



# POPULAR ANNUAL FINANCIAL REPORT



CENTRAL MARIN  
SANITATION AGENCY

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FOR THE FISCAL YEAR ENDED  
JULY 1, 2024–JUNE 30, 2025

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JULY 01, 2024 – JUNE 30, 2025

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December 4, 2025

Dear Reader,

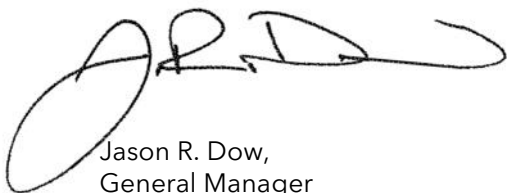
Central Marin Sanitation Agency (CMSA) is pleased to present its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2025 (FY25). The PAFR is published to provide readers with easy-to-understand facts about the CMSA organization, as well as its finances, wastewater services, and other pertinent material. The financial information within this report is taken in large part from the Agency's audited financial statements and provides an overview of the Agency's financial activities and position.

Unlike the Agency's Annual Comprehensive Financial Report (ACFR), the condensed financial data presented in the PAFR does not contain all disclosures necessary to be compliant with Generally Accepted Accounting Principles in the United States. The report is, however, for the most part consistent with and generally presented in conformity with Generally Accepted Accounting Principles in the United States. Information that may be of importance to the reader, such as the Condensed Statement of Net Position, the Statement of Revenues & Expenses and Changes of Net Position, as well as Capital Assets and Long-Term Debt, are presented in a summarized format, and provide a broad overview of the Agency's overall finances.

Readers of this document who are interested in learning more about the specific operational, financial, and program details can refer to the Agency's FY25 ACFR with Audited Financial Statements. They are available online at [www.cmsa.us/finance](http://www.cmsa.us/finance), by visiting us at 1301 Andersen Drive, San Rafael, California, or by contacting us at (415) 459-1455.

We hope the PAFR will give a broad understanding of the organization's valuable services provided to the public, as well as our efforts to safeguard the environment. Feel free to visit our website to learn more about CMSA. We welcome your comments, feedback, and suggestions for improving future publications.

Respectfully submitted,



Jason R. Dow,  
General Manager

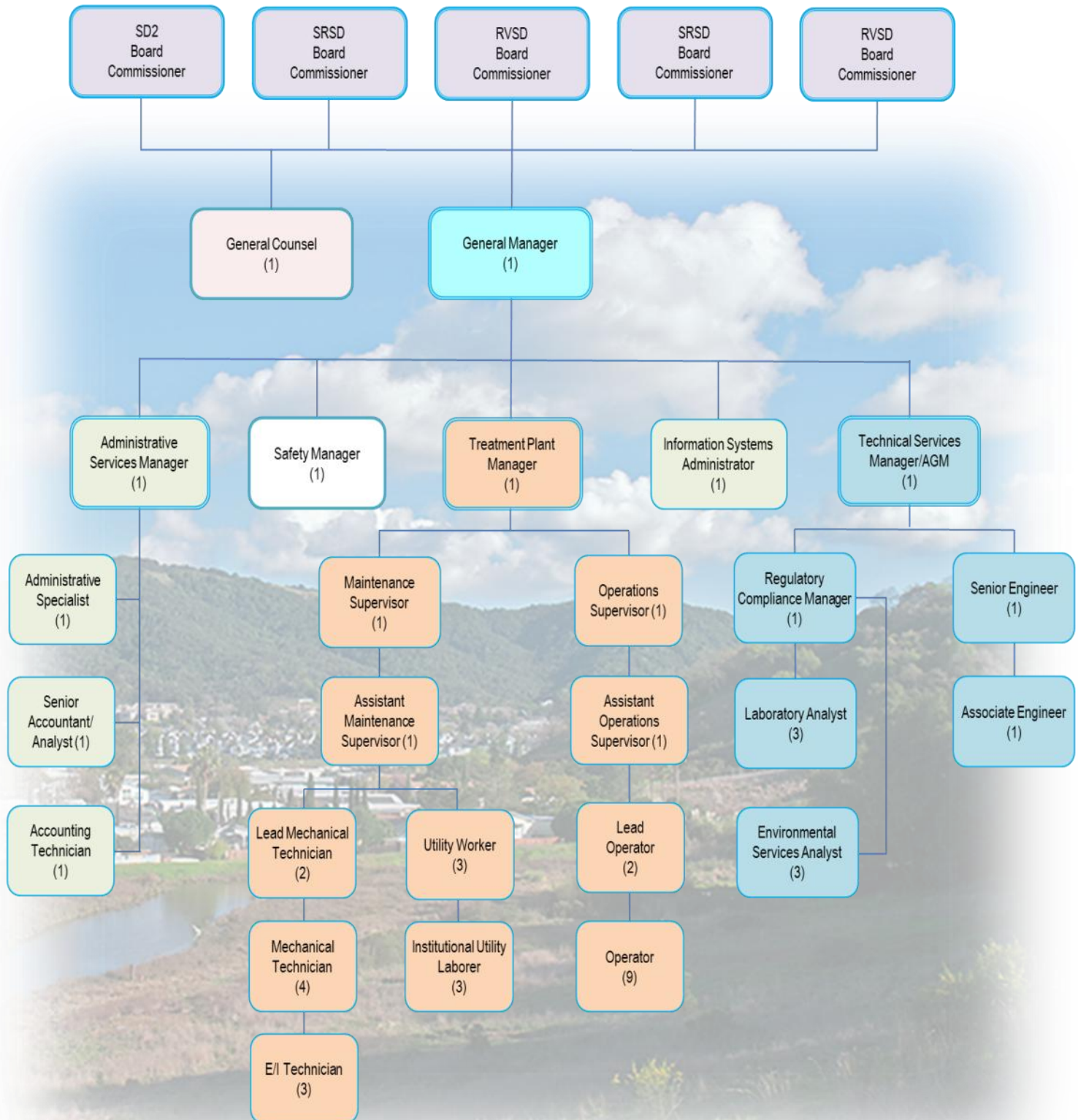


Corey Spray, CPA  
Administrative Services Manager

2024  
PLATINUM AWARD



# ORGANIZATIONAL CHART



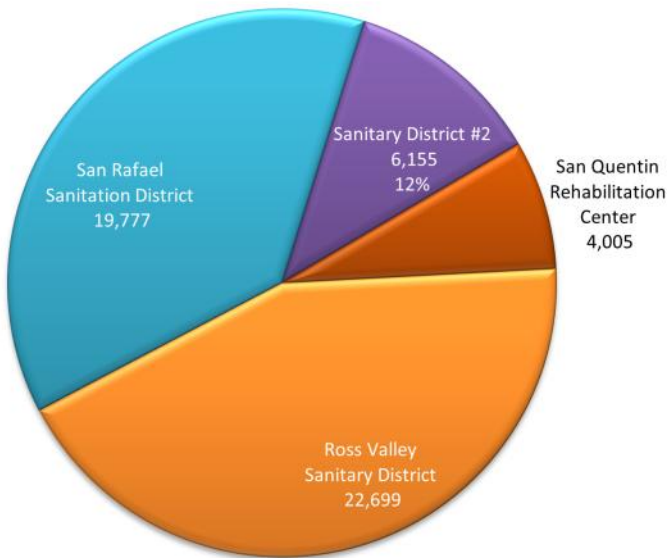
48 Full Time Equivalent Employees (FTE)  
June 30, 2025

