



Central Marin Sanitation Agency

**COMMISSION SPECIAL MEETING
AGENDA Tuesday, May 26, 2026
Hybrid Meeting
12:15 p.m.**

NOTE: This is a Hybrid Board meeting and will be held in-person in the Board Room of the Central Marin Sanitation Agency located at 1301 Andersen Drive, San Rafael CA 94901 and via Zoom®.

If you would like to participate via Zoom, click the link below or copy and paste the address into your browser. You may also phone-in at the number below.

Join Zoom Meeting

Online:

<https://us06web.zoom.us/j/89959922631>

Phone in:

+1 253 215 8782

Meeting ID:

899 5992 2631

Public Comment: Members of the public may directly address the Board on any item appearing on the Agenda. They may address the Board when the item is called by the Board Chair and he/she indicates it is the time for the public to speak to the agenda item. Public comments can also be submitted via email to the Recording Secretary at telam@cmsa.us.

The public comment period opens when the agenda is posted online and will close two hours prior to the start of the meeting. Include your name and the item you'd like to provide written comment on. Written comments submitted will be shared with the Board before the meeting, summarized during the Open Period for Public Participation, and included in the meeting proceedings.

To provide comments virtually during the meeting:

- If in the Zoom teleconference, use the “raise hand” feature. The Host will notify and unmute you when it is your turn to speak.
- If on a phone, press *9 (“star + 9”), and the Host will notify and unmute you when it is your turn to speak.

If you experience an issue providing comments in the meeting, please email those comments to the Recording Secretary at telam@cmsa.us.

CONTINUED ON NEXT PAGE

AGENDA

1. **12:15 p.m.: Call Meeting to Order**

2. **Pledge of Allegiance**

3. **Roll Call**

4. **Agenda Review & Approval**

5. **Open Period for Public Participation**

Open time for public expression, up to two minutes per speaker, on items within CMSA's jurisdiction and not on the Board of Commissioners' agenda. The Board will not discuss or take action during open time, but Board members may briefly respond to statements made or questions proposed by the public, ask for clarification from staff, refer the matter to staff, or request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

6. **FY27 Operating and Capital Budget Adjustments**

Recommendation: Approve the FY27 budget adjustments, and provide comments or direction to the General Manager, as appropriate.

7. **Adjourn to Closed Session – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

*Significant exposure to litigation
Government Code Section 54956.9(d)(2)
Number of Potential Cases: One*

8. **Reconvene in Open Session**

Report on any action taken in Closed Session.

9. **Next Scheduled Regular Meeting**

Thursday, June 25, 2026 at 6:00 p.m.

*Information not furnished with Agenda

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Central Marin Sanitation Agency at 415-459-1455. For auxiliary aids or services or other reasonable accommodations to be provided by the Agency at or before the meeting, please notify the Agency at least 3 business days in advance of the meeting date (meeting is the second Tuesday of each month). If the Agency does not receive timely notification of your reasonable request, the Agency may not be able to make the necessary arrangements by the time of the meeting.



BOARD MEMORANDUM

May 18, 2026

To: CMSA Commissioners and Alternates

From: Jason Dow, General Manager
Corey Spray, Administrative Services Manager

Approved: Board Finance Committee – Commissioners DiGiovanni, Gaffney, and Cassisa

Subject: **FY27 Operating and Capital Budget Adjustments**

Recommendation: Approve the FY27 operating and capital budget adjustments, and provide comments or direction to the General Manager, as appropriate.

Summary: Staff met with the Board’s Finance Committee on Wednesday April 22, 2026, to review the proposed FY27 operating and capital budget adjustments. After a thorough discussion, the Committee provided comments, approved revisions, and then accepted the budget adjustments. The Committee recommended that the Board approve the budget adjustments as presented, which included hiring a new Accountant Technician, creating a Lead Environmental Services Analyst classification, and utilizing a retirement consultant for the Agency’s deferred compensation committee.

Staff presented the Finance Committee’s recommendations at the May 12, 2026, Board meeting, provided a high-level overview of the operating and capital budget adjustments, and answered Board member’s questions. The Board accepted the Finance Committee’s recommendations on a 4-1 vote, with alternate RVSD Commissioner Poster dissenting from the recommendation.

