAP	ASM	862	905	883	-2.4%
100-0230-440-7061	Unemployment benefits	ASM	21	1,875	1,915	2.1%
100-0230-440-7062	Benefit administration fees	ASM	3,254	3,538	3,543	0.1%
100-0230-440-7063	Uniforms	AE	1,444	2,129	2,726	28.0%
Subtotal Benefits			600,541	667,164	450,610	-32.5%
Total Salaries & Benefits			2,006,913	2,168,472	2,017,676	-7.0%

***Position Code**

GM General Manager
 ASM Administrative Services Manager
 TSM Technical Services Manager
 RCM Regulatory Compliance Manager
 AE Associate Engineer

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
1,624,467	4.5%	Salaries for nine full-time employees and includes a 4.5% COLA salary increase for FY24, 3-step adjustments, and leave balance cash-outs. FY25 4.5% COLA and 2 step adjustments.
-	0.0%	See Administration Department Salaries - temp budget
9,743	3.5%	Authorized overtime to complete special activities or assignments including activities supporting the public education program.
3,248	3.5%	Stand-by duty is assigned to a laboratory analyst during the wet weather season November through April 30th when there is a reasonable potential that a blending event may occur during the weekend.
1,637,458	4.5%	
89,789	4.8%	Employer contributions for CalPERS 2.7% @ 55 for Classic employee retirement program. The FY24 employer contribution rate is 15.95% for Classic employees and CalPERS estimates 16% for FY25.
79,106	4.8%	Employer contributions for CalPERS 2% @ 62 retirement program for PEPRA employees hired after January 1, 2013. The FY24 employer PEPRA contribution rate is 7.68% and CalPERS estimates FY25 to be 7.7%.
697	4.0%	Annual Survivors Benefit premium.
-	0.0%	The Classic unfunded accrued liability is the total minimum required employer contribution established in the CalPERS Actuarial Valuation Report dated June 30, 2021. The Agency issued POBS in FY22 to pay off the CalPERS UAL.
-	0.0%	The PEPRA unfunded accrued liability is the total minimum required employer contribution. The Agency issued POBS in FY22 to pay off the CalPERS UAL.
23,745	4.5%	Employer's 1.45% share of Medicare for all employees.
134,820	6.8%	Medical coverage up to the Kaiser family rate. FY24 decrease due to two employees opting out of medical coverage to participate in the "Benefits - flex\$" employee benefit. FY24 assumes a 6.6% premium increase and FY25 assumes a 6.8% increase.
58,346	0.0%	Medical benefit differential paid for family coverage to two eligible employees and two eligible employees that receive a "cash-back" benefit for coverage under the medical plan of a spouse.
15,319	0.0%	Dental is self-insured.
7,189	4.5%	Employer paid life, accidental death & dismemberment, and long-term disability insurances.
3,738	3.0%	Employer paid vision benefits.
18,925	4.5%	PEHP: Post Employment Health Plan (also known as MARA: medical after retirement account). Employer contribution of 1.5% of base salary.
13,664	4.5%	Medical benefits for six retired employees at the SF-Bay Area PERS Kaiser single rate.
16,133	4.5%	Medical benefits in excess of the CalPERS PEMCHA minimum reimbursed directly to retirees.
-	0.0%	Prefunding of the Agency's post-employment health benefit obligations for current retirees and employees. Prefunding is not currently in use per the Agency's OPEB Funding Plan updated annually.
905	2.5%	Employee assistance program that provides counseling, professional consultation, and work/life referral services.
1,915	0.0%	An allowance for unemployment benefits paid to State Employment Development Department (EDD) for claims filed by separated employees.
3,684	4.0%	Administrative fees charged for EDIS dental, CalPERS medical, PEHP, and NAVIA Flex 125 plans.
2,726	0.0%	Uniforms costs for seven employees.
470,701	4.5%	
2,108,159	4.5%	

Central Marin Sanitation Agency FY24 and FY25 Operating Budget

Line Item Accounts

TECHNICAL SERVICES

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
BIOSOLIDS MANAGEMENT						
100-0230-440-7101	Biosolids Hauling	AE	116,364	162,132	164,695	1.6%
100-0230-440-7102	Biosolids Reuse Fees	AE	316,838	340,255	325,119	-4.4%
Subtotal Biosolids Management			433,202	502,387	489,814	-2.5%
PERMIT TESTING & MONITORING						
100-0230-440-7301	Lab Supplies	RCM	96,890	101,419	96,650	-4.7%
100-0230-440-7302	Lab Maintenance & Rentals	RCM	9,728	17,582	16,660	-5.2%
100-0230-440-7310	Biosolids Monitoring	RCM	10,462	11,077	11,825	6.8%
100-0230-440-7311	NPDES Monitoring	RCM	40,552	42,011	89,703	113.5%
100-0230-440-7312	Source Control Monitoring	TSM	9,878	20,221	21,720	7.4%
100-0230-440-7313	Biogas Monitoring	RCM	23,916	19,251	15,341	-20.3%
100-0230-440-7314	Special Sampling	RCM	-	10,000	10,000	0.0%
100-0230-440-7320	UST Monitoring	RCM	6,421	6,986	5,962	-14.7%
100-0230-440-7321	UST Triennial monitoring	RCM	400	-	500	0.0%
Subtotal Permit Testing & Monitoring			198,248	228,547	268,361	17.4%
GENERAL & ADMINISTRATIVE						
100-0230-440-7601	Meetings/Training	RCM	1,947	3,000	3,000	0.0%
100-0230-440-7602	Conferences	RCM	21,466	40,501	31,375	-22.5%
100-0230-440-7610	Memberships	RCM	4,391	4,949	5,123	3.5%
100-0230-440-7631	NPDES Permit Fees	RCM	68,776	73,797	76,523	3.7%
100-0230-440-7632	ELAP Certification Fees	RCM	13,811	21,143	26,150	23.7%
100-0230-440-7633	Regional Monitoring Program	RCM	50,181	49,582	54,480	9.9%
100-0230-440-7634	BACWA Fees	RCM	44,702	45,950	41,219	-10.3%

***Position Code**

GM General Manager
 ASM Administrative Services Manager
 TSM Technical Services Manager
 RCM Regulatory Compliance Manager
 AE Associate Engineer

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
164,695	0.0%	Approximately one load per day of biosolids is hauled to one of the biosolids reuse sites.
325,119	0.0%	Biosolids tipping fees for beneficial reuse at Redwood Landfill for alternative daily cover, land application sites in Solano county for soil augmentation, and at the Lystek facility for processing into a liquid fertilizer.
489,814	0.0%	
96,650	0.0%	Laboratory and source control program supplies including all chemicals, glassware, reagents, consumables, disposable containers, filters, and other supplies.
16,660	0.0%	Expenses for service contracts to maintain laboratory equipment including the deionized water system and certification of analytical balance and pipette/titrator equipment.
11,825	0.0%	Laboratory analysis cost associated with biosolids monthly and semiannual regulatory (NPDES & AB901) monitoring requirements.
35,847	-60.0%	Contract laboratory analysis cost associated with NPDES permit compliance. Includes monthly, quarterly, semiannual, annual, and permit period monitoring requirement. FY24 includes NPDES biennial permit requirement to screen for Chronic Toxicity and TRE planning.
21,720	0.0%	Cost of contract laboratory analysis for source control samples and monitoring industrial waste. Cost increased due to increased sample analysis for regulated dischargers and an increase in the number of Class III users. These funds are reimbursed through user monitoring fees.
15,341	0.0%	Monitoring cost for the organic waste receiving facility biogas filter systems, and cogeneration system.
10,000	0.0%	This contingency account is to address critical special study and unexpected sampling requirements, such as air quality compliance documentation.
5,962	0.0%	Annual testing and monitoring of underground gasoline and diesel tank over-fill and secondary containment.
-	-100.0%	Testing of underground tank secondary containment every three years as required by state regulation during FY24. Next UST Triannual Test to be conducted in FY27.
214,005	-20.3%	
3,000	0.0%	Expenses associated with single-day professional meetings and training seminars. Includes allowed expenses pursuant to the Agency's expense reimbursement policy.
31,375	0.0%	Expenses associated with multi-day professional conferences, seminars, and training events per the Agency's expense reimbursement policy.
5,123	0.0%	Professional memberships and registration fees for the Water Environment Association, California Water Environment Association, CalPELRA, Professional Engineer Licenses, TNI and Standard Methods.
81,956	7.1%	Annual NPDES permit and pre-treatment program fees. Budget increase is based upon updated information obtained from the SWRCB.
14,250	-45.5%	Fees for annual renewal of the laboratory certification, inspections, required testing, certificates, and ELAP certification fees. FY24 increase is for Third-Party TNI Assessment Fee not assessed in FY25.
54,480	0.0%	CMSA's NPDES permit requires participation in the Regional Monitoring Program for the San Francisco Bay, which is administered by the San Francisco Estuary Institute. Cost is based upon Cu, Ni, Cr, and Se facility loading to SF bay.
41,219	0.0%	On behalf of the dischargers, BACWA manages regional monitoring and studies related to nutrients, mercury, PCBs, and other contaminants to protect the bay.

Central Marin Sanitation Agency
FY24 and FY25 Operating Budget
 Line Item Accounts

TECHNICAL SERVICES

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
100-0230-440-7635	CUPA Permit	RCM	5,189	5,588	5,189	-7.1%
100-0230-440-7636	Stormwater Permit	RCM	1,738	1,835	2,738	49.2%
100-0230-440-7650	Office & Printer Expenses	RCM	1,492	5,473	5,000	-8.6%
100-0230-440-7670	Printing & Publications	RCM	137	600	600	0.0%
100-0230-440-7706	Special Studies & Support Services	TSM	26,416	40,000	40,000	0.0%
100-0230-440-7708	Cathodic Protection Surveys	AE	-	5,761	6,020	4.5%
100-0230-440-7737	Public Ed Program	GM	22,414	30,994	30,653	-1.1%
Subtotal General & Administrative			262,660	329,173	328,070	-0.3%
Subtotal (excluding Salary and Benefits)			894,110	1,060,107	1,086,245	2.5%
Total Technical Services			2,901,023	3,228,579	3,103,921	-3.9%

***Position Code**

GM General Manager
 ASM Administrative Services Manager
 TSM Technical Services Manager
 RCM Regulatory Compliance Manager
 AE Associate Engineer

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
5,189	0.0%	Certified Unified Program Agency fees are paid to the County of Marin for the Agency's underground storage tanks and hazardous materials storage permits.
2,738	0.0%	SWRCB permit for the Agency's industrial site stormwater permit.
5,000	0.0%	Office supplies: sample labels, ink cartridges, paper for large-format printer/plotter, new lab copier rental fee, and other miscellaneous office expenses.
600	0.0%	Allowance for printing/shipping/advertising expenses for documents not assigned to specific CIP project contracts and for mailing expenses related to maintaining CMSA's list of prequalified contractors.
40,000	0.0%	Allowance for special studies and engineering consultant services as needed.
6,020	0.0%	Periodic cathodic protection monitoring of the land portion of the marine outfall, sections of the Ross Valley interceptor, the San Rafael interceptor, various buried pipelines on Agency property, San Rafael Sanitation District Simms Force Main, and the South Francisco casing.
31,059	1.3%	CMSA's 40.6% share of the Countywide Public Education Program expenses associated with participating in public outreach events, hosting school programs, a Comcast video presentation, and educational materials for the program.
322,009	-1.8%	
1,025,828	-5.6%	
3,133,987	1.0%	

Operations

The Operations Department performs essential activities specific to the day-to-day operation and process control of the Agency's NACWA-recognized Class V regional wastewater treatment facility. The treatment, reuse, and disposal of wastewater, biosolids, and biogas is in full compliance with NPDES and Bay Area Air Quality Management District permit requirements and regained once again the platinum award from NACWA. The department is responsible for the following functions:

- Monitor and adjust treatment processes to optimize performance and removal efficiencies.
- Ensure facilities are operated to achieve and exceed compliance with regulatory permits.
- Monitor local agency collection system assets to ensure continuous operation.
- Order treatment chemicals and maintain inventories.
- Conduct pilot testing and studies to improve and/or optimize treatment processes.
- Monitor and operate systems to control the generation of wastewater odors and minimize public odor complaints.
- Track and report on the performance of all treatment and energy generation systems.
- Operate an organic waste receiving facility that diverts organics from the landfill.
- Operate a power generation system to produce renewable power to achieve Agency energy self-sufficiency and sell power to the local utility.
- Oversee and operate the Agency's recycled water system and truck fill stations to reduce potable water use in the service area.

Operations				
Expenditures by Category	FY 22 Actual	FY23 Budget	FY24 Budget	FY25 Budget
SALARIES	\$1,897,061	\$2,004,250	\$2,085,717	\$2,179,574
BENEFITS	870,815	987,567	692,577	729,147
SUBTOTAL	\$2,767,876	\$2,991,817	\$2,778,294	\$2,908,721
CHEMICALS & FUELS	1,077,079	1,542,730	2,145,656	2,224,923
UTILITIES	545,942	332,710	365,256	318,376
ADMINISTRATION	61,429	89,827	103,464	89,600
SUBTOTAL	\$1,684,450	\$1,965,267	\$2,614,376	\$2,632,899
TOTAL	\$4,452,326	\$4,957,084	\$5,392,670	\$5,541,620

Authorized Positions	FY22	FY22	FY24	FY25
Treatment Plant Manager*	0.5	0.5	0.5	0.5
Operations Supervisors	1	1	1	1
Assistant Operations Supervisor	1	1	1	1
Lead Operators	1	1	1	1
Operators (Trainee, I-III)	10	10	10	10
TOTAL	13.5	13.5	13.5	13.5

*.5 FTE split with Maintenance Department

Central Marin Sanitation Agency FY24 and FY25 Operating Budget

Line Item Accounts

OPERATIONS

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
SALARIES & WAGES						
100-0340-440-7001	Salaries wages - regular	ASM	1,784,250	1,898,348	1,988,403	4.7%
100-0340-440-7005	Salaries wages - overtime	OS	112,811	100,497	95,672	-4.8%
100-0340-440-7009	Salaries wages - standby	TPM	-	5,405	1,642	-69.6%
Subtotal Salaries & Wages			1,897,061	2,004,250	2,085,717	4.1%
100-0340-440-7021	Retirement - CalPERS Classic	ASM	141,982	137,385	163,957	19.3%
100-0340-440-7022	Retirement - CalPERS PEPRA	ASM	50,996	59,672	63,459	6.3%
100-0340-440-7023	Retirement - CalPERS Survivors	ASM	747	866	968	11.8%
100-0340-440-7024	Retirement - CalPERS Classic UAL	ASM	279,971	331,513	-	-100.0%
100-0340-440-7025	Retirement - CalPERS PEPRA UAL	ASM	1,804	1,936	-	-100.0%
100-0340-440-7028	Medicare	ASM	27,539	29,062	30,243	4.1%
100-0340-440-7041	Benefits - medical active	ASM	225,909	273,284	296,931	8.7%
100-0340-440-7042	Benefits - flex\$	ASM	26,950	12,888	12,208	-5.3%
100-0340-440-7043	Benefits - dental	ASM	23,971	21,667	22,128	2.1%
100-0340-440-7044	Benefits - Life-AD&D-LTD Insurance	ASM	8,730	9,540	9,937	4.2%
100-0340-440-7045	Benefits - vision	ASM	3,065	5,164	5,241	1.5%
100-0340-440-7046	Benefits - employer paid MARA	ASM	16,432	17,951	18,670	4.0%
100-0340-440-7047	Benefits - retiree medical premium	ASM	24,954	30,135	23,973	-20.4%
100-0340-440-7048	Benefits - retiree reimburse medical	ASM	22,429	28,704	28,304	-1.4%
100-0340-440-7049	Benefits - retiree medical prefund	ASM	-	11,646	-	-100.0%
100-0340-440-7051	Benefits - EAP	ASM	1,293	1,308	1,276	-2.4%
100-0340-440-7061	Unemployment benefits	ASM	-	2,815	2,766	-1.7%

***Position Code**

ASM Administrative Services Manager
AOS Assistant Operations Supervisor
OS Operations Supervisor
TPM Treatment Plant Manager
AE Associate Engineer

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
2,077,881	4.5%	Salaries for 13.5 full-time employees (Treatment Plant Manager 50% Operations & 50% Maintenance). Includes a FY24 COLA increase of 4.5% for represented and unrepresented employees, three step adjustments, and leave balance cash-outs.
99,977	4.5%	Authorized overtime to ensure facilities are properly staffed 24 hours/day and to complete specified activities or assignments.
1,716	4.5%	24/7 stand-by duty provided by qualified operations staff during the wet weather season (November-April). Employees are paid to remain fit for duty and must respond within one hour after being called in for emergency situations.
2,179,574	4.5%	
171,872	4.8%	Employer contributions for CalPERS 2.7% @ 55 for Classic employee retirement program. The FY24 employer contribution rate is 15.95% for Classic employees and CalPERS estimates 16% for FY25.
66,488	4.8%	Employer contributions for CalPERS 2% @ 62 retirement program for PEPRA employees hired after January 1, 2013. The FY24 employer PEPRA contribution rate is 7.68% and CalPERS estimates FY25 to be 7.7%.
1,007	4.0%	Annual Survivors Benefit premium.
-	0.0%	The Classic unfunded accrued liability is the total minimum required employer contribution established in the CalPERS Actuarial Valuation Report dated June 30, 2021. The Agency issued POBS in FY22 to pay off the CalPERS UAL.
-	0.0%	The PEPRA unfunded accrued liability is the total minimum required employer contribution. The Agency issued POBS in FY22 to pay off the CalPERS UAL.
31,604	4.5%	Employer's 1.45% share of Medicare for all employees.
317,122	6.8%	Medical coverage up to the Kaiser family rate. FY24 assumes a 6.6% premium increase and FY25 assumes a 6.8% increase.
12,208	0.0%	Medical benefit differential paid for family coverage to one eligible employee.
22,128	0.0%	Dental is self-insured.
10,385	4.5%	Employer paid life, accidental death & dismemberment, and long-term disability insurances.
5,399	3.0%	Employer paid vision benefits.
19,510	4.5%	PEHP: Post Employment Health Plan (also known as MARA: medical after retirement account). Employer contribution of 1.5% of base salary.
25,051	4.5%	Medical benefits for eleven retired employees at the SF-Bay Area PERS Kaiser single rate.
29,578	4.5%	Medical benefits in excess of the CalPERS PEMCHA minimum reimbursed directly to retirees.
-	0.0%	Prefunding of the Agency's post-employment health benefit obligations for current retirees and employees. Prefunding is not currently in use per the Agency's OPEB Funding Plan updated annually.
1,308	2.5%	Employee assistance program that provides counseling, professional consultation, and work/life referral services.
2,766	0.0%	An allowance for unemployment benefits paid to State Employment Development Department (EDD) for claims filed by separated employees.

Central Marin Sanitation Agency FY24 and FY25 Operating Budget

Line Item Accounts

OPERATIONS

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
100-0340-440-7062	Benefit administration fees	ASM	4,747	5,111	5,117	0.1%
100-0340-440-7063	Uniforms	AE	9,296	6,920	7,399	6.9%
Subtotal Benefits			870,815	987,567	692,577	-29.9%
Total Salaries & Benefits			2,767,876	2,991,817	2,778,294	-7.1%
CHEMICALS & FUEL						
100-0340-440-7120	Gasoline, diesel, oil	OS	21,876	20,000	31,960	59.8%
100-0340-440-7130	Chemicals - ferric chloride	OS	134,644	155,751	171,840	10.3%
100-0340-440-7131	Chemicals - polymer cationic	OS	136,206	219,123	155,965	-28.8%
100-0340-440-7132	Chemicals - odor control	OS	4,984	15,600	15,600	0.0%
100-0340-440-7133	Chemicals - calcium nitrate	OS	181,363	326,422	390,074	19.5%
100-0340-440-7134	Chemicals - hydrogen peroxide	OS	201,811	246,634	327,165	32.7%
100-0340-440-7135	Chemicals - sodium hypochlorite	OS	209,916	374,000	770,868	106.1%
100-0340-440-7136	Chemicals - sodium bisulphite	OS	186,278	185,200	282,184	52.4%
Subtotal Chemicals & Fuel			1,077,079	1,542,730	2,145,656	39.1%
UTILITIES						
100-0340-440-7502	Utilities - natural gas	OS	204,069	98,880	132,259	33.8%
100-0340-440-7503	Utilities - electricity	OS	250,912	141,922	131,600	-7.3%
100-0340-440-7504	Utilities - water	AOS	21,186	18,408	22,642	23.0%
100-0340-440-7505	Utilities - garbage	AOS	69,774	73,500	78,755	7.1%
Subtotal Utilities			545,942	332,710	365,256	9.8%
GENERAL & ADMINISTRATIVE						
100-0340-440-7110	Operations - general	TPM	2,241	9,315	24,164	159.4%
100-0340-440-7111	Process Control Consumable Supplies	AOS	3,655	9,212	7,000	-24.0%
100-0340-440-7601	Meetings/Training	TPM	2,222	4,500	4,500	0.0%

***Position Code**

ASM Administrative Services Manager
AOS Assistant Operations Supervisor
OS Operations Supervisor
TPM Treatment Plant Manager
AE Associate Engineer

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
5,322	4.0%	Administrative fees charged for EDIS dental, CalPERS medical, PEHP, and NAVIA Flex 125 plans.
7,399	0.0%	Uniforms costs for thirteen employees.
729,147	5.3%	
2,908,721	4.7%	
33,238	4.0%	Fuel for vehicles and landscaping equipment, and diesel for emergency generators and the effluent pump station's pumps.
171,840	0.0%	Ferric chloride is used to improve settling in the primary clarifiers during storm related flow events, inhibits hydrogen sulfide production in the digesters, reduces struvite formations in pipelines, and is used as a coagulant in the biosolids dewatering process.
233,954	50.0%	Polymer is added to centrifuge feed sludge to enhance the efficiency of solids removal and to thicken waste activated sludge. CMSA typically uses approximately 2.5 loads of polymer per year for Agency operations.
15,600	0.0%	A chemical agent used to mask odorous compounds produced by some wastewater processes.
390,074	0.0%	Calcium nitrate solution is the first of a two-phase odor control system used in the collection system upstream of the wastewater treatment plant to inhibit hydrogen sulfide formation.
327,165	0.0%	Hydrogen peroxide is the second phase of the odor control system. It is injected into the Ross Valley and San Rafael interceptors upstream of the headworks.
770,868	0.0%	Sodium hypochlorite is used for effluent and recycled water disinfection, and in facility odor control scrubbers. The unit cost increase in FY24 is 96.7%.
282,184	0.0%	Sodium bisulfite is used to neutralize the chlorine residual in the effluent prior to its discharge into the San Francisco Bay. The unit cost increase in FY24 is 25.1%.
2,224,923	3.7%	
82,662	-37.5%	Supplemental fuel for the cogeneration systems. While FY22 expects an increase in organic waste deliveries and natural gas usage, FY25 assumes natural gas usage to drop to 5K therms per month at \$1.3777/therm.
131,600	0.0%	Electricity to supplement the cogeneration system output and to supply power when the cogenerator is offline for maintenance.
25,359	12.0%	Potable and fire protection water for supply.
78,755	0.0%	Solid waste disposal for garbage, green waste, recycling, and debris box disposal of headworks screenings, grit, and non-recyclable wastes. Dry weather conditions has resulted in reduced volume of waste generated.
318,376	-12.8%	
10,000	-58.6%	Small tools, equipment, parts, and other miscellaneous supplies. FY24 includes an additional \$10K to replace weathered facility signage.
7,000	0.0%	Chemical reagents to verify and/or determine the concentration of chlorine in treated wastewater, assist in field instrument calibration, determine peroxide concentrations in wastewater, measure pH, and measure sulfide levels in biogas.
4,500	0.0%	Expenses associated with attendance at single-day professional meetings, seminars, and certification trainings.

Central Marin Sanitation Agency
FY24 and FY25 Operating Budget
 Line Item Accounts

OPERATIONS

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
100-0340-440-7602	Conferences	TPM	299	5,000	7,500	50.0%
100-0340-440-7610	Prof affiliation memberships	TPM	2,837	3,800	5,300	39.5%
100-0340-440-7638	Permits & lic - BAAQMD	TPM	25,115	33,000	30,000	-9.1%
100-0340-440-7709	Prof svcs - process control	TPM	25,272	25,000	25,000	0.0%
Subtotal General & Administrative			61,429	89,827	103,464	15.2%
Subtotal (excluding Salary and Benefits)			1,684,449	1,965,267	2,614,376	33.0%
Total Operations			4,452,325	4,957,084	5,392,670	8.8%

***Position Code**

ASM Administrative Services Manager
 AOS Assistant Operations Supervisor
 OS Operations Supervisor
 TPM Treatment Plant Manager
 AE Associate Engineer

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
7,500	0.0%	Expenses associated with multi-day professional conferences, seminars, and training events.
5,600	5.7%	Professional memberships and certification renewal requirements for licensed operators. The budget includes 13 annual CWEA membership renewals, 16 operator certification renewals, and 3 operators who are eligible for higher levels of training and testing certification.
30,000	0.0%	The BAAQMD fee structure has been revised for permits issued for operating congeneration engines, pump driven engines, process tanks and other equipment.
25,000	0.0%	Professional wastewater consulting services for evaluation and advice on process control issues, training staff on process analysis, and conducting special studies.
89,600	-13.4%	
2,632,899	0.7%	
5,541,620	2.8%	

Maintenance

The Maintenance Department is responsible for preserving and maintaining Agency assets which include buildings, grounds, fleet vehicles, treatment plant facilities and associated equipment, and power generation engines. Certified mechanical technicians and utility workers perform a wide variety of preventative and corrective maintenance and repair work on all Agency assets. The Electrical and Instrumentation group is responsible for maintaining the Agency's electrical and instrumentation systems, and supports the Information Systems Administrator with communication systems, equipment integration, and information technology infrastructure. The department utilizes an enterprise asset management system for scheduling and tracking corrective and preventive maintenance, to manage its fixed assets, and to manage repairs and maintenance activities and their associated costs. Tablets were added streamlining and improving the asset management system for the goal of increased efficiency.

Under service agreements with the California Department of Corrections (SQSP), County of Marin, and Sanitary District No. 2 of Marin, the department maintains collection system assets such as pump stations, force mains, and gravity sewers.

Maintenance				
Expenditures by Category	FY22 Actual	FY23 Budget	FY24 Budget	FY25 Budget
SALARIES	\$1,671,779	\$1,896,925	\$2,099,583	\$2,188,946
BENEFITS	957,277	1,060,939	663,573	698,935
SUBTOTAL	\$2,629,056	\$2,957,864	\$2,763,156	\$2,887,881
MAINTENANCE & REPAIRS	340,837	516,220	584,600	574,900
ADMINISTRATION	11,160	25,704	29,700	29,720
SUBTOTAL	\$ 351,997	\$ 541,924	614,300	\$604,620
TOTAL	\$2,981,053	\$3,499,788	3,377,456	\$3,492,501

Authorized Positions	FY22	FY23	FY24	FY25
Treatment Plant Manager*	0.5	0.5	0.5	0.5
Maintenance Supervisor	1	1	1	1
Assistant Maintenance Supervisor**	1	-	-	-
Lead Mechanical Technician**	1	2	3	3
Lead Maintenance Worker***	1	1	-	-
Mechanical Technician (I-III)	4	4	4	4
Utility Worker	3	3	3	3
Institutional Utility Laborer (IUL)	3	3	3	3
Electrical/Instrumentation Tech (I-III)	3	3	3	3
TOTAL	17.5	17.5	17.5	17.5

* 0.5 FTE split with Operations Department

** The Assistant Maintenance Supervisor position was replaced by a Lead Mechanical Technician during FY23

*** The Lead Maintenance Worker position is eliminated in FY24 and replaced by an additional Lead Mechanical Technician

**Central Marin Sanitation Agency
FY24 and FY25 Operating Budget**

Line Item Accounts

MAINTENANCE

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
SALARIES & WAGES						
100-0350-440-7001	Salaries wages - regular	ASM	1,561,045	1,722,822	1,878,688	9.0%
100-0350-440-7003	Salaries wages - temp	TSM	28,307	-	-	0.0%
100-0350-440-7002	Salaries wages - PartTime	TSM	5,479	67,430	113,720	68.6%
100-0350-440-7005	Salaries wages - overtime	TPM	24,412	44,075	46,233	4.9%
100-0350-440-7009	Salaries wages - standby	TPM	52,538	62,598	60,942	-2.6%
Subtotal Salaries & Wages			1,671,780	1,896,925	2,099,583	10.7%
100-0350-440-7021	Retirement - CalPERS Classic	ASM	100,475	93,549	68,556	-26.7%
100-0350-440-7022	Retirement - CalPERS PEPPRA	ASM	61,406	76,879	106,041	37.9%
100-0350-440-7023	Retirement - CalPERS Survivors	ASM	799	1,000	1,043	4.3%
100-0350-440-7024	Retirement - CalPERS Classic UAL	ASM	323,044	382,515	-	-100.0%
100-0350-440-7025	Retirement - CalPERS PEPPRA UAL	ASM	2,081	2,233	-	-100.0%
100-0350-440-7027	Retirement - PARS benefit	ASM	1,267	2,529	6,093	140.9%
100-0350-440-7028	Medicare	ASM	25,595	27,505	30,444	10.7%
100-0350-440-7041	Benefits - medical active	ASM	291,513	304,057	302,733	-0.4%
100-0350-440-7042	Benefits - flex\$	ASM	11,619	6,000	6,000	0.0%
100-0350-440-7043	Benefits - dental	ASM	27,939	25,000	23,830	-4.7%
100-0350-440-7044	Benefits - Life-AD&D-LTD Insurance	ASM	9,993	11,007	10,702	-2.8%
100-0350-440-7045	Benefits - vision	ASM	3,557	5,958	5,645	-5.3%
100-0350-440-7046	Benefits - employer paid MARA	ASM	17,407	21,541	23,053	7.0%
100-0350-440-7047	Benefits - retiree medical premium	ASM	25,232	23,883	28,331	18.6%
100-0350-440-7048	Benefits - retiree reimburse medical	ASM	41,441	45,024	33,450	-25.7%
100-0350-440-7049	Benefits - retiree medical prefund	ASM	-	13,438	-	-100.0%
100-0350-440-7051	Benefits - EAP	ASM	1,388	1,710	1,374	-19.6%
100-0350-440-7061	Unemployment benefits	ASM	665	3,230	2,979	-7.8%

***Position Code**

ASM Administrative Services Manager
 TPM Treatment Plant Manager
 MS Maintenance Supervisor
 EIT Electrical Instrumentation Technician
 AE Associate Engineer

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
1,963,229	4.5%	Salaries for 14.5 full-time employees (Treatment Plant Manager 50% Maintenance & 50% Operations). Includes a 4.5% COLA salary increase for represented and unrepresented employees, eleven step adjustments and leave balance cash-outs. FY25 includes a 4.5% COLA increase and three step or in-class adjustments.
-	0.0%	
113,720	0.0%	Part-time annuitant hired for special projects.
48,313	4.5%	Authorized overtime to complete unexpected maintenance activities or assignments that require work after an employee's regularly scheduled shift.
63,684	4.5%	24/7 Stand-by duty for qualified maintenance staff to respond to emergency repair work and equipment failures. Employees are paid to remain fit for duty and to respond within one hour. Sanitary District #2 funds one half of this expense.
2,188,946	4.3%	
71,865	4.8%	Employer contributions for CalPERS 2.7% @ 55 for Classic employee retirement program. The FY24 employer contribution rate is 15.95% for Classic employees and CalPERS estimates 16% for FY25.
111,102	4.8%	Employer contributions for CalPERS 2% @ 62 retirement program for PEPRA employees hired after January 1, 2013. The FY24 employer PEPRA contribution rate is 7.68% and CalPERS estimates FY25 to be 7.7%.
1,084	3.9%	Annual Survivors Benefit premium.
-	0.0%	The Classic unfunded accrued liability is the total minimum required employer contribution established in the CalPERS Actuarial Valuation Report dated June 30, 2021. The Agency issued POBS in FY22 to pay off the CalPERS UAL.
-	0.0%	The PEPRA unfunded accrued liability is the total minimum required employer contribution. The Agency issued POBS in FY22 to pay off the CalPERS UAL.
6,367	4.5%	PARS is retirement account for part-time and temporary employees. The employer rate is 3.75%.
31,814	4.5%	Employer's 1.45% share of Medicare for all employees.
323,319	6.8%	Medical coverage up to the Kaiser family rate. FY24 assumes a 6.6% premium increase and FY25 assumes a 6.8% increase.
6,000	0.0%	A medical "cash-back" benefit for one employee who is covered by a spouse's the medical plan.
23,830	0.0%	Dental is self-insured.
11,183	4.5%	Employer paid life, accidental death & dismemberment, and long-term disability insurances.
5,814	3.0%	Employer paid vision benefits.
24,090	4.5%	PEHP: Post Employment Health Plan (also known as MARA: medical after retirement account). Employer contribution of 1.5% of base salary.
29,606	4.5%	Medical benefits for thirteen retired employees at the SF-Bay Area PERS Kaiser single rate.
34,955	4.5%	Medical benefits in excess of the CalPERS PEMCHA minimum reimbursed directly to retirees.
-	0.0%	Prefunding of the Agency's post-employment health benefit obligations for current retirees and employees. Prefunding is not currently in use per the Agency's OPEB Funding Plan updated annually.
1,408	2.5%	Employee assistance program that provides counseling, professional consultation, and work/life referral services.
2,979	0.0%	An allowance for unemployment benefits paid to State Employment Development Department (EDD) for claims filed by separated employees.

Central Marin Sanitation Agency FY24 and FY25 Operating Budget

Line Item Accounts

MAINTENANCE

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
100-0350-440-7062	Benefit administration fees	ASM	5,442	5,897	5,511	-6.5%
100-0350-440-7063	Uniforms	AE	6,412	7,984	7,788	-2.5%
Subtotal Benefits			957,277	1,060,939	663,573	-37.5%
Total Salaries & Benefits			2,629,057	2,957,864	2,763,156	-6.6%
MAINTENANCE & REPAIRS (M&R)						
100-0350-440-7201	Outside services & parts	TPM	32,971	33,000	38,000	15.2%
100-0350-440-7202	Facilities maintenance	MS	23,200	30,600	37,500	22.5%
100-0350-440-7203	Fleet maintenance	MS	13,090	13,000	15,000	15.4%
100-0350-440-7210	Hazardous waste disposal	MS	39,215	60,000	65,000	8.3%
100-0350-440-7211	Groundskeeping	MS	31,360	35,000	35,000	0.0%
100-0350-440-7212	Utility supplies	MS	9,670	8,200	10,200	24.4%
100-0350-440-7213	Electrical equipment	EIT	16,139	29,580	32,000	8.2%
100-0350-440-7214	Small tools & equipment	MS	13,657	16,000	21,000	31.3%
100-0350-440-7215	Lubricants-propane-other	MS	4,436	7,000	9,000	28.6%
100-0350-440-7230	Plant pumps	MS	16,015	26,520	32,000	20.7%
100-0350-440-7231	Process tank maintenance	MS	11,564	20,400	24,700	21.1%
100-0350-440-7232	Centrifuge maintenance	MS	2,391	10,200	10,000	-2.0%
100-0350-440-7233	Process filter media replacement	MS	52,797	109,500	112,000	2.3%
100-0350-440-7234	Organic waste receiving facility	MS	22,037	44,000	45,500	3.4%

***Position Code**

ASM Administrative Services Manager

TPM Treatment Plant Manager

MS Maintenance Supervisor

EIT Electrical Instrumentation Technician

AE Associate Engineer

	% Change FY25 Adopted Budget	Adopted from FY24 Budget	Budget Account Description
5,731	4.0%		Administrative fees charged for EDIS dental, CalPERS medical, PEHP, and NAVIA Flex 125 plans.
7,788	0.0%		Uniforms costs for fourteen employees.
698,935	5.3%		
2,887,881	4.5%		
38,000	0.0%		Service repair costs performed by outside providers for machining, fabrication, vacuum services, specialty repair work, and related parts, equipment, and supplies.
35,500	-5.3%		Preventative and corrective repairs to maintain non-process specific facility structures such as roof and gutter systems, doors and door hardware, flooring, and painted surfaces. This account also includes funds for facility pest control services.
15,000	0.0%		Preventative, predictive, and corrective maintenance on the Agency's fleet vehicles, and includes purchases of batteries, oil, tires, and other consummables. The Agency's fleet consists of 11 vehicles, 2 forklifts, 1 skid steer loader, 16 electric carts, and 6 bicycles.
65,000	0.0%		Safe disposal of wastes such as oils, greases, oil and air filters, coolants, paints, solvents, light bulbs, batteries, air purification medias (siloxane, hydrogen sulfide, and activated carbon), and for the disposal of laboratory generated hazardous wastes.
35,000	0.0%		Landscaping services and supplies to maintain the Agency grounds and property. Services include defensible space maintenance, weed abatement, and homeless camp clean-up.
10,200	0.0%		Custodial and general facility maintenance cleaning supplies. increased to align with current expenditures affected by inflation.
32,000	0.0%		Allowance for procurement of routine electrical equipment such as conduit, wiring, electrical connectors, fittings, consumable electrical supplies, and facility lighting (light bulbs, tubes, LED lights).
16,000	-23.8%		Purchase and repair of hand, power, and pneumatic tools utilized in the day-to-day maintenance of assets and equipment. A \$13K purchase of a welding shop table is planned for FY24.
9,000	0.0%		Lubricants used for facility assets and equipment (cogeneration and stand-by power systems excluded), propane for the forklift, welding and calibration gases, and lab bioassay oxygen. Budget increases due to continued volatility in the oil and gas markets.
32,000	0.0%		Allowance for routine consumable parts and equipment such as impellers, volutes, packing material, and gasket material. Increases to account for inflation.
24,700	0.0%		Allowance for routine consumable parts and equipment for facility process tanks and the primary heat exchanger (excludes heat exchangers utilized by cogeneration systems). Budget increase aligns to current expenditures.
10,000	0.0%		Consumable parts and equipment for annual preventative and corrective maintenance for three centrifuges and their system components.
112,000	0.0%		Biogas and air purification media for facility equipment. Budget includes purchase of media for sulfatreat vessels, siloxane filters, and activated carbon odor scrubbers.
45,500	0.0%		Allowance for consumable items required for maintaining the OWRF. This budget assumes performing four cleanings, eight hose and glycerin changeouts, paddle finisher screens and shaft, as well as rock trap replacement parts and other critical spare inventory items.