# WHAT CMSA DOES

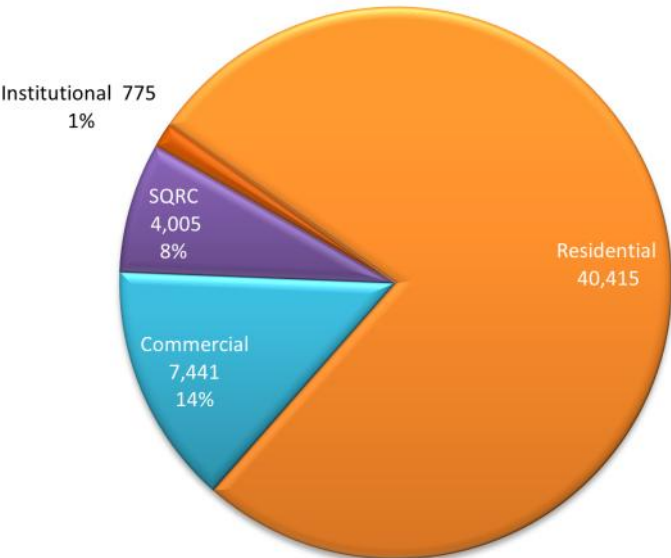
**CMSA provides wastewater services to protect public health and the environment.** The treated wastewater discharged into the central San Francisco Bay consistently meets and exceeds all federal, state, and regional regulatory requirements. In line with its core mission are responsibilities related to:

- Implementing federal pre-treatment, and state and regional pollution prevention programs.
- Administering a comprehensive safety program for CMSA and Novato Sanitary District.
- Producing renewable power and recycled water.
- Providing wastewater collection system maintenance, source control, and other related services under contract to local agencies. .

## EDUs SERVED IN FY25



## EDU TOTALS BY CONNECTION TYPE



## What are EDUs?

An Equivalent Dwelling Unit, or EDU, refers to a unit of wastewater discharge. It is the estimated volume and strength generated by a single-family residence.

## The Agency provides services

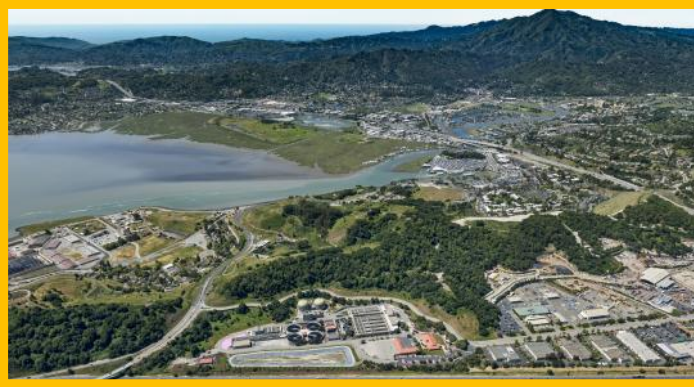
to 52,636 Equivalent Dwelling Units with an approximate service area population of 105,040.

## WASTEWATER AND BIOSOLIDS TREATED IN FY25

Volume of total wastewater treated .....	4.316 billion gallons
Average dry weather influent flow (July-Sept 2024) .....	8.5 million gallons/day
Average wastewater treated .....	11.9 million gallons/day
Total biosolids reuse.....	5,521 wet tons
Landfill Alternative Daily Cover .....	3,515 wet tons
Land-Applied Fertilizer/Soil Amendment .....	210 wet tons
Liquid Bio-Fertilizer .....	1,796 wet tons



## LOCAL ECONOMY AND STATISTICS



**Marin County has a total population of 262,321** with a growth rate of less than one percent annually. The County's residents continue to have California's highest average per capita income of \$180,575 per household. The population growth rate and per capita household income in the CMSA service area mirrors that of the county.

**The local housing market** continued to improve during FY25. The annual mean/median sale price for a home in Marin, as reported by the Marin County Assessor Office for the year ending June 30, 2025, was \$1,907,928/\$1,522,500

**Seven of the top ten employers** in CMSA's service area, as measured by the number of employees, are public entities.

**Marin's 4% average unemployment rate** is among the lowest rate in California and remained below national levels of 4.1% at the end of FY25.

**CMSA's single largest customer** is San Quentin State Rehabilitation Center (SQRC).



Photographer: David Paul Morris/Bloomberg

### THE POPULATION OF CITIES, TOWNS, AND SAN QUENTIN REHABILITATION CENTER IN THE CMSA SERVICE AREA IS 105,040

City of San Rafael	41,157
City of Larkspur	12,589
Town of San Anselmo	12,498
Town of Corte Madera	9,947
Town of Fairfax	7,417
Kentfield	6,808
San Quentin Rehabilitation Center	3,361
Sleepy Hollow	2,401
Town of Ross	2,338
Unincorporated Areas	6,524

### TEN LARGEST EMPLOYERS AND NUMBER OF EMPLOYEES IN THE CMSA SERVICE AREA

BioMarin	1700
Marin Health Medical Center	1650
San Quentin Rehabilitation Center	1194
Dominican University	1033
Golden Gate Transit	853
San Rafael City Schools	561
Tamalpais Union High School District	531
College of Marin	512
Restoration Hardware	500
City of San Rafael	416

Sources: (1) Property Tax Reports, County of Marin, United States Census Bureau State and County Quick Facts (2020 Census & 2023 estimates), (2) Bureau of Economic Analysis, (3) [unitedstateszipcodes.org](https://www.unitedstateszipcodes.org), (4) San Quentin Rehabilitation Center 2025 SB601 Dashboard Report

