

AGENDA

TAMALPAIS COMMUNITY SERVICES DISTRICT

Work Session

Board of Directors

305 Bell Lane, Mill Valley, California 94941-4037

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Friday, August 28, 2009 (Day and date change)

Tamalpais Valley Community Center

203 Marin Avenue (PLEASE NOTE: change in location)

8:45 AM (change in time)


1. CALL TO ORDER
2. ROLL CALL
3. PUBLIC EXPRESSION
4. General Business:
 - A. Review the District's financial plan from May 2005 –
Jon Elam
 - B. Review of SMCSO's and SASM's Budget Plan and history and
impact on TCSD – Jon Elam
 - C. Discussion of our next steps. – Jon Elam
5. BOARD DISCUSSION AND COMMENTS
6. ADJOURN

Special Needs: In compliance with the Americans with Disabilities Act (28 C.F.R. 35.102-35.104, ADA Title II) if you need special assistance to participate in this meeting, please contact the TCSD at (415)-388-6393, x10. Notification 48 hours prior to meeting enables TCSD to make reasonable arrangements to ensure accessibility. In compliance with Senate Bill 343 the law requires writings subject to the Public Records Act to be available for public inspection at the time the writing is distributed to the member of the legislative body

In compliance with Senate Bill 343 materials or writings subject to the Public Records Act is available for public inspection at 305 Bell Lane, Mill Valley, California between the hours of 8:00 a.m. through 4:30 p.m. Monday through Friday.

STAFF REPORT

To: Board of Directors

From: Jon Elam, General Manager 

Subject: Review and Discussion of the May 23, 2005 Wastewater Financial Plan

Sometimes a review of history can prove useful. As we begin the challenge of again reviewing our rates I believe looking at the 2005 report and its projections help answer the questions of how we got to where we are today.

The Board's original rate premise was that increases would be built around a "pay-as-you-go" mode to implement the District's engineer's (Nute) 2001 work plan.

Rates were adopted included the following:

	<u>Financial Plan</u>		<u>Actual</u>	<u>Difference</u>	<u>Under Funding</u>
2004-05	= \$301	-	\$301	0	
2005-06	= \$421	-	\$421	0	
2006-07	= \$573	-	\$500	\$73.00	186,150
2007-08	= \$711	-	\$550	\$161.00	410,550
2008-09	= \$711	-	\$710	0	
2009-10	= \$711	-	\$710	0	
					<u>\$596,700</u>

Updated Comparison of Projections to Actual for 2009-10

	<u>2009-10 Plan</u>	<u>Adopted</u>
I. Salaries and Benefits	\$300,885	\$342,356
II. Operating Costs	\$595,304	\$1,018,198
III. Non-operating	\$70,300	\$155,705
IV. Miscellaneous Revenue	(\$6,480)	-
V. Capital Costs	\$120,703	\$609,700
VI. Project Costs	<u>\$725,000</u>	<u>\$525,125</u>
Total	<u>\$1,805,712</u>	<u>\$2,651,084</u>
	Difference =	<u>\$845,371</u>
2009-10 SMCS D Costs from Study		\$575,886
2009-10 Actual Costs from Budget		<u>1,357,000</u>
		<u><u>\$781,114</u></u>


The projected short fall in our sanitation budget is \$750,020, a direct correlation to the SMCS D charges.

Date: August 28, 2009

ITEM # **4 B**

STAFF REPORT

To: Board of Directors

From: Jon Elam, General Manager 

Subject: Budgets from SMCSD and SASM

The TCSD adopted a budget for Sanitation for 2009-10 is \$2,651,100 of that \$1,389,900 is for services and capital expenditures for our two treatment works.

As these are the budgets components increasing the fastest (and thus putting the most pressure on our need for a rate increase) a background briefing seems should be in order.

This staff report begins with the years budgeted breakdown. This should give you a context for looking at both SASM's and SMCSD's budgets.

The SMCSD budget document! Their expense budget is projected at \$3,588,869 with revenues of \$4,605,514 (including transfers of \$977,169).

SMCSD's Costs include:

Operations	=	\$747,302	
Capital	=	260,460	(Loan Payments)
Capital	=	349,240	
Total		\$1,357,002	

These sheets are attached for your review.

Next are sheets covering a 13 year period for both the operating and capital budgets.

These are taken from the attached spread sheet covering the same 13 year period.

Note particularly the increases since 2004-05 (when our 10 year agreement was approved)

2004-05	\$2,071,011
2005-06	3,144,789
2006-07	4,629,654
2007-08	6,081,341
2008-09	(note included)
2009-10	8,616,669

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ITEM # **4 B (continued)**

The signed agreements did not contain any language regarding the passing on of costs, so we have remained vulnerable to these increases.

As we will note also they were not projected in our 2005 report (**Item 4 A**) SMCSD does not have a five year expense plan covering our projected cost.

SASM's costs remain much more stable. Both plants project the same staff size of 15.

There expense budget is \$3,404,339 with revenues of \$3,119,315.

SASM does have a basic CIP program (pg 24) that covers the period through 2012-13 and totals \$1,497,000.

This breakdown suggests our rates for services to SASM would be just under \$200 year verses. SMCSD's \$535 year. That difference equals our proposed rate increases of \$303.00.

Recommended Action:
Discussion.

Date: August 28, 2009

ITEM # 4 C

STAFF REPORT

To: Board of Directors

From: Jon Elam, General Manager 

Subject: Discussion of SMCSD Budget and impacts on TCSD Sewer rates as we plan our Proposition 218 strategy

As we reviewed and subsequently adopted the Districts 2009-10 Budget, the issue of what we are paying SMCSD came up.

I have attached copies of both the SMCSD and SASM Budgets, for your review and comparison. It turns out they are very different in format and data presented.

The bottom line adopted by TCSD for SMCSD for this year is \$1,357,000. That translates in to a cost of \$532.16 per household (2,550 connections). If we only charged just the 2,400 connections that flow to Sausalito, the cost would be \$565.41/connection.

SASM cost total \$32,898.00. This is for 165 EDU's and equals \$199.38 per EDU. The SASM users thus subsidize the Sausalito user by \$332.78 a year. These users are conversely subsidized for their new sewer lines by the rest of the users at \$175.05 each. But these costs are the foundation of why TCSD has been seriously considering our shift over to SASM.

Recommended Action:
Discussion.