Central Marin Sanitation Agency
FY24 and FY25 Operating Budget
 Line Item Accounts

MAINTENANCE

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
100-0350-440-7235	Boilers hot water systems	MS	4,895	7,650	10,100	32.0%
100-0350-440-7236	Effluent pump station & diesel tank	MS	4,802	3,570	5,600	56.9%
100-0350-440-7237	Cogen emergency generator maint	MS	42,598	62,000	82,000	32.3%
Subtotal Maintenance & Repairs			340,837	516,220	584,600	13.2%
GENERAL & ADMINISTRATIVE						
100-0350-440-7601	Meetings/Training	TPM	1,913	6,000	6,000	0.0%
100-0350-440-7602	Conferences	TPM	3,585	13,000	13,000	0.0%
100-0350-440-7610	Prof affiliation memberships	TPM	3,912	5,500	5,500	0.0%
100-0350-440-7650	Office expenses		1,578	480	4,500	837.5%
100-0350-440-7670	Printing & publications		-	520	500	-3.8%
100-0350-440-7710	Prof svcs - Underground service alert	MS	128	204	200	-2.0%
Subtotal General & Administrative			11,160	25,704	29,700	15.5%
Subtotal (excluding Salary and Benefits)			351,997	541,924	614,300	13.4%
Total Maintenance			2,981,054	3,499,788	3,377,456	-3.5%

***Position Code**

ASM Administrative Services Manager

TPM Treatment Plant Manager

MS Maintenance Supervisor

EIT Electrical Instrumentation Technician

AE Associate Engineer

	% Change FY25 Adopted Budget	Adopted from FY24 Budget	Budget Account Description
9,000	-10.9%		Consumable items required for maintaining two dual fueled hot water boilers and hot water recirculation systems. Budget includes annual specialized boiler system inspection work to examine the brick and burner assemblies, the fuel regulating systems, and associated pumps and piping. Planned maintenance for the boiler control system and the addition of a corrosion inhibitor is planned for FY24.
4,000	-28.6%		Allowance for parts and consumable items within the effluent pump station and its above ground diesel tank. Includes pump and engine parts, drive shafts, fuel conveyance, diesel storage tanks, motor controls, and the fire protection system. Planned maintenance for five engine cooling systems is scheduled for FY24.
82,000	0.0%		Routine parts and equipment for scheduled systems maintenance. Diesel exhaust fluid (DEF) usage has doubled from previously projected usage.
574,900	-1.7%		
6,000	0.0%		Expenses associated with attendance at single-day meetings, seminars, technical certification courses, and professional development. Includes allowed expenses pursuant to the Agency's expense reimbursement policy.
13,000	0.0%		Expenses associated with multi-day professional conferences, seminars, and training events outlined in the Agency's travel and expense reimbursement policy.
5,500	0.0%		Professional memberships and annual certification renewal fees for all department employees. Budget assumes five technicians will take and pass technical exams and earn
4,500	0.0%		Copier expenses.
520	4.0%		Subscriptions.
200	0.0%		Annual Underground Service Alert fee to identify utility locations prior to any type of digging or excavation work.
29,720	0.1%		
604,620	-1.6%		
3,492,501	3.4%		

**Non-Agency Expenses - CMSA Services Provided Under Contract to Other Local Agencies
(Non-Agency Health & Safety, Non-Agency Countywide Public Education Program, Non-Agency Maintenance)**

The Agency provides contract services to other local agencies for wastewater treatment services, pump station and collection system maintenance, and administration of Source Control Programs. The Agency also serves as the lead agency to administer the Health & Safety Program and the Marin County Cooperative Public Education Program.

Except for the Public Education Program, the budget in this cost center tracks the employee compensation and benefits and contract expenses incurred on behalf of the contracting agencies. Each contracting agency has agreed to reimburse CMSA the costs of services rendered by CMSA in accordance with the terms of their respective contracts. SQSP funds the authorized Institutional Utility Laborer positions who perform maintenance and wastewater services for the prison.

The tables below illustrate the relationship between the amount of projected revenues from each contracting agency in FY24 and FY25 and estimated expenses incurred by CMSA for its services.

Non-Agency Summary Contract Agreement Services	FY22 Actual	FY23 Budget	FY24 Budget	FY25 Budget
AUTHORIZED POSITIONS: Institutional Utility Laborer	3	3	3	3
CONTRACT SERVICE REVENUES				
San Quentin State Prison Wastewater Services	\$ 815,001	\$ 740,422	\$ 815,000	\$ 815,000
San Quentin State Prison Pump Station Maintenance	415,570	413,895	437,065	458,918
San Quentin Village Wastewater Services	16,988	34,800	20,000	20,000
SD#2 Pump Stations	358,236	480,295	489,901	499,699
LGVSD - FOG & Pollution Prevention	14,934	23,519	14,605	15,117
SD #1 – FOG	14,287	29,095	22,624	23,416
SRSD – FOG	26,162	39,911	28,671	29,675
TCSD – FOG	1,894	2,459	1,440	1,491
SD #2 – FOG	5,748	8,912	7,408	7,668
Almonte SD – FOG	3,342	1,199	1,205	1,247
Novato SD - Dental Amalgam	2,470	3,477	4,340	4,492
SUBTOTAL CONTRACT SERVICE REVENUES	\$1,674,632	\$1,777,984	\$1,842,259	\$1,876,723
Health & Safety Program	77,851	83,080	94,714	98,877
County-wide Education Program	37,208	43,568	51,574	52,257
SUBTOTAL PROGRAM REVENUES	\$ 115,059	\$ 126,648	\$ 146,288	\$ 151,134
TOTAL CONTRACT SERVICE REVENUES	\$1,789,691	\$1,904,632	\$1,988,547	\$2,027,857
CONTRACT AGREEMENT SERVICES EXPENDITURES (EXCLUDING ADMINISTRATIVE OVERHEAD CHARGES)				
San Quentin State Prison Wastewater Services	\$ 815,001	\$ 740,422	\$ 815,000	\$ 815,000
San Quentin State Prison Pump Station Maintenance	415,570	413,895	437,065	458,918
San Quentin Village Wastewater Services	14,879	30,793	17,400	17,400
SD#2 Pump Stations	305,117	428,068	436,012	444,732
LGVSD - FOG & Pollution Prevention	12,241	19,278	11,971	12,391
SD #1 - FOG	12,989	26,450	20,567	21,287
SRSD - FOG	23,784	36,283	26,065	26,977
TCSD - FOG	1,553	2,016	1,180	1,222
SD #2 - FOG	5,225	8,102	6,735	6,971
Almonte SD – FOG	3,039	1,090	1,095	1,134
Novato SD - Dental Amalgam	2,024	2,850	3,557	3,682
SUBTOTAL COOPERATIVE AGREEMENT EXPENDITURES	\$1,611,421	\$1,709,246	\$1,776,648	\$1,809,714
Health & Safety Program	75,172	80,251	91,658	95,684
County-wide Education Program	32,355	37,885	44,847	45,441
SUBTOTAL PROGRAM EXPENDITURES	\$ 107,526	\$ 118,136	\$ 136,505	141,125
TOTAL COOPERATIVE AGREEMENT EXPENDITURES	\$1,718,947	\$1,827,382	\$1,913,153	\$1,950,839
NET COOPERATIVE AGREEMENT SERVICES	\$ 70,744	\$ 77,250	\$ 75,394	\$ 77,018

Central Marin Sanitation Agency FY24 and FY25 Operating Budget

Line Item Accounts

Non-Agency Health & Safety

CMSA Services Provided Under Contract to Other Local Agencies

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
SALARIES & BENEFITS						
100-0121-440-7001	Salaries wages - regular	ASM	56,335	57,441	61,116	6.4%
100-0121-440-7015	Salaries wages - car allowance	ASM	1,835	1,908	1,908	0.0%
Subtotal Salaries Wages			58,169	59,349	63,024	6.2%
100-0121-440-7022	Retirement - CalPERS PEPR	ASM	4,087	4,226	4,541	7.5%
100-0121-440-7023	Retirement - CalPERS Survivors	ASM	22	27	30	11.1%
100-0121-440-7028	Medicare	ASM	828	861	914	6.2%
100-0121-440-7041	Benefits - medical active	ASM	5,051	6,422	12,080	88.1%
100-0121-440-7043	Benefits - dental	ASM	587	663	677	2.1%
100-0121-440-7044	Benefits - Life-AD&D-LTD Insurance	ASM	268	292	304	4.1%
100-0121-440-7045	Benefits - vision	ASM	97	158	160	1.3%
100-0121-440-7046	Benefits - employer paid MARA	ASM	804	849	887	4.5%
100-0121-440-7047	Benefits - retiree medical premium	ASM	836	730	866	18.6%
100-0121-440-7048	Benefits - retiree reimburse medical	ASM	-	1,399	1,023	-26.9%
100-0121-440-7049	Benefits - retiree medical prefund	ASM	-	356	-	-100.0%
100-0121-440-7051	Benefits - EAP	ASM	38	-	39	0.0%
100-0121-440-7061	Unemployment benefits	ASM	-	85	-	-100.0%
100-0121-440-7062	Benefit administration fees	ASM	146	156	156	0.0%
Subtotal Benefits			12,765	16,224	21,677	33.6%
Total Salaries & Benefits			70,935	75,573	84,701	12.1%
GENERAL ADMINISTRATIVE						
100-0121-440-7601	Meetings/Training	SM	113	795	398	-49.9%
100-0121-440-7602	Conferences	SM	421	1,590	1,193	-25.0%
100-0121-440-7610	Prof affiliation memberships	SM	405	405	409	1.0%
100-0121-440-7650	Office expenses	SM	-	199	199	0.0%
100-0121-440-7651	Safety supplies	SM	12	80	80	0.0%
100-0121-440-7652	Information technology software	SM	1,391	1,870	1,873	0.2%
100-0121-440-7670	Printing & publications	SM	889	676	655	-3.1%
100-0121-440-7701	Prof svcs - general	SM	-	1,988	1,789	-10.0%

***Position Code**

ASM Administrative Services Manager
 GM General Manager
 SM Safety Manager

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
63,866	4.5%	Novato Sanitary District's (NSD) share of the Senior Safety Specialist position salary is 39.75% and includes car allowance and leave cash-outs. The Agency's share is 60.25% and is allocated to the Health & Safety Budget.
1,908	0.0%	NSD's 39.75% share of the SSS car allowance.
65,774	4.4%	
4,757	4.8%	Employer contributions for CalPERS 2% @ 62 retirement program for PEPRA employees hired after January 1, 2013. The FY24 employer PEPRA contribution rate is 7.68% and CalPERS estimates FY25 to be 7.7%.
31	3.3%	Annual Survivors Benefit premium.
955	4.5%	Employer's 1.45% share of Medicare for all employees.
12,902	6.8%	Medical coverage up to the Kaiser family rate. FY24 assumes a 6.6% premium increase and FY25 assumes a 6.8% increase.
677	0.0%	Dental is self-insured.
318	4.6%	Employer paid life, accidental death & dismemberment, and long-term disability insurances.
165	3.1%	Employer paid vision benefits.
927	4.5%	PEHP: Post Employment Health Plan (also known as MARA: medical after retirement account). Employer contribution of 1.5% of base salary.
905	4.5%	Medical benefits for a .40 share of one retired employee at the SF-Bay Area PERS Kaiser single rate.
1,069	4.5%	Medical benefits in excess of the CalPERS PEMCHA minimum reimbursed directly to retirees.
-	0.0%	Prefunding of the Agency's post-employment health benefit obligations for current retirees and employees. Prefunding is not currently in use per the Agency's OPEB Funding Plan updated annually.
40	2.6%	Employee assistance program that provides counseling, professional consultation, and work/life referral services.
-	0.0%	An allowance for unemployment benefits paid to State Employment Development Department (EDD) for claims filed by separated employees.
163	4.5%	Administrative fees charged for EDIS dental, CalPERS medical, PEHP, and NAVIA Flex 125 plans.
22,909	5.7%	
88,683	4.7%	
398	0.0%	Visual aids for meetings, tools, IT equipment, training materials, and refreshments.
1,193	0.0%	Safety related conferences, professional development, webinars, and industry conferences.
409	0.0%	Institute of Hazardous Materials (CHMM), Board of Certified Safety Professionals, National Safety Council, and American Society of Safety Professionals.
199	0.0%	Supplies
80	0.0%	
1,917	2.3%	MSDS Online, Keller Online
655	0.0%	Mancomm Regulations, CalOSHA Reporter, Safety Alert for Supervisors, NFPA/ANSI Standards
1,789	0.0%	Contracted services to assist in completion/developing of programs.

**Central Marin Sanitation Agency
FY24 and FY25 Operating Budget**

Line Item Accounts

Non-Agency Health & Safety

CMSA Services Provided Under Contract to Other Local Agencies

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
100-0121-440-7731	Employee health maintenance	SM	-	-	-	0.0%
100-0121-440-7739	Outside safety training	SM	4,667	3,857	7,038	82.5%
Subtotal Administrative			7,898	11,460	13,634	19.0%
Total Non-Agency Health & Safety			78,833	87,033	98,335	13.0%

***Position Code**

ASM Administrative Services Manager
 GM General Manager
 SM Safety Manager

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
-	0.0%	Expense for workplace safety related physicals, pre-employment exams, and urgent care at Kaiser Hospital and Medical Center of Marin.
4,972	-29.4%	Training expenses for required safety programs that include hearing tests, CPR/first aid, fire extinguisher, incident command, traffic control, defensive driving, and many other Cal/OSHA programs that facilitate a safe work environment.
11,612	-14.8%	
100,295	2.0%	

Central Marin Sanitation Agency
FY24 and FY25 Operating Budget
 Line Item Accounts

Non-Agency Technical Services - Countywide Public Education Program
CMSA Services Provided Under Contract to Other Local Agencies

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
GENERAL ADMINISTRATIVE						
100-0231-440-7737	Public Ed Program	RCM	32,199	45,346	44,847	-1.1%
Total Non-Agency Technical Services			32,199	45,346	44,847	-26.0%

***Position Code**

RCM Regulatory Compliance Manager

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
45,441	1.3%	Participating agency's share of the Countywide Public Education Program expenses associated with participating in public outreach events, hosting school programs, a Comcast video presentation, and educational materials for the program.
45,441	-119.0%	

Central Marin Sanitation Agency FY24 and FY25 Operating Budget

Line Item Accounts

Non-Agency Maintenance

CMSA Services Provided Under Contract to Other Local Agencies

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
SALARIES & BENEFITS						
100-0351-440-7001	Salaries wages - regular	ASM	152,232	174,809	181,747	3.97%
Subtotal Salaries Wages			161,763	174,809	191,657	-25.08%
100-0351-440-7021	Retirement - CalPERS Classic	ASM	-	-	-	0.0%
100-0351-440-7022	Retirement - CalPERS PEPR	ASM	11,579	13,058	13,958	6.9%
100-0351-440-7023	Retirement - CalPERS Survivors	ASM	127	200	223	11.5%
100-0351-440-7028	Medicare	ASM	2,386	2,535	2,779	9.6%
100-0351-440-7041	Benefits - medical active	ASM	27,367	54,385	35,066	-35.5%
100-0351-440-7043	Benefits - dental	ASM	4,565	5,000	5,106	2.1%
100-0351-440-7044	Benefits - Life-AD&D-LTD Insurance	ASM	1,863	2,201	2,293	4.2%
100-0351-440-7045	Benefits - vision	ASM	675	1,192	1,210	1.5%
100-0351-440-7046	Benefits - employer paid MARA	ASM	2,290	2,622	2,726	4.0%
100-0351-440-7049	Benefits - retiree medical prefund	ASM	-	2,688	-	-100.0%
100-0351-440-7051	Benefits - EAP	ASM	287	-	294	0.0%
100-0351-440-7061	Unemployment benefits	ASM	-	625	638	2.1%
100-0351-440-7062	Benefit administration fees	ASM	1,088	1,179	1,181	0.2%
100-0351-440-7063	Uniforms	AE	-	1,597	1,557	-2.5%
Subtotal Benefits			52,227	87,282	67,031	-23.20%
Total Salaries & Benefits			213,990	262,091	258,688	-1.30%
MAINTENANCE & REPAIRS (M&R)						
100-0351-440-7290	SD#2 Repair services & outside parts	MS	29,989	11,272	11,723	4.00%
100-0351-440-7201	SD#2 General parts, supplies, equipment	MS	20,660	23,730	24,679	4.00%
100-0351-440-7297	SD#2 Recommended asset mgmt projects	MS	2,159	136,858	100,000	-26.93%
100-0351-440-7291	SQSP pump station maintenance: extra work	TPM	223,166	178,089	357,957	101.00%

***Position Code**

ASM Administrative Services Manager
 GM General Manager
 MS Maintenance Supervisor
 TPM Treatment Plant Manager
 AE Associate Engineer

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
189,926	4.50%	Salaries for 3 full-time IUL maintenance positions are allocated to the Non-Agency Maintenance budget. Includes a 4.5% COLA salary increase, three step adjustments, and leave balance cash-outs. FY23 includes a 4.5% COLA.
200,282	51.19%	
-	0.0%	Employer contributions for CalPERS 2.7% @ 55 for Classic employee retirement program. The FY24 employer contribution rate is 15.95% for Classic employees and CalPERS estimates 16% for FY25.
14,624	4.8%	Employer contributions for CalPERS 2% @ 62 retirement program for PEPRAs employees hired after January 1, 2013. The FY24 employer PEPRAs contribution rate is 7.68% and CalPERS estimates FY25 to be 7.7%.
232	4.0%	Annual Survivors Benefit premium.
2,904	4.5%	Employer's 1.45% share of Medicare for all employees.
37,450	6.8%	Medical coverage up to the Kaiser family rate. FY23 assumes a 6.5% premium increase.
5,106	0.0%	Dental is self-insured.
2,396	4.5%	Employer paid life, accidental death & dismemberment, and long-term disability insurances.
1,246	3.0%	Employer paid vision benefits.
2,849	4.5%	PEHP: Post Employment Health Plan (also known as MARA: medical after retirement account). Employer contribution of 1.5% of base salary.
-	0.0%	Prefunding of the Agency's post-employment health benefit obligations for current retirees and employees. Prefunding is not currently in use per the Agency's OPEB Funding Plan updated annually.
302	2.7%	Employee assistance program that provides counseling, professional consultation, and work/life referral services.
638	0.0%	An allowance for unemployment benefits paid to State Employment Development Department (EDD) for claims filed by separated employees.
1,228	4.0%	Administrative fees charged for EDIS dental, CalPERS medical, PEHP, and NAVIA Flex 125 plans.
1,557	0.0%	Uniforms costs for three employees.
70,532	5.22%	
270,814	4.69%	
12,074	2.99%	Allowance for specialty repairs, contractor services, metal fabrication work, and vacuum trucks for annual pump station cleaning and debris removal.
25,420	3.00%	Allowance for consumable material purchases such as pump parts, lubricants, and electrical supplies. Includes general utility tools, painting supplies, hoses and hose bibs, and ladders.
103,000	3.00%	Staff performed AM improvements work which includes procuring and replacing pumps, impellers, and small VFD's. There are however the three large 300hp pumps at Paradise that CMSA recommends replacing.
375,854	5.00%	Additional maintenance services and projects outside the scope of the annual contract.

**Central Marin Sanitation Agency
FY24 and FY25 Operating Budget**

Line Item Accounts

Non-Agency Maintenance

CMSA Services Provided Under Contract to Other Local Agencies

Account #	Account Name	*By	FY22 Actual	FY23 Budget	FY24 Adopted Budget	% Change FY24 Adopted from FY23 Budget
100-0351-440-7208	SQSP General parts, supplies, equipment	TPM	1,939	5,175	5,250	1.45%
100-0351-440-7209	SQSP Repair services	TPM	-	1,346	1,365	1.41%
100-0351-440-7292	SQ village WW system maint	TPM	5,485	9,863	20,000	102.78%
Subtotal Maintenance & Repairs			283,397	366,333	520,974	42.2%
<u>GENERAL ADMINISTRATIVE</u>						
100-0351-440-7609	SQSP Gate & PS access training	TPM	-	2,484	2,633	6.00%
100-0351-440-7710	SD#2 USA North 811 services	MS	1,149	1,540	1,602	4.03%
100-0351-440-7711	SQSP USA, documents & reports	TPM	-	239	253	5.86%
Subtotal Administrative			1,329	4,263	4,488	5.28%
Total Non-Agency Maintenance			498,717	632,687	784,150	23.94%

***Position Code**

ASM Administrative Services Manager
 GM General Manager
 MS Maintenance Supervisor
 TPM Treatment Plant Manager
 AE Associate Engineer

FY25 Adopted Budget	% Change FY25 Adopted from FY24 Budget	Budget Account Description
5,408	3.01%	Material purchases such as pumps and pump parts, electrical equipment and components, and general supplies to maintain station and collection system equipment.
1,406	3.00%	Specialty contractors, metal fabrication work, rental equipment.
20,000	0.00%	SQV wastewater maintenance costs include labor, mileage, repair services, parts, supplies, equipment, and recommended maintenance and capital expenditures.
543,162	4.3%	
2,712	3.00%	Mandatory prison access training and card renewal process. Budget for nine MT's, three E/I, three UW, three IUL, two administration staff.
1,650	3.00%	Annual subscription fee based on 1,100 avg/tickets/annual x \$0.575 per/ticket.
261	3.16%	Underground Service Alerts (USA) marking sewer lines (SQ 16" FM) when requested, and researching and updating as-built drawings. Maintain and provide access or copies, upon request, to all regulatory documents, annual operations and capital budgets concerning the O&M services provided under this agreement.
4,623	3.01%	
818,599	4.39%	

SECTION 8. CAPITAL IMPROVEMENT PROGRAM

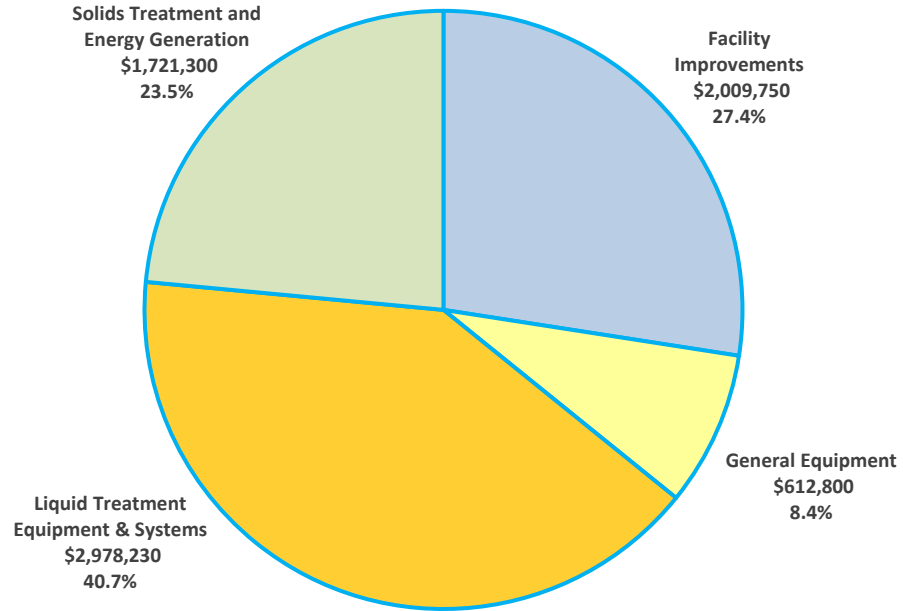
The treatment and disposal of wastewater and the beneficial reuse of recycled water, biosolids, and biogas is a highly regulated enterprise that requires significant capital infrastructure and investment. CMSA operates a continuously operating wastewater facility, and its various assets and equipment are subjected to heavy use in a sometimes-harsh operating environment. Some assets are subjected to constant contact with wastewater, abrasive materials, and chemicals used in the treatment process. Agency staff monitors the development of new technologies and considers systems and processes that may improve treatment efficiency, save energy, reduce chemical usage, and assist with meeting changing regulatory requirements. The maintenance, replacement, and addition of capital assets are an essential part of the Agency's CIP budget.

The CIP identifies capital expenditures over the next ten years for the Agency to develop appropriate funding plans. The 10-year CIP includes the replacement and rehabilitation of existing capital assets, as well as the acquisition or construction of new capital assets. Included within the 10-year CIP are the FY24 and FY25 budgets for capital projects and asset repair and replacement activities shown in the table below. These initiatives are organized into five categories: (1) Salary and Benefits for CIP Management, (2) Facility Improvements, (3) General Equipment, (4) Liquid Treatment Equipment and Systems, and (5) Solids Treatment and Energy Generation Equipment and Systems.

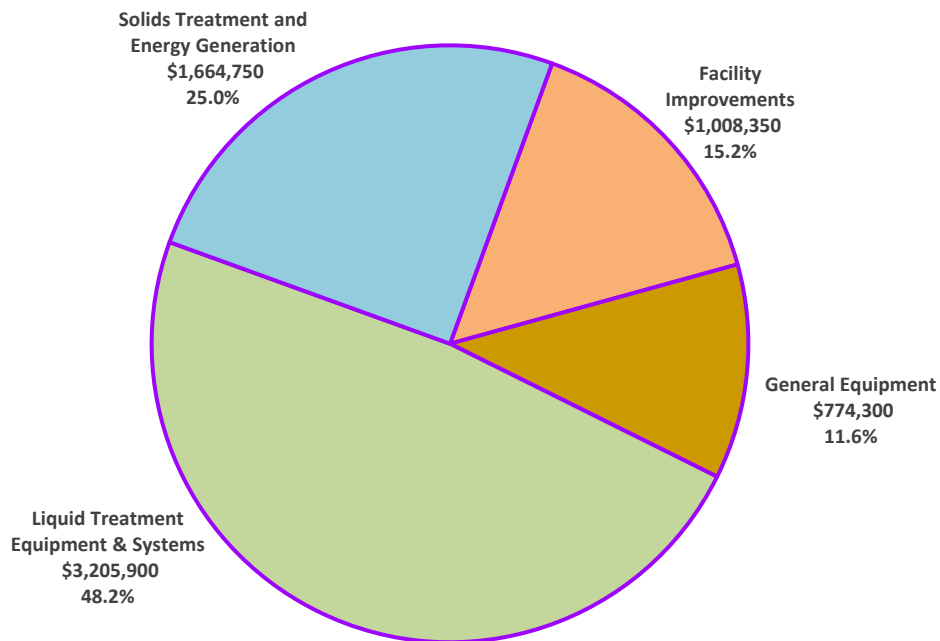
Capital expenditures are cash transactions made by the Agency that result in the acquisition or construction of a capital asset. For financial auditing purposes, a capital asset is any asset valued over \$5,000 with a useful life of over five years. Examples include land, buildings, machinery, vehicles, and equipment. All capital assets that the Agency plans to acquire, or construct are included in the FY24 and FY25 CIP.

	FY22 Actual	FY23 Budget	FY24 Budget	FY24 # Projects	FY25 Budget	FY25 # Projects
<u>CIP Categories:</u>						
Facility Improvements	715,302	722,000	2,009,750	7	1,008,350	5
General Equipment	311,521	852,700	612,800	9	774,300	9
Liquid Treatment Equipment and Systems	1,650,526	2,179,130	2,978,230	13	3,205,900	10
Solids Treatment and Energy Generation Equipment and Systems	5,364,462	3,693,676	1,721,300	8	1,664,750	7
TOTAL CIP PROJECTS	\$8,041,811	\$7,447,506	\$7,322,080	37	\$6,653,300	31

FY24 CIP Budget



FY25 CIP Budget



Major Capital Projects

The 10-year CIP includes many important projects to maintain or improve the operation of the Agency's facilities. Within the CIP, several projects have additional Detailed Project Descriptions that further explain the scope, schedule, and budget for the project. The following are the major projects in FY24 and FY25:

- **Electrical Distribution System Rehabilitation:** A detailed assessment of the main electrical switchgear was conducted in FY21, and the equipment was generally found to be in good condition given its advanced age, while several relatively minor maintenance/repair items were identified and addressed in FY22 and FY23. In addition, a switchgear reinspection was initiated in FY23 and will be completed in early FY24, including an inspection of the aging headworks Motor Control Center (MCC). If found necessary based on the re-inspection results, CMSA would also begin planning for the design for a complete or partial switchgear and/or headworks MCC replacement in FY25.
- **Headworks Equipment:** The Agency's grit classification system separates and washes grit that is removed from the plant influent. It was installed in the 1980s and has reached the end of its useful life. A project will be completed in FY24 to design a replacement system which will be procured and installed in FY25.
- **Primary Clarifiers Rehabilitation:** There are seven primary clarifiers in the treatment plant. The concrete on portions of some of the clarifiers' walls and the clarifier mechanical components have experience significant deterioration since original installation in the 1980s. From FY24 through FY29 one or two primary clarifiers a year will be systematically rehabilitated to repair the aging concrete walls and mechanical components. In addition, a baffle flow optimization system will be installed into one primary clarifier in FY24 to validate its efficacy in improving clarifier performance.
- **Secondary Clarifiers Rehabilitation:** There are four secondary clarifiers in the treatment plant. As part of periodic maintenance and rehabilitation work to properly maintain and extend the life of the clarifiers, Secondary Clarifier Nos. 1, 3, and 4 were rehabilitated in FY21, FY22, and FY23. Rehabilitation of the remaining Secondary Clarifier No. 2 will be completed in FY24. Work includes repairing the corrosion on mechanical equipment, metal structural components, and interior piping, resurfacing the effluent trough concrete, and retrofitting a walkway with fiberglass reinforced plastic (FRP) grating.
- **Centrifuge Maintenance:** The facility's three existing centrifuges are reaching the end of their useful lives, and the biosolids hoppers underneath the centrifuges are exhibiting increased corrosion. The design for new centrifuges began in FY23 and will continue to FY25, with construction anticipated to begin in FY25. The project includes an evaluation of the flows and loads and polymer system, a pilot test of selected centrifuges, and development of construction documents to replace the centrifuges, including installing a bridge crane and conveyor system to allow flexibility of distributing dewatered sludge from the centrifuges into the biosolids hoppers. The structural repairs for the biosolids hoppers will be completed in FY24.
- **New Cogeneration System:** This project includes construction of a new cogeneration system to expand the Agency's power delivery program. Pre-purchase and construction began in FY21 and was substantially completed in FY23. A few relatively minor project close-out activities will be conducted in FY24.

- **Liquid Organic Waste Storage and Biogas Treatment Upgrades:** This project includes constructing a new above-grade liquid organic waste storage tank including associated site improvements and installation of a mixing pump, screening system, valves, piping, and structural and electrical appurtenances to integrate into the existing Organic Waste Receiving Station (OWRF), and also includes modifications to improve the reliability of the existing biogas treatment system by installing two new chillers and a new heat exchanger. Construction began in FY23 and will be completed in FY24. Additionally, a study will be conducted to evaluate utilization options for future excess biogas production beyond the existing engine's capacity, including biogas upgrading and transportation fuel options and complete economic analysis. This project and study will allow CMSA to maximize the production of renewable power and will increase the overall reliability of CMSA's organic waste receiving and biogas processing facilities.

10-Year Capital Improvement Program Planning and Funding

The Agency annually updates its 10-year CIP as part of the budget development process. The FY24 and FY25 CIP Budget and 10-year CIP schedule were prepared by an interdisciplinary CIP team comprising managers and supervisors from the Technical Services, Operations, and Maintenance departments. The CIP team is responsible for developing and managing the annual CIP Budget, determining the appropriate delivery method for each project and activity, and monitoring and reporting CIP activities. The General Manager and Administrative Services Manager are responsible for working with the Board Finance Committee to develop long-term funding options for the CIP.

The plan undergoes several levels of review. Each project or activity in the CIP is individually evaluated to, (1) determine its operational necessity, (2) ascertain if there is a less expensive alternative, (3) identify opportunities to reduce energy consumption and/or greenhouse gas emissions, and (4) create a project development schedule. Depending on the scale of the project, large, multi-year construction projects will typically have evaluation, study, and/or pre-design elements incorporated into the CIP. Costs for large projects are estimated by engaging consulting engineers to prepare cost estimates, while cost estimates for smaller scale projects are determined by either surveying other public agencies or by utilizing costs from similar projects conducted by CMSA. Once the budget has been adopted, the Agency is required to comply with the California Uniform Public Construction Cost Accounting Act (CUPCAA) to acquire the assets and deliver the project. All construction and professional service contracts and purchases that are over the dollar threshold set by CUPCAA and CMSA policies require Board approval at an open public meeting.

The total cost of the CIP over the next 10 years is approximately \$74 million. This 10-year CIP scope focuses primarily on replacing priority infrastructure and assets, and is funded by capacity charges, debt service coverage revenues, debt proceeds, a capital fee, and unrestricted capital reserves and a \$2.5 million grant from CalRecycle for the Liquid Organic Waste Storage and Biogas Treatment upgrades. CMSA issued \$9 million in revenue bonds in October 2020 to assist with CIP funding.

Other Sources of Capital Funding

The Agency receives a capacity charge when a new home or business connects to the sanitary sewer system or there is an expansion of an existing connection's fixture units. The intent of the charge is to ensure that all new users pay their fair share of the capital costs for the capacity of the wastewater treatment and disposal system. For a new or expanded connection, the JPA member collects the combined connection fee and capacity charge from the property owner/developer, and the capacity charge portion of the fee is remitted to CMSA.

Central Marin County is a well-developed region with very few large-scale residential or commercial developments in the CMSA service area. Capacity charges received during the fiscal year are accounted for per the California Government Code, requiring that CMSA disclose the amount of capacity charges collected within 180 days after the fiscal year end, and identify the public improvements or projects that were funded by the capacity charges. The amount of capacity charges that the Agency has received each fiscal year and the capital improvements funded by these charges can be found in the Agency's ACFR which is available on the Agency's website: www.cmsa.us/finance/budget.

Refining Capital Infrastructure Planning and Budgetary Impacts

Over the last several years, the Agency invested in the development and use of a computerized asset management system. An important aspect of an asset management system is the ability to schedule maintenance and monitor operating performance of capital assets. The system database accumulates information on each asset, and the data is used to determine when it is no longer economically feasible to maintain an asset and when a replacement should be considered.

In the last five GFOA budget presentations, the Agency had attempted to address the impact of CIP investments on future operating budgets. Most capital projects are approved to replace existing assets. Once a decision has been made to replace an existing asset, the Agency incorporates elements of operational savings such as energy efficiency, reduced chemical usage, or improved operational reliability, into the selection of the new asset. When capital assets are placed in service, the savings or increased operating costs are quantified and incorporated into the planning of the annual budget.

FY24 and FY25 and 10-Year CIP Budget Documents

Refer to the following documents for detailed information on the 10-year CIP:

- 10-Year Capital Improvement Program Schedule. The schedule shows the Agency's planned capital activities for the next 10 fiscal years.
- Capital Improvement Program – Account/Project Descriptions. Each project, initiative, and activity in the 10-year CIP expenditure plan is described by budget account number and serves to guide Agency staff in the execution of budgeted activities. The document identifies replacement schedules for equipment and assets and is a reference when assigning account numbers for purchase orders and payment of goods and services.
- Detailed Project Descriptions. Each large or multi-year initiative has a dedicated planning level document which describes the major capital project by its scope, justification, costs by fiscal year and activity, and includes photograph(s) of the project being described.