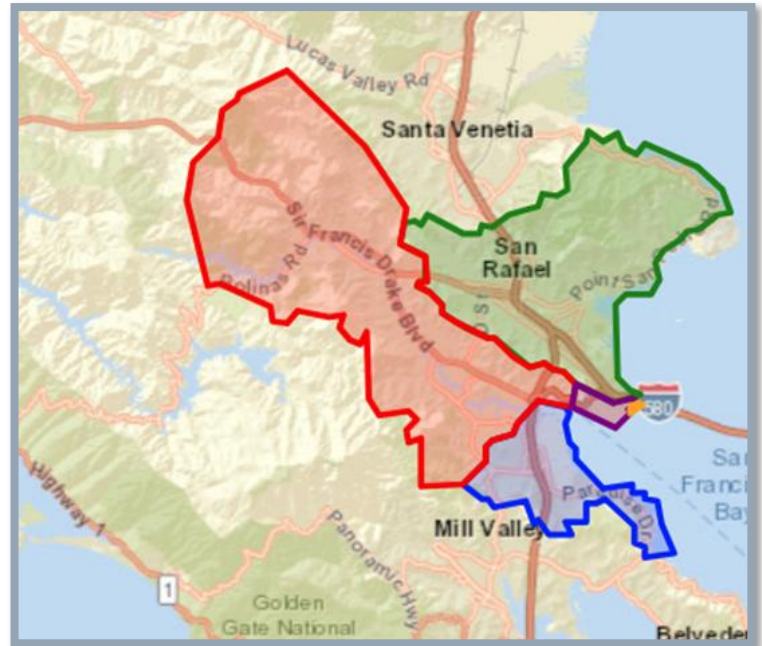
## HISTORY

Faced with wastewater treatment challenges unique to central Marin County and the necessity to comply with the 1972 Federal Clean Water Act, Ross Valley Sanitary District (RVSD), Sanitary District No. 2 (SD2) of Marin County, the City of Larkspur, and the San Rafael Sanitation District (SRSD) united in 1979 to form a joint powers agency (JPA) that created a separate government entity, the Central Marin Sanitation Agency. The CMSA wastewater treatment facility began service in May 1985.

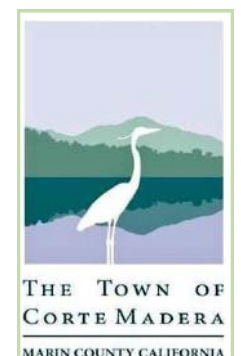
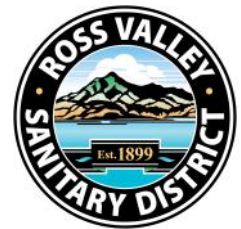
Since then, the JPA has been amended eight times. Five were made to clarify or update certain provisions, and a 2006 amendment extended the JPA term to 2031. After a thorough review in 2017, significant revisions were made to update provisions that were outdated or not applicable, and it was adopted in 2018.

In late 2018, the Larkspur City Council approved withdrawing from the JPA since its wastewater operations were annexed into RVSD in 1993, and to avoid unfunded pension liability for joint powers agency members under a state law. The JPA managers subsequently prepared a withdrawal agreement and revised the JPA to reflect Larkspur's withdrawal and the reduced number of CMSA Commissioners. Both agreements were approved by the JPA member agencies in January 2020.

The Agency's five-member Board of Commissioners are appointed by the governing bodies of each JPA member. SRSD and RVSD each have two representatives, while SD2 has one. The Board sets policy, adopts the annual budget for CMSA, and appoints the General Manager and Treasurer who serve at the pleasure of the Board. The General Manager is the chief executive officer and the Treasurer is responsible for all financial operations.



OUR SERVICE AREA ■ SRSD ■ RVSD ■ SD2 ■ SQRC/SQV





## MAJOR ACCOMPLISHMENTS AND INITIATIVES

### WORKPLACE SAFETY INITIATIVES

CMSA and the Novato Sanitary District partner in a collaborative Health & Safety Program. The program's focus is to promote and assist each agency in developing and maintaining workplace safety programs, while managing employee injury/return-to-work initiatives. CMSA's safety program has received favorable reviews by the California Sanitation Risk Management Authority and regional and state-level awards from the California Water Environment Association. Highlights of the program include:



#### Safety Incentive Program



Employees take part in a program that awards points for contributions in several key aspects of a sound safety culture. In FY25, employees led 81 tailgates and submitted 17 safety hazard observations, with 40 employees qualifying for 63 monetary awards.

#### Safety Training

Employees receive continuous reinforcement of proper safety procedures with regular, formal safety training. Combined with tailgates, staff had approximately 815 safety training hours.

### PUBLIC EDUCATION

CMSA is the lead agency in administering a county-wide public education program for the six Marin County wastewater agencies that have treatment plants. This innovative program develops outreach measures to demonstrate ways to reduce pollutants into the sanitary sewer and stormwater systems.

#### Engagement with TV Public Service Announcements



Partnering with RVSD, television ads ran on topics like wipes clog pipes, proper Fats, Oils and Grease (FOG) disposal, and don't flush drugs. In 2024, the ads ran 274,735 times within premium cable television content, and the target

audience watched 239,291 (87%) of the ads in their entirety.

#### Raising Awareness at Local Events and Schools

The program manages outreach booths at several events each year, where staff educates the public about pollution prevention, wastewater treatment, recycled water, and other environmental issues. Staff also talk with local teachers to inform them of possible outreach activities including in-class presentations and facility tours offered by the public ed program agencies. In FY25, events included the Marin County Fair, Marin Sanitary Service Customer



Appreciation Day, Mill Valley Earth Day, Novato Farmer's Market, Get Ready to Go 94920, and Mill Valley Trunk or Treat, reaching a total of 3,024 participants. Another 3,510 local students attended public education presentations on water



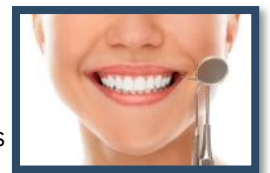
and pollution issues.

### PREVENTING POLLUTION

CMSA's operating permit includes source control program requirements to regulate businesses and industries that discharge water into the wastewater collection system so that they will not detrimentally affect treatment processes, biosolids quality, or the treated water that is discharged into the San Francisco Bay or beneficially reused as recycled water.

#### Mercury Reduction Program

Dental amalgam used to fill cavities in teeth is the largest controllable source of mercury discharged into the sanitary sewer and as a prevention, dental offices maintain separators to dispose of dental amalgam. In 2024, approximately 17 pounds of mercury were removed and properly disposed of. Both the Novato Sanitary District and Las Gallinas Valley Sanitary District





have contracted with CMSA to administer the programs in their service areas. Inspections in 2024 showed that all dental offices complied with the requirements, and 16 pounds of mercury were removed in these communities.

### FOG Source Control Programs

CMSA works with local wastewater agencies on the development and administration of their FOG source control programs. The goal is to reduce sewer blockages and prevent sanitary sewer overflows caused when grease is discharged



directly into sanitary sewers. FOG can build up and harden, when combined with sand, roots, and debris, and thereby clog pipelines. The program conducts inspections, provides documentation, and

issues requirements for installing prevention devices. In calendar year 2024, CMSA conducted 281 inspections and documented 1,508 FOG pumping activities and renewed 132 FOG permits.

### HUMAN RESOURCES

The Agency continues to refine and address its business practices. Here are some highlights:

#### Internship Program

Internships are an opportunity for students and recent graduates to gain exposure in a public sector environment and enhance their academic training. Several interns have worked in the laboratory and engineering departments, and plans are in place for internships in other departments.