Commissioner Beckman attended the meeting virtually, requiring the Board to vote on each business item with a Roll Call vote. After reviewing the Board meeting video, staff observed that the FY27 budget adjustment item vote was made with a regular vote, not a Roll Call vote. To comply with Brown Act requirements, Legal Counsel Halter advised the FY27 operating and capital budget adjustment item be brought to the special May 26, 2026, Special Board meeting for approval.

Attachment:

- Proposed FY27 Budget Adjustments staff report from the May 12, 2026, Board meeting.



BOARD MEMORANDUM

May 7, 2026

To: CMSA Commissioners and Alternates

From: Jason Dow, General Manager
Corey Spray, Administrative Services Manager

Approved: Board Finance Committee – Commissioners DiGiovanni, Gaffney, and Cassisa

Subject: Proposed FY27 Operating and Capital Budget Adjustments

Recommendation: Approve the proposed FY27 budget adjustments, and provide comments or direction to the General Manager, as appropriate.

Summary: At the June 2025 Board meeting, the Board approved the Agency’s two-year budget for FY26 and FY27. Staff informed the Board that if any budget account adjustments were needed for the second budget year, FY27, they would be presented by the June 2026 meeting. Department managers completed a thorough review of the approved and projected FY26 expenses and approved FY27 expenses and identified several accounts that need adjustments.

Staff met with the Board’s Finance Committee on Wednesday April 22, 2026, to review the proposed budget adjustments. After a thorough discussion, the Committee provided comments, recommended revisions, and then accepted the adjustments. A major change is to include the actual FY27 CalPERS unfunded liability payment (UAL) along with the pension obligation debt service. The total operating budget adjustments by department are shown in the table below, and individual account adjustments are briefly summarized in the following Discussion section.

Department	Adopted FY27 Budget	Total FY27 Adjustment	Revised FY27 Budget
Operations	5,413,800	174,000	5,587,800
Maintenance	4,275,900	88,800	4,364,700
Technical Services	3,872,200	1,700	3,873,900
Administration	3,876,600	672,000	4,548,600
Health & Safety	298,900	400	299,300
Total Operating Expenses	17,737,400	936,900	18,674,300
Debt Service	5,463,100	(765,700)	4,697,400
Capital Program	8,129,000	5,830,500	13,959,500
Total Revenues	26,060,600	8,482,000	34,542,600

Fiscal Impact: For FY26, there is a projected operating surplus in the amount of \$465,600, and this amount will be finalized as part of preparation of the FY26 financial statements. The FY26 surplus provides additional funds for the unassigned reserves. For FY27, there is a budgeted operating surplus of \$20,000 due to transferring in \$396,100 from the restricted pension trust to fund the increased FY27 CalPERS UAL cost. Included in the FY27 budget adjustments are the three following items staff and the Finance Committee recommend the Board approved.

- 1) *Hire a Temporary Full-Time Accounting Technician in the Administration Department.* This new position will support the finance department and customer service activities in the department, such as serving as a regular back-up FTE for payroll processing, greatly assisting other departments with timely preparing purchase orders and paying accounts payable invoices from procurement activities, lead timely follow-up on outstanding accounts receivable invoices from permit or other billable activities, and assist in various departmental projects. Some key projects that this position will assist with are calculating FLSA eligible overtime for income tax reporting, timely calculation of weighted labor rates by pay period, and assessing the collectability of outstanding receivables for fiscal year end reporting. Lastly, adding another FTE Accounting Technician supports the Agency's hiring efforts by allowing candidates without relevant payroll experience to be considered. These candidates can now be hired and trained alongside the current Accounting Technician for the hands-on payroll experience. This position is expected to also perform payroll throughout the fiscal year on a scheduled basis.
- 2) *Create a Lead Environmental Services Analyst in the Technical Services Department:* There are three analysts in the department, and this new position will be a promotional opportunity for staff, and be responsible for assigning and tracking the analysts' work to support the Regulatory Compliance Manager.
- 3) *Select and hire a Retirement Consultant:* The consultant will assist the Agency's new Deferred Compensation Committee with its responsibilities to review the deferred compensation investment options and fee structures and recommend changes if needed.