**Central Marin Sanitation Agency
Capital Improvement Program
FY24 and FY25 Budget and 10-Year Forecast**

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GL Account Number	PM*		Delivery Method	10-year CIP												Total FY24 - FY33
				Adopted FY23	Projected Actual FY23	1 Adopted FY24	2 Adopted FY25	3 FY26	4 FY27	5 FY28	6 FY29	7 FY30	8 FY31	9 FY32	10 FY33	
Facility Improvements																
0230-550-8201	TSM	Effluent Storage Pond Rehabilitation	FB	-	-	-	18,300	32,400	1,463,700	-	-	-	-	-	-	1,514,400
0230-550-8202	TSM	Agency Facilities Master Plan	PSA	-	-	-	-	500,000	-	-	-	-	-	-	750,000	1,250,000
0230-550-8203	TSM	Industrial Coatings & Concrete Rehabilitation	IB/MC/FB	197,000	58,500	458,200	154,700	25,100	176,300	27,500	28,700	30,000	31,400	32,800	34,300	999,000
0230-550-8204	TSM	Outfall Inspection & Repairs	IB/MC/FB	80,000	80,000	483,500	40,700	42,500	44,400	136,000	48,500	50,700	53,000	55,400	57,900	1,012,600
0230-550-8205	TSM	Facility Improvements	IB	145,000	116,000	393,900	173,500	165,600	173,100	104,500	45,700	166,400	214,900	50,000	197,600	1,685,200
0230-550-8206	TSM	Facility Paving/Site Work	IB/MC	200,000	-	305,000	163,600	177,500	14,700	15,300	16,000	16,700	17,500	18,300	19,100	763,700
0230-550-8207	TSM	Hillside Repairs	PSA/IB	-	9,500	110,000	-	-	-	75,000	-	-	-	-	-	185,000
0230-550-8208	TSM	Facility Roofs Rehabilitation	MC/IB/FB	50,000	22,296	26,200	27,400	-	50,000	1,009,800	32,700	34,200	35,700	37,300	39,000	1,292,300
0230-550-8209	TSM	SHB Elevator Control Replacement	IB/FB	50,000	-	232,950	182,950	-	-	-	65,000	-	-	-	-	480,900
0230-550-8210	TSM	Facility Structures Seismic Study	PSA	-	-	-	247,200	-	-	-	-	-	-	-	-	247,200
Subtotal - Facility Improvements				722,000	286,296	2,009,750	1,008,350	443,100	2,422,200	1,368,100	236,600	298,000	352,500	193,800	1,097,900	9,430,300
General Equipment																
0110-550-8301	ISA	Process Control	M/MC	74,300	35,000	72,200	88,400	40,700	42,500	44,400	46,400	48,500	50,700	53,000	55,400	542,200
0110-550-8302	MS	Security / Fire Systems	MC	23,700	20,000	12,600	18,300	13,800	20,000	15,000	21,800	16,400	23,800	17,900	26,100	185,700
0350-550-8303	MS/TSM	Fuel Storage Tanks	IB/MC	-	15,000	140,100	-	-	-	167,300	-	-	-	-	-	307,400
0110-550-8304	ISA	IT Hardware and Communication Equipment	M	78,000	55,000	49,200	70,300	38,700	65,800	97,400	61,500	87,800	48,400	38,500	91,000	648,600
0350-550-8305	MS	Agency Vehicle Replacement	IB/PO	42,400	42,000	42,500	144,300	68,900	49,200	101,600	43,700	45,700	47,800	50,000	96,900	690,600
0230-550-8306	RCM	Laboratory Equipment	PO	114,000	60,000	55,500	215,400	22,500	71,400	30,500	38,100	32,700	75,100	21,400	260,900	823,500
0350-550-8307	MS	Electrical Equipment	M/IB	142,300	125,000	56,400	109,000	93,100	97,300	101,700	106,300	111,100	116,200	121,500	127,000	1,039,600
0350-550-8308	MS	Plant Lighting	IB	10,000	9,500	-	-	-	-	-	-	-	-	-	-	-
0350-550-8309	MS	Process Instrumentation	M	28,000	48,600	66,300	28,600	89,900	56,300	32,700	34,200	35,700	37,300	39,000	40,800	460,800
0350-550-8310	TSM	Electrical Distribution System Rehabilitation	PSA/FB	340,000	200,000	118,000	100,000	2,076,300	6,627,700	250,000	249,700	1,924,800	272,900	2,103,400	298,300	14,021,100
Subtotal - General Equipment				852,700	610,100	612,800	774,300	2,443,900	7,030,200	840,600	601,700	2,302,700	672,200	2,444,700	996,400	18,719,500
Liquids Treatment Equipment and Systems																
0230-550-8401	TSM	Biotower Rotary Distributor Replacement	FB	-	-	-	-	-	-	50,000	1,233,400	-	-	-	1,682,500	2,965,900
0350-550-8402	MS	Plant Pumps	MC/M	70,700	70,000	95,000	109,300	82,600	86,300	90,200	94,300	98,600	103,000	107,700	112,600	979,600
0350-550-8403	MS	Chemical Pumps	M	123,700	110,000	72,800	73,200	64,000	66,900	69,900	73,100	76,400	79,800	83,500	87,300	746,900
0350-550-8404	MS	Gates Rehabilitation	M/IB/FB	70,000	64,000	493,300	90,000	424,200	103,700	108,400	113,300	118,400	123,800	129,400	135,300	1,839,800
0350-550-8405	TSM	Headworks Equipment	M/FB/PSA	53,000	35,000	192,600	1,061,200	758,900	199,500	41,300	43,100	45,100	47,100	49,300	51,500	2,489,600
0230-550-8406	TSM	Odor Scrubber Replacement	PSA/FB	-	-	-	-	-	-	-	2,580,000	-	3,024,300	-	2,170,200	7,774,500
0350-550-8407	MS	Process Tank Maintenance	M/IB	-	-	-	-	-	-	-	-	-	106,900	111,800	116,900	335,600
0350-550-8408	TSM	Primary Clarifiers Rehabilitation	M/FB/PSA	20,000	-	818,700	563,500	1,073,400	581,100	288,100	298,800	-	-	-	-	3,623,600
0350-550-8409	TSM	Secondary Clarifiers Rehabilitation	PSA/FB	1,508,900	1,196,548	796,030	-	-	-	-	-	-	-	-	-	796,030
0350-550-8411	TPM	Aeration System Rehabilitation	M/IB	5,000	4,983	42,000	-	11,500	-	67,500	-	136,500	-	94,200	-	351,700
0230-550-8412	TSM	Process Piping Inspection/Repairs/Replacement	PSA/IB	75,230	52,204	130,000	75,000	120,400	99,600	-	-	-	137,100	-	-	562,100
0350-550-8413	MS	Chemical Tanks	M/IB	38,100	28,000	46,100	53,700	49,800	60,700	63,500	66,400	69,400	72,500	75,800	79,300	637,200
0350-550-8414	MS	Piping, Valves & Operators	M	64,500	62,000	69,700	30,000	30,000	79,600	83,200	87,000	90,900	95,000	99,300	103,800	768,500
0230-550-8415	TSM	CCT Valve and Screen Replacement	FB	-	-	-	-	-	365,600	-	-	-	-	-	-	365,600
0230-550-8416	TSM	Influent Flow Meter Improvement	PSA/IB	150,000	54,698	122,000	50,000	-	-	-	-	-	-	-	-	172,000
0230-550-8417	TSM	Nutrient Removal	TBD	-	-	-	1,000,000	1,000,000	1,000,000	2,000,000	-	-	-	-	-	5,000,000
0230-550-8418	TSM	Recycled Water	PSA	-	-	100,000	100,000	100,000	100,000	100,000	-	-	-	-	-	500,000
Subtotal - Liquids Treatment Equipment and Systems				2,179,130	1,677,433	2,978,230	3,205,900	3,714,800	2,743,000	2,962,100	4,589,400	635,300	3,789,500	751,000	4,539,400	29,908,630

**Central Marin Sanitation Agency
Capital Improvement Program
FY24 and FY25 Budget and 10-Year Forecast**

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GL Account Number	PM*	Delivery Method	10-year CIP													
			Adopted FY23	Projected Actual FY23	1 Adopted FY24	2 Adopted FY25	3 FY26	4 FY27	5 FY28	6 FY29	7 FY30	8 FY31	9 FY32	10 FY33	Total FY24 - FY33	
Solids Treatment and Energy Generation Equipment and Systems																
0230-550-8501	TSM	Emergency Generator Assessment & Improvement	PSA/FB	125,000	94,800	-	-	528,200	1,601,000	-	-	75,000	-	-	2,204,200	
0230-550-8502	TSM	Digester Inspection, Cleaning & Cover Replacement	FB	812,000	699,392	-	-	-	-	74,900	78,300	97,900	1,564,400	1,633,000	3,448,500	
0350-550-8503	TSM	Centrifuge Replacement	PSA/FB	584,500	239,400	678,000	1,498,350	3,976,050	-	-	-	-	-	-	6,152,400	
0350-550-8504	MS	Waukesha Cogeneration Maintenance	M/IB/FB	10,000	380,000	-	-	-	-	-	-	-	-	-	-	
0350-550-8513	MS	Jenbacher Cogeneration Maintenance	M/IB/FB	56,700	56,000	79,200	62,000	197,200	274,900	70,800	74,000	142,900	80,900	523,100	1,593,400	
0230-550-8505	TSM	New Cogeneration System	FB	350,000	208,000	170,000	-	-	-	-	-	-	-	-	170,000	
0350-550-8506	MS	Hot Water Systems	M/PSA	32,100	24,000	34,700	36,300	43,100	6,900	7,200	7,500	7,800	8,200	8,600	169,300	
0350-550-8508	MS	Boilers	IB/FB	-	-	-	-	114,300	652,500	-	-	-	-	-	766,800	
0350-550-8510	MS	Biosolids Hoppers Maintenance	M	-	-	15,000	-	12,200	80,000	13,300	-	14,500	-	15,900	150,900	
0350-550-8511	MS	Organic Waste Receiving Facility	PO	60,300	60,000	65,100	68,100	106,200	82,400	239,300	81,300	85,000	88,800	92,900	1,006,200	
0230-550-8514	TSM	Liquid Organic Waste Storage and Biogas Treatment Upgrades	FB	1,623,076	2,162,795	679,300	-	-	-	-	-	-	-	-	679,300	
0230-550-8512	TSM	PG&E Interconnection Agreement Modification	PSA	40,000	33,000	-	-	-	-	-	-	-	-	-	-	
Subtotal - Solids Treatment and Energy Generation Equipment and Systems				3,693,676	3,957,387	1,721,300	1,664,750	4,977,250	2,697,700	405,500	241,100	423,100	1,742,300	2,273,500	194,500	16,341,000
Annual CIP Totals				7,447,506	6,531,216	7,322,080	6,653,300	11,579,050	14,893,100	5,576,300	5,668,800	3,659,100	6,556,500	5,663,000	6,828,200	74,399,430

* PM indicates the project manager for the account.

(1) BOLD items are individual Capital Improvement Projects, or larger, nonrecurring maintenance projects.

Delivery Methods			Projected Annual Escalation Rate:	4.54% (rolling 5-year average of ENR San Francisco Construction Cost Index (CCI) annual changes)												
			Escalation Factors:	1.0454	1.0928	1.1423	1.1941	1.2483	1.3049	1.3641	1.4260	1.4906	1.5582	1.6289	1.7028	
M		Maintenance project, self performed														
MC		Maintenance Contract	FY23 to FY24 Escalation Change:	0.36%												
PO		Purchase Order, equipment only	Escalation Change Factors:	1.0036	1.0071	1.0107	1.0143	1.0179	1.0215	1.0252	1.0288	1.0325	1.0361	1.0398	1.0435	
PSA		Professional Services Agreement														
IB		Informally Bid														
FB		Formally Bid														

**CENTRAL MARIN SANITATION AGENCY
CAPITAL IMPROVEMENT PROGRAM - ACCOUNT / PROJECT DESCRIPTIONS
FY24 AND FY25 BUDGET AND 10-YEAR PROJECTION**

Facility Improvements		
ACCOUNT NUMBER	ACCOUNT / PROJECT TITLE	ACCOUNT / PROJECT DESCRIPTION
0230-550-8201	Effluent Storage Pond Rehabilitation	See Full Page Description.
0230-550-8202	Agency Facilities Master Plan	Scheduled Master Plan to guide the Agency in planning future projects. FY27 – Allowance to retain a consultant to develop Master Plan. FY33 – Allowance to retain a consultant to develop Master Plan Update.
0230-550-8203	Industrial Coatings & Concrete Rehabilitation	Scheduled industrial coating rehabilitation program for process structures, metal equipment, and treatment plant deck traffic coatings. Coating rehabilitation will be included as part of a larger project when appropriate. The condition of concrete structures will be periodically assessed and projects will be added as needed. FY24 – Repair the saw cut floor area in the digester basement. Replace headworks structural metal (skylights, pipe supports, etc.) and apply new epoxy coating on the new metal and the grit tank handrails. Inspect spalled concrete below the water line in CCTs 1-4. Repair wear coating on the headworks deck and install wear coating on CCTs 1-4 deck. Apply coating above water lines in CCTs 1-4, including repair of exposed rebar below the water lines. FY25 – Repaint the Admin Building and Maintenance Building stucco and trim. Re-coat the SBS spill vault. FY27 – Coat the basement area of digesters due to high ferric exposure. FY25-33 – Allowance for industrial coating as needed, including deck coatings for primaries, secondaries, and CCTs.
0230-550-8204	Outfall Inspection & Repairs	On-going underwater inspection and maintenance of the marine outfall diffuser section. Activities include diver inspections of diffusers and risers, survey of diffuser check valve levels above shifting bay floor sediments, extending or replacing risers and diffuser check valves as needed, and periodic monitoring and removal of solids deposition inside outfall pipe. FY24 – Allowance for outfall diffuser section interior cleaning. If the previous year’s interior solids monitoring indicates the solids accumulation is minor, it will be deferred until a future year based on the solids accumulation rate from FY14 to FY23. FY25-33 – Routine inspection and riser extension or replacement (assumed 5 per year), as needed. FY28 – Diver inspection of outfall interior including Weko seals.

**CENTRAL MARIN SANITATION AGENCY
CAPITAL IMPROVEMENT PROGRAM - ACCOUNT / PROJECT DESCRIPTIONS
FY24 AND FY25 BUDGET AND 10-YEAR PROJECTION**

Facility Improvements		
ACCOUNT NUMBER	ACCOUNT / PROJECT TITLE	ACCOUNT / PROJECT DESCRIPTION
0230-550-8205	Facility Improvements	<p>Various building improvements that are not incorporated into other capital projects.</p> <p>FY24 – Replace 10 corroded steel doors facility wide. Replace polymer rollup door in Solids Handling Building. Allowance for building improvements. Coat maintenance shop floor. Assess access hatch doors conditions and plan for rehabilitation (incl. HW odor scrubber room, secondary deck, DAF room, vaults,). Complete facility EV Charging Study including grant funding options. Procure 80 hoses and 3 rag/vactor bins. Replace odor scrubber fan skid. Refurbish corroded rotary drum thickener odor scrubber fan skid. Assessment and refurbishment of waste gas burners.</p> <p>FY25 – Replace five corroded steel doors. Replace the windows/frames in Secondary Clarifier MCC room. Replace seismic shear hoses at entrance to Gallery A. Hire architect for Kitchen and Foyer remodel. Purchase 60 hoses. Install hatch door replacements based on FY24 assessment replacement schedule.</p> <p>FY25-FY33 – Purchase 3 rag/vactor bins each year.</p> <p>FY26 – Replace Air Handling System in Chemical Storage Building Control Room. Replace Air handling system in Gallery C. Replace the Chemical Storage Building windows and doors. Replace Ross Valley and San Rafael seismic shear hoses outside of Headworks sampler room. In-house assessment of roof and floor drain system by area.</p> <p>FY27 – Coat Digester Mix Pump and MCC13 rooms. Replace door and window at Biotower MCC room. Replace seismic shear hoses in Chemical Storage to Outbuildings. Engineering assessment of Admin Building HVAC system.</p> <p>FY28 – Replace doors and windows in Aeration MCC room. Install Epoxy Floor coating in Aeration Blower Room.</p> <p>FY29 – Replace Gallery A Air Handling system.</p> <p>FY30 – Replace Control Room Air Handling unit in Biotower. Replace window and door in Digester Pump Mix Room. Install epoxy floor coating in Gallery E.</p> <p>FY31 – Replace polishing vault steel shed panels with FRP panels. Install epoxy floor coating in Annex A.</p> <p>FY32 – Allowance for building improvements.</p> <p>FY33 – Install epoxy floor coating in Effluent Pump Station. Assess Effluent Pump Station Exhaust System.</p>

**CENTRAL MARIN SANITATION AGENCY
CAPITAL IMPROVEMENT PROGRAM - ACCOUNT / PROJECT DESCRIPTIONS
FY24 AND FY25 BUDGET AND 10-YEAR PROJECTION**

Facility Improvements		
ACCOUNT NUMBER	ACCOUNT / PROJECT TITLE	ACCOUNT / PROJECT DESCRIPTION
0230-550-8206	Facility Paving/ Site Work	<p>Minor paving repairs and associated site work on facility roads, walkways, parking lots, and other pavement, and for re-grading, cleaning, and replacing gravel in drainage ditches.</p> <p>FY24 – Slurry seal/ rehabilitate and re-strip roadways from plant gate to OWRF, and in biotower and aeration basin U-roads after underground expansion joints are excavated for inspections. Regrade plant side v-ditches and place gravel.</p> <p>FY25 – Complete major plant paving project for employee parking area.</p> <p>FY26 – Complete a major plant paving project for plant road from primary clarifiers to SHB.</p> <p>FY27-33 – Allowance for miscellaneous paving improvements.</p>
0230-550-8207	Hillside Repairs	<p>Several landslides and storm drain damages occurred on the hillside adjacent to Andersen Drive during the 2022/2023 winter storms.</p> <p>FY24 – Construction to repair the damaged areas and make improvements to the drainage ditches and retaining walls to mitigate future damages.</p> <p>FY28 – Placeholder for periodic removal of larger debris/sediment buildup in upper v-ditches and concrete repair of newly damaged v-ditches and newly under washed drainage pipes.</p>
0230-550-8208	Facility Roofs Rehabilitation	See Full Page Description.
0230-550-8209	SHB Elevator Control Replacement	See Full Page Description.
0230-550-8210	Facility Structures Seismic Study	See Full Page Description.

**CENTRAL MARIN SANITATION AGENCY
CAPITAL IMPROVEMENT PROGRAM - ACCOUNT / PROJECT DESCRIPTIONS
FY24 AND FY25 BUDGET AND 10-YEAR PROJECTION**

General Equipment		
ACCOUNT NUMBER	ACCOUNT / PROJECT TITLE	ACCOUNT / PROJECT DESCRIPTION
0110-550-8301	Process Control	<p>Allowance for on-going replacement, upgrades, and improvements to the Agency’s process control system including new instruments, servers, and computers; and Programmable Logic Controllers (PLCs) and Human Machine Interface (HMI) hardware and software. Actual cost estimates are used for specifically identified equipment.</p> <p>FY24 – Routine PLC and HMI hardware replacement. Identify and purchase critical spares. Allowance for retired annuitant labor on as needed basis.</p> <p>FY25 – SCADA system software review and potential upgrades. Allowance for retired annuitant labor on as needed basis.</p> <p>FY26-33 – Routine PLC and HMI hardware replacement.</p>
0110-550-8302	Security/ Fire Systems	<p>Allowance for projects related to the Agency’s physical security and fire protection systems, including a biannual allowance to purchase replacement equipment as needed.</p> <p>FY24-33 – Allowance for annual and quarterly inspections of alarms and sprinklers and FY24 fire line relocation at Maintenance Annex.</p> <p>Note: allowance for alarm and sprinkler related spare parts is included every other year.</p>
0350-550-8303	Fuel Storage Tanks	<p>FY24 – Design of an above ground fuel tank to replace the underground diesel fuel tank, which may be abandoned in place or have to be removed.</p> <p>Allowance in FY28 to replace the existing underground gasoline fuel storage tank with an above ground storage tank. This replacement would be triggered by one of the underground tanks failing or by a change in regulatory requirements or if the cost/future liabilities associated with maintaining the existing tanks become excessive.</p>

**CENTRAL MARIN SANITATION AGENCY
CAPITAL IMPROVEMENT PROGRAM - ACCOUNT / PROJECT DESCRIPTIONS
FY24 AND FY25 BUDGET AND 10-YEAR PROJECTION**

General Equipment		
ACCOUNT NUMBER	ACCOUNT / PROJECT TITLE	ACCOUNT / PROJECT DESCRIPTION
0110-550-8304	IT Hardware and Communication Equipment	<p>Routine repair and regular replacement of IT hardware and software, such as office computers, printers, scanners, digital telephone equipment and its supporting servers, and voice radio equipment.</p> <p>FY24 – Allowance for equipment listed above and replacement of backup repository.</p> <p>FY25 – Allowance for equipment listed above and upgrade of fifty-two business computers and four laptops.</p> <p>FY26 – Allowance for equipment listed above and replacement of twenty SCADA workstations.</p> <p>FY27 – Allowance for equipment listed above and replacement of eight area switches and two perimeter firewalls.</p> <p>FY28 – Allowance for equipment listed above and replacement of the data servers on which all Agency business and SCADA virtual servers run.</p> <p>FY29 – Allowance for equipment listed above and replacement of backup repository.</p> <p>FY30 – Allowance for equipment listed above and upgrade of fifty-two business computers and four laptops.</p> <p>FY31 – Allowance for equipment listed above and replacement of twenty SCADA workstations.</p> <p>FY32 – Allowance for equipment listed above.</p> <p>FY33 – Allowance for equipment listed above and replacement of the data servers on which all Agency business and SCADA virtual servers run.</p>
0350-550-8305	Agency Vehicle Replacement	<p>Purchase new vehicles or equipment for passenger vehicles, trucks, forklift, bicycles, and electric carts as they reach or exceed their expected useful lives.</p> <p>FY24 – Replace Prius with Honda CRV.</p> <p>FY25 – Replace F40 Service Truck and replace one Utility Cart.</p> <p>FY26 – Replace E350 Electric Van and replace one Utility Cart.</p> <p>FY27 – Replace Skid Steer Loader and replace one Utility Cart.</p> <p>FY28 – Replace F150 (Lab/TS) and replace GM Vehicle.</p> <p>FY29 – Replace F150 pump station truck.</p> <p>FY30 – Replace F150 utility truck.</p> <p>FY31 – Replace Technical Services Transit Van.</p> <p>FY32 – Replace SQPS F150.</p> <p>FY33 – Replace Administration Honda CRV and two Utility Carts.</p>

**CENTRAL MARIN SANITATION AGENCY
CAPITAL IMPROVEMENT PROGRAM - ACCOUNT / PROJECT DESCRIPTIONS
FY24 AND FY25 BUDGET AND 10-YEAR PROJECTION**

General Equipment		
ACCOUNT NUMBER	ACCOUNT / PROJECT TITLE	ACCOUNT / PROJECT DESCRIPTION
0230-550-8306	Laboratory Equipment	<p>Scheduled replacement of laboratory equipment such as autoclaves, spectrophotometers, collection/sampler systems, washers, incubators, etc. and purchasing new laboratory equipment.</p> <p>FY24 – Replace the Biotower sampler, the standards/reagent refrigerator and laboratory dishwasher.</p> <p>FY25 – Replace the influent samplers, the BOD incubator and total solids oven Purchase and install an Inductively Coupled Plasma Optical Emissions Spectrometry system for metals analysis.</p> <p>FY26 – Replace Primary Effluent Sampler and Enterococcus Incubator.</p> <p>FY27 – Replace laboratory autoclave and Corte Madera sampler.</p> <p>FY28 – Replace the muffle furnace and influent and secondary effluent samplers.</p> <p>FY29 – Replace the San Quentin sampler, the analytical balance, top loading balance.</p> <p>FY30 – Replace the UV spectrometer.</p> <p>FY31 – Replace the automated BOD system and sample refrigerator.</p> <p>FY32 – Replace microbiological water bath, Primary Influent sampler and centrifuge.</p> <p>FY33 – Replace Coliform Incubator and Ion Chromatography System.</p>
0350-550-8307	Electrical Equipment	<p>Planned maintenance, upgrades, and replacement of electrical components: individual motor controls and equipment panels, electric sluice gate operators, variable frequency drives, power monitoring equipment, and electrical equipment to support process equipment.</p> <p>FY24 – Purchase and install sump level indicating equipment for submarine outfall vault improvements. Upgrade CCT level indicating transmitter. Develop a comprehensive VFD replacement schedule after performing a facility-wide VFD assessment. Replace the primary tank drain pump controls to align with the tank drain replacement project.</p> <p>FY25 – Replace process waste sump panel and controls. Replace six VFDs based on VFD assessment. Assessment of Process Control System UPS and SCADA Main.</p> <p>FY26 – Purchase replacement actuators for 4-inch to 8-inch valves. Replace Process Control System UPS and SCADA Main.</p> <p>FY27-33 – Annual Allowance for replacement of equipment as determined by condition assessment as needed, including actuators, MCC buckets, conduit replacement, etc.</p>

**CENTRAL MARIN SANITATION AGENCY
CAPITAL IMPROVEMENT PROGRAM - ACCOUNT / PROJECT DESCRIPTIONS
FY24 AND FY25 BUDGET AND 10-YEAR PROJECTION**

General Equipment		
ACCOUNT NUMBER	ACCOUNT / PROJECT TITLE	ACCOUNT / PROJECT DESCRIPTION
0350-550-8309	Process Instrumentation	<p>On-going repair, replacement, or upgrading of obsolete meters, sensors, and transmitters to provide local process status information and transmit it to the treatment plant's SCADA system.</p> <p>FY24 – Replace primary sludge flow meters in solids handling area. Automate primary clarifier fill operation with in-tank level indicating equipment. Install inline Solids/Ammonia monitoring onto centrate line. Procure two SulfiLogger sensors. Purchase an operations odor control H2S meter.</p> <p>FY25 – Procure differential PSI (biogas and digester membranes) transmitters, and two analyzer controllers.</p> <p>FY26 – Replace Rosemount digester PSI/liquid level transmitters. Purchase a Total Organic Carbon system for the aeration influent to provide real-time readings to calculate food to mass ratios.</p> <p>FY27 – Replace RAS/WAS flow meters and two analyzer controllers.</p> <p>FY28 – Allowance for above equipment, plus replace the Digester H2S atmospheric monitoring equipment.</p> <p>FY29-33 – Allowance for above equipment.</p>
0350-550-8310	Electrical Distribution System Rehabilitation	See Full Page Description.

**CENTRAL MARIN SANITATION AGENCY
CAPITAL IMPROVEMENT PROGRAM - ACCOUNT / PROJECT DESCRIPTIONS
FY24 AND FY25 BUDGET AND 10-YEAR PROJECTION**

Liquid Treatment Processes and Equipment		
ACCOUNT NUMBER	ACCOUNT / PROJECT TITLE	ACCOUNT / PROJECT DESCRIPTION
0230-550-8401	Biotower Rotary Distributor Replacement	See Full Page Description.
0350-550-8402	Plant Pumps	<p>Scheduled replacement of centrifugal, positive displacement, and chopper pumps, and in-line grinders. These pumps transport primary sludge, WAS, CCT scum, and other liquids throughout the facility.</p> <p>FY24 – Replace primary tank drain pump and secondary system tank drain pumps. FY25 – Replace CCT scum pumps. Replace centrifuge feed pumps. Replace two sump pumps. Purchase grit pump. FY26 – Replace two recycled water pumps. Replace site sump pumps. Replace two sludge pumps, one scum pump, two bioassay pumps and two sump pumps. FY27 – Replace TWAS pumps at RDTs. Replace two sludge pumps, one scum pump, and two sump pumps. Replace sludge grinder. FY28 – Upsize blend channel drain pump and piping. Replace two sludge pumps, one scum pump, and two sump pumps. FY28-29 – Refurbish EPS wet weather pumps. FY29 – Replacement of both sludge recirculation grinders. Replace two sludge pumps, one scum pump, and two sump pumps. FY29-30 – Refurbish biotower pumps. FY30 – Placeholder for replacing two TWAS pumps at RDTs. FY30-33 – Allowance to replace pumps identified by condition assessments.</p>
0350-550-8403	Chemical Pumps	<p>Regular refurbishment or replacement, based on a condition assessment, of pumps and related equipment for the delivery of specific chemicals at various treatment unit processes. Chemical pumps include those for ferric chloride, hydrogen peroxide, calcium nitrate, sodium hypochlorite, emulsion polymer, and sodium bisulfite.</p> <p>FY24 – Replace two polymer activation units in SHB. Refurbish four SBS pumps and seven hypo pumps. FY25 – Replace polymer pump skid at RDTs. Refurbish three centrifuge ferric feed pumps. Refurbish San Rafael peroxide pumps. FY26 – Replace one chemical induction mixer. Refurbish Ross Valley peroxide pumps. FY27 – Refurbish all eight nitrate solution metering pumps. FY28 – Assess ferric transfer pump from headworks to dewatering system. Replace one chemical induction mixer. FY30 – Explore replacement options for Milton Roy chemical pumps. FY29-33 – Above allowances to replace chemical pumps based on condition assessment.</p>
0350-550-8404	Gates Rehabilitation	See Full Page Description.
0350-550-8405	Headworks Equipment	See Full Page Description.

**CENTRAL MARIN SANITATION AGENCY
CAPITAL IMPROVEMENT PROGRAM - ACCOUNT / PROJECT DESCRIPTIONS
FY24 AND FY25 BUDGET AND 10-YEAR PROJECTION**

Liquid Treatment Processes and Equipment		
ACCOUNT NUMBER	ACCOUNT / PROJECT TITLE	ACCOUNT / PROJECT DESCRIPTION
0230-550-8406	Odor Control System Improvements	See Full Page Description.
0350-550-8407	Process Tank Maintenance	Refurbishment and replacement of mechanical equipment such as drive mechanisms, media vessels, and blowers in all process tanks and systems throughout the treatment facility. FY31-33 – General tank related replacement of equipment as determined by condition assessment.
0350-550-8408	Primary Clarifiers Rehabilitation	See Full Page Description.
0350-550-8409	Secondary Clarifiers Rehabilitation	See Full Page Description.
0350-550-8411	Aeration System Rehabilitation	Replacement and rehabilitation of aeration system equipment. FY24 – Replace aeration diffuser membranes in all four tanks. FY26 & 30 – Increase inventory of diffuser membranes as needed to replace damaged units during pressure washing. FY28 & 32 – Replace aeration diffuser membranes in all four tanks every 4 years. FY30 – Blower core refurbishment every 10 years.
0230-550-8412	Process Piping Inspection/Repairs/Replacement	See Full Page Description.

**CENTRAL MARIN SANITATION AGENCY
CAPITAL IMPROVEMENT PROGRAM - ACCOUNT / PROJECT DESCRIPTIONS
FY24 AND FY25 BUDGET AND 10-YEAR PROJECTION**

Liquid Treatment Processes and Equipment		
ACCOUNT NUMBER	ACCOUNT / PROJECT TITLE	ACCOUNT / PROJECT DESCRIPTION
0350-550-8413	Chemical Tanks	<p>Replacement of chemical storage tanks used throughout the treatment plant and in the collection system as they approach the end of their service lives. There are five sodium hypochlorite, two sodium bisulfite, two hydrogen peroxide, two polymer, four calcium nitrate, and three ferric chloride tanks. The replacement schedule is subject to change based on annual condition assessment inspection results.</p> <p>FY24 – Replace SBS Storage Tank No. 2. Perform a condition assessment on the FRP lining inside the bulk polymer storage tank at the Solids Handling Building.</p> <p>FY25 – Replace SBS Storage Tank No. 1. Perform an assessment on the effluent pump station’s Convault diesel storage tank. Develop design details for the roof reattachment on North Francisco nitrate tank replacement in FY26.</p> <p>FY26 – Replace on-site Peroxide Tank and replace the North Francisco nitrate solution tank and roof. Perform a condition assessment on the Headworks ferric chloride tank interiors (5-year cycle).</p> <p>FY27 – Replace the SQ Peroxide Tank.</p> <p>FY28 – Assess cost to run dual wall containment piping for ferric chloride and pump ferric chloride from Headworks to the Solids Handling Building versus replacing the SHB Ferric Chloride storage tank.</p> <p>FY29 – Replace the West R/R Nitrate Solution storage tank.</p> <p>FY30 – Replace the Paradise pump station Nitrate Solution storage tank.</p> <p>FY31 – Replace Hypochlorite Storage Tank No. 5.</p> <p>FY32 – Replace Hypochlorite Storage Tank No. 3.</p> <p>FY33 – Placeholder for tank replacement.</p>
0350-550-8414	Piping, Valves & Operators	<p>There are over 750 plug valves in the treatment plant’s process systems, ranging in size up to 12” in diameter. This account includes annual allowances for routine maintenance and periodic replacement of these valves, their operators, and associated piping. This allowance may change as on-going condition assessments are completed.</p> <p>FY24 – Replace the hot water pipe system into the Administration Building.</p> <p>FY25-26 – Annual allowance for repairs as needed of above noted equipment.</p> <p>FY27 – Install MOV’s on centrifuge sludge feed lines to automate switching of feed between digesters.</p> <p>FY28 – Replace biogas piping, valves, and operators in the boiler room.</p> <p>FY29-33 – Allowance for repairs as determined by future condition assessments.</p>
0230-550-8415	CCT Valve and Screen Replacement	<p>The telescoping valves in the CCTs 1 through 4 are used to remove debris floating on the water surface.</p> <p>FY27 – Replace the telescoping valves in CCTs 1 through 4. An option that will be explored is to replace the telescoping valves with rotating pipe skimmers and motorized actuators. This project also includes replacing the recycled water screen.</p>

**CENTRAL MARIN SANITATION AGENCY
CAPITAL IMPROVEMENT PROGRAM - ACCOUNT / PROJECT DESCRIPTIONS
FY24 AND FY25 BUDGET AND 10-YEAR PROJECTION**

Liquid Treatment Processes and Equipment		
ACCOUNT NUMBER	ACCOUNT / PROJECT TITLE	ACCOUNT / PROJECT DESCRIPTION
0230-550-8416	Influent Flow Meter Improvement	Both the 45” San Rafael Interceptor and the 54” Ross Valley Interceptor are fitted with ultrasonic meters manufactured by Manning. These flow meters are near the end of their useful life and the original manufacturer no longer makes these units. A study was performed in FY21 that identified multi-path ultrasonic transit time meter technology as a suitable flow meter for replacement within the existing infrastructure to improve the accuracy in measuring large flow variations. FY24 – Install new flow meter technology and sampling tap on San Rafael Interceptor and prepurchase new flow meter technology to prepare for installation on Ross Valley Interceptor in dry season of 2024 (if deemed successful on San Rafael Interceptor). FY25 – Install new flow meter technology and sampling tap on Ross Valley Interceptor.
0230-550-8417	Nutrient Removal	See Full Page Description.
0230-550-8418	Recycled Water	Due to the 2020-2022 drought, annual placeholder funds are included for recycled water planning related activities in conjunction with continuous recycled water related feedback from the Board and/or the Marin Municipal Water District. FY24 – Placeholder for recycled water planning and/or studies. FY25 – Placeholder for recycled water planning and/or studies. FY26 – Placeholder for recycled water planning and/or studies. FY27 – Placeholder for recycled water planning and/or studies. FY28 – Placeholder for recycled water planning and/or studies.

