

Tod Moody, President
Omar Arias-Montez, Vice President
John Carapiet, Secretary

Catharine Benediktsson, Director
Richard Snyder, Director

**NOTICE AND AGENDA
Special Board Meeting
at Sanitary District No. 5 of Marin County
Tuesday, March 28th, 2023**

5:30 P.M. SPECIAL BOARD MEETING

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

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

ROLL CALL:

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

DIRECTORS' COMMENTS AND/OR AGENDA REQUESTS:

NEW BUSINESS:

1. Review and discuss HF&H rate scenarios for District. 1 Zone vs Ad Valorem and Non Ad Valorem rates- (Rubio) - discussion only

ADJOURNMENT:

The Board will be asked to adjourn the meeting to a Regular Board Meeting on April 13th, 2023, at 5:00 P.M.

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



SANITARY DISTRICT NO. 5 OF MARIN COUNTY
FY 2023-24 Sewer Rate Study

March 28, 2023

Special Board Meeting



AGENDA

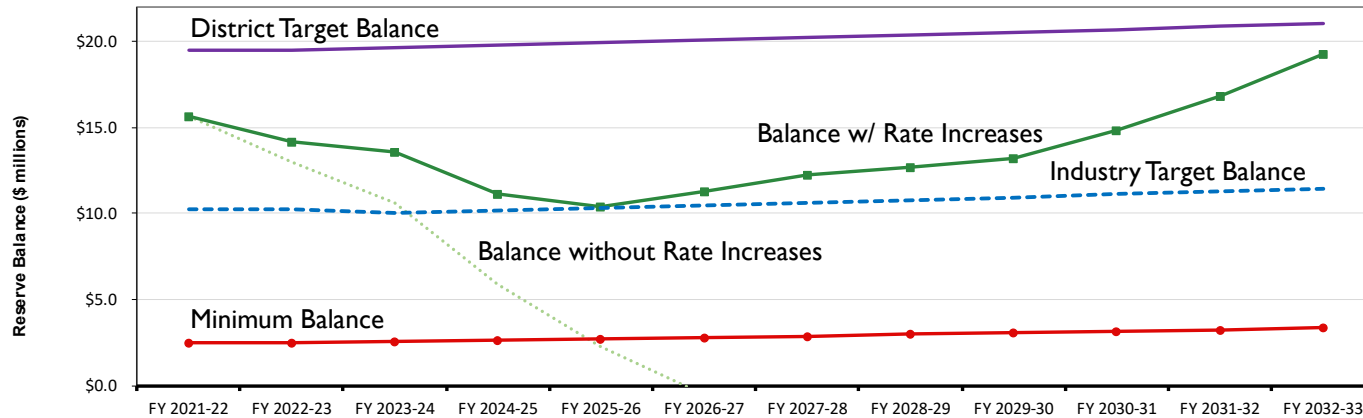
- Comparison of Options
 - Option #1: One Combined Zone w/ Ad-Valorem Credit
 - Option #2: Two Zones with Allocated Costs
 - Tiburon & Paradise Cove
 - Belvedere
- Board of Directors Input



OPTION #1: ONE COMBINED ZONE

PROPOSED REVENUE INCREASES – ONE ZONE

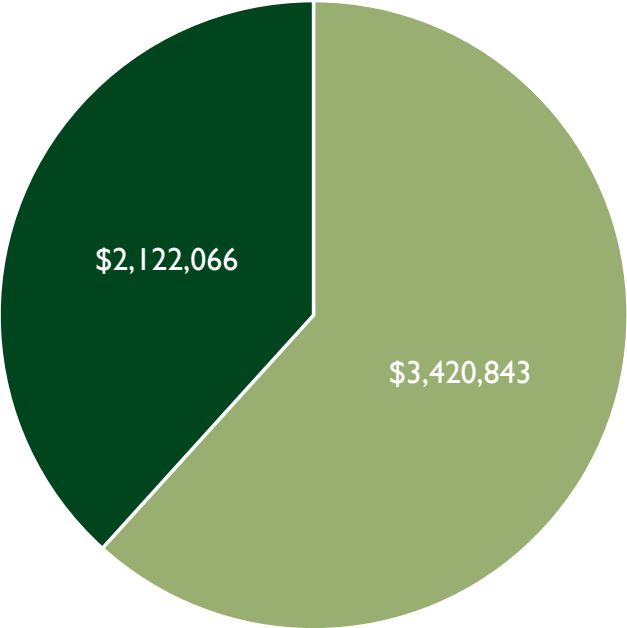
	Budgeted		Projected									
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Increases (SD5 Combined)												
Annual revenue increase	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cumulative increase	0.0%	10.0%	21.0%	33.1%	46.4%	61.1%	65.9%	70.9%	76.0%	81.3%	86.7%	
Non Ad-Valorem Rate	\$1,985	\$1,783	\$1,961	\$2,158	\$2,373	\$2,611	\$2,689	\$2,770	\$2,853	\$2,938	\$3,027	
Ad-Valorem Rate	\$1,034	\$1,318	\$1,488	\$1,675	\$1,882	\$2,111	\$2,180	\$2,251	\$2,325	\$2,401	\$2,479	