GFOA Award: Staff submitted the Agency's two-year budget to the Government Finance Officers Association last year, and we are proud to report that the GFOA awarded the Agency its Distinguished Budget Presentation Award.

Position Vacancies: AB 2561 requires a public agency to track job vacancies, annually report job vacancies to its governing board at a public meeting, and present its plans to fill the vacancies. CMSA has two vacant Electrician/Instrumentation Technician positions and has hired Koff & Associates to administer and manage the recruitment to fill both positions. SEIU Local 1021 has been informed about the vacancies and the recruitment. The positions should be filled by July 2026.

Operating Expenses: Preparing the bi-annual Agency budget is a lengthy and detailed process that begins in February of every other odd year with a draft budget presented to the Finance

Committee in April and the Board in May, and the final budget adopted by the Board in June. The two-year budget has proven to be an invaluable tool for simplifying the budget process to devote more time to other priority Agency business. The two-year budget saves time by not having to prepare a complete budget each year. Operating expense adjustments greater than \$5,000 for FY27 are shown in the tables on the following pages for each department.

Operations

Account	Adopted FY27 Budget	Total FY27 Adjustment	Revised FY27 Budget	Reason
Salaries & Benefits	2,867,000	221,900	3,088,900	COLA decrease from 3% to 2.178% offset by various staff promotions.
Calcium Nitrate	325,700	(77,400)	248,300	FY27 bid price 22.8% less than FY26; 3-year average use of 93k gallons, down from 108k.
Hydrogen Peroxide	333,700	12,200	345,900	FY27 bid price remained the same as FY26; 3-year average use increased to 102k from 96k.
Sodium Hypochlorite	822,700	21,100	843,800	FY27 BACC bid price 7.4% more than FY26; 3-year average use stayed same at 225k.
Sodium Bisulfite	205,500	10,200	215,700	FY27 BACC bid price 13.1% more than FY26; 3-year average use dropped from 137k to 113k.
Electricity	172,000	(15,000)	157,000	Decrease due to increased food waste and biogas production, reducing utility demand.
All other accounts	649,900	1,000	688,200	Below \$5,000 individual account changes.
TOTAL	5,413,800	174,000	5,587,800	

Maintenance

Account	Adopted FY27 Budget	Total FY27 Adjustment	Revised FY27 Budget	Reason
Salaries & Benefits	3,436,200	44,700	3,480,900	COLA decrease from 3% to 2.178% offset by various staff promotions.
Fleet Maintenance	20,000	5,000	25,000	Increase for additional consumable maintenance parts for vehicles.
Hazardous Waste Disposal	51,500	25,000	76,500	Increase from one to two annual H2S media replacements due to increased biogas production.
Groundskeeping	45,000	(15,000)	30,000	Decrease based on current operational needs and additions of AWOP participants.
Process Media Replacement	82,400	20,000	102,400	Additional H2S, siloxane, and OWRF media required from increased food waste deliveries & biogas production
Organic Waste Receiving Facility	48,200	18,000	66,200	Increase storage tank cleaning from semi-annual to quarterly; includes additional maintenance.
SQRC Supplies, Repairs and Other	10,100	7,900	18,000	Non-Agency maintenance - Transfer IUL labor savings to address increased costs.
SQ Village WW System Maint	22,800	(16,800)	6,000	Non-Agency maintenance - Reduce following prior fiscal year purchase of critical spare pump of \$14k.
All other accounts	559,700	-	559,700	Below \$5,000 individual account changes.
TOTAL	4,275,900	88,800	4,364,700	

Technical Services

Account	Adopted FY27 Budget	Total FY27 Adjustment	Revised FY27 Budget	Reason
Salaries & benefits	2,524,100	(98,600)	2,425,500	COLA decrease from 3% to 2.178% and savings from RCM and ESA I replacements. Cost savings offset by creation of Lead ESA position.
Biosolids Hauling	255,300	35,000	290,300	Increase due to additional organic waste processing and cost of diesel fuel.
Biosolids Reuse Fees	411,500	33,000	444,500	Increase from more organic waste received.
Lab Supplies	110,100	22,900	133,000	Increase from continued nutrient monitoring and replacement of consumable IC column.
Biosolids Monitoring	16,200	6,300	22,500	Increase from new monthly cyanide analysis requirement effective 2025.
All other accounts	555,000	3,100	558,100	Below \$5,000 individual account changes.
TOTAL	3,872,200	1,700	3,873,900	