#### Retired Annuitants

The Agency encourages the use of retired annuitants (retired former employees) to support special projects and share their specialized knowledge with new staff through training. CMSA employed three retired annuitants in FY25.



#### Self-Insured Dental Plan

The Agency contracts with a third-party administrator to manage a more cost effective self-insured dental plan. It works like other traditional plans and offers a few additional benefits that are not available with other plans.

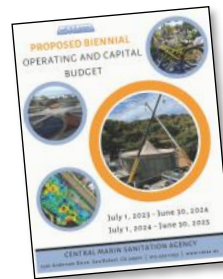
### FINANCIAL MANAGEMENT

#### Financial System Software

During FY21, the Agency purchased a new financial system software from Tyler Technologies, ERP Pro, to replace the old system. The new system is a significant time- and cost-saver for all users.



#### Two-Year Budget



The Agency utilizes a two-year budget format that began with FY21, which saves considerable staff time for other tasks and projects in the spring of year one. Should actual or projected revenue or expenses change, mid-year and mid-cycle adjustments are made and brought to the Board for approval.

#### Future Revenue Planning

The Agency creates and annually updates a 10-year financial forecast. It is a long-term budgetary examination of Agency operations and capital revenues, operating expenses, capital costs, and reserve balances. The forecast provides a strategic perspective to guide the Board in making decisions on the direction for future revenues, funding, and uses of Agency resources.

#### Managing Unfunded Obligations

The Agency issued pension obligation bonds in April 2022 to take advantage of low interest rates and reduce annual costs in connection with the annual unfunded actuarial liability (UAL) payment made to CalPERS. The Agency continues to budget for the annual payments to CalPERS.



## MAJOR ACCOMPLISHMENTS AND CAPITAL PROJECTS

### LIQUID WASTE TO ENERGY

CMSA's organic waste program is comprised of the innovative and successful Central Marin Food-to-Energy program and separate programs where CMSA receives and processes FOG from private haulers, as well as food waste deliveries from other solid waste partners. The Food-to-Energy program was launched in January 2014, with Marin Sanitary Service, collecting pre-consumer food waste from



restaurants, markets, and other businesses in their service area. Collected food waste is processed at Marin Sanitary Service's local transfer station, then a truck transports it to CMSA, where it is dumped into an underground tank, mixed with FOG and other organic wastes, and then injected into the treatment plant's anaerobic digesters.

#### Highlights from FY25 Include:

- Receiving an average of 11 tons of food waste from Marin Sanitary Service and approximately 11,000 gallons of FOG per day (except Saturday and Sundays), plus 6 tons of food waste per day from new provider Republic.
- The mixture of food waste, FOG, and other organic materials produced enough biogas to run the facility up to 24 hours per day throughout the year.
- CMSA executed a long-term delivery agreement with Republic diverting more food waste from local landfill sites.

### POWER BEING DELIVERED

CMSA's power delivery program has been underway for several years and aims to utilize the Agency's excess digester capacity to accept additional

organic feed stocks, such as grease and food waste, to significantly increase biogas generation in the anaerobic digesters. In the Spring of 2019, CMSA received official permission from the local utility, PG&E, to export excess power to its electrical grid, and throughout FY21 to FY25 significant amounts of renewable power were exported and sold to Marin Clean Energy through an existing Power Purchase Agreement.

In FY25 CMSA exported and sold 993,000 kilowatt hours of electricity to Marin Clean Energy and produced approximately 109 percent of the total electricity consumed by the facility. CMSA expects to accept additional organic waste deliveries and optimize power delivery program operations, with the expected result that electricity produced from biogas will consistently exceed 130 to 150 percent of the electricity consumed by the facility, making CMSA one in a global handful of treatment plants that produces more electricity from biogas than it consumes.



### PARKING LOT PAVEMENT REHABILITATION PROJECT

The Agency's main parking lot was fully reconstructed in FY25. The deteriorated pavement was completely removed, and the underlying subsoil was stabilized using a cement mix-in-place method. A new asphalt surface was then installed over the stabilized subsoil base.



Centrifuges are wastewater solids handling equipment that dewater sludges prior to their transport to beneficial reuse sites. This project includes replacing three aging centrifuges with newer high efficiency units that process more digested sludge, replacing the monorail hoist with a new bridge crane, and replacing associated appurtenances such as the Master control system. The design, which utilized a 3D model of the existing conditions and proposed modifications, was completed at the end of FY25. Construction is scheduled to begin in FY26 with completion anticipated in FY27.



In July 2024, the San Francisco Bay Regional Water Board adopted a Nutrient Watershed Permit to address harmful algal blooms and related fish kills. The Permit includes interim (effective October 2024) and final limits (effective 2034), requiring about a 60% reduction in CMSA's nutrient discharge to the bay. Achieving these limits will require major facility upgrades and new infrastructure.

In FY25, consultants completed a portion of the first phase of the program, the Nutrient Removal Alternatives Evaluation and Facilities Plan:

- Completed a review of available background data.
- Prepared and implemented a sampling improvements plan.
- Created and calibrated a digital process model for evaluating alternatives.
- Developed potential interim optimization options for the existing treatment system.

- Developed screening and evaluation criteria for the permanent nutrient removal alternatives.

The consultant team will complete the remaining project work by the end of 2025 and will recommend a final preferred alternative to CMSA's Board for approval.



This project includes demolishing and replacing three aging grit classifiers with two new high efficiency grit washers, replacing five corroded grit pumps, installing new valves and piping, and performing associated retrofits in the Grit Handling Room. The grit washers were pre-purchased in May 2024, the grit pumps were pre-purchased in October 2024, and the variable frequency drives were pre-purchased in April 2025. The design documents were completed in January 2025, and due to a delay in the delivery of the pre-purchased equipment, construction had been postponed to the end of FY26.



## MAJOR ACCOMPLISHMENTS AND CAPITAL PROJECTS

### CLARIFIER AND CONTACT TANK COATING REHABILITATION PROJECT

The Capital Improvement Plan includes a series of projects to maintain and rehabilitate the Agency's primary clarifiers and chlorine contact tanks. Scheduled work involves recoating metallic surfaces, repairing spalled concrete and cracks, and waterproofing leaking concrete walls and walkways.



### OUTFALL INTERIOR SOLIDS REMOVAL PROJECT

CMSA obtained regulatory approval to remove over 600 cubic yards of accumulated solids in the diffuser section of the 1.5-mile-long submarine outfall pipeline that discharges treated effluent into the San Francisco Bay. Work was completed in early November 2024.