**CENTRAL MARIN SANITATION AGENCY
CAPITAL IMPROVEMENT PROGRAM - ACCOUNT / PROJECT DESCRIPTIONS
FY24 AND FY25 BUDGET AND 10-YEAR PROJECTION**

Solids Treatment and Energy Generation Equipment and Systems		
ACCOUNT NUMBER	ACCOUNT / PROJECT TITLE	ACCOUNT / PROJECT DESCRIPTION
0230-550-8501	Emergency Generator Assessment & Improvement	<p>The emergency generator provides power to Agency facilities when utility power is not available, and the cogeneration systems are offline. The emergency generator system was installed in 1985 and consists of an electrical generator connected to a diesel-fueled reciprocating engine. While the equipment is relatively old, it has had minimal usage and is maintained per manufacturer’s recommendations.</p> <p>FY26-27 – Allowance to fund design and installation of updated emergency generator controls.</p> <p>FY30 – Placeholder for periodic condition assessment of emergency generator system.</p>
0230-550-8502	Digester Inspection, Cleaning & Cover Replacement	<p>Periodic cleaning and inspection of each anaerobic digester about every ten years based on CMSA’s membrane covers’ service lives. Agency staff will drain the tanks to allow a contractor to remove material that has accumulated inside the tanks. A specialty contractor will replace the membrane covers after the cleaning is complete and then staff will return each digester to service. Project timing may also be adjusted based on actual digester process and membrane cover performance.</p> <p>FY28 – Replace or rebuild one digester mix pump.</p> <p>FY29 – Replace or rebuild one digester mix pump.</p> <p>FY30 – Hire condition assessment firm to complete digester exterior structural concrete integrity assessment and plan for possible interior assessments in FY31 & 32 digester cleaning cycle. Depending on assessment results, waterproof coating of interior digester walls/floor in FY31 & 32 will be considered to avoid moisture damage to concrete/rebar.</p> <p>FY31 – Allowance to clean and inspect the interior of Digester No. 1 and replace its dual membrane cover and install pre-purchased valves.</p> <p>FY32 – Allowance to clean and inspect the interior of Digester No. 2 and replace its dual membrane cover and install pre-purchased valves.</p>
0350-550-8503	Centrifuge Replacement	See Full Page Description.
0350-550-8513	Jenbacher Cogeneration Maintenance	See Full Page Description.
0230-550-8505	New Cogeneration System	See Full Page Description.
0350-550-8506	Hot Water Systems	<p>Repair and replacement of hot water system pumps, valves, flex fittings, insulation, and piping as needed to maintain the system that supplies hot water to the digesters, buildings and facilities.</p> <p>FY24-26 – Replace aging insulation and/or install PVC jacketing on hot water pipes in Galleries B, C, and F and the Carport Area according to insulation replacement schedule.</p> <p>FY27-33 – Annual allowance for system repairs as needed, failing valves, piping leaks, booster pumps, and seals.</p>

**CENTRAL MARIN SANITATION AGENCY
CAPITAL IMPROVEMENT PROGRAM - ACCOUNT / PROJECT DESCRIPTIONS
FY24 AND FY25 BUDGET AND 10-YEAR PROJECTION**

Solids Treatment and Energy Generation Equipment and Systems		
ACCOUNT NUMBER	ACCOUNT / PROJECT TITLE	ACCOUNT / PROJECT DESCRIPTION
0350-550-8508	Boilers	FY26 – Complete design and air permitting for replacement of existing boilers. FY27 – Remove two smaller existing boilers and replace with one larger new boiler, upgraded to meet future Bay Area Air Quality Management District requirements.
0350-550-8510	Biosolids Hoppers Maintenance	An allowance for monitoring and minor repairs to biosolids hoppers, gates, and hydraulic actuators. FY24-33 – Allowance for minor maintenance of mechanical equipment every other year, including new hydraulic system for the hopper gates in FY24. FY27 – Coat the biosolids hoppers.
0350-550-8511	Organic Waste Receiving Facility	Repairs and replacement of pumps, valves, monitors, and other equipment in the Organic Waste Receiving Facility. FY24-33 – Annual allowance for equipment replacement, including annual purchase of two mix pumps and one rock trap grinder system. FY25 – Conduct condition assessment on paddle finisher. FY26 – Replace paddle finisher as needed per assessment. FY27 – Replace odor scrubber fan and pit exhaust fan. FY28 – Purchase Huber screen replacement wear parts as needed (seals, O-rings, worm shaft, strainer bucket etc.). Complete condition assessment of two Watson Marlow peristaltic pumps. Reline the OWRF slurry pit. FY29 – Replace Watson Marlow pumps/major components per assessment. FY30 – Conduct crane assessment and replace OWRF pit hatch doors. FY31 – Assess MCC AC unit, upgrade PLC, and install new crane system if needed.
0230-550-8514	Liquid Organic Waste Storage and Biogas Treatment Upgrades	Construction of additional liquid organic waste storage tank and biogas treatment upgrades to provide additional storage capacity, new biogas chillers, and a new heat exchanger. FY24 – Complete construction of the new liquid organic waste tank and biogas treatment upgrades. Conduct study for utilization options for future excess biogas production beyond Jenbacher capacity, including biogas upgrading and transportation fuel options and complete economic analysis.

Effluent Storage Pond Rehabilitation (GL 0230-550-8201)			
Type of Project	Design and Capital Construction	Lead Department	Technical Services
Project Delivery	Formally Bid		
Description and Justification	The effluent storage pond was constructed over a deep layer of Young Bay Mud that settles unevenly under the pond. This causes loss of capacity due to berm settling, and small areas of shallow standing water after the pond is emptied due to bottom settling. The berm was reconstructed and raised in 2007, with a new geotextile liner and new sections of intake and outlet piping. There is an allowance for surveying and project scoping in FY25, design in FY26, and potential renovation of the pond berms and bottom in FY27, depending on the survey results.		
Risk Assessment	This is a low-risk project because berm settlement does not occur rapidly. Berm condition will be regularly monitored, and the survey timing can be adjusted if necessary.		
Schedule	Activity Description	Cost	
FY25	Survey entire berm, top road, and pond bottom for excessive or uneven settlement, assess potential pond bottom for repair or replacement, and determine scope of improvements needed.	\$18,300	
FY26	Develop design improvements for the pond.	\$32,400	
FY27	Construction allowance for re-grading the pond bottom and/or raising the berm, including extending and re-anchoring the buried extra liner material and rebuilding the service road on top of the berm.	\$1,463,700	
		Project Total	\$1,514,400

Project Photo:



Effluent Storage Pond

Facility Roofs Rehabilitation (GL 0230-550-8208)		
Type of Project	Design and Capital Construction	Lead Department Technical Services
Project Delivery	Maintenance Contract/Informally Bid/Formally Bid	
Description and Justification	Rehabilitate portions of the standing seam metal and built-up roofs as needed, and perform minor repairs on their supporting structures, if required. The various agency built-up roofs were mostly replaced around 2007 and are not expected to require full replacement until after 2030. Allowances are included below for minor repairs on the built-up and standing seam roofs until their complete replacement.	
Risk Assessment	This is a medium risk project as the fall 2018 roof inspection indicated that the roof systems are generally in good condition, except for the items described above and below.	
Schedule	Activity Description	Cost
FY24-25	Annual allowance to patch or repair facility standing seam and built-up roof areas as needed.	\$53,600
FY27	Allowance for patch or repair facility standing seam and built-up roof areas as needed.	\$50,000
FY28	Cost for replacement of the Maintenance Building metal roof.	\$1,009,800
FY29-33	Annual allowance to patch or repair facility built-up roof areas as needed.	\$178,900
Project Total		\$1,292,300

Project Photo:



Maintenance Building with standing seam metal roofs

Solids Handling Building Elevator Control Replacement (GL 0230-550-8209)			
Type of Project	Design and Capital Construction	Lead Department	Technical Services
Project Delivery	Informally Bid and Formally Bid		
Description and Justification	The 2018 Facility Master Plan condition assessment initially recommended replacing the entire elevator of the Solids Handling Building. After further discussions with staff and reviewing inspection reports, it was determined that the mechanical components of the elevator still have several years of remaining life. However, the control system will need to be replaced due to age and issues that have required increased maintenance in recent years.		
Risk Assessment	This is a medium risk project. The control system has required increased maintenance and will potentially not pass an annual inspection if it is not replaced. Additionally, frequent use of the elevator is anticipated for the upcoming centrifuge replacement project.		
Schedule	Activity Description	Cost	
FY24	Retain specialized elevator consultant to review site conditions and prepare scope of work for formal bidding from specialized elevator companies. Begin construction of elevator control system replacement project in FY24.	\$232,950	
FY25	Complete construction of elevator control system replacement project.	\$182,950	
FY29	Retain specialized elevator consultant to complete comprehensive assessment of elevator system, including elevator cabin, cable system, sump pump equipment and elevator motors.	\$65,000	
Project Total			\$480,900

Project Photos:



Solids Handling Building Elevator



Elevator Control Panel

Facility Structures Seismic Study (GL 0230-550-8210)		
Type of Project	Design and Capital Construction	Lead Department Technical Services
Project Delivery	Professional Services Agreement	
Description and Justification	The 2018 Facility Master Plan recommends conducting a study to evaluate seismic impacts due to soil settlement. Subsidence of the ground has occurred in multiple locations throughout the facility, including in the immediate areas around process tanks. Because structures were constructed on pile foundations, the settlement has produced gaps under the bottom of the structures. It is possible that the original seismic design was dependent on the tops of the piles being at grade and fully supported. With the tops of the piles currently above grade and exposed, the unsupported pile length may be overstressed during an earthquake resulting in structural damage. Ground settlement may have also affected the stresses on buried piping between process areas.	
Risk Assessment	This is a medium risk project due to the unknown risk posed to facility structures resulting from soil settlement.	
Schedule	Activity Description	Cost
FY25	Conduct a study to quantify the risk of structural damage due to soil settlement and identify future structural improvement projects, if necessary.	\$247,200
Project Total		\$247,200

Project Photos:



Stair modifications to account for settlement



Exposed bottom of process tank

Electrical Distribution System Rehabilitation (GL 0350-550-8310)		
Type of Project	Design and Capital Construction	Lead Department Technical Services
Project Delivery	Professional Services Agreement/Formally Bid	
Description and Justification	<p>The 2018 Facility Master Plan recommends replacing the main electrical switchgear components that distribute power throughout the facility. The existing switchgear electrical components are mostly comprised of equipment from 1985. While most of the equipment is operational, it is increasingly difficult to locate replacements because the manufacturers no longer provide full technical support. A detailed switchgear inspection and assessment of the equipment was conducted in FY21 to evaluate the cost, siting impacts, and construction sequencing and timing considerations for full equipment replacement, and a switchgear re-inspection was recommended. Depending on the results of the FY23/24 re-inspection, the Agency will either schedule a follow-up assessment in 2 years or plan for design and replacement of the switchgear. This project also includes allowances to investigate and replace motor control centers located in several treatment process areas when condition assessment findings warrant replacement, as described in the below activity schedule.</p>	
Risk Assessment	This is a high-risk project because a failure of the switchgear and/or MCCs would result in a significant process disruption, potentially resulting in shutdowns or significant downtime that could result in discharge of untreated effluent.	
Schedule	Activity Description	Cost
FY24	Begin design of headworks MCC replacement and completion of remaining tasks from FY23 switchgear investigation/replacement related work.	\$118,000
FY25	Complete design of headworks MCC replacement.	\$100,000
FY26	Construction of headworks MCC replacement. Design of main switchgear replacement.	\$2,076,300
FY27	Construction of main switchgear replacement.	\$6,627,700
FY28	Plantwide MCC condition assessment and major conductor condition assessment.	\$250,000
FY29	Placeholder for design of one MCC replacement.	\$249,700
FY30	Placeholder for construction of one MCC replacement.	\$1,924,800
FY31	Placeholder for design of one MCC replacement.	\$272,900
FY32	Placeholder for construction of one MCC replacement.	\$2,103,400
FY33	Placeholder for design of one MCC replacement.	\$298,300
Project Total		\$14,021,100

Project Photos:



Switchgear building and transformer



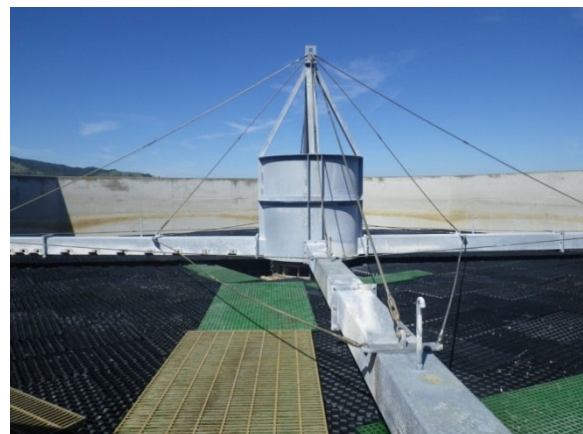
Switchgear equipment

Biotower Rotary Distributor Replacement (GL 0230-550-8401)		
Type of Project	Design and Capital Construction	Lead Department Technical Services
Project Delivery	Formally Bid	
Description and Justification	The biotowers are the first of two secondary treatment processes and remove some of the biochemical oxygen demand from the primary effluent before treatment in the aeration tanks. The rotary distributor is the critical moving part, spreading wastewater evenly on the filter media. The rotary distributor and top level of filter media in Biotower No. 2 were replaced in 2010. The 2018 Facility Master Plan recommends replacing the rotating mechanism and media in Biotower No. 1.	
Risk Assessment	This is a medium risk project. The rotary distributor for Biotower No.2 is operating but has significant corrosion. The upper media bed needs to be replaced due to weather damage.	
Schedule	Activity Description	Cost
FY28	Expert assessment and design assistance to prepare for replacement of the biotower rotary distributor for Biotower No. 1.	\$50,000
FY29	Replace galvanized-steel distributor mechanism and plastic spreader nozzles with a motor-operated mechanism for Biotower No. 1. Replace distributor bearing. Replace or re-galvanize the cast iron turntable on which the mechanism turns for Biotower No. 1. Replace the top tier of media that is subject to weather damage.	\$1,233,400
FY33	Replace galvanized-steel distributor mechanism and plastic spreader nozzles with a motor-operated mechanism for Biotower No. 2. Replace distributor bearing. Replace or re-galvanize the cast iron turntable on which the mechanism turns for Biotower No. 2. Replace the top tier of media that is subject to weather damage.	\$1,682,500
Project Total		\$2,965,900

Project Photos:



Original base & turntable, Biotower No. 1



New rotary distributor, Biotower No. 1

Gates Rehabilitation (GL 0350-550-8404)		
Type of Project	Design and Capital Construction	Lead Department Maintenance
Project Delivery	Maintenance Project/Informally Bid/ Formally Bid	
Description and Justification	There are several large gates that control flow into, through, and between processes. The gates are also used to isolate process tanks for repair or maintenance. When condition assessments warrant, these gates will be replaced with stainless steel gates, which have a longer service life because they have better corrosion resistance and sealing surfaces that can be refurbished.	
Risk Assessment	This is a low-risk project, provided the gates are replaced according to condition assessment findings. However, the risk could be higher if a gate fails in a closed position, which could lead to a process interruption or overflows.	
Schedule	Activity Description	Cost
FY24	Replace CCTs 1 through 4 influent gates and add one CCT 5 and 6 channel isolation gate.	\$493,300
FY25	Replace pond isolation gate inside the triangle pit and replace aeration basin effluent channel isolation gates.	\$90,000
FY26	Replace headworks influent gates.	\$424,200
FY27-33	Allowance to replace gates as needed based on condition assessment, including the following: FY27 – Replace Grit Tank No. 1 and 5 influent gates. FY28 – Replace Grit Tank No. 2 and 4 influent gates. FY29 – Replace two isolation gates between Aeration Tank No. 1 and 2. FY30 – Replace two isolation gates between Aeration Tank No. 3 and 4. FY31 – Replace the effluent isolation gates on Secondary Clarifier No. 2 and 3 and add MOV and conduit to automate gates. FY32 – Replace the effluent isolation gates on Secondary Clarifier No. 1 and 4 and add MOV and conduit to automate gates. FY33 – Gate assessment for the 72” and 84” effluent pump station and outfall isolation gates and the South San Francisco junction box and Ross Valley junction box isolation gates.	\$832,300
Project Total		\$1,839,800

Project Photo:

San Rafael and Ross Valley influent gates

Headworks Equipment (GL 0350-550-8405)			
Type of Project	Design and Capital Construction	Lead Department	Maintenance/TSM
Project Delivery	Maintenance Project/ Formally Bid/ Professional Services Agreement		
Description and Justification	Equipment in the headworks building is used to collect, transport, dewater, and store screenings and grit from plant influent. Headworks equipment includes screens, hydraulic systems, grit hoppers, grit classifiers, grit pumps, and augers, that operate in a very corrosive and erosive environment requiring ongoing maintenance and refurbishment or replacement. In FY23 staff noted increased deterioration of the grit classifier system and the project timing was accelerated.		
Risk Assessment	This is a medium risk project as most of the headworks equipment has redundant equipment, however accelerated corrosion in some areas have been observed in recent years as noted above.		
Schedule	Activity Description	Cost	
FY24	Allowance to replace equipment as needed based on condition assessment. Design of the replacement grit classifier systems.	\$192,600	
FY25	Replace four grit classifier systems including associated pumps, piping, and controls. Complete manufacturer's assessment of the headworks screens.	\$1,061,200	
FY26	Replacement of blowers and diffusers for aerated grit system. Condition assessment of submerged concrete structures in grit tanks. Purchase replacement parts and hire crane for major refurbishment of one headworks screen.	\$758,900	
FY27	Purchase replacement parts and hire crane for major refurbishment of other headworks screen.	\$199,500	
FY27-33	Allowance to replace equipment and complete concrete repairs in grit basin as needed based on condition assessment.	\$277,400	
Project Total			\$2,489,600

Project Photos:



Grit classifier



Grit pump

Odor Scrubber Replacement (GL 0230-550-8406)			
Type of Project	Design and Capital Construction	Lead Department	Technical Services
Project Delivery	Professional Services Agreement/Formally Bid		
Description and Justification	Some wastewater treatment processes produce odorous gases. The existing odor control scrubbers serve as one component of the Agency’s overall odor control management program. Odor control scrubbers located in the Headworks, Biotower basement, and Solids Handling Building are approaching the end of their service lives. A consulting firm prepared a conceptual design report with limited sampling to evaluate the overall scrubber performance and cost estimates to replace each unit with activated carbon media systems. While sampling showed existing scrubbers were not overly efficient, they are capable of removing odors to a level that did not impact the Agency’s surrounding neighbors. The 2018 Facilities Master Plan considered the conceptual design report findings and recommends eventually replacing the Headworks and Biotower odor scrubbers. An allowance for this replacement as well as the SHB odor scrubber replacement has been included in the CIP and will be evaluated in future years depending on actual system performance.		
Risk Assessment	This is a low-risk project because the odor scrubbers are operating with minor issues.		
Schedule	Activity Description	Cost	
FY29	Placeholder for removing the Headworks odor scrubber and replace with an activated carbon scrubber.	\$2,580,000	
FY31	Remove the Biotower basement odor scrubbers and replace with a single activated carbon scrubber.	\$3,024,300	
FY33	Allowance to design and construct scrubber replacement in the SHB.	\$2,170,200	
		Project Total	\$7,774,500

Project Photos:



Headworks odor control scrubber



Solids Handling Building odor control scrubber

Primary Clarifiers Rehabilitation (GL 0350-550-8408)		
Type of Project	Design and Capital Construction	Lead Department Technical Services
Project Delivery	Maintenance Project/Formally Bid/Professional Services Agreement	
Description and Justification	<p>There are seven primary clarifiers in the treatment plant. Five of the clarifiers began operating in 1985 and two were installed during the Wet Weather Improvement Project and began operating in 2010. The mechanical equipment in the five original clarifiers were upgraded to non-corroding, non-metallic components. However, other metal surfaces in the tanks require periodic industrial coating. Additionally, the mechanical equipment also requires periodic replacement. The 2018 Facilities Master Plan recommends a project to address work noted above plus repairing concrete damage and replacing metal piping with PVC piping. As each primary clarifier is taken down, the north walls, which have been found to be leaking into Gallery A at times, will be repaired and coated with a waterproofing product. Additionally, an allowance for replacement of flights/chains/sprockets/wear strips that was included under the Process Tank Maintenance account will be combined with the work in this account from FY24 onward. In FY24 a new primary baffle technology will be installed into Primary Clarifier No.1 to determine the potential performance enhancements.</p>	
Risk Assessment	This is a low-risk project because the planned work will be conducted in the summer when primary clarifiers can be out of service for extended periods of time.	
Schedule	Activity Description	Cost
FY24	Assess concrete on deck, handrails and catwalks and prepare plan for multi-year refurbishment. Future cost to be developed based on assessment results.	\$20,000
FY24	Procure and install one primary clarifier flow optimization baffle system for installation in spring of 2024.	\$277,500
FY24-25	Repair concrete, waterproof, and recoat the north wall of Clarifier No. 1 and subsequently No. 2, replace metal launders with FRP, and replace metal pipes. Replace flights/chain/sprockets/wear strips for Clarifier No. 1 and 2.	\$1,034,700
FY25	Install one primary clarifier flow optimization baffle system.	\$50,000
FY26	Repeat elements above for Clarifier No. 3 and 4.	\$1,073,400
FY27	Repeat elements above for Clarifiers No. 5. Complete primary clarifier 1-5 lighting assessment.	\$581,100
FY28-29	Allowance for industrial coatings in Clarifier No. 6 and 7. Replace flights/chain/sprockets/wear strips for Clarifiers No. 6 and 7.	\$586,900
Project Total		\$3,623,600

Project Photos:



Primary Clarifiers



Primary Drive Unit

Secondary Clarifiers Rehabilitation (GL 0350-550-8409)		
Type of Project	Design and Capital Construction	Lead Department Technical Services
Project Delivery	Professional Services Agreement/Formally Bid	
Description and Justification	There are four secondary clarifiers in the treatment plant. The 2018 Facilities Master Plan recommended repairing the corrosion on mechanical equipment, metal structural components, and internal pipes, resurfacing the effluent trough concrete, and retrofitting the catwalk with FRP grating (Master Plan Project 08-1). Secondary Clarifiers 1, 3 and 4 have been rehabilitated and rehabilitation of the remaining Secondary Clarifier No. 2 will be completed in FY24.	
Risk Assessment	This is a high-risk project because failure of a secondary clarifier could lead to treatment plant process disruptions and possible discharge of effluent that does not meet NPDES treatment limits.	
Schedule	Activity Description	Cost
FY24	Complete Clarifier No. 2 construction.	\$796,030
	Project Total	\$796,030

Project Photos:



Secondary clarifier internal equipment



Secondary clarifier in operation

Process Piping Inspection/Repairs/Replacement (GL 0230-550-8412)			
Type of Project	Design and Capital Construction	Lead Department	Technical Services
Project Delivery	Professional Services Agreement/ Informally Bid		
Description and Justification	<p>The San Rafael and Ross Valley Interceptors are large diameter buried force mains and are the only pipelines that convey wastewater from the satellite collection agency service areas to CMSA. There are also several large diameter pipelines within the facility that transfer water between treatment processes.</p> <p>Recommended projects from the 2018 Facilities Master Plan and 2020 process pipeline inspection and condition assessment and are described in the below activity schedule.</p>		
Risk Assessment	This is a medium risk project because the condition of the pipelines and flexible joints is unknown. However, the pipelines have not leaked or shown signs of corrosion.		
Schedule	Activity Description	Cost	
FY24	Complete remaining pipeline inspection and pond headwall crack injection repair work not completed in FY23.	\$30,000	
FY24	External expansion joint condition assessment on the 48-inch primary effluent and 24-inch RAS lines.	\$100,000	
FY25	Inspect the Ross Valley Interceptor before the new development is constructed.	\$75,000	
FY26	Replace hypochlorite chemical lines located along gallery walls with double contained PVC pipe and explore opportunities to relocate chemical piping to the bottom of the pipe rack.	\$120,400	
FY27	Allowance to inspect the San Rafael Interceptor.	\$99,600	
FY31	10-year inspection of process pipelines.	\$137,100	
		Project Total	\$562,100

Project Photos:



Pond Inlet and Headwall

Nutrient Removal (0230-550-8417)		
Type of Project	Planning and Design	Lead Department Technical Services
Project Delivery	PSA	
Description and Justification	The 2019 Bay Area Watershed Permit includes a proposed nitrogen discharge cap for CMSA beginning in 2024 which is approximately 15 to 20 percent above CMSA's typical 2018 nitrogen discharge levels. Due to the significant algae blooms in the San Francisco Bay in the summer of 2022, indications now are that some form of caps may be implemented within the next 5-10 years. Funding is included for the below tasks to assist CMSA in the planning for potential future nutrient removal requirements.	
Risk Assessment	This is a medium low risk project because there is still adequate time to prepare for potential future compliance targets.	
Schedule	Activity Description	Cost
FY25	Allowance for nutrient removal master planning and possible pilot testing.	\$1,000,000
FY26	Allowance for nutrient removal master planning and possible pilot testing.	\$1,000,000
FY27	Allowance for nutrient removal pre-design.	\$1,000,000
FY28	Allowance for nutrient removal final design.	\$2,000,000
Project Total		\$5,000,000

Centrifuge Replacement (GL 0350-550-8503)		
Type of Project	Design and Capital Construction	Lead Department Technical Services
Project Delivery	Professional Services Agreement/Formally Bid	
Description and Justification	The Agency dewateres digested sludge with three centrifuges that rotate at high speeds to remove water and produce biosolids. The high-speed rotation and corrosive operating environment necessitate a significant amount of routine maintenance for optimum performance. Due to reaching their end of their useful life, the 2018 Facilities Master Plan recommends replacing the existing centrifuges with new centrifuges that have larger capacity to handle the potential increase in biosolids related to increased delivery of organic waste. Additionally, the biosolids hoppers underneath the centrifuges have corrosion and need minor structural repairs. Installing a combined conveyor below the centrifuges will allow staff to use each of the biosolids hoppers independently.	
Risk Assessment	This is a medium risk project because the centrifuges will be over 20 years old before being fully replaced, however with proper maintenance the existing centrifuges are expected to operate and meet the Agency's needs until replacement is completed.	
Schedule	Activity Description	Cost
FY24	Complete remaining repairs to corrosion found on biosolids hoppers not completed in FY23.	\$50,000
FY24	Design and pilot test of centrifuge replacement.	\$628,000
FY25	Complete design and begin construction of the centrifuge replacement project.	\$1,498,350
FY26	Complete construction of the centrifuge replacement project.	\$3,976,050
Project Total		\$6,152,400

Project Photos:*Existing Centrifuges**Biosolids Hoppers*

Jenbacher Cogeneration Maintenance (GL 0350-550-8513)		
Type of Project	Larger Maintenance Activities	Lead Department Maintenance
Project Delivery	Maintenance Project/Informally Bid/Formally Bid	
Description and Justification	The cogeneration system runs continuously, utilizing biogas and natural gas to generate most of the Agency’s electrical power and to supply the Agency’s hot water needs. In FY22, CMSA executed a Long-Term-Service-Agreement (LTSA) with Western Energy Systems to complete most of the required services for the Jenbacher engine and generator for a 10-year period, including minor and major overhauls per the timetable below. Select cogeneration engine system maintenance services, such as the 3,333 hour Jenbacher engine service interval or the replacement of the SCR catalyst bricks, will be completed by CMSA staff and associated parts and supplies are budgeted in a separate operating account.	
Risk Assessment	This is a medium project because the Jenbacher engine was newly installed in FY23 and CMSA entered into a Long-Term-Service Agreement.	
Schedule	Activity Description	Cost
FY24-33	Annual allowance for contracted 10-yr LTSA including third-party parts and labor.	\$730,000
FY24	Procure critical spare parts including voltage regulator, starter, gas line filters, Turbo bypass valve, Water recirculation pump seal kit, and Jacket water pump seal kit.	\$19,900
FY26 & FY30	Allowance for routine replacement of Selective Catalytic Reducer and Oxidation Catalyst internal materials.	\$122,900
FY26	In-house assessment for tank usage and combination/optimization options (urea, ferric, oil and waste oil tanks) and placeholder for procurement.	\$75,000
FY27	Minor overhaul at 40,000 operating hours per the terms of the LTSA.	\$207,100
FY32	Major overhaul at 80,000 operating hours per the terms of the LTSA.	\$438,500
Project Total		\$1,593,400

New Cogeneration System (GL 0230-550-8505)		
Type of Project	Design and Capital Construction	Lead Department Technical Services
Project Delivery	Formally Bid	
Description and Justification	The construction of the new cogeneration system began in FY21 and was substantially completed in FY23. Due to unforeseen delays in the PG&E interconnection process, a small amount of remaining project work, including payment of the remaining project retention for the equipment supplier will occur in FY24. The existing cogeneration engine will remain available as a backup unit.	
Risk Assessment	This is a low-risk project because the existing engine can remain in service for an extended period of time if properly maintained.	
Schedule	Activity Description	Cost
FY24	Complete installation and testing of remaining portions of the new cogeneration system (black start functionality testing and urea system modifications) and payment of project retention for the equipment supplier, and complete project record drawings.	\$170,000
Project Total		\$170,000

Project Photo



New cogeneration system

SECTION 9. FY24 and FY25 Adopted Budget — 10-Year Financial Forecast

With each budget, the Agency adopts a 10-year financial forecast to accompany it. The forecast is a model of revenues, expenses, and reserves, and essentially sets forth a strategic plan to guide funding sources and uses decisions for the operating and capital budgets. The financial forecast consists of sections for Preliminary Assumptions, Operating Surplus (Shortfall), CIP, and Reserve Reconciliation.

The first section, Preliminary Assumptions, is to assign assumption values for expenditures and revenues, except regional charges, to establish a 10-year forecast for operating and capital programs. The base year of the forecast is the projected final values for the most recent fiscal year. All future projection values derive from the base year. Amounts for debt service and debt service coverage are specific amounts from the debt service amortization tables. Amounts for the capital improvement program are per the 10-year CIP schedule. Revenue from capacity charges increases annually by the ENR Construction Cost Index per the Agency's Fee Ordinance. The forecast is constructed to *project* future expenses and capital based upon assumptions selected to provide a reasonable financial picture of future periods. In late 2022 and early 2023, Agency staff worked with the Board's Finance Committee to establish a series of 4% (2-years) and 3.5% (3-years) annual revenue increases for the duration of a 5-year revenue program period, for consistency and stability, and the ability to provide adequate funding for its operating and capital programs. Capital maintenance and improvements are very important to the Board.

The Operating Surplus (Shortfall) section is a summary of the operating budget that reflects a surplus (funded) or a shortfall (not funded). Funding for the operating budget comes primarily from service charges from JPA members together with "all other revenues" such as contract services, programs, waste haulers, permits, and inspections. Operating expenses include all expenses except depreciation, debt service, and capital. Debt service and capital are funded from separate dedicated sources.

The next section is CIP funding, with projects and amounts per the 10-year CIP schedule. Funding for the CIP comes from the capital fee collected from JPA members, the debt service coverage amount also collected from JPA members, capacity charges received from new sewer connections and expansion of existing connections, and from capital reserves.

The last section is a reconciliation of the three types of designated reserves, Unrestricted Operating Reserve, Unrestricted Capital Reserve, and Restricted Capital Reserve. Beginning balances for each of these reserve types is the amount per the Investments Schedule in the Treasurer's Report at the end of the fiscal year. Unrestricted operating reserves are maintained at 25% of operating expenses before debt service and capital funding. Excess amounts of unrestricted operating reserves are transferred to unrestricted capital reserves to be used to fund capital. Restricted capital reserves consist of capacity charges and debt service coverage fees and are used exclusively for capital. Any differences to fund capital comes from unrestricted capital reserves. Reserves are an important component of financial sustainability. The Agency carefully tracks reserves to maintain compliance with levels established by policy.

**CENTRAL MARIN SANITATION AGENCY
10-YEAR FINANCIAL FORECAST**

**FY24-26 CAP inc \$100K
FY25-26 CAP inc \$1M and FY27 \$3M
10yr AVE CIP = \$5,700,582
Debt issue FY24 \$10M and FY26 \$13M**

Line No.	Description	Assumption	Actual FY22	Revenue Program Period						Service Charges / Capital Fee as Last Authorized			
				Projected	Adopted		Adopted		Forecast				
				Year 1 FY23	Year 2 FY24	Year 3 FY25	Year 4 FY26	Year 5 FY27	Year 6 FY28	Year 7 FY29	Year 8 FY30	Year 9 FY31	Year 10 FY32
ADOPTED ASSUMPTIONS													
Funding Requirements:													
a	Salaries and wages	4.5% (FY24/25) 3.0%	\$ 6,429,797	\$ 6,400,515	\$ 7,174,823	\$ 7,489,296	\$ 7,713,975	\$ 7,945,394	\$ 8,183,756	\$ 8,429,269	\$ 8,682,147	\$ 8,942,611	\$ 9,210,889
b	Retirement - CalPERS normal cost (Note 2)	2.0% (FY24/25) 2.5%	639,170	619,857	632,254	644,899	661,022	677,547	694,486	711,848	729,644	747,885	766,583
c	Retirement - CalPERS UAL (Note 2)	Various	975,377	1,155,846	1,144,065	1,145,338	1,115,031	1,081,503	1,028,953	1,065,082	1,102,223	1,140,404	1,179,653
d	All other employee benefits	2.8%	1,417,966	1,361,344	1,621,403	1,722,902	1,771,143	1,820,735	1,871,716	1,924,124	1,977,999	2,033,383	2,090,318
e	Chemicals and fuels (Note 13)	0.5%	1,077,079	1,314,104	2,145,656	2,224,923	2,236,048	2,247,228	2,258,464	2,269,756	2,281,105	2,292,511	2,303,973
f	Biosolids management	3.0%	433,202	502,387	489,814	489,814	504,508	519,644	535,233	551,290	567,829	584,864	602,409
g	Permit testing and monitoring	1.5%	198,248	217,547	268,361	214,005	217,215	220,473	223,780	227,137	230,544	234,002	237,512
h	Maintenance and repairs	2.0%	1,367,073	889,018	584,600	574,900	586,398	598,126	610,088	622,290	634,736	647,431	660,379
i	Utilities	3.0%	591,547	385,082	429,886	383,466	394,970	406,819	419,024	431,594	444,542	457,878	471,615
j	Insurance premiums	3.5%	445,916	422,543	558,246	643,644	666,172	689,488	713,620	738,596	764,447	791,203	818,895
k	General and administrative	1.5%	840,866	952,796	963,027	947,883	962,101	976,533	991,181	1,006,048	1,021,139	1,036,456	1,052,003
l	Operating before debt and capital		14,416,241	14,221,039	16,012,135	16,481,070	16,828,582	17,183,490	17,530,300	17,977,035	18,436,356	18,908,628	19,394,230
m	Debt service: actual plus estimated new debt		4,524,881	4,522,031	4,501,006	4,500,281	4,497,156	5,670,331	5,624,731	5,624,981	5,663,181	5,666,856	5,664,403
n	Operating before capital		18,941,122	18,743,070	20,513,141	20,981,351	21,325,738	22,853,821	23,155,031	23,602,016	24,099,537	24,575,484	25,058,633
o	Capital program (most recent FY23 adj bud)		6,777,552	6,531,216	7,322,080	6,653,300	11,579,050	14,893,100	5,576,300	5,668,800	3,659,100	6,556,500	5,663,000
p	Total funding requirements		\$ 25,718,674	\$ 25,274,286	\$ 27,835,221	\$ 27,634,651	\$ 32,904,788	\$ 37,746,921	\$ 28,731,331	\$ 29,270,816	\$ 27,758,637	\$ 31,131,984	\$ 30,721,633
				3.5%	4.0%	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
q	Unrestricted - Regional sewer service charges (Note 3)		\$ 11,777,219	\$ 12,189,422	\$ 12,676,952	\$ 13,184,030	\$ 13,645,471	\$ 14,123,062	\$ 14,617,369	\$ 15,128,977	\$ 15,658,491	\$ 16,206,539	\$ 16,773,767
r	Unrestricted - Capital fee (Note 4)		749,811	977,580	1,264,551	1,535,805	1,790,352	583,296	908,788	1,186,365	1,426,231	1,719,320	2,030,487
s	Unrestricted - All other revenues	3.0%	2,165,380	2,273,722	2,804,288	2,811,167	2,895,502	2,982,367	3,071,838	3,163,993	3,258,913	3,356,680	3,457,381
t	Restricted capital - Debt service charge (Note 5)		4,524,881	4,522,031	4,501,006	4,500,281	4,497,156	5,670,331	5,624,731	5,624,981	5,663,181	5,666,856	5,664,403
u	Restricted capital - Debt service coverage		1,131,220	1,130,508	1,125,252	1,125,070	1,124,289	1,417,583	1,406,183	1,406,245	1,415,795	1,416,714	1,416,101
v	Restricted capital - Capacity charges	2.7%	1,171,130	247,117	38,880	39,435	40,500	41,593	42,716	43,870	45,054	46,271	47,520
w	Restricted capital - other financing sources			1,715,985	2,500,000	-	13,000,000	-	-	-	-	-	-
x	Subtotal funding sources before reserve (increase) usage			23,056,365	24,910,928	23,195,788	36,993,269	24,818,232	25,671,626	26,554,432	27,467,666	28,412,379	29,389,659
y	Reserve (Increase) Usage (red) (Note 6)			2,217,921	2,924,293	4,438,863	(4,088,481)	12,928,689	3,059,706	2,716,385	290,971	2,719,605	1,331,974
z	Total funding sources			\$ 25,274,286	\$ 27,835,221	\$ 27,634,651	\$ 32,904,788	\$ 37,746,921	\$ 28,731,331	\$ 29,270,816	\$ 27,758,637	\$ 31,131,984	\$ 30,721,633

NOTES ON FORECAST:

- The purpose of the above section is to assign assumption values for expenditures and revenues except regional sewer charges to establish a 10-year pro-forma forecast
- Annual increases per CalPERS most recent FY21 actuarial valuation dated Jul 2020 - Amortization Schedule and Alternatives
- Funding from JPA agencies increases 4% per year for FY24-25 and 3.5% for FY26-28 of the 5-year revenue plan and outer years in forecast
- Capital fee calculated as residual of annual increase of prior year billed charges less amounts for subsequent year service charges and debt service
- New debt issue assumed at \$13M in FY26
- Reserves used as funding source when needed and shown in red as a positive number
- The above forecast is in the form of a balanced budget and is NOT FUNDING. FUNDING IS SHOWN BELOW IN SECTIONS I, II, and III
- Beginning reserve balances for Section III are per the Treasurer's Report
- Transfer operating surpluses to unrestricted capital reserve as necessary to maintain Board established 25% unrestricted operating reserve
- Transfer unrestricted capital reserves to fully fund CIP Section II until depleted for forecast purposes
- Capacity charges, the debt service coverage fee, the capital fee, and unrestricted capital reserve usage fund the capital program
- Unrestricted operating reserve beginning balance contains amount per treasurer's report plus \$500,000 emergency reserve
- Chemical costs nearly doubled due to economic supply chain shortages. Assumed minor .5% escalation in years beyond adopted for uncertainty

Red: Indicates reserve usage. **Brackets:** Indicates reserve increases.