Administration

Account	Adopted FY27 Budget	Total FY27 Adjustment	Revised FY27 Budget	Reason
Salaries & Benefits	2,674,200	640,900	3,315,100	New Temporary Accounting Technician position offset by COLA decrease from 3% to 2.178% and expected savings from replacing the retiring Senior Accountant with a new Accountant position. Actual FY27 CalPERS UAL increased by \$542K.
General Liability Ins	142,500	(11,300)	131,200	Lower overall pool losses offset by CSRMA projected 15% increase.
Worker's Comp Ins	217,100	(27,400)	189,700	Lower overall pool losses offset by CSRMA projected 10% increase.
Property Ins	320,900	(46,600)	274,300	Lower overall pool losses offset by CSRMA projected 5% increase.
Internet & Telephone	51,500	10,000	61,500	Price increase for Microsoft 365 license.
Office Supplies	40,200	(28,200)	12,000	Reclass of rental charges to separate account.
IT Software	100,700	7,000	107,700	Various software license price increases.
Rental Expense	-	25,500	25,500	Rent for copiers, stamp machine, fax service
Prof Services - General	40,500	5,900	46,400	Recruitment for two E/I Technicians
Prof Services – Regulatory	5,000	55,800	60,800	Increase for engaging consulting services to begin NPDES permit reissuance.
Prof Services - Finance	30,000	33,500	63,500	Estimated cost for retirement consultant to assist deferred compensation committee.
All other accounts	254,000	6,900	260,900	Below \$5,000 individual account changes.
TOTAL	3,876,600	672,000	4,548,600	

Debt Service: The Agency currently has two revenue bond obligations outstanding, the 2015 refunding revenue bonds and 2020 revenue bonds. Staff are currently working through the 2026 revenue bond issuance for \$8.5 million to assist funding the Agency's CIP, of which is

anticipated to close in September 2026. The table below shows the applicable updated estimates for FY27's debt service to be paid following the revised timeline.

Debt Service

Account	Adopted FY27 Budget	Total FY27 Adjustment	Revised FY27 Budget	Reason
Debt Service – Interest	455,000	(306,000)	149,000	Deferral of 2026 Revenue Bond. Interest payments are to begin March 2027.
Debt Service – Principal	459,700	(459,700)	-	Deferral of 2026 Revenue Bond. Principal repayment is to begin September 2027.
All other debt	4,548,400	-	4,548,400	Below \$5,000 individual account changes.
TOTAL	5,463,100	(765,700)	4,697,400	

Revenues: The Board adopted a 5-Year Revenue Plan on March 14, 2023, increasing regional service charges by 4% going into FY25. At the November 13, 2023, Board Meeting, the regional service charges were further updated by increasing the rate by an additional 0.5%. Including this change, all other significant revenue adjustments greater than \$5,000 for the second year are shown below.

Revenue

Account	Adopted FY27 Budget	Total FY27 Adjustment	Revised FY27 Budget	Reason
Capital Fee	1,034,800	957,400	1,992,200	Deferral of 2026 Revenue Bond.
Debt Service Charges	5,463,000	(765,900)	4,697,100	Deferral of 2026 Revenue Bond.
Coverage Fee	1,365,800	(191,500)	1,174,300	Deferral of 2026 Revenue Bond.
SQ Village WW Services	23,800	8,700	32,500	Allowance for parts purchases and staff time for pump station repairs.
Permit & Inspection Fees	35,300	9,500	44,800	Carryover permit activity from FY26 to be completed in FY27.
Private Waste Haulers - FOG	102,100	(17,100)	85,000	Lower projected FOG receipts.
Food Waste - SOS	14,700	(14,700)	-	No longer receiving food waste from SOS.
Food Waste - Republic	-	75,000	75,000	New contract with Republic being estimated for FY27.
Food Waste - RioDog	-	5,000	5,000	New contract with RioDog being estimated for FY27.
Marin Clean Energy	75,200	21,500	96,700	Higher projected feedstock leading to higher energy being produced and exported.
Int Inc – Op Cash	12,500	(5,000)	7,500	Higher CIP anticipated in FY27 from deferral of revenue bond in FY26.
Int Inc – LAIF	679,700	74,700	754,400	Receipt of FY26 capacity charges offset end of year CIP costs leading to higher interest accrual for July 2026 payment on LAIF.
Int Inc – Debt Trust	9,900	45,700	55,600	Deferral of revenue bond to FY27 leading to interest earned on project proceeds in FY27.