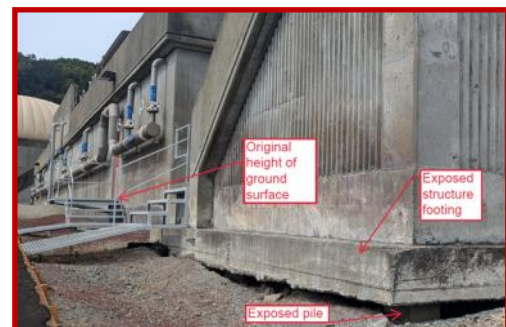


### ROSS VALLEY INFLUENT FLOW METER PROJECT UPDATE

The 54-inch Ross Valley Interceptor is a major pipeline that transports wastewater from SQRC and several cities, towns, and unincorporated areas in central Marin to the CMSA treatment plant. The Interceptor has a flowmeter that was installed during the treatment plant's construction in the early 1980s and is scheduled for replacement. A new modern flowmeter will be installed in FY26. To prepare for the installation, pipe surface modifications were performed in FY25 under the direction of a manufacturer's representative, and the pipe is now ready for the new flowmeter installation work in October 2026.

### SEISMIC STUDY UPDATE

Due to the prevalence of soft bay mud soils throughout the CMSA treatment facility, significant ground subsidence has occurred at multiple locations, including the immediate areas around the primary treatment, biotower and aeration process tanks. These structures were constructed on pile foundations and over time the ground settlement has resulted in large gaps underneath the structures, with portions of the pile foundations that were once buried are now exposed. Staff retained a structural engineer to evaluate the impacts of soil settlement on the process tanks and inform the layout constraints for potential new nutrient removal facilities, such as attaching new nutrient removal structures to existing process tanks or removing existing pile supported structures like the biotowers. A site investigation was performed in December 2024, and the final report received in April 2025 concluded that there are no structural or seismic issues with ground subsidence beneath the tanks. The results from this study will directly inform the constraints and layout considerations for the proposed nutrient removal options.





## MAJOR ASSET MANAGEMENT PROJECTS

### POLYMER ACTIVATION SYSTEM UPGRADES AND CONTROL LOGIC IMPLEMENTATION

The system's used for sludge thickening and biosolids dewatering were successfully upgraded to ensure consistent polymer-to-water concentration, to improve mechanical reliability, and to reduce long-term maintenance needs. A polymer flow-pacing control logic from the system's to the Rotary Drum Thickeners was developed and implemented to dose polymer based on a ratio of polymer pounds to a waste activated sludge concentration, and to automate delivery of consistent polymer dosing, while maintaining a stable total solids percentage in the thickened activated sludge.



### PRIMARY CLARIFIER TOTAL SUSPENDED SOLIDS PROBE INSTALLATION

A new meter on the effluent of the primary clarifiers was installed and programmed to provide real-time data allowing Operations to measure primary clarifier Total Suspended Solids removal and solids loadings to downstream treatment processes.



### SODIUM BISULFITE STORAGE TANK REPLACEMENT

One of the Agency's two dechlorination facility 6,500-gallon Sodium Bisulfite Storage tanks was replaced, in accordance with the manufacturer's recommended integrity lifespan. The replacement supports long-term reliability and ensures uninterrupted dechlorination operations. Following the installation of the new tank, the system was reassembled and leak tested to verify proper operation of all level-indicating instruments.



### RETURN ACTIVATED SLUDGE VARIABLE FREQUENCY DRIVE (VFD) REPLACEMENTS

An evaluation of the VFDs controlling the Return Activated Sludge pumps determined that the drives were nearing the end of their useful lives and all six pump VFDs were replaced with new units, ensuring long-term reliability. Return Activated Sludge VFD's are vital to the treatment process, as they enable control over the amount of return sludge and microorganisms sent back to the aeration tanks. This recirculation process enhances biological treatment.



## MAJOR ASSET MANAGEMENT PROJECTS

### ORGANIC WASTE RECEIVING FACILITY GRINDER REFURBISHMENT

The facility's tank slurry consists of food waste and FOG, which is pumped through a grinder that is designed to remove heavy debris and macerate larger objects before being directed to the screening system for further cleaning and processing. The harsh operating environment of this equipment led to operational failure which necessitated replacement. A new grinder housing, along with a mechanical seal, rotor, motor, blades, and associated hardware was installed and the Organic Waste Receiving Facility Grinder was placed back into operational service.



### SECONDARY TANK DRAIN PUMPS REPLACEMENT

The Agency utilizes two pumps to transport water from the secondary clarifiers back to the plant's headworks. These pumps had been operating since 1985 and had reached the end of their service lives. In FY25, the Secondary Clarifier Drain Pump No. 1, and Drain Pump No. 2, were replaced, concluding a capital improvement project focused on upgrading these pumps and associated equipment to ensure operational reliability.



### PROCESS WASTE SUMP VFD UPGRADES

Upgrades to the process waste sump replaced the basic on and off pump control sequencing system with VFD's, allowing the pumps to run at controlled speeds and associated flows. This VFD pumping setup provides smoother, more consistent nutrient loading back to the headworks, improving treatment stability in preparation for upcoming nutrient removal permit requirements.



### FINAL EFFLUENT TURBIDITY METER & INFLUENT CONDUCTIVITY PROBE INSTALLATIONS

Staff installed a new turbidity meter on the treatment plant's final effluent. This meter will complement an existing turbidity meter measuring the secondary effluent. These meters measure water clarity and suspended solids in real-time, which help Operations identify potential issues affecting plant performance. Additionally, staff installed conductivity probes on the treatment plant's influent. These probes monitor saltwater intrusion or industrial discharges in the collection systems, which can disrupt biological treatment and corrode infrastructure.





## CAPITAL ASSETS

As of June 30, 2025, CMSA's total capital assets, net of depreciation (a non-cash expense that reduces the value of capital assets), totaled \$80,380,175. This amount is broken down into asset categories shown in the chart below. Additions to capitalized assets totaled \$4,439,725 and are reported on the Condensed Statement of Net Position and in Note 6 in the FY25 ACFR financial statements section. The Agency also expensed an additional \$2,322,178 included in repairs and maintenance, which can be found on the Condensed Statement of Revenues and Expenses and Net Position.

### CAPITAL ASSETS AS OF JUNE 30, 2025 (NET OF DEPRECIATION)

#### WASTEWATER TREATMENT FACILITIES

(81.6% of capital assets) Assets in this category include structures and equipment used in the treatment of wastewater and biosolids, and in energy production.