FY23 other financing sources include \$1,715,985 final draw of 2020 bond proceeds and \$2,500,000 CalRecycle grant

**CENTRAL MARIN SANITATION AGENCY
10-YEAR FINANCIAL FORECAST**

FY24-26 CAP inc \$100K FY25-26 CAP inc \$1M and FY27 \$3M 10yr AVE CIP = \$5,700,582 Debt issue FY24 \$10M and FY26 \$13M
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Line No.	Description	Assumption	Actual FY22	Revenue Program Period						Service Charges / Capital Fee as Last Authorized			
				Projected	Adopted	Adopted	Forecast			Forecast			
				Year 1 FY23	Year 2 FY24	Year 3 FY25	Year 4 FY26	Year 5 FY27	Year 6 FY28	Year 7 FY29	Year 8 FY30	Year 9 FY31	Year 10 FY32
FUNDING FOR PROGRAMS - DETAIL													
OPERATING PROGRAM													
1	Total operating costs before debt and capital (line l)		\$ 14,221,039	\$ 16,012,135	\$ 16,481,070	\$ 16,828,582	\$ 17,183,490	\$ 17,530,300	\$ 17,977,035	\$ 18,436,356	\$ 18,908,628	\$ 19,394,230	
2	Service charges and other revenues (lines q + s)		14,463,144	15,481,240	15,995,197	16,540,973	17,105,429	17,689,207	18,292,970	18,917,404	19,563,219	20,231,148	
3	Total operating surplus (shortfall)		\$ 242,105	\$ (530,895)	\$ (485,873)	\$ (287,610)	\$ (78,060)	\$ 158,907	\$ 315,935	\$ 481,049	\$ 654,591	\$ 836,918	
CAPITAL IMPROVEMENT PROGRAM													
4	Total Annual CIP to Fund (10-Year CIP) (line o)		\$ 6,531,216	\$ 7,322,080	\$ 6,653,300	\$ 11,579,050	\$ 14,893,100	\$ 5,576,300	\$ 5,668,800	\$ 3,659,100	\$ 6,556,500	\$ 5,663,000	
5	Restricted - other financing sources (e.g., bonds, loans, grants)		\$ 1,715,985	\$ 2,500,000	\$ -	\$ 8,623,128	\$ 4,376,872	\$ -	\$ -	\$ -	\$ -	\$ -	
6	Restricted - Capacity charges		247,117	38,880	39,435	40,500	41,593	42,716	43,870	45,054	46,271	47,520	
7	Restricted - Debt Service Coverage (i.e., covenant req)		1,131,221	1,130,508	1,125,252	1,125,070	1,124,289	1,417,583	1,406,183	1,406,245	1,415,795	1,416,714	
8	Unrestricted - Capital Fee		977,580	1,264,551	1,535,805	1,790,352	583,296	908,788	1,186,365	1,426,231	1,719,320	2,030,487	
9	Unrestricted - General Cap Rsv (Inc) Draw (step 2)		879,873	2,388,141	3,952,808	-	4,622,736	72,204	204,251	366,219	536,522	715,519	
10	Total Available Funding		\$ 4,951,776	\$ 7,322,080	\$ 6,653,300	\$ 11,579,050	\$ 10,748,786	\$ 2,441,291	\$ 2,840,669	\$ 3,243,749	\$ 3,717,907	\$ 4,210,240	
11	Control Total / (Unfunded Capital)	\$ (16,393,598)	\$ (1,579,440)	\$ 0	\$ (0)	\$ (0)	\$ (4,144,314)	\$ (3,135,009)	\$ (2,828,131)	\$ (415,351)	\$ (2,838,593)	\$ (1,452,760)	
RESERVE RECONCILIATION													
12	Restricted capital reserve balance - beg (Adj Annly to Act per Rsv Sched)		\$ 1,130,508	\$ 1,129,795	\$ 1,124,539	\$ 1,124,357	\$ 5,500,448	\$ 1,416,870	\$ 1,405,470	\$ 1,405,532	\$ 1,415,082	\$ 1,416,001	
13	Other financing sources balance - beg		-	-	-	-	4,376,872	-	-	-	-	-	
14	See FY23 other financing sources, New debt/grant proceeds for FY24 and FY26 (line w)		1,715,985	2,500,000	-	13,000,000	-	-	-	-	-	-	
15	Project requisition draws (neg number) (use 1st, then reserve)		(1,715,985)	(2,500,000)	-	(8,623,128)	(4,376,872)	-	-	-	-	-	
16	Other financing sources balance - end		-	-	-	4,376,872	-	-	-	-	-	-	
17	Capacity charges revenue		247,117	38,880	39,435	40,500	41,593	42,716	43,870	45,054	46,271	47,520	
18	Capacity charges usage for capital		(247,117)	(38,880)	(39,435)	(40,500)	(41,593)	(42,716)	(43,870)	(45,054)	(46,271)	(47,520)	
19	Debt coverage collection - current year		1,130,508	1,125,252	1,125,070	1,124,289	1,417,583	1,406,183	1,406,245	1,415,795	1,416,714	1,416,101	
20	Debt coverage usage - prior year (enter neg coll for prior year)		(1,131,221)	(1,130,508)	(1,125,252)	(1,125,070)	(1,124,289)	(1,417,583)	(1,406,183)	(1,406,245)	(1,415,795)	(1,416,714)	
21	Net change		(713)	(5,256)	(181)	4,376,091	(4,083,578)	(11,400)	63	9,550	919	(613)	
22	Restricted capital reserve balance - end		\$ 1,129,795	\$ 1,124,539	\$ 1,124,357	\$ 5,500,448	\$ 1,416,870	\$ 1,405,470	\$ 1,405,532	\$ 1,415,082	\$ 1,416,001	\$ 1,415,388	
Unrestricted capital reserve balance - beg (Adj Annly to Act per Rsv Sched)													
23	Capital fee revenue		977,580	1,264,551	1,535,805	1,790,352	583,296	908,788	1,186,365	1,426,231	1,719,320	2,030,487	
24	Unrestricted operating reserve transfer-in (step 1)		401,525	(978,670)	(603,107)	(374,488)	(166,786)	72,204	204,251	366,219	536,522	715,519	
25	Capital fee usage to fund CIP (may be actual for yr 1 or neg cap fee rev)		(977,580)	(1,264,551)	(1,535,805)	(1,790,352)	(583,296)	(908,788)	(1,186,365)	(1,426,231)	(1,719,320)	(2,030,487)	
26	Unrestricted capital reserve draw (enter CIP control total) (step 2)		(879,873)	(2,388,141)	(3,952,808)	-	(4,622,736)	(72,204)	(204,251)	(366,219)	(536,522)	(715,519)	
27	Net change		(478,348)	(3,366,811)	(4,555,915)	(374,488)	(4,789,522)	-	-	-	-	-	
28	Unrestricted capital reserve balance - end		\$ 13,086,736	\$ 9,719,925	\$ 5,164,010	\$ 4,789,522	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Unrestricted operating reserve balance - beg (Note 12)													
29	Service charges and other revenues (lines q + s)		14,463,144	15,481,240	15,995,197	16,540,973	17,105,429	17,689,207	18,292,970	18,917,404	19,563,219	20,231,148	
30	Operating expenses (line l)		(14,221,039)	(16,012,135)	(16,481,070)	(16,828,582)	(17,183,490)	(17,530,300)	(17,977,035)	(18,436,356)	(18,908,628)	(19,394,230)	
31	Unrestricted operating reserve transfer-in from audit (step 1)		736,031	-	-	-	-	-	-	-	-	-	
32	Unrestricted operating reserve transfer-out (excess or draw) (step 1)		(401,525)	978,670	603,107	374,488	166,786	(72,204)	(204,251)	(366,219)	(536,522)	(715,519)	
33	Net change		576,611	447,775	117,234	86,878	88,726	86,703	111,684	114,830	118,069	121,399	
34	Unrestricted operating reserve balance - end		\$ 3,555,260	\$ 4,003,034	\$ 4,120,268	\$ 4,207,146	\$ 4,295,872	\$ 4,382,575	\$ 4,494,259	\$ 4,609,089	\$ 4,727,157	\$ 4,848,557	
35	(25% of operating costs before debt and capital)		25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	
36	Net change		97,550	(2,924,293)	(4,438,863)	4,088,481	(8,784,375)	75,303	111,747	124,380	118,987	120,786	
37	Reserve balance total - beg		\$ 17,674,241	\$ 17,771,791	\$ 14,847,498	\$ 10,408,635	\$ 14,497,116	\$ 5,712,742	\$ 5,788,045	\$ 5,899,792	\$ 6,024,171	\$ 6,143,159	
38	Reserve balance total - end		\$ 17,771,791	\$ 14,847,498	\$ 10,408,635	\$ 14,497,116	\$ 5,712,742	\$ 5,788,045	\$ 5,899,792	\$ 6,024,171	\$ 6,143,159	\$ 6,263,945	

SECTION 10. DEBT OBLIGATIONS

The Agency carries two types of debt issues. The first, is for revenue bonds that are used for financing capital program improvements. The second, is for pension obligation bonds that were used to substantially refinance the unfunded pension obligation with CalPERS retirement. Details of the two types of debt issues are as follows.

Series 2015 Revenue Bonds

The Agency refunded its Series 2006 Revenue Bonds in April 2015 to become the Series 2015 Refunding Revenue Bonds with an average interest rate of 2.78%. The bonds are fully registered, with principal due annually on September 1, and interest payable semi-annually on March 1 and September 1. The refinancing transaction resulted in cost savings of over \$15 million for the remaining life of the bonds to maturity in FY32.

Series 2020 Revenue Bonds

The Agency issued Series 2020 Revenue Bonds in November 2020 in the principal amount of \$9,115,000 to further finance portions of its CIP. The bonds were issued at both premium and discount, in the amounts of approximately \$216,000 and \$71,000, respectively, providing an effective interest rate of approximately 2%. The bonds are fully registered, with principal due annually on September 1, and interest payable semi-annually on March 1 and September 1. The bonds are callable any time after November 2030 with no call premium.

The table below displays the amount of outstanding debt service obligations for revenue bonds through FY41.

Fiscal Year End	Series 2015 Revenue Bonds			Series 2020 Revenue Bonds			Totals
	Principal	Interest	Total	Principal	Interest	Total	
2024	\$2,785,000	\$1,157,381	\$3,942,381	\$390,000	\$168,625	\$558,625	\$4,501,006
2025	2,930,000	1,014,506	3,944,506	395,000	160,775	555,775	4,500,281
2026	3,075,000	864,381	3,939,381	405,000	152,775	557,775	4,497,156
2027	3,250,000	738,756	3,988,756	415,000	144,575	559,575	4,548,331
2028	3,340,000	606,506	3,946,506	420,000	136,225	556,225	4,502,731
2029-33	14,930,000	968,472	15,898,472	2,240,000	549,825	2,789,825	18,688,297
2034-38	-	-	-	2,475,000	313,106	2,788,106	2,788,106
2039-41	-	-	-	1,620,000	55,125	1,675,125	1,675,125
	<u>\$30,310,000</u>	<u>\$5,350,003</u>	<u>\$35,660,003</u>	<u>\$8,360,000</u>	<u>\$1,681,031</u>	<u>\$10,041,031</u>	<u>\$45,701,034</u>

Future Revenue Bond Debt Issues

The Agency is planning one additional revenue bond issue currently scheduled for FY26 in the amount of \$13 million. Proceeds of this issue will be used to further finance the Agency's current \$74 million CIP.

Debt Service Payment Agreement

Under the terms of a Debt Service Payment Agreement between CMSA and the JPA members, as well as the Master Indenture between CMSA and the Bond Trustee, each JPA member is obligated to pay its proportionate share of the semi-annual debt service payments, and a payment for debt service coverage equivalent to 25% of the annual debt service. The proportionate allocation of the debt service payment and coverage to each member is based upon average EDU counts over a 10-year period, from FY07 to FY16, reported for the JPA service area. This allocation method smooths out dwelling unit count fluctuations and promotes stable/predictable debt service costs.

Debt Limits

The Agency is an enterprise business activity supported by user fees with no revenues from taxes, and accordingly, is not subject to legal debt limitation.

Reserves

In accordance with the Agency's Financial Policy on Reserves, debt service coverage funds are restricted for capital project use with the limitation that the amount collected during each fiscal period cannot be expended in the same period. The budget appropriates funds from Restricted Capital Reserves to fund current year CIP activities. The FY24 budget appropriates approximately \$1,131,000 to be spent from the Restricted Capital Reserves for CIP activities. Since debt service obligations are collected from JPA members, the existing debt level has little impact on the Agency's current operations. Details for the Agency's FY24 CIP can be found in Section 8 – Capital Improvement Program.

The 10-year table below displays revenue bonds debt service payment and coverage collection since FY14:

Revenue Bonds Debt Service Charges per EDU

Fiscal Year	Debt Service Charges/EDU	Principal	Interest	25% Coverage Collected
2022-23	\$109.71	\$3,065,000	\$1,457,031	\$1,130,508
2021-22	109.79	2,955,000	1,569,881	1,131,220
2020-21	95.04	2,470,000	1,487,006	989,252
2019-20	95.29	2,395,000	1,572,331	991,833
2018-19	95.43	2,330,000	1,643,206	993,301
2017-18	95.16	2,250,000	1,711,906	990,477
2016-17	94.74	2,195,000	1,773,094	992,023
2015-16	87.10	2,095,000	1,564,224	914,806
2014-15	110.75	2,135,000	2,517,501	1,163,125
2013-14	111.69	2,040,000	2,616,539	1,164,135

Pension Obligation Bonds

In April 2022, the Agency issued pension obligation bonds (POBs) in the amount of \$9,432,000 at an interest rate of 3.36% to substantially fund its UAL pension obligation with CalPERS. The transaction funded the then UAL obligation with annual debt service payments lower than the UAL payments required by CalPERS. The design of the POB transaction is to continue to budget for the scheduled CalPERS UAL annual payment to use as the source of repayment for the POBs. The POBs will be reflected in the financial statements in accordance with Generally Accepted Accounting Principles for long-term debt. The difference between the budgeted UAL amount and the annual POB debt service will be contributed to a Section 115 trust to accumulate and be used exclusively for future pension related payments to CalPERS for funding normal costs or past service costs. The POBs are not charged to JPA members and are not subject to coverage requirements as with the revenue bonds. Annual debt service requirements for the POBs are as follows:

Fiscal Year End	Series 2022 Pension Obligation Bonds		
	Principal	Interest	Total
2024	\$130,000	\$309,154	\$439,154
2025	248,000	302,803	550,803
2026	632,000	288,019	920,019
2027	653,000	266,431	919,431
2028	676,000	244,104	920,104
2029-33	3,741,000	857,892	4,598,892
2034-38	3,186,000	213,394	3,399,394
	<u>\$9,266,000</u>	<u>\$2,481,797</u>	<u>\$11,747,797</u>

SECTION 11. KEY TERMS AND FINANCIAL GLOSSARY WITH ACRONYM LISTING

- **ACCRUAL ACCOUNTING:** An accounting method that records revenues and expenses when they are incurred, regardless of when cash is exchanged.
- **ASSETS:** Anything of material and economic value or usefulness that is owned by the entity.
- **AUDIT:** The official inspection or examination of an organization's financial records, typically by an independent third party.
- **BALANCED BUDGET:** CMSA's Board of Commissioners shall adopt a comprehensive balanced budget for the Agency prior to the start of the fiscal year beginning July 1st. A balanced budget is when revenues and other financing sources (uses) equal expenditures. When revenues exceed expenditures, surplus funds are transferred into designated reserve accounts in accordance with the Agency's Financial Reserves Policy.
- **BAY AREA CLEAN WATER AGENCIES (BACWA):** A joint powers agency formed under the California Government Code by the five largest wastewater treatment agencies that provide sanitary sewer services to the more than seven million people living in the nine county San Francisco Bay Area. CMSA is one of BACWA's 65 principal and associate members.
- **BAY AREA CHEMICAL CONSORTIUM (BACC):** A cooperative group of over 50 public water and wastewater agencies in northern California whose primary purpose is to seek competitive bids from vendors to supply and deliver chemicals for water and/or wastewater treatment.
- **BAY AREA AIR QUALITY MANAGEMENT DISTRICT (BAAQMD):** A government agency that regulates sources of air pollution within the nine San Francisco Bay Area Counties.
- **BOND DISCOUNT:** A bond that is priced lower than its stated face (par) value.
- **BOND PREMIUM:** A bond that is priced higher than its stated face (par) value.
- **BONDS:** Borrowed monies allocated to pay for specific capital programs. Debt service payments are made to repay the bond holders.
- **CAPITAL ASSETS:** Includes Agency land, treatment plant, outfall, facilities, buildings, and equipment net of depreciation.
- **CAPITAL EXPENDITURE:** An expenditure of \$5,000 or more that is used to purchase a capital asset with a useful life of one year or more, or an investment that improves the useful life of an existing asset.
- **CAPITAL IMPROVEMENT PROGRAM (CIP):** A plan that describes and explains the Agency's capital and asset management projects, delineated by type of project and funding source, over ten fiscal years. The CIP is a planning document that provides the Agency with an opportunity to evaluate and assess its capital needs from financial, engineering, operational and planning perspectives.
- **CAPACITY CHARGE:** A one-time fee charged to all new users connecting to, and creating additional demand on, the sanitary and sewer treatment systems and is a funding mechanism by which the cost of the facilities to serve them are paid for. Government code requires capacity charges to fund capital projects.
- **COMPUTERIZED MAINTENANCE MANAGEMENT SYSTEM (CMMS):** A software program that is used for inventory control, procurement management, fixed asset condition assessment, maintenance repair management, and asset reporting. The Agency uses a CMMS product called NEXGEN.
- **CONTRACT SERVICE REVENUES:** Services provided by the Agency under contract to other local agencies for pump station and collection system maintenance, the various source control programs, a new service to assure safe disposal of amalgam and mercury contaminants.
- **CURRENT AND OTHER ASSETS:** Assets that can easily be converted to cash or consumed within one year. Includes cash, investments, receivables, prepaid expenses, deposits with others (example: OPEB asset).
- **CURRENT LIABILITIES:** Payment obligations owed by the Agency within the next 12 months.
- **EQUIVALENT DWELLING UNIT (EDU):** An EDU is one single-family residence.

- **ENTERPRISE FUND:** A government accounting fund that provides goods or services to the public for a fee that makes the entity self-supporting.
- **FLOW(S):** The total incoming sewage flow(s) to CMSA from JPA member agencies measured in millions of gallons and collected for the previous April 1 to March 31. It is used to calculate the sewer service charge and allocate to each JPA member agency its respective portion of the sewer charge.
- **FOG:** Fats, Oils and Grease
- **FULL TIME EQUIVALENT (FTE):** A position converted to a decimal equivalent of a full-time employee position.
- **GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP):** Uniform standards for financial accounting and reporting. They govern the form and content of the basic financial statements of an entity.
- **GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB):** An independent, private-sector organization based in Norwalk, Connecticut, that establishes accounting and financial reporting standards for U.S. state and local governments that follow GAAP.
- **GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA):** A nonprofit professional association, serving approximately 20,000 government finance professionals in the United States and Canada. The purpose of the GFOA is to advance excellence in public finance and promote the professional management of governments for the public's benefit by identifying and developing financial policies and practices and promoting them through education, training, and leadership.
- **HAULERS, PERMITS and INSPECTION REVENUE:** Fees and charges for use of Agency septage receiving facility, permit fees for commercial and industrial waste regulated commercial and industrial dischargers, reimbursement of Agency labor, and administrative costs for performing inspections and other services.
- **INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT:** Represents amounts invested in capital assets less accumulated depreciation and any outstanding debt used to acquire the assets.
- **JOINT POWERS AGREEMENT (JPA):** An agreement between two or more local government agencies to form a separate governmental entity distinct from the member governments. It authorizes the powers the JPA is allowed to exercise.
- **LIABILITIES:** What the Agency owes others.
- **MCSTOPP:** Marin County Stormwater Pollution Prevention Program
- **MEDICAL AFTER RETIREMENT ACCOUNT (MARA):** An employer paid contribution to participating employee's MARA account. The accumulated funds, owned by the individual, can be spent on qualified medical expenses during retirement.
- **NET POSITION:** The difference between total assets and total liabilities.
- **NON-CURRENT LIABILITIES:** Payment obligations owed by the Agency more than 12 months in the future.
- **NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES):** A federal permit that establishes the quality requirements of the Agency's treatment waters, and requires the Agency to manage and maintain pretreatment, pollution prevention, mercury reduction and public education programs.
- **OTHER NON-OPERATING REVENUE:** Includes CSRMA dividends, CalCARD prompt payment incentive rebates, settlement claims, the occasional sale of assets, SDI disability reimbursements, and other miscellaneous revenue sources.
- **OPEB:** Other post-employment benefits which are specifically medical benefits for retired employees.
- **PENSION OBLIGATION BONDS:** Taxable bonds issued as part of an overall strategy to fund the unfunded accrued liability of the Agency's pension obligations.
- **POST-EMPLOYEMENT HEALTH PLAN (PEHP):** An employer paid contribution to participating employee's PEHP account has replaced the MARA. The accumulated funds, owned by the individual, can be spent on qualified medical expenses during retirement.
- **PUBLIC EMPLOYEES' PENSION REFORM ACT (PEPRA):** PEPRA established a cap on the amount of compensation that can be used to calculate a retirement benefit for new public employees hired on or after January 1, 2013.

- **PROGRAM REVENUES:** The Agency is the lead coordinator for the Safety Director, Countywide Education, and Outside Safety Training programs. Costs incurred by CMSA are allocated to the districts that participate in the programs. The Agency invoices participating districts quarterly for Safety Director and Countywide Education expenditures in accordance with agreements with program participants.
- **RESTRICTED CASH:** Cash and investments not available for immediate use and set aside for specific, contractual purposes.
- **REVENUE BOND:** Debt obligation for which interest and principal payments are secured by the debt service portion of service charge revenues.
- **SANITARY DISTRICT No. 2 (SD2):** SD2 is a CMSA JPA member and comprises the Town of Corte Madera and unincorporated properties on the Tiburon peninsula.
- **SERVICE CHARGE:** A fee for wastewater treatment service and payment of the revenue bond debt service.
- **UNRESTRICTED CASH:** Cash and investments available to use for operations and not tied to a specific expenditure or reserve.
- **WATER ENVIRONMENT FEDERATION (WEF):** A not-for-profit technical and educational organization of 36,000 individual members and 75 affiliated Member Associations representing water quality professionals around the world.

ACRONYM LISTING

ACFR	Annual Comprehensive Financial Report
ADC	Actuarial Determined Contribution
AM	Asset Management
AOWP	Adult Offender Work Program
BAAQMD	Bay Area Air Quality Management District
BACC	Bay Area Chemical Consortium
BACWA	Bay Area Clean Water Agencies
BAPPG	Bay Area Pollution Prevention Group
BOD	Biological Oxygen Demand
BOY	Beginning of Year
CalPERS	California Public Employees' Retirement System
CAMP	California Asset Management Program
CASA	California Association of Sanitation Agencies
CCI	Construction Cost Index and/or City Cost Index (ENR.com)
CIP	Capital Improvement Program
CMMS	Computerized Maintenance Management System
CMSA	Central Marin Sanitation Agency
COLA	Cost of Living Adjustment
CoM	County of Marin
CPI	Consumer Price Index
CSRMA	California Sanitation Risk Management Authority
CUPA	Certified Unified Program Agencies
CWEA	California Water Environment Association
DAFs	Dissolved Air Flotation Thickeners
EDU	Equivalent Dwelling Unit
EE	Employee
ELAP	Environmental Laboratory Approval Program
ENR	Engineering News-Record
ER	Employer
F2E	Food-to-Energy
FOG	Fats, Oils, and Grease program (see Contract Service Revenues)
FTE	Full Time Equivalent
FW	Food Waste
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Government Accounting Standards Board
GFOA	Government Finance Officers Association
G&A	General & Administrative
IUL	Institutional Utility Laborer
IW	Industrial Waste
JPA	Joint Powers of Authority
LAIF	Local Agency Investment Fund (see Interest Income)
LARK	City of Larkspur
LGVSD	Las Gallinas Sanitary District (see Contract Service Revenues)
MARA	Medical After Retirement Account
MSS	Marin Sanitary Service
NACWA	National Association of Clean Water Agencies
NBWA	North Bay Watershed Association
NPDES	National Pollutant Discharge Elimination System
OPEB	Other Post-Employment Benefits (retiree medical benefits)

OWRF	Organic Waste Receiving Facility
PAFR	Popular Annual Financial Report
PEHP	Post-Employment Health Plan (employee benefit)
PEPRA	Public Employees' Pension Reform Act
POBs	Pension Obligation Bonds
RVSD	Ross Valley Sanitary District, JPA Member
SD2	Sanitary District No. 2, JPA Member
SDI	State Disability Insurance
SP	Strategic Plan
SQSP	San Quentin State Prison
SQV	San Quentin Village
SQVSM D	San Quentin Village Sewage Maintenance District
SRSD	San Rafael Sanitation District, JPA Member
SSC	Sewer Service Charge
SWRCB	State Water Resources Control Board
TCSD	Tamalpais Community Services District (see Contract Service Revenues)
TOC	Table of Contents
TSS	Total Suspended Solids
USA	Underground Service Alert
WAS	Waste Activated Sludge

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CENTRAL MARIN SANITATION AGENCY
Adopted Budget for FY24 and FY25
SCHEDULE OF REVENUE ALLOCATION TABLES

Description	Adopted FY23	Adopted FY24	Adopted FY25
Flow-Strength Allocation Table (for service charges and capital fee)	36M Flow 36M Strength	36M Flow 36M Strength	36M Flow 36M Strength
SRSD	44.52%	42.73%	42.73%
RVSD	47.62%	48.69%	48.69%
SD #2	7.86%	8.58%	8.58%
Totals	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Allocation of Service Charges to Members	<u>\$ 12,189,422</u>	<u>\$ 12,676,999</u>	<u>\$ 13,184,079</u>
SRSD	5,426,731	5,416,882	5,633,557
RVSD	5,804,603	6,172,431	6,419,328
SD #2	958,089	1,087,687	1,131,194
Totals	<u>\$ 12,189,422</u>	<u>\$ 12,676,999</u>	<u>\$ 13,184,079</u>
Allocation of Capital Fee to Members	<u>\$ 977,580</u>	<u>\$ 1,264,551</u>	<u>\$ 1,546,375</u>
SRSD	435,219	540,343	660,766
RVSD	465,524	615,710	752,930
SD #2	76,838	108,498	132,679
Totals	<u>\$ 977,580</u>	<u>\$ 1,264,551</u>	<u>\$ 1,546,375</u>
Debt Service Cost - Revenue Bonds Series 2015 and 2020			
Service charges-debt service principal	\$ 3,065,000	\$ 3,175,000	\$ 3,325,000
Service charges-debt service interest	1,457,031	1,326,006	1,175,281
Subtotal debt service	4,522,031	4,501,006	4,500,281
Service charges-debt service coverage	1,130,508	1,125,252	1,125,070
Total debt service cost	<u>\$ 5,652,539</u>	<u>\$ 5,626,258</u>	<u>\$ 5,625,351</u>
EDU Count (for debt service allocation)			
SRSD (Effective FY18 fixed at 19,545)	19,545	19,545	19,545
RVSD (Effective FY18 fixed at 22,404)	22,404	22,404	22,404
SD #2 (Effective FY18 fixed at 6,090)	6,090	6,090	6,090
SQSP (Effective FY18 fixed at 4,005)	4,005	4,005	4,005
Total EDU's	<u>52,044</u>	<u>52,044</u>	<u>52,044</u>
Allocation of Debt Service Costs to Members			
SRSD	\$ 2,144,355	\$ 2,133,663	\$ 2,133,294
RVSD	2,458,027	2,445,770	2,445,347
SD #2	668,157	664,825	664,710
SQSP	382,000	382,000	382,000
Totals	<u>\$ 5,652,539</u>	<u>\$ 5,626,258</u>	<u>\$ 5,625,351</u>
Total debt service charge per EDU - SRSD, RVSD, SD2	<u>\$ 109.71</u>	<u>\$ 109.17</u>	<u>\$ 109.15</u>
Total debt service charge per EDU - SQSP	<u>\$ 95.38</u>	<u>\$ 95.38</u>	<u>\$ 95.38</u>
Total billed charges to JPA members	<u>18,819,541</u>	<u>19,567,808</u>	<u>20,355,805</u>

CENTRAL MARIN SANITATION AGENCY
FY24 and FY25 Adopted Budget
Initial Allocation of Service Charges using Flow and Strength (with SQSP)

I. Allocation of treatment costs by Flow and Strength

A. Flow volume	50.6%
B. Biological Oxygen Demand mass (BOD, Strength)	24.7%
C. Total Suspended Solids mass (TSS, Strength)	24.7%
Total Distribution	100.0%

A. Annual (April to March) Flows volume into CMSA in million gallons

	SRSD	RVSD	SD #2	SQSP	Total CMSA Plant Influent Flow
April 1, 2020 to March 31, 2021	1,334.37	1,592.48	344.64	180.54	3,452.03
April 1, 2021 to March 31, 2022	1,528.75	1,823.97	380.60	191.71	3,925.03
April 1, 2022 to March 31, 2023 (Initial for FY24)	1,790.60	2,162.60	489.60	234.63	4,677.43
Total 36 month Flow	4,653.72	5,579.05	1,214.84	606.88	12,054.49
% of Flow	38.61%	46.28%	10.08%	5.03%	100.0%

B. Annual (April to March) Mass of Biological Oxygen Demand (BOD) in pounds

	SRSD	RVSD	SD #2	SQSP	Total CMSA Plant Influent BOD
April 1, 2020 to March 31, 2021	4,905,691	4,639,850	483,868	360,164	10,389,573
April 1, 2021 to March 31, 2022	3,917,515	4,363,453	696,542	414,336	9,391,846
April 1, 2022 to March 31, 2023 (Initial for FY24)	4,129,275	5,481,327	864,776	371,692	10,847,070
Total 36 month BOD	12,952,481	14,484,630	2,045,186	1,146,192	30,628,489
% of Total BOD	42.29%	47.29%	6.68%	3.74%	100.0%

C. Annual (April to March) Mass of Total Suspended Solids (TSS) in pounds

	SRSD	RVSD	SD #2	SQSP	Total CMSA Plant Influent TSS
April 1, 2020 to March 31, 2021	7,138,092	5,581,641	585,643	422,700	13,728,076
April 1, 2021 to March 31, 2022	4,544,402	4,592,978	726,137	446,304	10,309,821
April 1, 2022 to March 31, 2023 (Initial for FY24)	4,798,016	7,166,745	858,085	377,075	13,199,921
Total 36 month TSS	16,480,510	17,341,364	2,169,865	1,246,079	37,237,818
% of Total TSS	44.26%	46.57%	5.83%	3.34%	100.0%

II. Allocation of Flow and Strength to JPA Members and SQSP

This is determined by multiplying the allocation of treatment costs by volume and and strength (Section I) by each member's share of the flow (Section A), BOD (B) and TSS (C)

	SRSD	RVSD	SD #2	SQSP	Total Allocation
FY24 and FY25 Budget	40.91%	46.60%	8.20%	4.28%	99.99%

CENTRAL MARIN SANITATION AGENCY
FY24 and FY25 Adopted Budget
Initial Allocation of Service Charges and Capital Fee using Flow and Strength (without SQSP)

I. Allocation of treatment costs by Flow and Strength

A. Flow volume	50.6%
B. Biological Oxygen Demand mass (BOD, Strength)	24.7%
C. Total Suspended Solids mass (TSS, Strength)	24.7%
Total Distribution	100.0%

A. Annual (April to March) Flows volume into CMSA in million gallons

	SRSD	RVSD	SD #2	Total CMSA Plant Influent Flow
April 1, 2020 to March 31, 2021	1,334.37	1,592.48	344.64	3,271.49
April 1, 2021 to March 31, 2022	1,528.75	1,823.97	380.60	3,733.32
April 1, 2022 to March 31, 2023 (Initial allocation FY24)	1,790.60	2,162.60	489.60	4,442.80
Total 36 month Flow	4,653.72	5,579.05	1,214.84	11,447.61
% of Flow	40.65%	48.74%	10.61%	100.0%

B. Annual (April to March) Mass of Biological Oxygen Demand (BOD) in pounds

	SRSD	RVSD	SD #2	Total CMSA Plant Influent BOD
April 1, 2020 to March 31, 2021	4,905,691	4,639,850	483,868	10,029,409
April 1, 2021 to March 31, 2022	3,917,515	4,363,453	696,542	8,977,510
April 1, 2022 to March 31, 2023 (Initial allocation FY24)	4,129,275	5,481,327	864,776	10,475,378
Total 36 month BOD	12,952,481	14,484,630	2,045,186	29,482,297
% of Total BOD	43.93%	49.13%	6.94%	100.0%

C. Annual (April to March) Mass of Total Suspended Solids (TSS) in pounds

	SRSD	RVSD	SD #2	Total CMSA Plant Influent TSS
April 1, 2020 to March 31, 2021	7,138,092	5,581,641	585,643	13,305,376
April 1, 2021 to March 31, 2022	4,544,402	4,592,978	726,137	9,863,517
April 1, 2022 to March 31, 2023 (Initial allocation FY24)	4,798,016	7,166,745	858,085	12,822,846
Total 36 month TSS	16,480,510	17,341,364	2,169,865	35,991,739
% of Total TSS	45.79%	48.18%	6.03%	100.0%

II. Allocation of Sewer Service Charges to JPA Members

This is determined by multiplying the allocation of treatment costs by volume and strength (Section I) by each member's share of the flow (Section A), BOD (Section B) and TSS (Section C).

	SRSD	RVSD	SD #2	Total Allocation
FY24 and FY25 Initial allocation = FY23 Final allocation %	42.73%	48.69%	8.58%	100.00%

CENTRAL MARIN SANITATION AGENCY
 Schedule of Equivalent Dwelling Units (EDU) and Cost per EDU

[Return to TOC](#)

Status	Fiscal Year	SRSD	RVSD	Larkspur	SD #2	JPA Members	SQSP	Total EDU	
								Count	Change
Actual	FY14	19,703	19,498	2,949	6,006	48,156	4,005	52,161	50
Actual	FY15	19,643	19,666	2,982	6,216	48,507	4,005	52,512	351
Actual	FY16	19,555	19,700	3,019	6,076	48,350	4,005	52,355	(157)
Actual	FY17	19,332	19,298	3,039	6,055	47,724	4,005	51,729	(626)
Actual	FY18	19,565	19,448	3,060	6,008	48,081	4,005	52,086	357
Actual	FY19	19,716	19,345	3,066	6,152	48,279	4,005	52,284	198
Actual	FY20	19,609	22,248	See note	6,245	48,102	4,005	52,107	(178)
Actual	FY21	19,674	22,422		6,152	48,248	4,005	52,253	147
Actual	FY22	19,122	22,098		5,680	46,900	4,005	50,905	(1,348)
Actual	FY23	19,334	22,114		5,815	47,263	4,005	51,268	363
Estimate	FY24 & FY25	19,334	22,114		5,815	47,263	4,005	51,268	0

The EDU table above shows reported EDUs for each fiscal year. The total EDU count for JPA members is used to establish the operating revenue EDU rate. The debt service EDU count was fixed effective FY18 for debt service allocation purposes. The combined operating and debt service EDU rates are used to establish the annual waste facilities use charge each July 1st.