Int Inc – Pension Trust	48,900	(7,200)	41,700	Lowered due to no contributions expected to pension trust.
Capital Debt Proceeds, net	-	8,287,500	8,287,500	Deferral of 2026 Revenue Bond into FY27 at lower amount following CIP plan.
All other accounts	17,194,900	(1,600)	17,193,300	Below \$5,000 individual account changes.
TOTAL	26,060,600	8,482,000	34,542,600	

Proposed FY 27 Capital Improvement Program – Summary of Changes

Category	FY 27 Adopted Budget*	FY27 Adjustments	FY 27 Proposed Budget
Facility Improvements	535,200	1,204,500	1,739,700
General Equipment	469,700	490,000	959,700
Liquid Treatment Equipment and Systems	4,900,200	1,887,300	6,787,500
Solids Treatment and Energy Generation	2,223,900	2,248,700	4,472,600
Total	8,129,000	5,830,500	13,959,500

* The Adopted FY27 Budget is based on direction from the October 2025 Finance Committee meeting, where contingent projects were removed.

FY27 Major CIP Adjustments: Most of the FY27 Budget Category increases are the result of transfers of unspent FY26 funds. Significant CIP adjustments are discussed below.

Facility Improvements:

- 1) Industrial Coatings and Concrete Rehabilitation: Moved unspent funds (\$315K) from FY26 to FY27 for completion of Chlorine Contact Tanks No. 1 through 3 Coating Project and updated budget based on bid results and updated project schedule.
- 2) Facility Improvements: Added funds to FY27 for architect for Administration Building kitchen and bath remodel moved from FY26 (\$60K), various corroded facility door and window replacements (\$140K), install of Agency EV charging station (\$12K), facility hatch replacements (\$35K). Added funds to FY28 for additional corroded facility door and window replacements (\$80K), allowances for assessing the re-piping of the Sodium Bisulfite storage room (\$75K), and allowance to construct Administration Building kitchen and bath remodel (\$120K). Added funds to FY29 for construction allowance for additional facility storage area (\$250K; pending FY28 assessment) and for replacing the Digester Basement air handling unit (\$50K).

- 3) Facility Roofs Rehabilitation: Reduced FY28 allowance (-\$58K) for metal roof repairs based on FY26 assessment results and Maintenance Building repairs completed in FY26.
- 4) SHB Elevator Control Replacement: Moved unspent funds from FY26 as construction completion of the elevator control system replacement project shifted from FY26 to FY27, and updated budget based on received bid results (\$465K). Added allowance (\$100K) to FY30 for replacement of any remaining non-control related elevator components based on FY29 consultant assessment.

General Equipment:

- 5) Agency Vehicle Replacement: Added funds to FY30 for rescheduled vehicle replacement (\$55K).
- 6) Laboratory Equipment: Moved funds from FY26 to FY27 for replacing the Laboratory's DI Water system (\$65K) and deleted funds for replacing the autoclave which was replaced in FY26 (-\$46K).
- 7) Electrical Equipment: Added funds to FY27 for replacing Effluent Pump Station Controllers (\$110K) and converting Headworks lights to explosion proof LEDs (\$85K).
- 8) Process Instrumentation: Moved funds from FY26 to FY27 for procurement of sludge blanket readers (\$40K).
- 9) Electrical Distribution System Rehabilitation: Added funds to FY27 for replacing the FY26 condition assessment identified breakers in MCCs 4/5, 9 and 10 (\$200K). Moved funds for inspections of main switchgear and other facility MCCs and associated replacement placeholders out by two years based on the results of the FY26 condition assessment.
- 10) Electrical Conduit Rehabilitation: Moved \$100K of \$150K of unspent FY26 funds to FY27 to complete consultant report and implement high priority recommendations.