#### LAND

(7.2% of capital assets) Lands owned by the Agency that buildings and treatment plant facilities

#### CONSTRUCTION IN PROGRESS

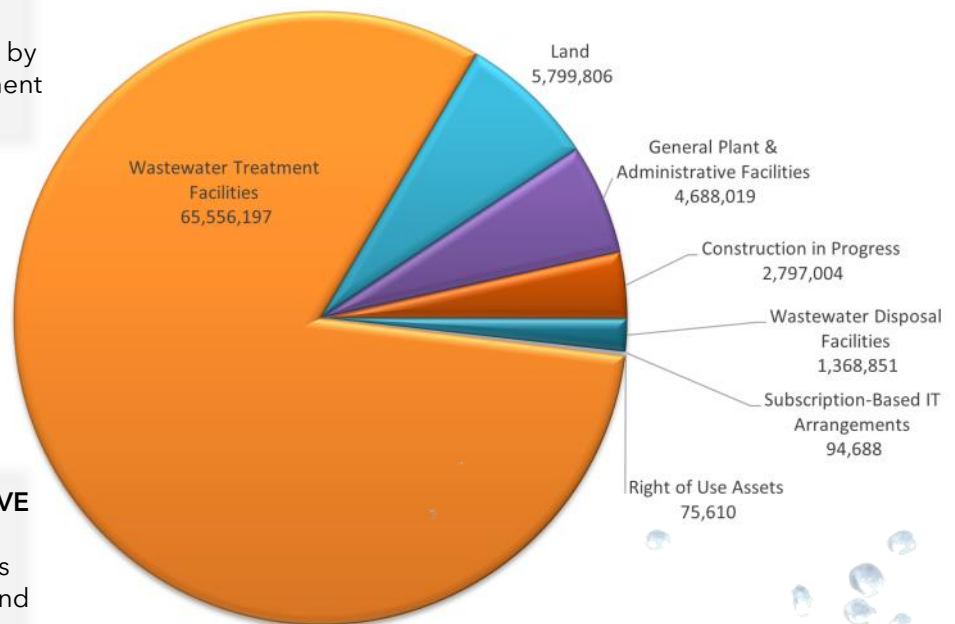
(3.5% of capital assets) Assets in this category include the following projects that are underway:  
Centrifuge Replacement Project  
Headworks Grit Classifiers Replacement Project

#### GENERAL PLANT & ADMINISTRATIVE FACILITIES

(5.8% of capital assets) Assets in this category include Agency buildings and vehicles.

#### WASTEWATER DISPOSAL FACILITIES

(1.7% of capital assets) Assets in this category include structures and equipment used in the discharge of treated wastewater into the San Francisco Bay.



Detailed budget and project information on the Agency's

### FY25 Capital Improvement Program

can be found in the Agency's Adopted Budget at [www.cmsa.us/finance/documents/](http://www.cmsa.us/finance/documents/)



## KEY FINANCIAL INFORMATION

### FY25 BUDGET PERFORMANCE

The Agency uses the **accrual method of accounting** in accordance with generally accepted accounting principles to produce its financial statements, where revenue and expenses are recognized when transactions occur, whether cash is received or spent. The cash basis is used to develop the annual budget.

The Agency's primary source of revenue is service charges which include regional and debt charges, capital and debt coverage fees. The table to the right shows the adopted FY25 budget revenues and expenses compared to the FY25 audited actuals.

CMSA is accounted for in a single enterprise fund. A comprehensive set of Board adopted financial policies gives direction to protect the Agency's assets and investments through sound financial management. The source of the information in this PAFR is consistent with generally accepted accounting principles. Details can be found in the FY25 ACFR available at :

**[www.cmsa.us/finance/documents](http://www.cmsa.us/finance/documents)**



### FY25 CONDENSED STATEMENT REVENUES & EXPENSES: BUDGET TO AUDITED ACTUALS PERFORMANCE

Revenue (Cash in)*	Adopted Budget	Audited Actuals
Sewer Service Charges	\$ 14,823,000	\$ 14,823,000
Debt Service	5,625,400	5,625,352
Contract Maintenance Revenues	1,743,900	2,015,204
Other Operating Revenues	691,100	1,046,224
Capital Contributions	289,500	2,523,510
<b>Total Operating Revenues plus Capital Contributions</b>	<b>\$ 23,172,900</b>	<b>\$ 26,033,290</b>

Expenditures (Cash out)*	Adopted Budget	Audited Actuals*
Total Operating Expenses (net of non-cash depreciation)	\$ 17,210,000	\$ 16,005,980
Total Non-Operating (Revenue) Expenses	1,825,200	57,415
<b>Total Expenses</b>	<b>\$ 19,035,200</b>	<b>\$ 16,063,395</b>
<b>Total Debt Service Principal Paid FY25</b>	<b>\$ 3,455,000</b>	<b>\$ 3,455,000</b>

*\*\*Details available in the FY25 ACFR, Note 9 - Long-Term Obligations.*

### AUDIT OF AGENCY'S STATEMENT BY INDEPENDENT AUDITOR

California Government Code section 53891 requires an annual audit by independent Certified Public Accountants, which is filed with the State Controller's Office. The Agency's FY25 Financial Statements were audited by the Agency's auditor, Maze & Associates Accounting Corporation, in accordance with Generally Accepted Accounting Principles in the United States. The statements also met the State Controller's Minimum Audit Requirements for California Special Districts. The Agency's Audited Financial Statements and accompanying Independent Auditor's Report were accepted by the CMSA Board in November 2025, and can be found in the Agency's FY25 ACFR, available at:

**[www.cmsa.us/finance/documents/](http://www.cmsa.us/finance/documents/)**



## CONDENSED STATEMENT OF NET POSITION

**The Statement of Net Position** is a useful indicator of financial position. The largest portion of CMSA's net assets reflects its investment in capital assets (land, buildings, facilities, equipment), less outstanding related debt used to acquire those assets. The Agency's Total Net Position increased by \$5.6 million in FY25 primarily due to total liabilities decreasing \$4.9 million, total deferred inflows of resources decreasing by \$3.1 million, offset by total deferred outflows of resources decreasing \$2.8 million. Further explanation can be found in the FY25 ACFR Management's Discussion and Analysis section titled Analysis of the Agency's Finances.

### CONDENSED STATEMENT OF NET POSITION AS OF JUNE 30, 2025

	Restated FY23	Restated FY24	FY25	Percent Change
<b>ASSETS</b>				
Current and Other Assets	\$ 26,807,644	\$ 28,750,994	\$ 29,148,577	1.4%
Capital Assets - Net	80,862,725	80,332,465	80,380,175	0.1%
<b>TOTAL ASSETS</b>	<b>\$ 107,670,369</b>	<b>\$ 109,083,459</b>	<b>\$ 109,528,752</b>	<b>0.4%</b>
<b>DEFERRED OUTFLOWS OF RESOURCES<sup>1</sup></b>	12,945,012	8,316,952	5,491,202	-34.0%
<b>LIABILITIES</b>				
Current Liabilities	\$ 6,197,439	\$ 6,550,823	\$ 6,627,640	1.2%
Non-Current Liabilities	56,069,303	53,026,187	48,086,081	-9.3%
<b>TOTAL LIABILITIES</b>	<b>\$ 62,266,742</b>	<b>\$ 59,577,010</b>	<b>\$ 54,713,721</b>	<b>-8.2%</b>
<b>DEFERRED INFLOWS OF RESOURCES<sup>1</sup></b>	7,467,841	7,964,847	4,872,564	-38.8%
<b>NET POSITION</b>				
Investment in capital assets net of debt	\$ 40,733,329	\$ 43,446,485	\$ 47,059,266	8.3%
Restricted for various trusts	213,825	921,264	1,616,090	75.4%
Unrestricted	9,933,644	5,490,805	6,758,313	23.1%
<b>TOTAL NET POSITION</b>	<b>\$ 50,880,798</b>	<b>\$ 49,858,554</b>	<b>\$ 55,433,669</b>	<b>11.2%</b>

<sup>1</sup>Amounts associated with OPEB, pension, and debt refunding.