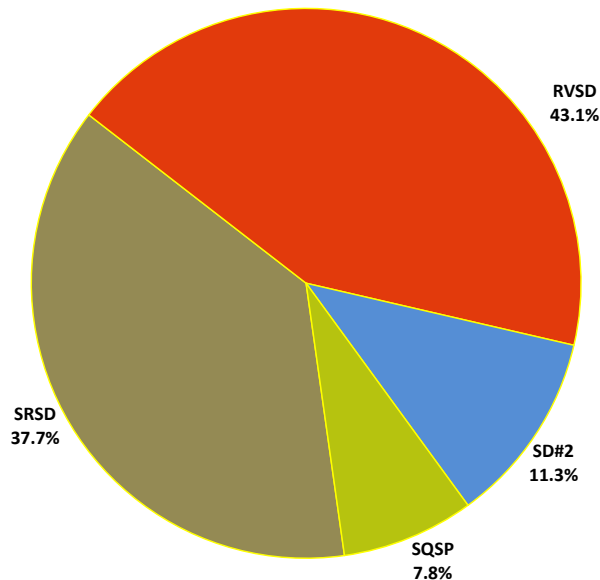
Note: In January 2020, the city of Larkspur withdrew from the JPA.

	FY24 Adopted	FY25 Adopted
Service Charges & Capital Fee	\$ 13,941,551	\$ 14,730,454
EDU Count	47,263	47,263
Operating EDU Rate	\$ 294.98	\$ 311.67
Debt Service	\$ 5,626,258	\$ 5,625,351
Fixed EDU Count	52,044	52,044
Debt Service EDU Rate	\$ 108.11	\$ 108.09
TOTAL COMBINED EDU RATE*	\$ 403.08	\$ 419.76

* The combined EDU rate for FY25 will be revised when final FY24 EDU counts are reported to the Agency in 2024

FY24 & FY25					
Budget	SRSD	RVSD	SD#2	SQSP	TOTAL
Total EDU	19,334	22,114	5,815	4,005	51,268
% of Total	37.7%	43.1%	11.3%	7.8%	100.0%

**EDU's by JPA Members and SQSP
 as a Percentage of Total EDU's for FY24 and FY25**



CENTRAL MARIN SANITATION AGENCY
 COUNTYWIDE EDUCATION PROGRAM
 OPERATING BUDGET WORKSHEET
 FOR THE TWO-YEAR BUDGET FY24 AND FY25

Program Costs	FY24	FY25	Adopted FY24	Adopted FY25
Event Enrollment (Booth costs and event support)	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Juggler Show (20 shows per year annual cost)	11,000	11,000	11,000	11,000
RxSafe Marin	-	-	-	-
Fast Forward/Kidspeak Publication (110,000 copies)	5,000	5,000	5,000	5,000
Logo Development (new logo every other year)	-	4,000	-	4,000
Awards (6 plaques - purchase plaques local and state)	-	-	-	-
Meeting Expenses (copies, demo promo/brochure items)	-	-	-	-
SAV-R-BAY website redesign and maintenance	1,000	1,000	1,000	1,000
Educational Video reproduction/updating	-	-	-	-
Booth Set Up Supplies (numerous events throughout year)	1,500	2,000	1,500	2,000
Booth Technology equipment	2,500	3,000	2,500	3,000
Brochures (printing/updates/ development)	4,000	-	4,000	-
Public Education Video Outreach (Comcast)	20,000	20,000	20,000	20,000
Promotional Items	20,000	20,000	20,000	20,000
STRAW - Students and Teachers Restoring A Watershed	-	-	-	-
High School Cu, Hg watershed Audit	-	-	-	-
Marin Science & Environmental Leadership Program at Terra Linda HS	2,500	2,500	2,500	2,500
Contingency	-	-	-	-
Totals	<u>\$ 75,500</u>	<u>\$ 76,500</u>	<u>\$ 75,500</u>	<u>\$ 76,500</u>

Program Cost Allocation to Participating Members						Member Revenue to CMSA (Cost Plus 15% Program Management Fee)			
Agency	Percent Share	Annual Total Program Costs				FY24	FY25	FY24	FY25
		FY24	FY25	FY24	FY25				
CMSA	40.6%	\$ 30,653	\$ 31,059	\$ 30,653	\$ 31,059				
LGVSD	13.2%	9,966	10,098	9,966	10,098	\$ 11,461	\$ 11,613	\$ 11,461	\$ 11,613
NSD	24.8%	18,724	18,972	18,724	18,972	21,533	21,818	21,533	21,818
SASM	11.6%	8,758	8,874	8,758	8,874	10,072	10,205	10,072	10,205
SMCSD	6.8%	5,134	5,202	5,134	5,202	5,904	5,982	5,904	5,982
SD5	3.0%	2,265	2,295	2,265	2,295	2,605	2,639	2,605	2,639
Members	59.4%	44,847	45,441	44,847	45,441	51,574	52,257	51,574	52,257
Totals	100.0%	<u>\$ 75,500</u>	<u>\$ 76,500</u>	<u>\$ 75,500</u>	<u>\$ 76,500</u>	<u>\$ 51,574</u>	<u>\$ 52,257</u>	<u>\$ 51,574</u>	<u>\$ 52,257</u>

Event and Booth Costs	Cost	FY24
BAEER Fair	\$1,500	
Earth Day Farmers Market	\$100	\$100
Earth Day Marin	\$3,000	
Marin County Home Show - Spring	\$1,700	
Tiburon Salmon Release	\$1,000	
Italian Street Painting Festival	\$1,000	
Fairfax Ecofest	\$100	\$100
Main County Fair	\$1,900	\$1,900
Marin County Home Show - Fall	\$1,700	
EcoFair Marin	\$2,500	
P2 Week Farmers Market	\$100	\$100
Scream on the Green	\$0	
Novato Farmers Market	\$0	
Total	<u>\$14,750</u>	<u>\$2,350</u>

Double Booth
 Downtown San Rafael
 Premium Booth - Event Support
 Booth, sides, curtains
 Booth - Financial Support
 Small Square
 Booth Against Back Wall
 Double Booth - on the main aisle
 Booth, sides, curtains
 Large Booth - Event Support
 Downtown San Rafael
 Unknown



Central Marin Sanitation Agency

Financial Policies Manual

Adopted by the CMSA Board of Commissioners on October 13, 2020

Travel, Training, and Other Business Policy #541 Approved February 14, 2023

Investments Policy #531 Approved March 14, 2023



Central Marin Sanitation Agency

FINANCIAL POLICIES MANUAL

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CY #:	501
SECTION:	FINANCIAL – FINANCIAL POLICIES
SUBJECT:	Policy Framework
DATE:	10/13/2020

PURPOSE

Financial policies are key components of sound fiscal management and direct proactive steps toward effectively managing and conducting financial operations. This policy’s framework provides guidance and direction for developing and maintaining financial policies. The development of these policies aligns with the Agency’s Value statement, “CMSA values sound financial practices to safeguard the Agency’s assets.”

The CMSA Financial Policy Manual guides the Board of Commissioners, General Manager, and Agency staff (i.e., all stakeholders) in shaping financial decisions and actions. These policies give directions for making informed choices regarding important aspects of high quality public services, and on effectively handling and safeguarding financial and physical assets. They define, promote, control, and ensure participation by each stakeholder on their roles, responsibilities, and relationships with respect to financial matters and administration.

POLICIES VS. PROCEDURES

Financial policies provide concise and comprehensive direction from the Board with respect to the proper actions to take in managing and conducting the Agency’s financial affairs. Each policy is organized to provide succinct, explicit, and current direction to designated stakeholders. These policies are linked to and complement financial procedures. Procedures are separately detailed with specific directions and steps for implementing the policies. Generally, policies tend to be less specific than procedures. Policies should pass the test of time, while procedures, keeping with the intent of the policies, may change more frequently to adapt to changes in operational needs, regulations, and technology. Financial procedures are maintained by the Finance/Administration Department.

POLICY FRAMEWORK

Agency staff shall develop, and the Board shall approve, financial policies that promote accountability, stability, and continuity. The policy development process also encourages active participation by specific stakeholders who have a vested interest in the Agency’s financial planning, management, and operations.

Financial policies shall be actionable and shall set controls to be used for prudent financial decision-making, and shall standardize financial operations by defining roles and responsibilities. They shall define and outline appropriate financial management and behavior. In their intent, they shall promote and incorporate long-term perspectives and strategic thinking by framing overall operational policies, goals, and objectives. They shall establish links to these broad

organizational goals and objectives, while focusing on fiscal results and outcomes for the Agency.

Agency staff shall periodically bring the financial policies to the Board for review and consideration of making recommended changes.

All Agency employees may be subject to disciplinary actions under Personnel Policy, *Progressive Discipline* for violation of any financial policies.

POLICY #:	502
SECTION:	FINANCIAL – INTERNAL CONTROLS
SUBJECT:	Internal Controls and Fraud Prevention
DATE:	10/13/2020

POLICY

The Agency shall maintain a system of internal controls to safeguard assets, to properly manage assets, and to ensure reliable data.

PROCEDURES

This policy provides direction on managing the Agency’s internal accounting methods and practices and to prevent fraudulent activities and misuse of Agency funds in accordance with California Government Code Section 6500, et seq.

I. Internal Controls

Agency staff shall establish and maintain procedures, documents and systems of internal control to safeguard financial assets, to manage financial assets in an accountable, secure, efficient, and effective manner, and prevent or detect errors thereby to ensure accurate financial data. The Administrative Services Manager shall be responsible for this function.

II. Internal Accounting Practices

Agency staff shall perform internal accounting practices in accordance with *Generally Accepted Accounting Principles (GAAP)* for government agencies, including applicable *Financial Accounting Standards Board (FASB)* pronouncements, and all relevant *Governmental Accounting Standards Board (GASB)* pronouncements.

Agency staff shall ensure that:

- A. Each employee understands his/her role, responsibility, and accountability when conducting financial transactions for the Agency;
- B. All transactions are properly authorized;
- C. All accounting records and documentation are properly maintained;
- D. Access to both assets and records are effectively controlled; and
- E. General ledger accounts are periodically reviewed for their reasonableness, and updated annually for the validity and accuracy of the underlying items they represent.

If any of these practices are found to be improperly implemented or maintained, Agency staff shall take immediate remedial action to improve and/or change the practice.

III. Internal Review and Recommendations

The Agency's executive team shall perform a periodic review of all financial policies, procedures, and practices. As appropriate, the General Manager shall make policy change recommendations to the Board of Commissioners for its review and approval, and/or direct Agency staff to make appropriate procedural changes.

IV. Public Fiduciary Liability

The General Manager shall recommend, for Board review and approval, methods for reducing and mitigating risks, when they become known, associated with potential public fiduciary liabilities such as claims made against the Agency for any alleged wrongful fiduciary act and/or breach of fiduciary duties for which the Agency might be responsible. The General Manager shall consult with the California Sanitation Risk Management Authority and other respected resources to make recommendations regarding the procurement of public official bonds, fiduciary liability insurance, and establishing other mechanisms for reducing and mitigating such risks.

V. Audits

Internal control and financial audits shall be performed annually by an independent firm of certified public accountants and coordinated by the Administrative Services Manager in accordance with *Generally Accepted Auditing Standards*, the Agency's Joint Powers Agreement, and applicable State laws. The Administrative Services Manager shall incorporate the financial audit results into the financial section of the Comprehensive Annual Finance Report (CAFR). Agency staff shall implement auditor recommendations for improved internal controls. The Board shall annually review and approve the audits and accept the CAFR.

In addition, based on the recommendation of the General Manager from an evaluative process, the Board shall periodically review and approve the selection of the independent auditor to perform the annual financial audit. The Agency shall not use the same auditing firm for more than six consecutive years.

VI. Segregation of Duties

In implementing this policy and related procedures, Agency staff shall segregate financial transaction roles, responsibilities, and duties to the extent possible to safeguard assets against the risk of loss, mishandling, misuse, and fraud.

VII. Operating Fund Account

The Board shall approve the selection of a federally insured banking institution that would be entrusted to securely handle and transact, at Agency staff direction, any funds deposited in the Agency's Operating Fund Account. The General Manager shall periodically recommend to the Board the selection through an evaluative process of a

new banking institution due to changes in current banking institution performance, banking market conditions, or for other benefits or advantages to the Agency. The evaluation shall include, but is not limited to, qualifications associated with banking services provided, fees charged, and financial and administrative benefits for the Agency. The Administrative Services Manager shall maintain a set of procedures to manage the daily and routine operations of the account and its cash balances.

VIII. Authorized Check Signers

Agency staff shall require that all checks disbursed from the Agency's operating account have two signatures and be for valid, documented, and approved expenses of the Agency. Authorized check signers shall review checks for reasonableness before signing. At no time or occasion shall blank checks be signed. The Board shall designate authorized check signers who may include the General Manager, Board members and alternates, and Agency staff. For internal control purposes, the Administrative Services Manager will not sign Agency checks. The General Manager shall seek Board authorization to update authorized check signers whenever a previously designated check signer is no longer affiliated with the Agency.

IX. Wire Transfers and ACH Payments

The Agency utilizes an operating account and several investment accounts to properly manage its funds. The General Manager, Administrative Services Manager, and Agency staff appointed by the General Manager shall be authorized to transfer funds between these accounts. Agency staff shall accept wire transfer payments to its operating account for services rendered after review and approval by the Administrative Services Manager. Wire transfers and ACH payments from the operating account require authentication and approval by the Administrative Services or General Manager before making such payments.

X. Vault Security

Agency staff shall store vital Agency financial and administrative records, all cash, blank check stock, processed and voided checks, and spare door keys and access cards in the vault, which is a fire-resistant locked closet located in the front office area of the Administration building. The General Manager shall designate which Administration and Finance staff shall be given possession of the key to the vault.

XI. Payments to Agency and Bank Deposits

Agency staff shall deposit in the bank all payments to the Agency on a weekly basis based on appropriate financial procedures. Deposit of cash receipts shall be performed by designated staff and verified by the appropriate finance staff. Prior to the time in which the receipts are processed for bank deposit, Agency staff shall store checks and cash in the Agency vault.

XII. Petty Cash

Agency staff shall securely maintain petty cash funds for small cash transaction purposes. Disbursements from petty cash shall be pursuant to the *Purchasing policy*, and associated procedures. At no time or occasion shall checks be cashed out of petty cash currency, or petty cash funds borrowed for any purpose. Agency staff shall keep petty cash in a locked box in the Agency vault and replenish it at least monthly.

XIII. RV Disposal Receipts

Agency staff shall securely maintain funds to conduct payment transactions for Recreational Vehicle (RV) customers utilizing the Agency facilities to discharge wastewater. RV cash receipts will be reconciled to the sales/money receipts book monthly or at the same time as petty cash replenishment. RV cash collections must agree with RV receipts given. RV cash held is used to replenish petty cash to avoid issuing a check for petty cash replenishment. A reconciliation worksheet documents and records the transaction activity. At no time or occasion shall checks be cashed out or funds borrowed from held currency. Agency staff shall keep these RV funds in the Agency vault.

POLICY #:	503
SECTION:	FINANCIAL – INTERNAL CONTROLS
SUBJECT:	Ethics
DATE:	10/13/2020

POLICY

The Agency shall follow ethical standards in its financial matters to avoid inappropriate practices that could occur in both fact and appearance.

PROCEDURES

The Board of Commissioners, General Manager, and Agency staff shall serve as stewards of the public’s resources, trust, and confidence, and thus shall be held to the high standards of ethical fiscal conduct in the public’s interest as opposed to personal interests.

I. General

The Board shall establish and maintain financial policies for standards of ethical responsibility. Commissioners and Agency staff should understand that improper financial and contractual activities could damage the reputation of, and confidence in, the Agency and its employees, and could result in serious adverse financial and legal consequences for the Agency.

Each Board member and Agency staff shall conduct their official business dealings in practice and appearance according to ethical fiscal standards, regulatory requirements, and the public trust. Agency staff shall develop and implement methods and controls for preventing, avoiding, and reducing potential ethical fiscal improprieties, conflicts, and fraudulent behavior, and to ensure procedures and structures are in place to properly implement this policy. The General Manager, as necessary, will periodically schedule appropriate ethics training for Commissioners and designated Agency staff as required by the California Government Code.

II. Violation of this Policy and Related Financial Policies

The General Manager or designee shall investigate any allegation and/or observation of improprieties that would violate this policy and other financial policies. If a violation is determined to have occurred, the General Manager shall handle the matter under the Agency’s Personnel Policies, which may result in disciplinary action.

III. Reporting Unethical and Fraudulent Behavior

Agency staff shall report any observation in practice or appearance of a violation of the Agency’s financial policies and procedures, including this policy, to their supervisor or the General Manager, who will investigate the matter. A verbal or written report will be considered a personnel matter and will be handled with strict confidentiality under the

Agency's Personnel Policies. If the suspect employee is the General Manager, Agency staff have a responsibility to contact the Chairperson of the Board of Commissioners.

IV. Whistleblower Provision

Agency staff who report unethical or fraudulent behavior are protected by the provisions in the California Government Code Sections 8547-8547.12, Article 3, known as the "California Whistleblower Protection Act."

V. Use of Public Funds

Agency staff shall make expenditures of Agency funds only after the transaction has been properly reviewed, approved, and authorized as established by *Internal Controls, Expenditure Management, Financial Planning, Procurement Management, and Asset Management* policies, and related procedures. Agency staff shall only receive funds for authorized and approved Agency activities as established by *Internal Controls, Revenue Management, and Financial Planning* policies, and related procedures. Agency staff shall not spend or receive public funds for any "public purposes" they choose; all funds of the Agency shall be utilized solely for Board adopted purposes (California Government Code section 8314).

Agency staff shall be prohibited from the practice and appearance of potentially fraudulent activities that could involve, and are not limited to, the following activities: borrowing Agency funds, accounting or recordkeeping that results in borrowing schemes, contract or bid rigging, pilfering or petty theft, unapproved reimbursement of funds, unauthorized disposal or taking possession of surplus or unused Agency property and supplies, double accounting or making double payments, false claims, payroll and benefit fraud, and false programming or hacking of electronic and automated financial systems and transactions.

Each Board member shall comply with Agency Board of Commissioners' *Reimbursement Policy for Travel/Expenses for Agency Officials*.

VI. Conflict of Interest

Government Code section 87300 requires every state and local government agency to adopt a Conflict of Interest Code to prohibit and prevent financial conflicts of interest. In addition to this *Ethics* policy, the Board has also adopted a Personnel Policy that addresses conflicts of interest.

Commissioners and Agency staff shall not make, participate in making, or in any way attempt to use their official positions to influence an Agency decision in which they know or have reason to know that they have a financial interest (California Government Code section 87100, et seq.). In addition, Commissioners and Agency staff shall not be financially interested in contracts they approve on behalf of the Agency. Commissioners and Agency staff shall avoid contractual improprieties that could occur both in practice and appearance (California Government Code section 1090, et seq.).

Commissioners and Agency staff shall not engage in any employment or enterprise for compensation that is inconsistent, incompatible, or in conflict with their official duties and responsibilities associated with the Agency (California Government Code section 1126). Each Commissioner and designated Agency staff, as stated in the Agency's Conflict of Interest Code, shall file *Form 700: Statement of Economic Interests* with the Marin County Office of Elections. The General Manager shall make the statements available for public inspection and reproduction (California Government Code section 81008).

VII. Bribery and Extortion

Federal and California law both prohibit bribery and extortion of or involving public officials and employees. Commissioners and Agency staff shall not ask, receive, or agree to receive a bribe, and shall not demand or extort money in return for the performance of their official duties. A bribe involves asking for, giving, receiving, and accepting anything of value for gaining present or prospective advantage, performance, and/or influence in any affairs of the Agency (California Penal Code sections 7(6) and 68).

VIII. Extra Compensation

Commissioners and Agency staff shall explicitly uphold the California Constitution, Article XI, section 10 that prohibits "*extra compensation*":

"...A local government body may not grant extra compensation or extra allowance to a public officer, public employee, or contractor after service has been rendered or a contract has been entered into and performed in whole or in part, or pay a claim under an agreement made without authority of law."

IX. Gifts to Employees and Officials

Commissioners and Agency staff shall explicitly follow the California Political Reform Act (Government Code sections 86203, 89503, and 89506) that set forth the rules and provisions that must be followed by public employees and officials related to the receipt of gifts. These state laws limit the value of gifts that may be accepted by the Board and Agency employees. These government codes cover a broad subject area regarding gifts including, but not limited to, the maximum amount of gifts that public employees and officials may receive (amounts are set by the California Fair Political Practices Commission), lobbyist limitations, special rules for gifts of travel, exceptions to the gift limitations, and other regulations regarding gifts. See website www.fppc.ca.gov for more information.

X. Honoraria Ban

Commissioners and Agency staff shall explicitly follow California Government Code 89502, which prohibits public officials from accepting honoraria. Honoraria is defined as any payment made in consideration for any speech given, article published, or

attendance at any public or private conference, convention, meeting, social event, meal, or like gathering.

XI. Gifts of Public Funds

Commissioners and Agency staff shall explicitly uphold California Constitution, Article XVI, section 6 that prohibits public agencies from making gifts of public funds:

“... shall have no power... to make any gift or authorize the making of any gift of any public money or thing of value to any individual, municipal or other corporation whatever the purpose...”

XII. Receiving Private Donated Funds

The Board shall receive donated funds and/or property of value from private individuals, corporations, and organizations on behalf of the Agency when such funds or property are directly related to the mission, public purpose, and operations of the Agency. The Board shall not receive such donations in exchange for compensation, services, and/or any item of value that would benefit the donator in fact, practice, or appearance, other than those derived from tax-exempt donations prescribed in federal and state tax laws. The General Manager shall review, approve, and accept items of de minimus value on behalf of the Agency. The Board shall review and consider accepting all other donations.

POLICY #:	510
SECTION:	FINANCIAL – FINANCIAL REPORTING
SUBJECT:	General
DATE:	10/13/2020

POLICY

The Agency shall prepare Comprehensive and Popular Annual Financial Reports for submittal to the Government Finance Officers Association (GFOA), and prepare various other financial, payroll, and debt reports.

PROCEDURES

I. Comprehensive and Popular Annual Financial Reports

The Comprehensive Annual Financial Report (CAFR) shall be prepared in accordance with *Generally Accepted Accounting Principles (GAAP)* for government agencies and relevant Governmental Accounting Standards Board (GASB) statements. It shall be produced in three sections: introductory, financial, and statistical. The financial section shall include the Agency's audited financial report that was prepared by an independent firm of certified public accountants in accordance with *Generally Accepted Auditing Standards (GAAS)* and is required by the California Government Code, Section 6505.

The Agency will also prepare a Popular Annual Financial Report (PAFR) as a companion to the CAFR. The CAFR and PAFR will be submitted to the GFOA for evaluation and consideration of the Certificate of Achievement for Excellence in Financial Reporting and the Award for Outstanding Achievement in Popular Annual Financial Reporting, respectively.

The Board of Commissioners shall review and accept the CAFR and PAFR by no earlier than the date of the auditor's opinion letter to the Agency, and no later than December 31 of the fiscal year end for which the report is prepared.

II. External Filings and Reporting

Agency staff shall comply with the required external filings and reports as listed in the table below.

Report Category/Report	Frequency
Financial Reporting:	
CAFR with audited financial statements	Annual
PAFR	Annual
Forms W2 (Federal) / W3 (Federal) / DE 7 (State)	Annual
State Controller's Government Compensation of California Report	Annual
State Controller's Special Districts Financial Transactions Report	Annual

Report Category/Report	Frequency
Payroll Reporting:	
Federal and State Tax Withholding Deposits	Bi-weekly
Forms 941 (Federal) / DE 6 (State)	Quarterly
Debt Reporting: (see <i>Continuing Disclosure Procedures for Agency-Issued Debt</i>)	
Audited Financial Statements from CMSA and each JPA member agency required by the Municipal Rulemaking Securities Board (MSRB) to file electronically through the Electronic Municipal Market Access (EMMA)	Annual
Disclosures to bondholders and other interested parties required by the MSRB and filed through EMMA	Annual or Event Driven
Other Reporting:	
Diesel fuel taxes (State)	Annual
Forms 1099 (Federal) / 1096 (Federal)	Annual

III. Board Member Compensation Report

At the beginning of each fiscal year, Agency staff will prepare a Board member compensation report and place it on the governing Board page of the Agency website. The report will show the amount of meeting stipends and travel expenses for each Board member for the prior fiscal year.

POLICY#:	511
SECTION:	FINANCIAL – FINANCIAL REPORTING
SUBJECT:	Continuing Disclosure Procedures for Agency Issued Debt
DATE:	10/13/2020

POLICY

The Agency shall comply with all debt-related continuing disclosure requirements by supplying certain financial information to credit rating agencies and other interested parties.

PROCEDURES

Each debt issued by the Central Marin Sanitation Agency (Agency) will have its own specific set of Continuing Disclosure Undertakings. This policy ensures that the Agency satisfies all debt-related disclosure requirements and identifies the responsible Agency staff.

The continuing disclosure procedures (“Continuing Disclosure Procedures” or “Procedures”) of the Agency, presented below, are intended to (a) ensure that the Agency’s Continuing Disclosure Documents (as defined below) are accurate and comply with all applicable federal and state securities laws, and (b) promote best practices regarding the preparation of the Agency’s Continuing Disclosure Documents.

I. Definitions

“Continuing Disclosure Documents” means any documents filed with the Municipal Securities Rulemaking Board (“MSRB”) pursuant to Continuing Disclosure Undertakings or otherwise, including: (a) annual continuing disclosure reports filed with the MSRB and (b) event notices and any other filings with the MSRB.

“Continuing Disclosure Undertakings” means any continuing disclosure agreements or certificates entered into by the Agency in order to assist an underwriter for the Agency’s bonds or other evidences of indebtedness in complying with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended.

“Official Statements” means preliminary and final official statements, private placement memoranda and remarketing memoranda relating to the Agency’s securities, together with any supplements, for which a continuing disclosure obligation is required.

II. Disclosure Coordinator

- A. *Appointment.* The Administrative Services Manager shall serve as the Disclosure Coordinator for the Agency. The Administrative Services Manager, with the approval of the General Manager, may designate another member of the Agency staff to serve as the Disclosure Coordinator.
- B. *Responsibilities.* The Disclosure Coordinator is responsible for:
 - 1) Preparing and filing the Continuing Disclosure Documents, to the extent

such filings are not prepared and filed by the Disclosure Consultant. The

Disclosure Consultant may be the Agency's Bond Counsel, Financial Advisor, or Trustee.

- 2) In anticipation of preparing Continuing Disclosure Documents, soliciting audited financial statements from CMSA's JPA member agencies and other "material" information (as defined in Securities and Exchange Rule 10b-5) from Agency departments.
- 3) Following up with others, including management of outside consultants assisting the Agency (if any), in the preparation and dissemination of Continuing Disclosure Documents to make sure that assigned tasks have been completed on a timely basis and making sure that the filings are made on a timely basis and are accurate.
- 4) Ensuring the timely filing of the Agency's Continuing Disclosure Undertakings with the MSRB by the Disclosure Coordinator, Consultant, or other party.
- 5) Serving as a "point person" for personnel to communicate issues or information that should be or may need to be included in any Continuing Disclosure Document.
- 6) Monitoring compliance by the Agency with these Continuing Disclosure Procedures, including timely dissemination of the annual report and event filings as described in the Agency's Continuing Disclosure Undertakings.
- 7) Recommending changes to these Continuing Disclosure Procedures to the General Manager as necessary or appropriate.
- 8) Maintaining records documenting the Agency's compliance with these Continuing Disclosure Procedures.
- 9) Reviewing compliance with and providing appropriate certifications in connection with the various covenants in bond documents, such as maintenance of revenues and coverage tests. The Disclosure Coordinator shall review the bond documents to determine which covenants require an annual or regular certification and maintain a list.

III. Continuing Disclosure Filings

A. Overview of Continuing Disclosure Filings

Under the Continuing Disclosure Undertakings, the Agency is required to file annual reports for the Agency and each JPA member agency with the MSRB's Electronic Municipal Market Access ("EMMA") system in accordance with such agreements in each year. Such annual reports are required to include certain

updated financial and operating information (or may refer to a publicly-available document), which varies among the different obligations issued by the Agency, and the Agency's audited financial statements.

The Agency is also required under the continuing disclosure undertakings to file notices of certain events with EMMA, such as adverse events.

B. Annual Reports

The Disclosure Coordinator shall ensure that the preparation of the Agency's annual reports shall commence as required under each specific continuing disclosure obligation. Before the Agency's annual report is submitted to EMMA, the Disclosure Coordinator shall verify its content and accuracy. This is done through the annual audit process and preparation for the GFOA Certificate of Achievement Award. Prior to each filing, the Disclosure Coordinator will discuss any questions or concerns regarding the annual report with the General Manager and outside consultants as described in III. D. below.

C. Event Filings

If the Disclosure Coordinator, General Manager, or Administrative Services Manager becomes aware of any of the material events listed in any of the Continuing Disclosure Undertakings, such person shall notify the others and discuss the event to determine whether a filing is required or is otherwise desirable. The Disclosure Coordinator may contact outside consultants with any questions as described in III. D. *Uncertainty*, below.

D. Uncertainty

The Disclosure Coordinator may, after consultation with the General Manager and Administrative Services Manager, direct questions regarding this policy or disclosure to the disclosure counsel, bond counsel, Agency counsel, or such other counsel or consultant he/she deems appropriate.

IV. Document Retention

The Disclosure Coordinator shall be responsible for retaining records demonstrating compliance with these Continuing Disclosure Procedures. The Disclosure Coordinator shall retain an electronic or paper file ("Disclosure File") for each continuing disclosure annual report that the Agency completes. Each Disclosure File shall include final versions of Continuing Disclosure Documents; written confirmations, certifications, letters and legal opinions described herein; and copies of these Continuing Disclosure Procedures and a list of individuals to whom they have been distributed and the dates of such distributions. The Disclosure File shall be maintained by the Agency for a period of a minimum of five years from the later of the date of delivery of the securities referenced in the Continuing Disclosure Document, or the date the Continuing Disclosure Document is published, posted, or otherwise made publicly available, as applicable.

V. Education

The General Manager and the Administrative Services Manager shall ensure that the Disclosure Coordinator is properly trained to understand and perform his/her responsibilities. Such training may include training sessions conducted by consultants with expertise in municipal securities disclosure, attendance at conferences, or other appropriate methods identified by the General Manager or the Administrative Services Manager such as review of past practice.

VI. Amendments

Any provision of these Continuing Disclosure Procedures may be waived or amended at any time by written confirmation of the General Manager upon consultation with the Administrative Services Manager, as the changes meet the disclosure requirements set forth in the debt issue covenants.

POLICY #:	520
SECTION:	FINANCIAL – REVENUE MANAGEMENT
SUBJECT:	General
DATE:	10/13/2020

POLICY

The Board shall establish a multi-year revenue program to fund its operating, debt service, and capital improvement program needs.

PURPOSE

To provide staff direction on the management of the Agency’s revenues with respect to its organizational budget, strategic plan, and Board direction.

REVENUE SOURCES

CMSA’s service charges are established by the Board of Commissioners based on the Agency’s total funding requirements. These requirements take into account the Agency’s operational and capital expenses, other revenue sources, the use and level of reserve cash, debt service requirements, and long-term financial forecasts, among other considerations.

I. Service Charges (Regional Charge)

The majority of Agency revenues are from Regional Service Charges collected from its JPA member agencies and contract revenues for wastewater services provided to San Quentin State Prison. In accordance with the JPA, the Board can base these charges on the number of equivalent dwelling units (EDUs), measured flow volume, or measured flow volume and wastewater quality (strength).

EDUs are determined by each member agency for each residential, commercial, and industrial property in its service area. A residential EDU is an estimation of an average wastewater flow discharged from one single-family household.

Each member agency provides the total EDU count for its service area to CMSA.

Collection agency flows are continuously measured by flow meters and recorded by the CMSA process control system, and can be totaled for any period of time. Flow measurements from existing flow meters on influent forcemains are used to quantify each collection agency’s influent volumes. Flows are continuously measured for San Rafael Sanitation District, the Ross Valley interceptor, Sanitary District No. 2 of Marin County, and San Quentin State Prison, and are calculated for Ross Valley Sanitary District.

II. All Other Revenues

Other Agency revenues consist of capacity charges, contract service revenues, investment interest income, environmental compliance permit and inspection fees, septic hauler disposal fees, organic waste tipping fees, program expense reimbursements to CMSA, and miscellaneous charges for other services.

PROCEDURES

I. Service Charges

Service charges shall be billed to the member agencies at the beginning of each quarter, set at one-fourth of the annual budgeted amount. A service charge adjustment will be made with the fourth quarter invoice to reflect any changes between the service charge allocation amounts used to develop the budget and the actual amounts for each member agency, as described in each allocation procedure below.

The Board and its Finance Committee will review the Regional Charge allocations during the development of the Agency's budget. The budgeted service charge amount will be set to equal the net revenue needed to fund the Agency's annual operations and the current and future capital improvement program activities. Net revenue is defined to be total Agency budgeted revenues less estimated revenues for contract services, program services, interest income, fees from haulers, permits and inspections, and other operating revenues. Budgeted service charge revenues do not include revenues for debt service and capacity charges.

A. Service Charge Allocation using Equivalent Dwelling Units (EDU)

Member agency service charge payments to CMSA may be based on each member's previous year's actual EDU count that is reported to CMSA. The Board shall set the exact EDU rate for the Agency's service charge during the budget development process for the upcoming fiscal year(s).

During the development of the budget, CMSA will use the prior year's reported actual EDU count to develop the revenue budget. By March 15, the member agencies report their actual count of EDUs to CMSA for that fiscal year. Member agencies will provide supporting documentation to substantiate their reported counts. These documents must include:

- 1) Reports from the Marin County Auditor-Controller that summarize the number of EDU (sanitary units) that each district has placed on the property tax roll.
- 2) Listing of EDUs for governmental or other entities that each district bills directly for sewer services charges. Typically, these are entities that are not on the County's property tax rolls.

- 3) Any variances between the reported actual EDU and the sum of EDU count from items 1 and 2. These could be EDU adjustments that the district granted to its ratepayers after the EDUs were placed on the property tax rolls.

Staff will analyze the EDU count and supporting information received from each member agency and consult with each as appropriate. In the event complete EDU information is not available, staff will seek Board direction on how to calculate the fourth quarter invoices.

Once Agency staff has verified the reported actual EDU counts in the supporting documents, Finance staff will reconcile the EDU counts used in the budget with the actual reported EDU counts, and invoice each Member Agency accordingly.

B. Service Charge Allocation using Flow Volumes

The Board will establish the measurement period for using flow volumes to determine the service charge allocation. The minimum measurement period will be 12 months and longer periods will be in 12-month increments.

1) Allocation of Regional Charges by Flow Volume

Once the upcoming revenue budget has been developed, Finance staff prepares an allocation of the service charges based on the prior flow volumes in 12-month increments. Each satellite collection agency's allocation for the upcoming fiscal year will be included in the draft and adopted Agency budgets.

Percentage allocations are based only on volumetric flow measurements as recorded by CMSA flow meter data. The allocations are determined using the equations below:

$$Volume_{Total} = Volume_{SRSD} + Volume_{SD1} + Volume_{SD2}$$

$$\% Allocation_{Agency} = \frac{Volume_{Agency}}{Volume_{Total}}$$

$$Regional\ Charge\ Allocation_{Agency} = \% Allocation_{Agency} \times CMSA\ Net\ Revenue_{Total}$$

2) Collection of Regional Charge

Once the Agency's budget has been adopted, the Agency will invoice each satellite collection agency for its respective portion of the regional charge on a quarterly basis starting on July 1 of each fiscal year. Each quarterly invoice will represent one-fourth of the allocated annual regional charge.

Prior to the issuance of the fourth quarterly invoice, the Administrative

Services Manager (ASM) will recalculate the current fiscal year's regional charge allocation based on the flow volumes for the most current April 1 to March 31 measurement period. The adjustment between the budgeted and current regional charge allocation will be reflected on the invoice for the fourth quarter.

C. Service Charge Allocation using Volume/Quality (Flow/Strength)

- 1) Calculation of annual volume of the wastewater generated from each satellite collection entity.

Each April, the Technical Services (TS) staff will provide Finance staff with the annual volume of wastewater generated from each satellite collection entity for the previous April 1 to March 31 periods.

- 2) Calculation of annual wastewater quality (strength) from each satellite collection entity.

Quality is defined as the amount (lbs.) of Total Suspended Solids (TSS) and Biological Oxygen Demand (BOD) in a collection agency's wastewater transported to CMSA. Quality samples will be periodically collected and analyzed in the CMSA laboratory. Each April, the TS department will provide Finance staff with the wastewater quality information for each member agency and San Quentin.

- 3) Allocation of regional charges by flow volume and strength.

Once the upcoming revenue budget has been developed, the Finance staff will prepare an allocation of the regional charges based on the selected April 1 to March 31 time period. Each member agency and San Quentin's allocation for the upcoming fiscal year will be included in the draft and adopted Agency budgets.