Liquid Treatment Equipment and Systems:

- 11) Plant Pumps: Moved the replacement of the centrifuge feed pumps from FY27 to FY28 (\$50K), added refurbishment of two headworks sample pumps (\$25K), and refurbishment of the aeration tank drain pump (\$12K) to FY27. Added budget in FY28 to assess and design for upsizing the blend channel drain, pump, and piping (\$25K) and performing the work in FY29 (\$60K). Moved unspent funds from FY26 to FY30 for the replacement of three recycled water pumps (\$40K).
- 12) Gates Rehabilitation: Moved unspent funds from FY26 to FY27 for the headworks influent gate replacement project, and updated budget to design the bypass system and perform the project in FY27 (\$500K). Moved unspent funds from FY26 to FY27 to purchase a new isolation gate for Chlorine Contact Tank No. 5 and 6 (\$85K) and moved budget for the effluent pump station influent gates from FY34 to FY27 (\$130K). Added

funds for contractor installation of the grit tank influent gates in FY27 (\$65K) and FY28 (\$65K).

- 13) Headworks Equipment: Moved unspent funds from FY26 to FY27 for the completion of the grit classifiers replacement project, including construction, construction management, special inspections, and engineering services during construction (\$814K). Moved unspent funds from FY26 to FY27 for the trough replacement on Grit Classifier No. 1 (\$20K) and the condition assessment of submerged concrete structures in the grit tanks (\$32K). Added budget to complete assessment of the blowers and diffusers for the aerated grit system (\$45K), conduct a grit performance evaluation (\$75K), and develop design for the blower replacement (\$105K) in FY27. Moved budget from FY26 to FY28 to replace the blowers and diffusers for the aerated grit system (\$1M) and added allowance to install baffle plates (\$500K) pending results of consultant recommendation.
- 14) Primary Clarifiers Rehabilitation: Moved unspent funds (\$524K) from FY26 to FY27 based on updated construction schedule and reduced budget based on favorable bid results (\$-439K). Consolidated multi-year budgets to procure and install a baffle system for Primary Clarifiers No. 2, 3 4, 5, 6 and 7 into a single year in FY29, pending completion of successful baffle performance testing prior to installation.
- 15) Process Piping Inspection & Repairs: Moved unspent funds from FY26 to FY27 to plug and abandon the corroded bend for the reclaimed water pipe (\$25K) and moved the inspection of the San Rafael Interceptor from FY27 to FY28 (\$107K).
- 16) Piping Valves & Operators: Moved unspent funds from FY26 to FY27 to refurbish check valve and seals at the Effluent Pump Station (\$47K). Added budget in FY29 to retain a consultant to develop an estimate and plan to replace the gates inside the South Francisco vault and the valve in the San Quentin Junction Box (\$75K). Added allowance in FY30 to replace the gates inside the South Francisco vault and the valve in San Quentin Junction Box, which includes construction flow bypass systems (\$500k).
- 17) Nutrient Removal: Moved unspent funds (\$850K) from FY26 to FY27 for completing the pre-design and starting the final design of the selected nutrient removal alternative (\$750K). Added allowance to FY27 for pre-purchase and design of a sidestream treatment system in FY27 (\$750K). Increased FY28 budget (\$500K) to allow for completion of final design of selected nutrient removal alternative (\$750K) and to complete the purchase, design and installation of a sidestream treatment system (\$1.75M).

Solids Treatment and Energy Generation:

- 18) Centrifuge Replacement: Moved unspent funds (\$2.1M) from FY26 to FY27 to complete the installation of the new centrifuges per the updated project schedule, including retaining consultant for special inspections, construction management assistance,

engineering services during construction, and performing startup and testing for the pre-purchased equipment.

- 19) Jenbacher Cogeneration Maintenance: Added scheduled minor overhaul at 40,000 operating hours in FY36, including allowance for replacement of the Selective Catalytic Reducer and Oxidation Catalyst internal materials (\$456K).
- 20) Organic Waste Receiving Facility: Moved biogas utilization study (\$60K) from FY26 to FY27, added budget in FY27 for spare grinder and associated spare parts (\$55K), and added funds in FY27 and FY28 for spare stainless steel mix pump and replacement internal parts (\$82K).

Attachments:

- 1) Funding Requirements and Sources Summary
- 2) Updated 10-Year Capital Improvement Program