- Minimum Balance = \$2.5 million (District policy for Operations)
- Industry Target = \$10.2 million (2 x Avg Annual CIP + Ops + Disaster Recovery + Retirement)
- District Target = \$19.5 million (Ops + CIP + Disaster Recovery + Retirement)
- Target balances include 3% annual inflation for Ops, Retirement, Disaster Recovery beginning FY 2023-24

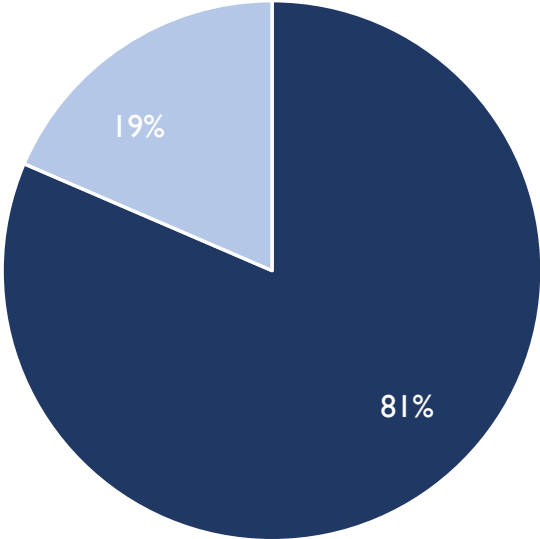
FY 2023-24 REVENUE

FY 2023-24 Rate Revenue



- Ad-Valorem Credited Customers
- Non Ad-Valorem Credited Customers

FY 2023-24 Rate Revenue by Customer Class



- Residential
- Non-Residential

FY 2023-24 RATES CALCULATION

Total Revenue Requirement	\$8,593,823
(Less) Miscellaneous Fee Revenues ¹	(158,800)
Net Revenue Requirement	8,435,023
(Less) Reserves to address shortfall after rate increase	(1,685,300)
Revised Net Revenue Requirement	\$6,749,723
Units of Service (EDUs)	3,785.23
FY 2023-24 Charge per EDU	\$1,783
(Less) Ad-Valorem Revenue per EDU	(\$465)
FY 2023-24 Charge per EDU adjusted for Ad-Valorem	\$1,318

¹Includes revenue from other user fees, inspection fees, SASM expense reimbursement, and other income.

Proposed FY 2023-24 Sewer Service Charges	\$/EDU
Non Ad-Valorem Parcel	\$1,783
Ad-Valorem Parcel	\$1,318

REVENUE INCREASES & PROPOSED RATES

Sewer Service Charges by District Zone	Projected				
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
1 Non Ad-Valorem Parcel	10.0%	10.0%	10.0%	10.0%	10.0%
2 cumulative increase	10.0%	21.0%	33.1%	46.4%	61.1%
3 Annual increase	varies	\$146	\$161	\$177	\$195
4 Annual sewer service charge per EDU	\$1,783	\$1,930	\$2,091	\$2,268	\$2,463
5 Ad-Valorem Parcel	10.0%	10.0%	10.0%	10.0%	10.0%
6 cumulative increase	10.0%	21.0%	33.1%	46.4%	61.1%
7 Annual increase	\$430	\$146	\$161	\$177	\$195
8 Calculated sewer service charge per EDU	\$1,464	\$1,611	\$1,772	\$1,949	\$2,144
9 (Less) ad valorem credit per EDU	(\$465)	(\$474)	(\$482)	(\$491)	(\$500)
10 Annual sewer service charge per EDU	\$1,318	\$1,137	\$1,290	\$1,458	\$1,644