The Agency's Annual Net Revenues will be assigned to flow, BOD and TSS based on the allocations developed in 2013 Bartle Wells Updated Allocations for Regional Charge Report: Flow – 50.6%, BOD – 24.7%, and TSS – 24.7%

Using the percentage allocations listed above and influent flow and quality data, unit costs (i.e., \$/1,000 gallons of flow, \$/lb of BOD and \$/lb of TSS) are then used to allocate CMSA's Regional Charge to each collection agency based on its respective flow, BOD, and TSS costs, using the following equations:

$$Net\ Revenue_{Total} = Revenue_{Flow} + Revenue_{BOD} + Revenue_{TSS}$$

$$Unit\ Cost_{Flow} = \frac{Revenue_{Flow}}{Total\ Gallons}$$

$$Unit\ Cost_{BOD} = \frac{Revenue_{BOD}}{Total\ Pounds\ BOD}$$

$$Unit\ Cost_{TSS} = \frac{Revenue_{TSS}}{Total\ Pounds\ TSS}$$

$$Regional\ Charge\ Allocation_{Agency} = Unit\ Cost_{Flow} \times Flow_{Agency} + Unit\ Cost_{BOD} \times BOD_{Agency} + Unit\ Cost \times TSS_{Agency}$$

4) Collection of regional charge.

Once the Agency's budget has been adopted, the Agency will invoice each member agency for its respective portion of the regional charge on a quarterly basis starting on July 1 of each fiscal year. Each quarterly invoice will represent one-fourth of the allocated annual regional charge.

Prior to the issuance of the fourth quarterly invoice, Finance staff will recalculate the current fiscal year's regional charge allocation based on the flow volumes and quality for the most current April 1 to March 31 period. The adjustment between the budgeted and current regional charge allocation will be reflected on the invoice for the fourth quarter.

II. Debt Service Charge

Per the Payment Agreements for Treatment Services (debt service agreements) between CMSA and the member agencies, each member agency's proportional EDU share of the debt service shall be billed and collected semi-annually during each fiscal year. The payment shall be based on the EDU counts referenced in the Memorandum of Understanding, dated September 21, 2016, that uses the 10-year average fixed EDU counts per member for debt service cost allocation purposes. Each Member Agency's semi-annual payment share shall be calculated to include the actual debt service amount and bond coverage requirements. An adjustment will be made in the subsequent fiscal year's debt service payment for the recalculation of the prior year's debt service payment based on the actual EDU count information.

III. Capacity Charge

A one-time capacity charge shall be collected by the appropriate member agency for an initial connection to the wastewater collection system or additional fixture units on existing connections in the CMSA service area. This charge shall be set by the Board by ordinance. Each member agency shall collect both the CMSA capacity charge and the member agency's connection fee. After collection, the member agency shall remit the capacity charge portion to CMSA.

The number of connections that occur each fiscal year is unpredictable because connections vary due to new construction or other activities that would trigger a connection fee. The Board shall approve through the budget process and Agency staff shall account for use of capacity charges to fund capital projects per California Government Code Section 66006.

Adjustments to capacity charges shall also be calculated for change of use of an existing wastewater connection and/or additional fixture units added. Changes in use or additional fixture units may change the strength or flow of wastewater discharge. These calculation changes are made by the member agency collecting and remitting said charges to CMSA.

IV. Permit and Inspection Fees

The Board shall set by ordinance specific fees that Agency staff will collect for services related to environmental, public health, and regulatory responsibilities under the Agency's jurisdiction--see the *Fee Ordinance*. When setting a fee, the timeframe in which the fee is valid shall be set and the fee will be calculated to recover the full cost of the services as described below under V. *Fees for Service*.

V. Fees for Service

Fees charged to outside agencies for Agency provided services under contract shall be based on mutually agreed-to terms, under which the Agency recovers the full cost of providing such services. The principles of cost accounting shall apply for recovery of direct materials, direct labor, and administrative overhead. Labor charges shall be recovered using the weighted labor rate that includes the cost of salaries and benefits. Contract revenues shall be billed pursuant to the terms in each specific agreement.

VI. Accounts Receivable

According to *Generally Accepted Accounting Principles (GAAP)*, Agency staff shall record a receivable for sewer service charges, capacity charges, permit and inspection fees, and other fees for service when the revenue is due to the Agency. The Finance department will conduct a monthly reconciliation of accounts receivable and identify outstanding payments due to CMSA. Accounts receivable shall be accrued to the proper accounting period based upon the date the services were performed.

POLICY #:	521
SECTION:	FINANCIAL – REVENUE MANAGEMENT
SUBJECT:	Agency Service Contracts
DATE:	10/13/2020

POLICY

All Agency service contracts shall sufficiently recover the full cost of providing such service.

PROCEDURES

The General Manager will receive all written requests from public entities for CMSA services and will ask the appropriate department manager to conduct a feasibility review for the provision of the requested services. The General Manager will then determine if the Agency has the resources, staff expertise, and capacity to provide the services being requested. The Agency will recover the full costs for all services provided, including staff compensation, benefits, and administrative overhead. If a mutually beneficial contract is feasible, a draft proposal will be brought to the Board of Commissioners for review, discussion, and consideration of authorization to negotiate an agreement with the public entity requesting CMSA’s services.

The General Manager will present the negotiated agreement to the CMSA Board for consideration. Once approved by the Board, the agreement will be executed by CMSA after the designated official of the entity requesting CMSA services has executed the agreement.

POLICY #:	530
SECTION:	FINANCIAL – TREASURY
SUBJECT:	General
DATE:	10/13/2020

POLICY

The Board shall appoint a Treasurer to oversee the management and reporting of financial assets in accordance with Agency policy and California law.

PROCEDURES

This policy provides direction for managing the Agency’s treasury and investments, and to ensure fiduciary responsibility and prudent review, planning, and approval of treasury transactions.

I. Treasurer Appointment

Based on the General Manager’s recommendation, the Board of Commissioners shall appoint a Treasurer to manage, secure, control, account, audit, report, and develop effective procedures for controlling and handling financial assets and investments to the benefit of the Agency in accordance with the CMSA Joint Exercise of Powers Agreement and Government Code 6505.5, et seq.

II. Treasurer Report

Agency staff shall prepare monthly Treasurer’s Reports containing summary information for each operating account in use by the Agency. The reports shall contain information with respect to Agency cash receipts, cash disbursements, and account balances. The reports shall also include an Operating Account Disbursement Register Report that lists and describes all operating account cash disbursements during the reporting month. The Board shall review and accept the Treasurer’s Report.

III. Schedule of Investments

Agency staff shall prepare a monthly Schedule of Investments report containing a summary of the Agency’s investment accounts activity including each individual investment. An attachment to the Schedule of Investments is a Capital Reserves Schedule that reflects monthly and cumulative activity and ending balances for each of the capital reserve types, restricted and unrestricted capital reserves. The Board shall review and approve the Schedules of Investments and Capital Reserves Schedules.

IV. Bank Reconciliation

Agency staff shall perform a monthly reconciliation of the Agency’s operating bank account, investment accounts, and bond fund accounts. The Agency staff person preparing the accounts payable shall not perform the bank reconciliation.

POLICY #:	531
SECTION:	FINANCIAL – TREASURY
SUBJECT:	Investments
DATE:	03/10/2022

POLICY

Every spring, the General Manager and Treasurer shall submit to the Board of Commissioners this *Investments* policy, where the Board shall review any changes in the policy and approve it at a public meeting.

PURPOSE

This policy provides guidelines for prudent investment of the Agency’s cash. This policy covers all funds and investment activities under the direction of the Agency in accordance with California Government Code Sections 53600, et seq.

OBJECTIVES

The Agency shall design and manage investments with a high degree of professionalism worthy of the public trust. The primary objectives, in order of priority of the Agency’s investment activities, shall be:

I. Safety

Safety of principal is the foremost objective. All investments of the Agency shall be made in a manner that seeks to ensure preservation of capital.

II. Liquidity

The investment portfolio shall remain sufficiently liquid to enable the Agency to meet any cash flow requirements which might be reasonably anticipated.

III. Yield

Investment return becomes a consideration only after the basic measurements of safety and liquidity have been met.

PRUDENCE

The Agency shall follow Section 53600.3 of the California Government Code that identifies as trustees those entities, i.e. California Asset Management Program (CAMP) and Local Agency Investment Fund (LAIF), authorized to make investment decisions on behalf of a local agency. Trustees are fiduciaries and are therefore subject to the prudent investor standard when making investment decisions on behalf of the Agency. Investments shall be made with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not

limited to, the general

economic conditions and the anticipated needs of the Agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Agency.

DELEGATION OF AUTHORITY

The Board of Commissioners shall delegate authority to invest the Agency's funds for a one-year period to the Treasurer, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires. Subject to review, the Board may renew the delegation of authority each year. No person may engage in an investment transaction except as provided under the limits of this policy.

The Treasurer may delegate day-to-day investment decision-making and execution authority to an Investment Advisor. The Advisor shall follow this policy and such other written instructions as are provided.

The Treasurer and the delegated staff acting in accordance with this policy and associated procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

INTERNAL CONTROLS

The Treasurer shall establish a system of controls to regulate the activities of internal staff and any external investment advisors, and be responsible for all transactions undertaken by these persons. No person may engage in an investment transaction except as provided under the terms of this policy, other Treasury and Internal Controls policies, and the associated procedures established by the Treasurer and General Manager.

ETHICS AND CONFLICTS OF INTEREST

All participants in the investment process shall seek to act responsibly as custodians of the public trust according to this policy and the *Ethics* policy. Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment recommendations and decisions.

TYPES OF AGENCY INVESTMENTS

The Agency shall be governed by California Government Code Sections 53600, et seq. Within the

investments permitted by the Government Code, the Agency seeks to further restrict eligible investments to those listed below. In the event an apparent discrepancy is found between this policy and the Government Code, the more restrictive parameters shall take precedence.

The Agency's portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase.

I. United States Treasury Issues

United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest. There is no limitation as to the percentage of the portfolio that may be invested in this category.

II. Federal Agency Obligations

Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no limitation as to the percentage of the portfolio that may be invested in this category; however, not more than 30 percent of the portfolio shall be placed in any one Agency. Furthermore, purchases of callable Federal Agency obligations are limited to a maximum of 20 percent of the portfolio. In addition, purchases of Federal Agency mortgage-backed securities issued by or fully guaranteed as to principal and interest by government agencies are limited to a maximum of 20 percent of the portfolio.

III. Medium-Term Notes

Medium-term notes, defined as all corporate and depository institution securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or depository institutions licensed by the United States or any state and operating within the United States. Eligible investment shall be rated A by one or more nationally recognized rating service. A maximum of 30 percent of the portfolio may be invested in this category. The amount invested in medium-term notes with any one issuer in combination with any other investments from that financial institution or issuer shall not exceed 20 percent of the portfolio.

IV. Municipal Securities

Bonds, notes, warrants, or other evidences of indebtedness issued by the State of California or any California local agency. Securities eligible for purchase shall be rated A, as rated by one or more nationally recognized statistical-rating organization. A maximum of 30 percent of the Agency's portfolio may be invested in this category.

V. Negotiable Certificates of Deposit

Negotiable certificates of deposit (NCD) issued by a nationally- or state-chartered bank, a savings association or a federal association, a state or federal credit union, or a state-licensed branch of a foreign bank. No investments shall be made in a bank or credit union if a member of the Board, or any person with investment decision-making authority also serves on the board of directors, or any committee appointed by the board of directors of the bank or credit union issuing the NCD. Purchases are limited to institutions which have long-term debt rated A or higher with a nationally recognized rating service; and/or have short-term debt rated at least A with a nationally recognized rating service. NCD may not exceed two years in maturity. A maximum of 30 percent of the portfolio may be invested in this category. The amount invested in NCD with any one financial institution in combination with any other investments from that financial institution or issuer shall not exceed 20 percent of the portfolio.

VI. Banker's Acceptances

Banker's Acceptances, otherwise known as bills of exchange or time drafts, are those which are drawn on and accepted by a commercial bank. Purchasers are limited to issuers whose short-term debt is rated A-1/P-1. Banker's Acceptances cannot exceed a maturity of 180 days. A maximum of 25 percent of the portfolio may be invested in this category. Furthermore, the amount invested in Banker's Acceptances with any one financial institution in combination with any other investments from that financial institution or issuer shall not exceed 20 percent of the portfolio.

VII. Commercial Paper

Commercial paper of prime quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (A) or paragraph (B):

- A. The entity meets the following criteria:
 - 1) Is organized and operating in the United States as a general corporation.
 - 2) Has total assets in excess of five hundred million dollars (\$500,000,000).
 - 3) Has debt other than commercial paper, if any, that is rated AA or higher by a nationally recognized statistical-rating organization.
- B. The entity meets the following criteria:
 - 1) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
 - 2) Has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.

- 3) Has commercial paper that is rated AA-1 or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Eligible commercial paper shall have a maximum maturity of 270 days or less and not represent more than 10 percent of the outstanding paper of an issuing corporation. A maximum of 25 percent of the portfolio may be invested in this category. Furthermore, the amount invested in commercial paper with any one issuer in combination with any other investments from that financial institution or issuer shall not exceed 20 percent of the portfolio.

VIII. Repurchase Agreements

- A. Repurchase agreements are to be used solely as short-term investments not to exceed 30 days. The Agency may enter into repurchase agreements with primary government securities dealers rated AA or better by two nationally recognized rating services. Counterparties should also have:
 - 1) A short-term credit rating of at least A-1/P-1;
 - 2) Minimum assets and capital size of \$25 billion in assets and \$350 million in capital;
 - 3) Five years of acceptable audited financial results; and
 - 4) A strong reputation among market participants.
- B. The following collateral restrictions shall be observed:
 - 1) Only U.S. Treasury securities or Federal Agency securities are acceptable collateral. All securities underlying repurchase agreements shall be delivered to the Agency's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement.
 - 2) The total market value of all collateral for each repurchase agreement shall equal or exceed 102 percent of the total dollar value of the money invested by the Agency for the term of the investment.
 - 3) For any repurchase agreement with a term of more than one day, the value of the underlying securities shall be reviewed on an on-going basis according to market conditions. Market value shall be calculated each time there is a substitution of collateral.
 - 4) The Agency or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to repurchase agreement. The Agency shall have properly executed a Public Securities Association agreement with each counter party with which it enters into repurchase agreements. A maximum of 25 percent of the portfolio may be invested in this category.

IX. Time Certificates of Deposit

Time Certificates of Deposit (TCDs) placed with commercial banks and savings and loans. The purchase of TCDs from out-of-state banks or savings and loans is prohibited. The amount on deposit shall not exceed the shareholder's equity of the financial institution. To be eligible for purchase, the financial institution shall have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided Government Code Section 53635.2. TCDs are required to be collateralized as specified under Government Code Section 53630, et seq.

The Agency, at its discretion, may waive the collateralization requirements for any portion that is covered by federal insurance. The Agency shall have a signed agreement with the depository per Government Code Section 53649. TCDs may not exceed one year in maturity. A maximum of 20 percent of the portfolio may be invested in this category. Furthermore, the amount invested in TCDs with any one financial institution in combination with any other investments from that financial institution or issuer shall not exceed 20 percent of the portfolio.

X. Passbook Savings Accounts

Passbook savings accounts placed with commercial banks and savings and loans. To be eligible to receive deposits, the financial institution shall have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided Government Code Section 53635.2. Passbook savings accounts are required to be collateralized as specified under Government Code Section 53630 et. seq.

The Agency, at its discretion, may waive the collateralization requirements for any portion that is covered by federal insurance. The Agency shall have a signed agreement with the depository per Government Code Section 53649. A maximum of 20 percent of the portfolio may be invested in this category. Furthermore, the amount invested in passbook savings accounts with any one financial institution in combination with any other investments from that financial institution or issuer shall not exceed 20 percent of the portfolio.

XI. Money Market Funds

Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.).

- A. The company shall have met either of the following criteria:
 - 1) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.
 - 2) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five

years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

A maximum of 10 percent of the portfolio may be invested in this category.

XII. California Asset Management Program (CAMP)

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (n), inclusive of to Government Code Section 53601. There is no limitation as to the percentage of the portfolio that may be invested in this category.

XIII. State of California Local Agency Investment Fund (LAIF)

There is no limitation as to the percentage of the portfolio that may be invested in this category. However, the amount invested may not exceed the maximum allowed by LAIF.

XIV. Authorized Investments

The Treasurer and/or the authorized Investment Advisor shall have the authority to invest the Agency's financial resources as shown in the table below.

Investment Type	Authorized for the Investment Advisor	Authorized for the Agency Treasurer
United States Treasury Issues	X	X
Federal Agency Obligations	X	X
Medium-Term Notes	X	
Municipal Securities	X	X ⁽¹⁾
Negotiable Certificates of Deposit	X	X ⁽²⁾
Banker's Acceptances	X	
Commercial Paper	X	
Repurchase Agreements	X	
Time Certificates of Deposit	X	X
Passbook Savings Accounts	X	X
Money Market Funds	X	X
CAMP	X	X
LAIF	X	X

(1) Municipal Securities must have an AAA rating.

(2) Negotiable Certificates of Deposit must have a minimum AA rating for long-term notes and AA-1 for short term notes.

TERM OF INVESTMENTS

It is the objective of the Agency to accurately monitor and forecast revenues and expenditures so that the Agency can invest funds to the fullest extent possible. Funds of the Agency shall be

invested in accordance with sound treasury management principles.

Where this policy does not specify a maximum remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase agreement, that at the time of the investment has a term remaining to maturity in excess of five years, unless the Board has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board no less than three months prior to the investment.

PROHIBITED INVESTMENTS

Any investment in a security not specifically listed above, but otherwise permitted by the California Government Code, is prohibited. Section 53601.6 of the Government Code specifically disallows investments in invoice floaters, range notes, or interest-only strips that are derived from a pool of

mortgages. In addition to the limitations in Government Code Section 53601.6, this policy further restricts investments as follows:

- I. No investment shall be made that has either (a) an embedded option or characteristic which could result in a loss of principal if the investment is held to maturity, or (b) an embedded option or characteristic which could seriously limit accrual rates or which could result in zero accrual periods.
- II. No investment shall be made that could cause the portfolio to be leveraged.
- III. Any security that could result in zero interest accrual if held to maturity shall not be made.

BANKS AND SECURITIES DEALERS

The Treasurer, with the concurrence of the General Manager, is authorized to make investments based on the recommendations of the Board approved investment advisor. For investments made by an investment advisor, the Board authorizes the investment advisor to use broker/dealers and financial institutions that the investment advisor has reviewed and approved for investment purposes. The investment advisor's approved list shall be made available to the Agency upon request.

PURCHASE, PAYMENT, DELIVERY, AND SAFEKEEPING

A competitive bid process shall be used to place all investment transactions. All security transactions entered into by or on behalf of the Agency shall be conducted on a delivery vs. payment basis. All securities shall be held in the Agency's name by a third-party custodian designated by the Treasurer.

The only exception to the foregoing shall be depository accounts and securities purchases made with:

- I. Local government investment pools;
- II. Time certificates of deposit, and,
- III. Money market mutual funds since the purchased securities are not deliverable.

Evidence of each of these investments shall be held by the Treasurer.

PERFORMANCE

The Agency seeks to attain market rates of return on its investments throughout economic cycles, consistent with constraints imposed by its safety objectives and cash flow consideration. The Treasurer shall continually monitor and evaluate the portfolio's performance.

REPORTING

The Treasurer shall submit a monthly Treasurer's report to the Board that lists the Agency's individual investments, if any, and pooled investments in short-term investment pools. The report shall include the following information for each individual investment: description of investment instrument, issuer name, maturity date, credit rating, yield to maturity, purchase price, par value, current market value, and the source of the valuation. Investments in pools managed by other governments or mutual funds shall include the following information for each pool: pool name, valuation date, yield at valuation date, cost basis if materially different from market value, and market value of the Agency's share of the pool at date of valuation of pool using the pool's valuation method.

The report also shall:

- I. State compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance,
- II. Include a description of any of the Agency's funds, investments or programs that are under the management of contracted parties, including lending programs, and
- III. Include a statement denoting the ability of the Agency to meet its expenditure requirements for the next six months or provide an explanation as to why sufficient money may not be available.
- IV. The report shall include a list of monthly investment transactions. The requirement for disclosure of monthly investment transactions does not apply to investment pools. This monthly report shall be submitted with the Board's monthly meeting agenda for public review.

POLICY #:	532
SECTION:	FINANCIAL – TREASURY
SUBJECT:	Reserve
DATE:	10/13/2020

POLICY

To maintain liquidity, stabilize regional sewer service charges, and provide for contingencies and emergencies, the Agency shall maintain operating, capital, and contingency reserves in accordance with the procedures below. The Agency shall report reserve balances by designation in its monthly investment report to the Board.

PROCEDURES

Establishment of reserves ensure that the Agency has sufficient funding available to meet its operating and capital obligations, and provides better alignment of the Agency’s resources identified in long-term financial plans to the funding requirements for the 10-Year Capital Improvement Plan. Adequate reserves promote the Agency’s bond ratings in the capital markets; provide financing flexibility; avoid potential restrictive debt covenants; mitigate current and future risk; and ensure the JPA member agencies have stable regional service charges.

I. General

The Agency’s reserves shall be managed either as short-term or long-term investments in accordance with the Agency’s *Investment* policy.

II. Reserve Fund Designations

Reserve designations better links the Agency’s available cash resources, as reported in the Agency’s Financial Statements, Operating Budget, and Capital Improvement Program. The integration of reserve designations makes the budget a more comprehensive document because it accounts for the accumulation and usage of all available resources instead of just the anticipated revenues and expenditures for a given fiscal year. This expanded budget view can be used to explain future sewer service charges or capital borrowing to all interested stakeholders. The establishment of cash reserve designations also enhances long-term planning and management of the Agency’s financial resources.

III. Development, Management, Oversight, and Reporting of Reserves

The development, management, and oversight of Agency reserves is intended to be aligned with the development, management, and oversight of the Agency budget. During the budget development process, the Treasurer prepares an initial projection of the Agency expenses and revenues for the upcoming year. The General Manager and

Treasurer will propose allocations to and from the reserves based on this reserve policy, Agency priorities, and/or direction from the Board. The accumulation and uses of the reserves are a component of the budget and are subject to Board review and approval. The budget also reports the status of the reserves based on the audited financial statements.

Consistent with the established *Budget* policy, the General Manager, with approval from the Chair of the Board, is authorized to expend up to \$100,000 directly from any of the unrestricted reserve accounts in the event of an emergency situation that would directly and critically affect the Agency's operations. The General Manager shall report to the Board the circumstances requiring the expenditures at its next meeting. Otherwise, Board approval is required prior to any transfer or expenditures of reserve funds that were not previously budgeted.

Board authorization is required to establish any new reserve designations.

IV. Reserve Types

Two major categories of reserve funds have been established: Restricted Reserves and Unrestricted Reserves.

A. Restricted Reserves

These reserves represent assets that are legally, contractually, or by policy are obligated for a specific purpose. Typically, the Board does not have the authority to modify or remove these restrictions from legally obligated reserves.

B. Unrestricted Reserves

These reserves represent assets for future spending plans. The Board does have the authority to establish, modify, or remove these reserves.

Deductions from either reserve type shall follow documented Agency administrative and procurement policies and procedures. Any addition of new or removal of existing reserve types will require an update to this policy and subsequent Board approval.

V. Designations for Reserves

The Agency has established the following designations for the restricted and unrestricted reserves.

A. Designations for Restricted Reserves

- 1) **Capacity Charges**: The CA Government Code requires separate accounting of capacity charges and the application of interest to outstanding balances. The Agency shall use capacity charges on a first-in-first-out basis to finance current year capital projects. In the event that the amount collected in any given year exceeds capital project expenses, the Agency would have to hold the excess funds for future use. Should this situation occur, the excess funds will be placed in this Capacity Charge Reserve. Staff would then recommend these funds as a proposed

funding source for the following fiscal year's Capital Improvement Program.

- 2) Coverage from Debt Service: This is a contractually obligated requirement from revenue bond rate covenants and represents 25% of the debt service payment that is collected from the member agencies semi-annually. The expenditure of these funds is solely for the Capital Improvement Program.

Funds are added to this reserve after each debt service contribution from the member agencies. Funds received in the fiscal period collected cannot be expended in that same fiscal year. Funds remain in this reserve until budgeted; these funds are exclusively used to fund approved projects from the Capital Improvement Program.

B. Designations for Unrestricted Reserves

The source of funds for these reserves is from service charges and/or other general purpose revenues. When funds are available for unrestricted reserves, they should be allocated to maintain the reserve requirements in the following preferential order. All allocations and use of reserves are subject to Board review and approval.

- 1) Operating Reserve: This reserve represents three months funding for general Agency operations. Funding will be adjusted annually to maintain three months of operational funding.
- 2) Capital Improvement Program: This reserve funds projects and initiatives from the Capital Improvement Program. The target funding level is the annual average of the 10-year CIP in accordance with the *Multi-Year Revenue Plan* policy.
- 3) Contingency, Emergency, and Future Designations: This reserve serves as a contingency for unforeseen or unanticipated emergencies and other to-be-determined items. The funding level is \$500,000.

POLICY #:	540
SECTION:	FINANCIAL – EXPENDITURE MANAGEMENT
SUBJECT:	General
DATE:	10/13/2020

POLICY

Provide for authorized transactions only in accordance with expense categories in the Agency budget.

PROCEDURES

The budget adopted by the CMSA Board serves as the policy document governing Agency expenditures. Operating expenditures are managed and categorized by department, and by major or special funding sources as applicable as shown in the Budget.

I. Employee Compensation and Benefits

Agency staff shall follow applicable federal and state laws and regulations for administering the Agency’s employee compensation and benefits. The specifics of Agency compensation and benefits are defined in Agency documents, such as:

- A. Personnel Policies and Procedures manual;
- B. Memorandums of Understanding and other agreements with employee groups;
- C. Agreements with CalPERS for health and retirement benefits; and
- D. Agreements with other benefits providers.

Agency staff shall perform payroll processing on a bi-weekly basis covering a two-week period beginning on Sunday, ending on Saturday, with payment on the following Friday. Other types of payroll transactions such as leave cash-out will also be processed in conjunction with the bi-weekly payroll schedule. All payroll changes shall require a completed personnel action form with authorization by the appropriate managers and employees, where applicable, prior to any changes being made in the payroll system.

II. Accounts Payable

Agency staff shall adhere to the following policies when conducting Agency procurement and expenditure activities: *Policy Framework, Signature Authority, Contracting, and Purchasing.*

All expenditures will include the appropriate support documentation (e.g., purchase order, invoice, account statement, receipt, and packing slip) and shall be approved by the department manager and/or General Manager. According to *Generally Accepted Accounting Principles (GAAP)*, Finance staff shall review and record in a timely manner all accounts payable and accrued items, to ensure the proper recognition of expenses and liabilities. Finance staff shall charge payables to the

proper accounting period based upon the date the goods were received or the services were provided and perform a monthly reconciliation of accounts payable.

III. Petty Cash

Agency staff shall maintain a petty cash fund that can be used for cash transactions. Disbursements from petty cash shall be pursuant to the *Purchasing* policy.

POLICY #:	541
SECTION:	FINANCIAL – EXPENDITURE MANAGEMENT
SUBJECT:	Travel, Training, and Other Business Expense Reimbursements
DATE:	2/21/2023

POLICY

The Agency shall reimburse employees for authorized business-related expenses for travel, training, and other business purposes using authorized amounts.

PROCEDURES

This policy defines the authorization, payment, and reimbursement of travel, training, and other business expenses incurred by Agency staff while conducting Agency business.

I. General

The General Manager shall establish procedures for authorizing, paying, restricting, and reimbursing employees for travel, training, and other business-related expenses. Travel per diem rates shall be adjusted at the beginning of each calendar year based on the change in the Consumer Price Index-Urban/San Francisco-Oakland-San Jose for the prior February-to-February period, rounded up to the nearest \$0.50. The Board shall review and approve the per diem rates when they exceed 120% of the February 2023 rates.

The per diem rates for meals, gratuities, and incidentals as of February 1, 2023 are as follows:

TRAVEL PERIOD	FEBRUARY 1, 2023 PER DIEM	MAXIMUM PER DIEM RATE (120% of FEB. 2023)
Overnight Travel per 24-hour period	\$115.00	\$138.00
Travel between 12 and 24 hours	\$86.00 or 75% of Overnight Travel Rate	\$103.00
Daily travel less than 12 hours	Breakfast \$17.50 Lunch \$22.00 Dinner \$33.00	Breakfast \$21.00 Lunch \$26.00 Dinner \$40.00

An employee who has been issued a State of California Purchase Card (Agency credit card) shall also comply with the *Purchasing* policy, when using the purchase card for travel and training related expenses. Each employee is responsible for the expenses that he/she incurs while traveling on Agency business. The employee is encouraged to consult with their supervisor should they have any questions about travel related expenses.

II. Required Authorization

Agency staff shall obtain supervisory, department manager, and/or General Manager approval, as prescribed in the established procedures, prior to incurring any Agency expenses related to travel or other business functions. When alternatives are available, the Agency will pay for the lowest cost alternative.

All Agency staff shall provide a full accounting for all meeting and travel related expenses, with receipts, regardless of whether the expense was advanced or prepaid by the Agency or incurred directly by the employee. The accounting will be submitted to the employee's supervisor, department manager, Administrative Services Manager, and/or General Manager for approval. The Administrative Services Manager will review the accounting and determine the reimbursement to the employee or the repayment for advances to the Agency, whichever is applicable.

The decision of the General Manager shall be final in situations where there are conflicts of opinion regarding the appropriateness of reimbursements.

III. Federal Income Tax Withholding (FITW)

This policy and related procedures shall comply with the IRS definition of reimbursements and accountable expenditures per *IRS Publication 463*. Advances or reimbursements made to employees for purposes specified in this policy are generally not subject to FITW, and thus not reported as other compensation on the employee's annual W2-Wage and Tax Statement. Any employee who does not follow this policy when requesting an advance and/or reimbursement will be solely responsible for any federal and state tax liabilities that result from the receipts of Agency funds.

POLICY #:	550
SECTION:	FINANCIAL – FINANCIAL PLANNING
SUBJECT:	Agency Budget
DATE:	10/13/2020

POLICY

The Board of Commissioners shall adopt a comprehensive balanced budget for the Agency prior to the start of the fiscal year (July 1 to June 30).

PROCEDURE

The budget is a document specifying the allocation of Agency resources for the priorities approved by the Board of Commissioners for the fiscal year. The adoption of a fiscal year budget by the Board is a statutory requirement for California public agencies, and is also specified in the Agency’s Joint Powers Agreement.

The budget that is presented to the Board for adoption shall include the following components:

- Departmental budgets with three-year budget comparisons: prior fiscal year, current fiscal year approved budget and projected expenditures, and proposed budgets for the upcoming fiscal year(s);
- Descriptions and explanations of specific revenues and expenditure categories and line-items;
- Funding for the Agency’s annual OPEB (retiree medical expenses) contribution, pursuant to the Agency’s OPEB Funding Plan;
- Identification of Agency staff responsible for routinely monitoring, tracking, and making transaction decisions with respect to specific budget categories and/or line-items within each department budget;
- Allocation of Regional Sewer Service Charges to JPA Members and San Quentin;
- Allocation of Debt Service Charges to JPA Members and San Quentin;
- 10-Year Capital Improvement Program with budget allocations for capital and maintenance projects and initiatives;
- Proposed accumulations and uses for Agency reserves; and
- 10-Year Financial Forecast.

I. Budget Development

The budget represents the Agency’s financial blueprint to maintain effective operations. The budget describes the funding requirements and operating costs associated with providing wastewater services, and the maintenance, replacement, and improvement of the facility infrastructure and assets.

It shall include, but is not limited to, the following sections:

A. Revenue Budget

The Revenue Budget shall detail and describe each revenue category, including, but not limited to, sewer service charges, capacity charges, permit fees, revenues from contract and program services, fees for wastewater and organic waste disposal at Agency facilities, and revenues for debt service payments and coverage.

B. Expenditure Budget

The Expenditure Budget shall be organized by department. Specific line-items for each department shall be detailed, described, and explained for each operating expenditure category, including, but not limited to, salaries, benefits, professional services and studies, permits and fees, materials and supplies, facilities maintenance, equipment, treatment plant operations, and miscellaneous administrative expenses.

Included in the Expenditure Budget is the annual Actuarially Determined Contribution (ADC) for Other Post-Employment Benefits (OPEB) pursuant to the most recent GASB 75 actuarial valuation report. The annual ADC consists of medical benefit reimbursement payments to retirees as well as transfers to the OPEB trust.

C. 10-Year Capital Improvement Program (CIP)

The CIP shall include the proposed capital expenditure budget for the upcoming fiscal year as well as the planned projects and initiatives for the following nine fiscal years. Each project shall be clearly described. The Board shall approve the fiscal year(s) proposed projects as part of the annual budget approval, and conceptually approve the projects shown in the following fiscal years.

D. 10-Year Financial Forecast

The Forecast shall present a multi-year comparison of the previous fiscal year's actual performance, current fiscal year's projected performance, and a ten-year projection of future revenues by all sources, expenditures, and the accumulation and use of reserves. The forecast shall guide the Board in determining current and future operating and CIP funding to meet the Agency's financial and operational needs and objectives.

At the discretion of the Board, the budget may also include policy statements, directives, and funding plans that explain and describe operational, capital, and/or organizational approaches for managing and handling the Agency's business and assets. Statements regarding performance accomplishments, objectives, and measurements may be included.

The General Manager shall present a draft budget to the Board for review no later than the May Board meeting, prior to the start of the fiscal year. The Board shall consider approving the budget at the June Board meeting, prior to the start of the fiscal year, and if multi-year, consider proposed budget adjustments by the June meeting.

II. Budget Reporting

During the fiscal year, the Agency's actual revenues and expenditures shall be tracked to the appropriate budget line-items to manage the Agency's financial and operational condition. Quarterly budget status reports of revenues, and operating and capital expenditures by category shall be provided to the Board for its review.

III. Budget Transfers

The General Manager shall maintain procedures for department managers to (1) request budget transfers within the adopted operating and capital budgets that do not increase the total aggregate fiscal year budget, and (2) to request budget amendments that would increase the total aggregate fiscal year budget subject to the General Manager's and/or Board's review and approval.

IV. Budget Amendments

In the event of unforeseen or unanticipated circumstances, amendments to the adopted fiscal year budget may be necessary. Budget amendments shall be considered when funds are justified, available, and necessary to maintain the Agency's ongoing operational and financial performance, and service expectations as directed by the Board.

The Board shall approve budget amendments that would increase the total aggregate fiscal year budget, based on the evaluation and recommendation of the General Manager that the proposed amendment meets the intent and purpose of this policy.

In the event of an emergency, the General Manager can approve budget amendments that would increase the Agency annual budget, with the conditions that (1) these amendments are necessary to maintain the Agency's ongoing and routine operations, and (2) the aggregate amounts of the amendments cannot exceed \$100,000. The General Manager shall notify the Chair of the Board about the situation and the reason for the budget amendment, and report the actions to the Board at its next scheduled meeting.

V. OPEB Funding Plan

The OPEB trust is maintained with the California Employers' Retiree Benefit Trust (CERBT). The purpose of the CERBT is to provide future funding of post-retirement medical benefits for eligible retirees. Transfers to the CERBT are irrevocable and monies

in it may only be used to pay eligible medical benefits.

The OPEB Funding Plan includes funding, investment earnings, and medical expense transactional activity by year for a 20-year period. The original OPEB Funding Plan Worksheet, approved by the Board on April 9, 2019, and any adjusted worksheets will be included in the Agency's budget. The Plan will require annual monitoring to ensure it is meeting the objectives of CERBT earnings paying future medical benefits, while not becoming overfunded. Overfunding is anticipated when the CERBT has greater than \$2.2 million in 20 years.

CERBT Funding: The CERBT will be funded annually with the Net ADC amount from the current GASB 75 Actuarial Valuation Report. Agency funding will continue until the CERBT has adequate projected funds to pay future retiree medical expenses, without becoming overfunded.

CERBT Use: When the CERBT is projected to have adequate funds and avoid the overfunding level, it will be used to fund retiree medical benefits which include CalPERS medical premiums and retiree medical expense reimbursements.

Plan Adjustments: Based on the annual monitoring, staff will adjust the investment earnings interest rate, retiree medical cost, and the projected medical expense rate increase, and make necessary Plan funding and/or investment strategy changes to meet the Plan objectives.

POLICY #:	551
SECTION:	FINANCIAL – FINANCIAL PLANNING
SUBJECT:	Capital Improvement Program
DATE:	10/13/2020

POLICY

A Capital Improvement Program shall be prepared as an integral part of each adopted budget.

PROCEDURE

The Capital Improvement Program (CIP) describes and explains the Agency’s capital and maintenance projects and expenses, delineated by type of project and funding source, if applicable, over ten fiscal years (including the upcoming fiscal year). The CIP is a planning document that provides the Agency with an opportunity to evaluate and assess its capital needs from financial, engineering, operational, and planning perspectives.