### DEFINITIONS

**CAPITAL ASSETS:** Includes Agency land, treatment plant, facilities, buildings, and equipment net of depreciation.

**CURRENT AND OTHER ASSETS:** Assets converted to cash or consumed within one year: cash, investments, receivables, prepaid expenses.

**CURRENT LIABILITIES, CURRENT PORTION LONG-TERM OBLIGATIONS:** Payment due on obligations owed by CMSA within the next 12 months.

**DEFERRED INFLOW OF RESOURCES:** An acquisition of net assets that is applicable to a future reporting period.

**DEFERRED OUTFLOW OF RESOURCES:** A consumption of net assets that is applicable to a future reporting period.

**INVESTMENT IN CAPITAL ASSETS NET OF DEBT:** Amounts invested in capital assets less accumulated depreciation and any outstanding debt used to acquire the assets.

**NON-CURRENT LIABILITIES:** Payment obligations owed more than 12 months in the future.

**TOTAL NET POSITION:** Equity associated with general government assets and liabilities.

**UNRESTRICTED (NET POSITION):** Net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources not included in the determination of net investment in capital assets or the restricted component of net position.



## CONDENSED STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

**This statement summarizes CMSA's operating and non-operating revenues and expenses,** and unlike the ACFR, presents Capital Contributions separate from Non-Operating Revenues. CMSA's main sources of revenue are the regional service charges received from JPA members and contract revenues from providing wastewater services to SQRC and SD2. Service charges pay for operating expenses, capital improvements, and debt service. Revenues increased primarily as a result of a scheduled 4.5% service charge rate increase and higher interest earned as a result of the US Federal Reserve's interest rate policies. Capital contributions are primarily comprised of \$2M of Inflation Reduction Act grant proceeds received. Total expenses decreased primarily from CalPERS actuarially recognizing the Agency's pension obligation bond contribution resulting in additional pension expense in the prior year and interest expense continually decreasing with each regular debt service payment against the principal balance of its long-term debt.

### CONDENSED STATEMENT OF REVENUES, EXPENSES & CHANGES IN NET POSITION AS OF JUNE 30, 2025

	Restated FY23	Restated FY24	FY25	Percent Change
<b>REVENUES</b>				
Operating Revenues	\$ 21,403,663	\$ 22,174,882	\$ 23,509,780	6.0%
Non-Operating Revenues	507,689	1,159,918	1,201,190	3.6%
Capital Contributions	1,568,033	2,803,439	2,523,510	-10.0%
<b>TOTAL REVENUES</b>	<b>\$ 23,479,385</b>	<b>\$ 26,138,239</b>	<b>\$ 27,234,480</b>	<b>4.2%</b>
<b>EXPENSES</b>				
Operating Expenses (including depreciation)	\$ 20,130,669	\$ 25,589,079	\$ 20,400,760	-20.3%
Non-Operating Expenses	1,539,596	1,571,404	1,258,605	-19.9%
<b>TOTAL EXPENSES</b>	<b>\$ 21,670,265</b>	<b>\$ 27,160,483</b>	<b>\$ 21,659,365</b>	<b>-20.3%</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 1,809,120</b>	<b>\$ (1,022,244)</b>	<b>\$ 5,575,115</b>	<b>-645.4%</b>
<b>BEGINNING NET POSITION (AS PREVIOUSLY REPORTED)</b>	<b>\$ 49,293,416</b>	<b>\$ 50,880,798</b>	<b>\$ 49,858,554</b>	<b>-2.0%</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>\$ (221,738)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>
<b>BEGINNING NET POSITION</b>	<b>\$ 49,071,678</b>	<b>\$ 50,880,798</b>	<b>\$ 49,858,554</b>	<b>-2.0%</b>
<b>ENDING NET POSITION</b>	<b>\$ 50,880,798</b>	<b>\$ 49,858,554</b>	<b>\$ 55,433,669</b>	<b>11.2%</b>

### DEFINITIONS

**CAPITAL CONTRIBUTIONS-CAPACITY CHARGES:**

A treatment plant capacity fee paid by each new sewer user or an expansion by an existing user connecting to a public sewer served by CMSA. Capital contributions must fund capital projects.

**CHANGE IN NET POSITION:** The total of net income (loss) plus capital contributions.

**ENDING NET POSITION:** The sum of net position at the beginning of the fiscal year, plus the change in net position, plus prior period adjustments equals the net position at the end of the fiscal year, and is an indication of the Agency's financial health.

**NON-OPERATING REVENUES & EXPENSES:** Revenues and expenses that are incidental to CMSA's main purpose and derived from activities not related to wastewater operations, e.g. interest earnings and costs of borrowing.

**OPERATING EXPENSES:** Expenses incurred for provision of wastewater related services.

**OPERATING REVENUE:** Revenues received for wastewater-related services.



## MANAGING LONG-TERM DEBT OBLIGATIONS

**CMSA issued several bond obligations over the past several years** to assist funding its various capital projects and refunding its net pension liability. Some bond obligations were issued through the public marketplace and one obligation was underwritten via private placement. As of June 30, 2025, the Agency currently carried outstanding bond obligations, net of premiums and discounts, balance of approximately \$43M. This is comprised of three current obligations and are described below:

### 2015 Refunding Revenue

**Bonds:** In 2006, the Agency issued \$59.2M of revenue bonds to assist funding the construction of new wastewater treatment facilities as well as refurbishment of existing equipment and infrastructure. The bonds were later refunded into the 2015 issuance to re-finance at a lower average interest rate. As of June 30, 2025, the remaining outstanding balance, net of premium, is \$26.4M.

**2020 Revenue Bonds:** In 2020, the Agency issued \$9.1M of revenue bonds to also assist the construction and refurbishment of wastewater treatment facilities. As of June 30, 2025, the remaining outstanding balance, net of premiums and discounts, is \$7.7M.