Current Tiburon rate (\$/EDU) = \$1,034

Current Paradise Cove rate (\$/EDU)= \$1,034

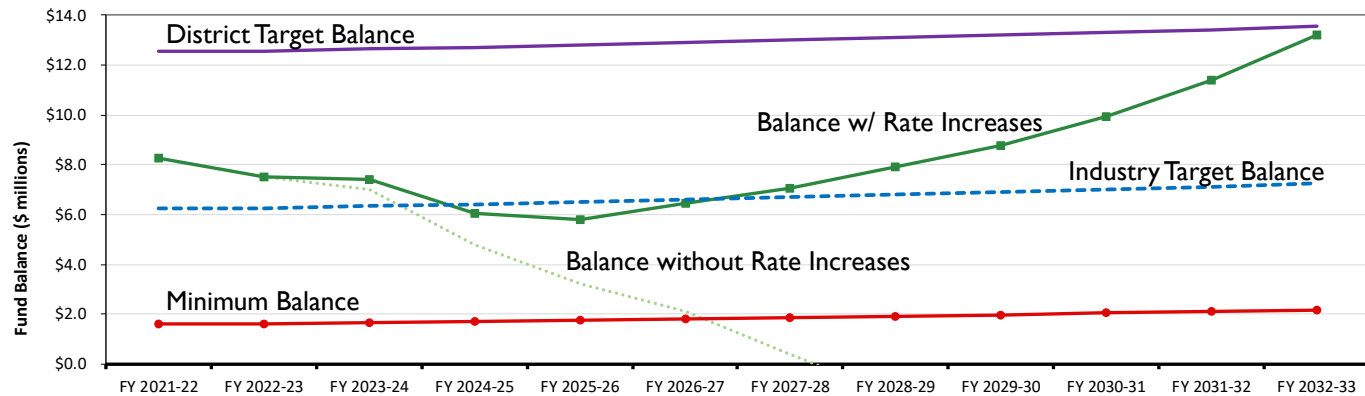
Current Belvedere rate (\$/EDU)= \$1,985



**OPTION #2: TWO SEPARATE ZONES
(CURRENT RATE STRUCTURE)**

PROPOSED REVENUE INCREASES – TIBURON, PARADISE COVE

	Budgeted		Projected									
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Tiburon & Paradise Cove												
Annual rate revenue increase	0.0%	0.0%	15.0%	15.0%	12.0%	12.0%	12.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cumulative increase		0.0%	15.0%	32.3%	48.1%	65.9%	85.8%	91.4%	97.1%	103.0%	109.1%	115.4%
Annual sewer service charge per EDU	\$1,034.00	\$1,034.00	\$1,189.10	\$1,468.13	\$1,644.30	\$1,841.62	\$2,062.61	\$2,124.49	\$2,188.22	\$2,253.87	\$2,321.49	\$2,391.13

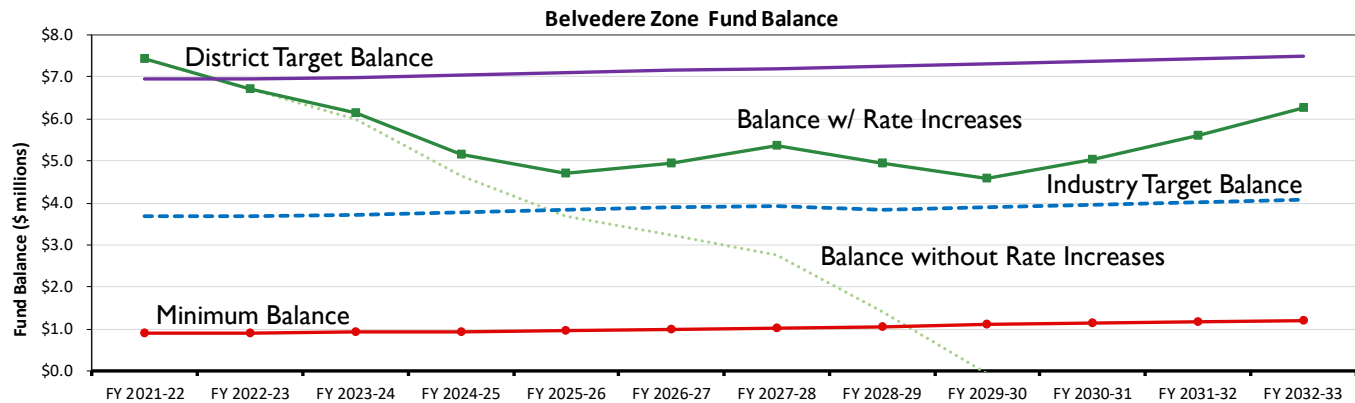


FY 2023-24 Reserve Thresholds:

- Minimum Balance = \$1.6 million (District policy for Operations)
- Industry Target = \$6.3 million (2 x Avg Annual CIP + Ops + Disaster Recovery + Retirement)
- District Target = \$12.6 million (Ops + CIP + Disaster Recovery + Retirement)
- Target balances include 3% annual inflation for Ops, Retirement, Disaster Recovery beginning FY 2023-24

PROPOSED REVENUE INCREASES – BELVEDERE

	Budgeted			Projected								
	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33
Belvedere												
Annual rate increase	0.0%	0.0%	7.0%	7.0%	6.0%	6.0%	6.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Cumulative increase		0.0%	7.0%	14.5%	21.4%	28.6%	36.4%	40.5%	44.7%	49.0%	53.5%	58.1%
Annual sewer service charge per EDU	\$1,985.00	\$1,985.00	\$2,123.95	\$2,272.63	\$2,408.98	\$2,553.52	\$2,706.73	\$2,787.94	\$2,871.57	\$2,957.72	\$3,046.45	\$3,137.85



FY 2023-24 Reserve Thresholds:

- Minimum Balance = \$0.9 million (District policy for Operations)
- Industry Target = \$3.7 million (2 x Avg Annual CIP + Ops + Disaster Recovery + Retirement)
- District Target = \$7.0 million (Ops + CIP + Disaster Recovery + Retirement)
- Target balances include 3% annual inflation for Ops, Retirement, Disaster Recovery beginning FY 2023-24

REVENUE INCREASES & PROPOSED RATES

Sewer Service Charges by District Zone	Adopted	Projected				
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
1 Tiburon/Paradise Cove	0.0%	15.0%	15.0%	12.0%	12.0%	12.0%
2 <i>Cumulative increase</i>	0.0%	15.0%	32.3%	48.1%	65.9%	85.8%
3 Annual increase	\$0	\$163	\$288	\$185	\$206	\$230
4 Annual sewer service charge per EDU	\$1,034	\$1,189	\$1,468	\$1,644	\$1,842	\$2,063
5 Property tax payment per EDU	\$457	\$465	\$474	\$482	\$491	\$500
6 Combined payment per EDU	\$1,491	\$1,654	\$1,942	\$2,126	\$2,333	\$2,563
7 Belvedere	0.0%	7.0%	7.0%	6.0%	6.0%	6.0%
8 <i>Cumulative increase</i>	0.0%	7.0%	14.5%	21.4%	28.6%	36.4%
9 Annual increase	\$0	\$139	\$149	\$136	\$145	\$153
10 Annual sewer service charge per EDU	\$1,985	\$2,124	\$2,273	\$2,409	\$2,554	\$2,707
11 Property tax payment per EDU	\$0	\$0	\$0	\$0	\$0	\$0
12 Combined payment per EDU	\$1,985	\$2,124	\$2,273	\$2,409	\$2,554	\$2,707

BOARD INPUT

- Which Option should move forward?
- Are there any adjustments to the revenue increases you would like to analyze?

Proposed Sewer Service Charges	Proposed				
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
1 Option 1 - 1 combined zone					
2 Non Ad-Valorem Parcel	\$1,783	\$1,961	\$2,158	\$2,373	\$2,611
3 Ad-Valorem Parcel	\$1,318	\$1,488	\$1,675	\$1,882	\$2,111
4 Option 2 - 2 zones					
5 Belvedere	\$2,124	\$2,273	\$2,409	\$2,554	\$2,707
6 Tiburon, Paradise Cove	\$1,189	\$1,468	\$1,644	\$1,842	\$2,063

- Current Tiburon rate (\$/EDU) = \$1,034
- Current Paradise Cove rate (\$/EDU)= \$1,034
- Current Belvedere rate (\$/EDU)= \$1,985