I. General

The Agency’s CIP Committee will prepare an updated 10-year CIP during the budget development process for each budget or amended budget. A 10-year CIP provides the Board, JPA member agencies, customers, public financing institutions, and other stakeholder groups with a long-term perspective on CMSA’s infrastructure and asset improvements and capital financial needs. It also acts as a planning document that projects future project costs on a reasonably escalated basis for the fiscal years in which the costs are planned to be expended. The Board shall review the 10-Year CIP as part of the budget development process, and the respective years of the 10-Year CIP shall be incorporated into the Agency’s budget for adoption. The later years of the 10-Year CIP will be incorporated into the Agency’s 10-Year Financial Forecast.

II. CIP Schedules, Project Descriptions, and Reporting

The CIP Committee shall prepare a CIP schedule which will include a description of each capital activity, an explanation of the need for the project, estimated project costs, and proposed project delivery method. During the fiscal year, Agency staff shall track and monitor monthly actual capital expenditures against the appropriate budgeted projects and adjusted to assist in managing the individual capital accounts. Agency staff shall provide periodic CIP status reports to the Board for its information, review, and possible management direction.

The projects and initiatives in the CIP are grouped into the following four categories:

- A. Facilities Improvements: roofing, paving, coating/sealing, etc.
- B. General Equipment: vehicles, lab and communications equipment, etc.
- C. Treatment of Liquids: flow meters, turntable drives, pumps, etc.

- D. Treatment of solids and energy generation: digesters, sludge pumps, heat exchangers, cogeneration system, emergency generator, biogas treatment systems, boilers, etc.

The determination of the types of projects, initiatives and activities that are included in the CIP can be based on the following characteristics:

- A. Procurement of equipment, vehicles, or fixed assets
- B. Replacement of existing equipment/infrastructure with similar items
- C. Engineering study, pre-design work, and design of new processes, assets, or facilities
- D. New modifications to existing facilities

POLICY #:	552
SECTION:	FINANCIAL - FINANCIAL PLANNING
SUBJECT:	Financial Forecast
DATE:	10/13/2020

POLICY

The Agency shall prepare a 10-year financial forecast (Forecast) with each budget.

PROCEDURE

The Forecast is a long-term examination of the Agency’s projected operating and capital status. It provides a strategic perspective and direction for the budget process and serves as a long-term financial planning document.

Agency staff shall prepare a Forecast of the Agency’s financial sources and uses that includes a status and projection of revenues by source, expenditures, capital requirements, and accumulation and use of reserves. The Forecast is a comparison of actual revenues and expenditures from the prior fiscal year, a projection of the current fiscal year revenues and expenditures, and a 10-year projection of future resources and expenditures. Agency staff shall present the Forecast for Board review as part of the budget development process and the Forecast shall also be included in the Agency’s budget.

Guidance

The Forecast will delineate revenues by source, operating expenditure by category, and total annual capital expenditures. Projections and analytical assumptions that are used in the Forecast will be guided by Board directives, analyses of anticipated operating and/or capital changes, Agency contract obligations, economic trends and indices, and financial data from prior fiscal years, along with other relevant financial and analytical metrics. Balances of revenue and expenditures will be evaluated to determine application and availability of restricted and unrestricted cash reserves in the Forecast as well as to meet Board directives regarding the reserve fund balances.

The Forecast will assist the Board in determining the required current and future regional service charge revenues to meet the Agency’s financial.

The Board may request periodic revisions to the Forecast apart from the budget development process to assist with decisions on the future direction of the Agency’s financial position.

POLICY #:	553
SECTION:	FINANCIAL – FINANCIAL PLANNING
SUBJECT:	Debt Financing and Management
DATE:	11/09/2021

POLICY

The Agency may use debt to fund the capital improvement program or to refund post-employment liabilities (such as pension and other post-employment benefits) subject to the requirements described below.

PROCEDURE

This policy is designed to ensure that when the Agency issues debt, or borrows from private or governmental sources, that the debt load is managed prudently to maintain the Agency’s sound fiscal condition and protect its credit quality.

I. General

The General Manager shall make recommendations to the Board concerning debt financing to fund the Agency’s capital improvement program needs and to address its existing post-employment benefit liabilities. Recommendations shall be presented during the Agency’s multi-year revenue plan development process.

Recommendations may be made at other times during the fiscal year to meet immediate Agency capital improvement needs, and/or as relevant advantageous debt financings are made available to the Agency.

The Administrative Services Manager shall be responsible for managing, implementing, and overseeing debt management and disclosure in the Agency CAFR. These duties shall include, but are not limited to, developing an effective debt management program, accounting and analyzing debt, and coordinating with the General Manager and department managers to determine and recommend the need for debt financing to meet the Agency’s capital improvement needs. Agency staff shall ensure that the Agency’s debt financing and issuances are consistent with the Agency’s Joint Powers Agreement, and applicable federal and state financing and tax laws.

II. Conditions for Debt Financing

Based on the recommendation of the General Manager, the Board shall approve borrowing or debt issuance to finance major capital projects and/or the Agency’s capital improvement program. The Board shall consider debt financing mechanisms as appropriate to meet the objectives of the Agency’s capital needs. The Board shall limit debt to financing the costs of planning,

design, engineering, regulatory permit requirements, land acquisition, environmental review, infrastructure, equipment, debt issuance, and any other project costs permitted by federal, state, and local laws for public agencies.

Based on the recommendation of the General Manager, the Board may approve borrowing or debt issuances to refinance existing post-employment benefit liabilities.

When making a determination to proceed with debt financing, the Board shall consider the Agency's financial condition, sources of funding for the annual debt service payment, the Agency's ability to repay the debt without fiscal disruption to its effective operations and maintenance, economic trends affecting the Agency, and any existing Agency debt. The Board shall consider the least costly financing mechanisms available, such as federal and state loan programs, when planning debt issuances and financing opportunities to take advantage of financial market conditions when possible.

The Board will approve debt financing for capitalized expenditures based on the economic value and useful life of an asset. The term or the maturity of the debt financing should be consistent with the useful life of the asset to be financed.

The Board shall consider and approve cost-effective credit enhancements such as debt insurance or letters of credit as mechanisms to improve credit ratings and guarantees for principal and interest payments.

The Board shall consider debt refunding to refinance outstanding debt that would reduce interest costs to the Agency, and/or remove any burdensome, restrictive, or irrelevant debt covenants. When approving debt refunding, the Board shall consider present value savings and other benefits to the Agency of restructuring the debt.

III. Investment of Debt Proceeds

Agency staff shall explicitly follow its *Investments* policy and any indenture documents or debt issuance agreements that are part of the debt financing program when investing debt proceeds.

IV. No Commingling of Debt Proceeds with Operating Funds

Debt proceeds shall not be commingled with operating funds.

V. Types of Debt

- A. The following types of debt are allowable under this Debt Policy:
- Installment sale agreements, loans and similar debt-financing contracts
 - Loans and contracts with State or Federal agencies,
 - Lines of credit

- Bond or grant anticipation notes (BANs)
- Lease financings or certificates of participation (COPs),
- Revenue bonds
- Pension obligation bonds
- Revenue anticipation notes (RANs)
- Refunding bonds, notes, loans, and other obligations

The Agency's Board may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

B. Long-Term Debt Parameters

- (i) *New Money Issuances:* The Agency will also consider credit issues, market factors (e.g. bank qualification) and tax law when sizing the Agency's debt issuance.
- (ii) *Refunding Bond Issuances:* The sizing of refunding securities will be determined by the amount of money that will be required to cover the principal of, accrued interest (if any) on, and redemption premium for the bonds to be defeased on the call date and to cover appropriate financing costs.
- (iii) *Debt Coverage:* The Agency shall set minimum debt coverage at 125% to provide funding for pay-as-you-go recurring capital replacement.
- (iv) *Maximum Maturity:* All debt issued by the Agency shall mature within 30 years of the issuance date. The final maturity of bonds will also be limited to the average useful life of the assets financed or as otherwise required by tax law. The Agency may consider a separate series of bonds to fund projects with an average useful life of less than 10 years.
- (v) *Callability:* All new publicly issued long-term debt should be callable
- (vi) *The Agency shall not issue variable rate debt. The Agency will not utilize derivative products.*
- (vii) *Maximum Repayment Ratio:* The maximum repayment ratio, where total future debt service payments are divided by the principal of the bonds issued, shall be within three to one each series of bonds and for each issuance.
- (viii) *Capital Appreciation Debt:* The Agency shall issue all debt as current interest securities. Specifically, the Agency will not issue any capital appreciation

securities or any hybrid structures such as convertible capital appreciation securities.

C. Refunding Parameters

Whenever deemed to be in the best interest of the Agency, the Agency shall consider refunding or restructuring outstanding debt (including pension and other post-employment benefits) when financially advantageous or beneficial for debt repayment and structuring flexibility. The General Manager or Administrative Services Manager shall review a net present value analysis of any proposed refunding in order to make a determination regarding the cost-effectiveness of the proposed refunding.

- (i) The minimum net present value savings as a percentage of the refunded aggregate principal amount to be considered for refunding shall be no less than 3% in aggregate unless, at the discretion of the General Manager or Administrative Services Manager, a lower percentage is more applicable, for situations including, but not limited to, maturities with only a few years until maturity or COPs being defeased or redeemed from proceeds of Bonds or other structuring considerations.
- (ii) The final maturity of the refunding debt shall be no longer than the final maturity of the refunded debt.
- (iii) The refunding of unfunded pension liabilities via pension obligation bonds or some other debt instrument will comport with the Agency's Pension Funding Policy.

VI. Terms of Debt Issuance

- A. The Agency shall comply with all covenants, coverage tests and arbitrage requirements.
- B. Debt Structure: Preference for level debt service payments (principal and interest).
- C. Minimum Amount: Minimum debt to be issued is \$2,000,000.
- D. Debt Issuance Process: The Agency shall select a financing team for its debt issuance needs.
- E. Sale Type: Debt may be sold via negotiated or competitive sale, depending on the nature and use of the debt. The Agency has a preference for competitive sales.
- F. Prohibited Uses: The Agency shall not use long-term debt to fund current operating costs. The Agency shall not refinance long-term debt with short term debt due to exposure risk.

VII. Annual Review

The General Manager or Administrative Services Manager will be involved in the annual review of the Agency's debt portfolio and this Policy. The annual review will occur in conjunction with the filing of the Agency's annual continuing disclosure report.

POLICY #:	554
SECTION:	FINANCIAL – FINANCIAL PLANNING
SUBJECT:	Risk Management and Insurance
DATE:	10/13/2020

POLICY

The Agency shall maintain adequate insurance coverage for all its insurance needs.

PROCEDURE

The General Manager shall be responsible for managing all aspects of risks encountered by the Agency. As such, Agency staff shall coordinate and obtain appropriate levels of insurance coverage and implement other risk management and mitigating strategies and safety management approaches, as recommended by the California Sanitation Risk Management Authority (CSRMA). Acceptable risk management strategies need to comply with applicable federal and state laws and California Occupational Safety and Health Administration (CalOSHA) regulations. Insurance coverage and risk management strategies shall include, but are not limited to, liability, property, vehicles, Workers' Compensation, hazards, general safety, and loss control, and may consist of self-insurance programs when economical and cost-effective.

POLICY #:	555
SECTION:	FINANCIAL - FINANCIAL PLANNING
SUBJECT:	Multi-Year Revenue Plan
DATE:	10/13/2020

POLICY

CMSA shall develop and adopt a multi-year revenue plan to provide adequate funding for Agency operations, capital activities, and debt service, as well as maintaining Board designated reserve levels.

PROCEDURE

- I. Beginning in the last year of the current Board adopted revenue plan, staff and the Board's Finance Committee will prepare a revenue plan development schedule that is designed so that a new revenue plan will be adopted prior to each JPA agency Board's consideration of their next draft budget.
- II. The Committee will consider using the following revenue plan guiding principles when developing the Agency's revenue plan alternatives.
 - Use a 5-year revenue planning period based on a 10-year rolling financial forecast for adoption purposes
 - Balance the operating budget over the planning period
 - Maintain the operating reserve at 25% of the annual operating expenses
 - Ensure adequate funding for the capital improvement program during the planning period
 - Maintain a CIP reserve at an amount equal to the annual average value of the 10-year CIP
 - When feasible, use current revenues to fund CIP projects
 - Secure low-interest State Revolving Fund loans or issue debt to fund the balance of CIP projects
 - Target a CMSA average EDU rate increase of less than 4% per year
 - Keep the CMSA Board and JPA managers briefed on the Finance Committee's work
- III. Revenue plan alternatives, considering the above guiding principles or Board amended principles, will be developed by the Committee, and presented to the Board for review and discussion, and ultimately, selection of a preferred alternative.
- IV. The Board adopted revenue plan will be communicated to the JPA member agencies, and incorporated into the Agency's upcoming fiscal year's budget and revised 10-year financial forecast.

POLICY #:	556
SECTION:	FINANCIAL – FINANCIAL PLANNING
SUBJECT:	Pension Funding Policy
DATE:	12/14/2021

PURPOSE

To document the method the Agency will use to determine its actuarially determined contributions to fund the long-term cost of benefits to its pension plan participants and annuitants. The policy also:

- Provides guidance in making annual budget decisions;
- Demonstrates prudent financial management practices;
- Creates sustainable and affordable budgets for pensions;
- Reassures bond rating agencies; and
- Shows employees and the public how pensions will be funded.

BACKGROUND

The Agency provides retirement benefits through the California Public Employees’ Retirement System (CalPERS). CalPERS is a multiple-employer public employee defined benefit pension plan.

All full-time and certain part-time Agency employees are eligible to participate in CalPERS. CalPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute.

The financial objective of a defined benefit pension plan is to fund the long-term cost of benefits provided to the plan participants. In order to assure that the plan is financially sustainable, the plan should accumulate adequate resources in a systematic and disciplined manner over the active service life of benefitting employees. This pension funding policy outlines the method the Agency will utilize to determine its actuarially determined contributions to fund the long-term cost of benefits to the plan participants and annuitants.

It is the intent of the Agency to have the *Pension Funding: A Guide for Elected Officials* inform the Agency’s pension funding policies and practices. *Pension Funding: A Guide for Elected Officials*, issued by 11 national groups including the U.S. Conference of Mayors, the International City/County Management Association, and the Government Finance Officers Association, established the following five general policy objectives for a pension funding policy:

- Actuarially Determined Contributions. A pension funding plan should be based upon an actuarially determined contribution (ADC) that incorporates both the cost of benefits in the current year and the amortization of the plan's unfunded actuarial accrued liability.
- Funding Discipline. A commitment to make timely, actuarially determined contributions to the retirement system is needed to ensure that sufficient assets are available for all current and future retirees.
- Intergenerational equity. Annual contributions should be reasonably related to the expected and actual cost of each year of service so that the cost of employee benefits is paid by the generation of taxpayers who receives services from those employees.
- Contributions as a stable percentage of payroll. Contributions should be managed so that employer costs remain consistent as a percentage of payroll over time.
- Accountability and transparency. Clear reporting of pension funding should include an assessment of whether, how, and when the plan sponsor will ensure sufficient assets are available for all current and future retirees.

POLICY

I. Actuarially Determined Contribution (ADC)

CalPERS actuaries will determine the Agency's ADC to CalPERS based on annual actuarial valuations. The ADC will include the normal cost for current service and amortization of any under-funded amount. The normal cost will be calculated using the entry age normal cost method using economic and non-economic assumptions approved by the CalPERS Board of Administration.

The Agency will review the CalPERS annual actuarial valuations to validate the completeness and accuracy of the member census data and the reasonableness of the actuarial assumptions.

II. Additional Discretionary Payment (ADP) Contribution

The Agency will consider making ADP contributions with one-time Operating Fund resources, with the objectives of increasing the plan's funded status, by reducing the unfunded actuarially accrued liability, and reducing ongoing pension costs.

III. Pension Obligations Bonds

The Agency will consider pension obligation bonds if:

- Such bonds have expected savings using borrowing costs and CalPERS' discount rate.
- Such bonds will not extend the final payment of the Agency's current amortization schedule based on the most recent CalPERS Annual Valuation

Report.

- At the time of issuance and based on the most recent CalPERS Annual Valuation Report, pension obligation bond proceeds plus existing assets at CalPERS cannot exceed pension liabilities.
- The Agency and its financial advisors will discuss and consider the risks of any potential pension obligation bonds.
- Pension obligation bonds, or any refunding of pension obligation bonds, must be presented to the Agency's Finance Committee and voted upon by the Board of Commissioners.

IV. Pension Reserve Fund

This policy will formalize a funding mechanism for the establishment of a Pension Reserve Fund (PRF) to be used at the Agency's discretion to help offset future pension cost increases or to defease any outstanding pension obligation bonds.

- Annual savings generated through the issuance of a pension obligation bond may be deposited into the fund. Savings are defined as the difference between the debt service on the Agency's pension obligation bonds and the scheduled annual payments of any under-funded amount had pension obligation bonds not been issued.
- This Fund may take the form of a Section 115 Trust.

The Fund may be used to:

- Defease outstanding pension obligation bond maturities at any time, in whole or part.
- Pay annual debt service on pension obligation bonds.
- Make additional discretionary payments to CalPERS.
- Reduce annual UAL costs.
- Make Normal Costs payments.

In the event of an economic hardship, or other unanticipated fiscal emergency, the Agency's Board of Commissioner's may make an emergency declaration to reduce the annual transfer to the PRF.

V. Contributions as a Manageable Budget Expense

The Agency will always make its required annual contributions to CalPERS. Contributions should be stable and a manageable portion of revenue. The Agency may:

- Make additional discretionary contributions directly to CalPERS.
- Make discretionary contributions to a pension reserve fund.

- Make discretionary withdrawals from a pension reserve fund to make payments to CalPERS.
- Issue, call, or refund pension obligation bonds.

VI. Transparency and Reporting

Funding of the Agency's pension plans should be transparent to vested parties including plan participants, annuitants, the Agency Board, and residents. In order to achieve this transparency, the following information shall be available:

- Copies of the annual actuarial valuations for the Agency's CalPERS plans shall be made available to the Agency Board.
- The Agency's financial audit shall be published on its website. This report includes information on the Agency's annual contributions to the pension systems and their funded status.
- The Agency's annual operating budget shall include the Agency's contributions to CalPERS.

VII. Review of Funding Policy

Funding a defined benefit pension plan requires a long-term horizon. As such, the Agency will review this policy at least every two years to determine if changes to this policy are needed to ensure adequate resources are being accumulated.

POLICY #:	560
SECTION:	FINANCIAL – PROCUREMENT MANAGEMENT
SUBJECT:	Signature Authority
DATE:	10/13/2020

POLICY

This policy establishes signature authority for the Agency’s procurement types listed below.

PROCEDURES

This policy defines the signature approval levels within the Agency for the following types of procurement transactions:

- Purchase Orders
- Professional Services Agreements
- Maintenance Service Agreements and Contracts
- Equipment Procurement
- Materials & Supply Contracts
- Construction Contracts and Change Orders

I. Procurement Transactions

The General Manager shall approve procurement transactions equal to the amount specified by the California Uniform Construction Cost Accounting Commission (CUCCAC) for utilizing alternative bidding procedures for public project work. The table below shows each procurement transaction type with its governing CUCCAC Tier and the General Manager’s signature authority for each transaction type. By ordinance, the Agency established bid cost thresholds and procedures in accordance with CUCCAC. Dollar amounts indicated are the CUCCAC limits as of the effective date of this policy, and will be adjusted over time as the CUCCAC limits are updated.

Transaction Type	CUCCAC Tier	General Manager Authority
Purchase Orders	Tier I	Less than \$60,000
Professional Services Agreements	Tier I	Less than \$60,000
Maintenance Service Contracts	Tier I	Less than \$60,000
Equipment Procurement	Tier I	Less than \$60,000
Material & Supply Contracts	Tier I	Less than \$60,000
Construction Contracts – Administrative	Tier I	Less than \$60,000
Construction Contracts – Informally Bid	Tier II	Between \$60,001 and \$200,000
Construction Contracts – Formally Bid	Tier III	Must be approved by CMSA Board

The Board of Commissioners shall approve procurement transactions greater than the current CUCCAC Tier amounts and shall approve all formally bid construction contracts. The General Manager shall establish the signature authority amount limits for Agency staff.

II. Construction Change Order Limits

The construction change order (CCO) approval and signatory authority limits shall be as indicated in the table below:

Construction Amount Tier	General Manager Change Order Limits
1) <u>Less Than \$300,000</u> a) Change Order Limit b) CCO limit if schedule impacted*	\$30,000 \$55,000
2) <u>\$300,000 to \$1,000,000</u> a) CCO limit b) CCO limit if schedule impacted*	10% of construction contract amount 20% of construction contract amount
3) <u>Greater Than \$1,000,000</u> a) CCO limit b) CCO limit if schedule impacted*	\$100,000 \$200,000
4) Emergency situations for any size project	CMSA Board Chair approval if schedule impacted,* with subsequent ratification by CMSA Board

* As determined by CMSA staff.

A. Reporting to the Board

The Board shall receive the following change order reports from the General Manager, as appropriate:

- 1) CCO aggregate amount if it approaches the specified limit;
- 2) Periodic change order and contract update; and
- 3) An economic analysis of the project costs at the construction contract's completion.

III. Payment Transactions

The General Manager or designee shall approve payments up to the signature authority limits under *Procurement Transactions*, above.

Agency staff designated as responsible for specific line-items in the adopted budget shall be responsible for reviewing single payments, which are related to the transactions covered by this policy, other procurement management policies and related procedures. These Agency staff shall approve single payments up to the signature authority established by the General Manager. Approval shall be based on verifying that work, services, and/or materials are completed per the procurement document.

POLICY #:	561
SECTION:	FINANCIAL – PROCUREMENT MANAGEMENT
SUBJECT:	Contracting
DATE:	10/13/2020

POLICY

The Agency shall award construction, maintenance, and service contracts using appropriate and transparent procedures that comply with state laws and other Agency policies and procedures.

PROCEDURE

This policy provides direction regarding how contracts and purchase orders shall be awarded, processed, and approved to ensure integrity and consistency with established Agency policies and legal requirements. It also ensures that efficient, cost-effective, transparent, and accountable processes are used to select the most qualified service provider, and the most cost-effective materials and supplies vendor.

I. Approval

This *Contracting* policy is used in conjunction with the *Signature Authority* policy.

II. General Procedures

The General Manager shall establish the contracting procedures for the Agency. The Agency will standardize the contract development and engagement process to ensure selection of a contractor and/or supplier to meet the purpose of this policy and that comply with relevant state laws.

These procedures will ensure proper contract awarding, and negotiated and sole source procurements, which include, but are not limited to, scope of work, quotations, proposals, bids, determining contractor and vendor qualifications, selecting proprietary sources, and emergency procurement.

The General Manager shall ensure that the contracting and purchase order processes are conducted in an efficient, transparent, and cost-effective manner. In doing so, effective and appropriate planning, timing, specifications, terms and conditions, pricing strategies, risk management, consolidating, and multiple quoting of contracts and purchases shall be considered. At the General Manager’s discretion, the contract terms, conditions and forms may be reviewed by legal counsel before the contract is executed.

III. Construction Projects

Agency staff shall follow contracting processes according to the Uniform Public Construction Cost Accounting Act (UPCCA and California Public Contract Code 20800), et seq. for Sanitary Districts. Construction projects performed under contract shall be evaluated under the following bidding parameters:

- A. If the estimated cost of a project is less than the Tier I amount (refer to the *Signature Authority* policy) the General Manager will execute a Maintenance Contractor Service Agreement for the defined services.
- B. If the estimated cost of a project is within the Tier II amount, the project will be informally bid and the General Manager has the authority to execute a construction contract agreement.
- C. If the estimated cost of a project exceeds the Tier II amount, the project will be formally bid and the construction contract is subject to Board approval.

IV. Professional Services Agreements

Agency staff shall follow the following parameters for evaluating professional services contracts. Selection of consultants for professional services agreements shall be based upon demonstrated experience and competence, and shall consider and evaluate the consultant's suggested approach, scope of work, proposed team members and availability, proposed fees, relevant experience, and other qualifications that are in the best interest of the Agency.

- A. For those services within the General Manager's signature authority, the General Manager has the discretion to negotiate an agreement directly with a consultant unless he/she determines that it is in the best interest of the Agency to conduct a formal request for proposal (RFP) process.
- B. For those services that exceed the General Manager's signature authority, the consultant shall be selected by an RFP process. The contract shall be awarded to the most qualified service provider by the CMSA Board.

The table below links the professional services agreement fee, selection process, and contract approval authority with the Uniform Construction Cost Accounting Act's financial tiers.

UCCAA Tier	Professional Services Agreement Fee*	Approval	Service Provider Selection Process
Tier I	Less than \$60,000	General Manager	GM discretion – task order, single proposal, or multiple proposals
Tier II	Between \$60,001 and \$200,000	Board	Letter RFQ and/or RFP issued to at least two firms with selection based on evaluative process
Tier III	Greater than \$200,000	Board	Formal RFQ and/or RFP package issued to at least three firms with selection based on evaluative process

* Fees ranges will automatically adjust as the UCCAA tiers are changed by the state legislature.

V. Maintenance Service Contracts

Agency staff shall follow the following parameters for evaluating maintenance service contracts. Maintenance services are those activities defined by UPCCAA as, (1) routine, recurring and usual work for the preservation or protection of a publicly owned or operated facility for its intended purposes, (2) minor repainting, (3) landscape maintenance, or (4) work performed to keep, operate, and maintain publicly owned waste disposal systems.

- A. For those CUCCAC Tier I maintenance services within the General Manager's signatory authority, the General Manager has the discretion to negotiate an agreement directly with a service provider unless he/she determines that it is in the best interest of the Agency to conduct a formal request for quotes from multiple service providers.
- B. For those maintenance services that exceed the General Manager's signature authority, the service provider shall be selected by a request for quotes or bidding process. The maintenance contract shall be awarded by the CMSA Board to the service provider with the lowest cost that can provide the defined scope of services and meet CMSA's qualification requirements.

VI. Equipment, Materials, and Supplies Procurement

Agency staff shall conduct the following processes for procuring equipment, materials and supplies.

- A. For the purchase of equipment, materials, and/or supplies whose costs are within the General Manager's signatory authority, such procurements shall be performed under the *Purchasing* policy.
- B. For the purchase of equipment, materials, and/or supplies that require the Board's approval, contracts or purchase orders shall be awarded to a vendor/supplier using the *Agency's Equipment Procurement and Material Procurement* policies, unless sole source procurement is justified and approved by the Board.

VII. Cooperative Agreements

The General Manager shall determine when the Agency may enter into intergovernmental cooperative agreements to achieve economies of scale, promote Agency goals and objectives, or where it is financially advantageous.

Cooperative agreements may be used when the Agency can join contractually with other public agencies to meet mutual contractual needs. Such agreements may be bid or negotiated together with the cooperating agencies, or utilize new or existing

contracts that allow for cooperative arrangements.

VIII. Contract Amendment Authority

Agency staff shall have the following authority to amend or modify terms, conditions, and provisions in approved contracts and agreements, if the change benefits the Agency.

- A. Staff approved contracts: Administrative and technical changes are authorized if they do not impact the total contract cost. If there is a cost impact, the sum of the contract amount and the additional cost does not exceed the limits in the Signature Authority Policy.
- B. Board approved contracts: In construction contracts, any change is authorized if it doesn't result in a cost impact that exceeds the contract's construction change order authority limit in the Signature Authority Policy. For all other contracts, any change is authorized if it doesn't result in cost increase beyond the contracting authority in the Signature Authority Policy.

Amendments that exceed the staff delegated signature authority shall be brought to the CMSA Board for consideration.

POLICY #:	562
SECTION:	Financial – Procurement Management
SUBJECT:	Purchasing
DATE:	10/13/2020

POLICY

Procurement shall use appropriate non-contracted selection methods for purchasing activity as described below.

PROCUREMENT METHODS

This policy is associated with the *Signature Authority* policy. The process for complying with each method of procurement is explained below.

I. Blanket Purchase Order

At the beginning of each fiscal year, finance staff shall establish and distribute a list of blanket purchase order (open account) numbers, based on requests by department managers, to be used for purchases less than \$500. Agency staff shall communicate to the vendor the specific assigned purchase order (PO) number when making purchases to ensure the number is on all vendor invoices and related documents.

In lieu of creating an open account, vendors may provide business credit cards to the Agency. With discretion, the General Manager shall approve applications for these types of cards after review by the Administrative Services Manager. The cards shall be used for purchases of less than \$500, and may only be used at the business where the card was issued. Department managers shall designate the employees who are allowed to use these types of cards when purchases need to be made. Until an invoice is received, the designated employees or finance staff shall keep a record of the purchase to provide supporting documentation for payment processing. These cards shall be governed by the Use of Card policies stated under the Purchase Card section below.

II. Purchase Order

Agency staff shall use a purchase order for purchases for, (1) vendors with open accounts in amounts greater than or equal to \$500, or (2) vendors without open accounts. All purchase orders shall be in writing using the appropriate form and documentation, have the appropriate approvals, and be submitted to the vendor for processing.

III. Petty Cash

Agency staff may use petty cash for purchases of \$50 or less with vendors unable to establish an open account with the Agency and for necessary small infrequent expenses. These expenses may include supplies, parts, bridge tolls, attendance at offsite meetings

and trainings, and multi-Agency meetings. All requests for petty cash disbursements shall be in writing using the appropriate form and approved by the department manager. The General Manager may authorize a petty cash disbursement greater than \$50 if it is determined to be a prudent and appropriate payment or reimbursement method, and in the best interest of the Agency. Petty cash disbursements are made by the designated Administrative/Finance staff.

IV. State of California Purchase Card Program

The Board of Commissioners shall approve the number and type of positions that are authorized to use purchase cards as shown in Attachment "A". The General Manager shall issue the cards to the specific employees and establish procedures for the appropriate use for making Agency-specific purchases when the above purchasing methods are impractical, inefficient, or not applicable. Monthly credit limits shall be set at \$3,000 for supervisors/designated staff and \$5,000 for department managers.

The Administrative Services Manager will serve as the administrator of the Agency's purchase cards, and will manage the Agency's account in accordance with the requirements of the Purchase Card Program and the Agency's policies, including, but not limited to, assigning purchase cards and purchase limits to authorized employee card holders, collecting and cancelling cards as needed, and reviewing purchase card transactions.

A. Use of Card

The cardholder shall be the only person authorized to sign for purchased items and shall be the only person to authorize telephone and online transactions using the purchase card. Cardholders shall not give or authorize use of their card to another employee without the General Manager's approval. The employee who is assigned a purchase card is responsible for safeguarding the card as well as ensuring proper use of the card.

Department managers ensure that purchase card use in their respective departments is consistent with this policy and other related procedures. Each cardholder is responsible for keeping a record of the purchase on the purchase card's account statement. An approved purchase order is required before using the purchase card for any transactions over \$500, except for employee-related travel where a *Pre-Authorization for Employee Travel* form is required. An approved travel preauthorization is required when using the purchase card for transactions related to training or travel on Agency business. Department managers are ultimately responsible for monitoring and approving all purchase card transactions within their department.

The Purchase Card shall not be used for the following purchases:

- 1) Professional services (labor costs)
- 2) Contract services

- 3) Capital/construction costs
- 4) Cash advances/personal use
- 5) Purchase of firearms, liquor, or cigarettes
- 6) Per diem meal allowance
- 7) Items for personal, non-Agency use

B. Lost or Stolen Card

If an Agency purchase card is lost or stolen, the cardholder shall immediately report this to the Administrative Services Manager so that he/she can notify the Purchase Card Program.

C. Misuse of the Card

Any misuse of the purchase card or violations of the Purchase Card Program guidelines or this policy, including, but not limited to, personal use of the purchase card, shall result in the loss of purchase card privileges. All cardholders are subject to disciplinary actions for misuse and misappropriations of Agency funds. Cardholders who use or allow use of the card for personal purposes shall reimburse the Agency for all incurred charges.

ATTACHMENT A

Positions Authorized to Have Purchase Card

<u>Department</u>	<u>Position</u>	<u>Limit</u>
Administration	General Manager	\$10,000
Administration	Administrative Services Manager	\$5,000
Administration	Treatment Plant Manager	\$5,000
Administration	Health and Safety Manager	\$3,000
Technical Services	Technical Services Manager	\$5,000
Technical Services	Regulatory Compliance Manager	\$3,000
Maintenance	Maintenance Supervisor	\$3,000
Maintenance	Assistant Maintenance Supervisor	\$3,000
Maintenance	Lead Mechanical Technician	\$3,000
Maintenance	E/I Technician (1)	\$3,000
Operations	Operations Supervisors (2)	\$3,000

POLICY #:	570
SECTION:	FINANCIAL - ASSET MANAGEMENT
SUBJECT:	General
DATE:	10/13/2020

POLICY

The Agency shall utilize asset management systems to properly manage its capital assets.

PROCEDURES

I. General

The General Manager or designee shall ensure that Agency staff utilizes the established asset management systems and asset management procedures in an effective and efficient manner.

II. Asset Plans

Agency staff shall develop asset plans for the Agency’s infrastructure assets and equipment for the cost-effective operation, maintenance, and management of these assets. Asset plans shall be developed and maintained within the asset management system for all assets with an original cost equal to or greater than the capitalization threshold. An asset plan shall include asset age, service history, optimum preventive maintenance and rehabilitation/renewal during its lifecycle, standard maintenance/operations procedures, cost of operating, and other salient asset attributes. The asset plans shall be used as the basis to develop and implement specific operations and maintenance, and capital improvement plans, and to analyze long-term funding and prepare condition assessments.

For new assets that are procured or constructed, Agency staff shall retain all relevant asset plan data (i.e., cost, manufacturer, type, size, operations and maintenance manuals, and standard operating/maintenance procedures). Agency staff shall ensure that contractors and/or consulting engineers provide necessary asset management information prior to the filing of Notice of Completion and approving final payment to the contractor.

III. Capital Asset Condition

Agency staff shall periodically assess the condition of capital assets. The assessment shall provide physical and financial information concerning the condition of assets, estimated remaining useful life, estimated operations and maintenance costs, and projected replacement costs (if applicable). The data shall be used when developing the Agency’s annual Capital Improvement Program update, and other financial models for analyzing and determining future funding of capital assets.

IV. Asset Inventory Control

The Administrative Services Manager, along with department managers, shall develop and implement effective procedures and systems to inventory and track the Agency's capitalized assets.

V. Facilities Maintenance

Agency staff shall perform effective planning and maintenance of capital assets, which shall include preventive and corrective maintenance and repair of facilities and infrastructure to protect the Agency's capital investments and minimize future maintenance and replacement costs.

VI. Materials Management

Agency staff shall maintain inventories of parts, materials, and supplies to effectively meet its maintenance and repair needs. The Agency has developed and implemented inventory management procedures. Procurement of parts and supplies that are placed into inventory shall conform to the *Purchasing Management* and *Expenditure Management* policies.

VII. Disposal of Surplus Assets

Agency staff shall recommend to the General Manager the disposal of assets when they have exceeded their service life, are obsolete, where the value of replacement is less than rehabilitation costs, and/or they no longer serve the Agency's operational needs. The Board shall establish the General Manager's asset disposal authority.

POLICY #:	571
SECTION:	FINANCIAL – ASSET MANAGEMENT
SUBJECT:	Assets Accounting
DATE:	10/13/2020

POLICY

All capital assets of the Agency shall be accounted for following *Generally Accepted Accounting Principles* (GAAP).

PROCEDURE

I. General

The General Manager and Administrative Services Manager shall ensure that capital assets are appropriately accounted for by funding source and asset category and that appropriate procedures are developed and implemented to meet the requirements of this policy. Department managers and Agency staff shall ensure proper budgeting and purchasing guidelines are followed for capital assets, and that these assets are adequately controlled, secured, and used for appropriate Agency purposes.

II. Capitalization Threshold

For financial accounting and reporting purposes, the capitalization threshold shall be \$5,000 or higher for each asset with an expected life of at least five years following the date of acquisition.

III. Assets

Agency staff shall account and report all assets with an original cost equal to or greater than the capitalization threshold. Such assets include those newly constructed, installed, or acquired items or significant additions, improvements, or replacements to existing assets which would significantly prolong the asset’s useful life. All costs associated with purchase, design, planning, permitting, construction, installation, and acquisition shall be considered including, but not limited to, direct labor, materials and supplies, design, engineering, other professional fees, contractor charges, legal fees, site preparation, installation, associated overhead and administrative costs, taxes, freight and transportation, applicable CMSA staff time, and other expenditures and charges directly attributable to asset acquisition.

For assets acquired through debt financing methods, expenses associated with costs of issuance and capitalized interest shall be considered. Capital assets donated to the Agency shall be capitalized at their estimated fair market value plus any associated costs, as described above, at the date of receipt.

Expenditures related to routine repairs that maintain the existing condition of the asset or restores it to normal operating efficiency shall not be capitalized, regardless of the amount, and shall be recorded as repair and maintenance expenses in that fiscal year.