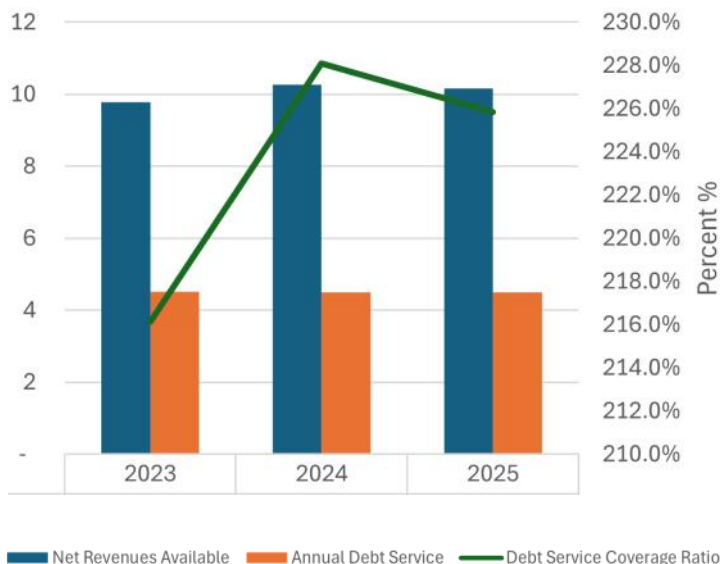
### 2022 Pension Obligation

**Bonds:** In 2022, the Agency underwrote a privately placed bond obligation to refund its net pension liability in the amount of \$9.4M. The refunding locked in the Agency's actuarial pension liability freezing its payment to CalPERS at a fixed interest rate of 3.36%. As of June 30, 2025, the remaining outstanding balance is \$8.9M.

The Agency annually incorporates its required debt service payments for all obligations as part of its annual budget. To date, the Agency has been able to regularly pay off its required debt service each year the bonds remain outstanding with no issues and plenty of ample net revenues available. The below chart shows the Agency's debt service coverage ratio, a metric demonstrating the Agency's ability to pay its debt obligations, being significantly above its required target of 1.25x. Further details can be found in the Agency's ACFR available at: [www.cmsa.us/finance/documents](http://www.cmsa.us/finance/documents).

Note, the 2022 pension obligation bonds are not included in the debt service coverage calculation as per the bond agreement.

### HISTORICAL DEBT SERVICE COVERAGE



Fiscal Year	Net Revenues Available	Annual Debt Service	Debt Service Coverage
2023	9,774,457	4,522,031	216.2%
2024	10,267,015	4,501,006	228.1%
2025	10,163,616	4,500,281	225.8%

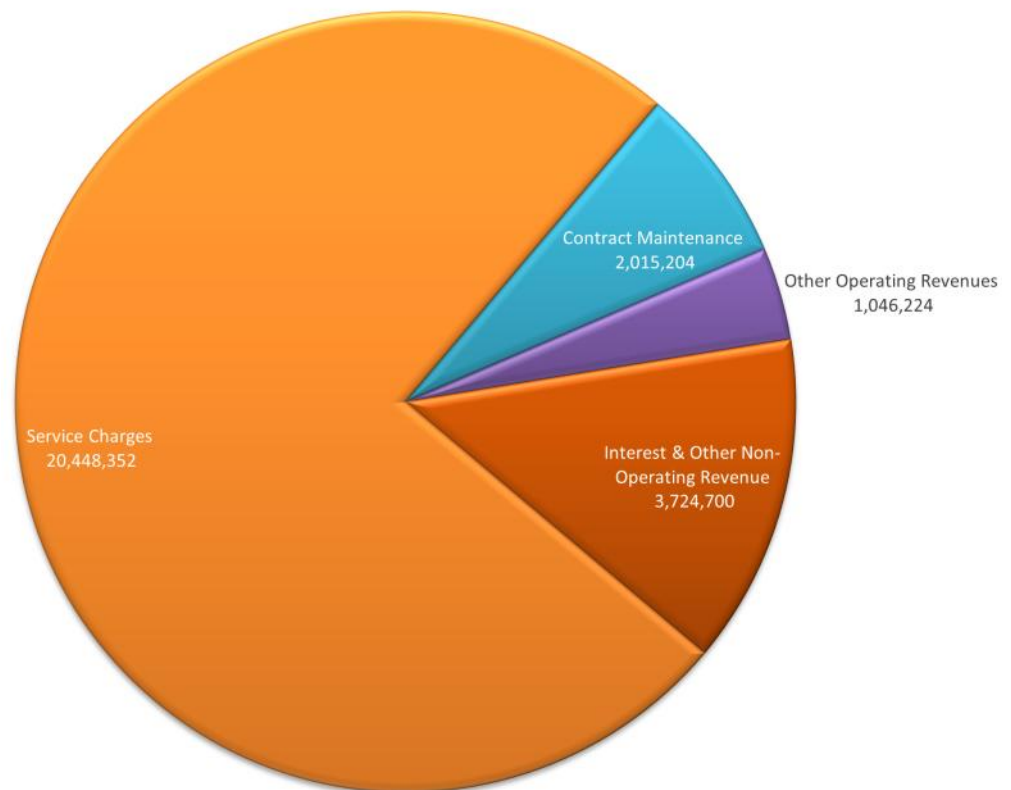
## WHERE THE MONEY COMES FROM (REVENUES)

**Capital Contributions totaled \$2,523,510 and must fund capital projects.** CMSA's collected both \$1,943,309 of Inflation Reduction Act grant proceeds and \$580,201 of capacity charges. The grant proceeds was for a cogeneration engine installation capital project. Following California Government Code, collected capacity charges to be used on a first-in-first-out basis to finance all other capital activities and all interest earned on the proceeds is to be separately tracked. Accordingly, no interest was posted to capacity charge contributions as there was no outstanding balance at fiscal year-end.

**CMSA's total revenues from all sources for FY25** were \$27,234,480 including capital contributions. Operating revenues totaled \$23,509,780 and included \$5,625,352 collected for debt service,\* \$2,015,204 for contract maintenance and \$1,046,224 for other operating revenues.

### California Government code requires:

- A separate accounting of capital contributions
- Application of interest to outstanding balances
- Disclosure of the amount collected within 180 days after the fiscal year
- Identification of the funded capital projects



\*Debt service is a fee collected for the repayment of revenue bond principal, interest, and debt coverage. In FY25, the Agency paid \$3,455,000 in principal and paid \$1,478,084 in interest.

## DEFINITIONS

**CONTRACT MAINTENANCE:** Revenues received from local and state agencies for wastewater treatment, collection system operation, and source control services.

**INTEREST & OTHER NON-OPERATING REVENUE:** Interest revenue earned on cash and investment accounts and other sources of income, such as dividend payments, that are not derived from day-to-day operations.

**OTHER OPERATING REVENUES:** Revenues received and fees charged for permit issuance and site inspections, administration of programs for local wastewater agencies, and facility use charges for septic and organic waste disposal.

**SERVICE CHARGES:** A fee charged to JPA members and San Quentin Rehabilitation Center's share of the Refunding Revenue Bond Series 2015 debt service payment.

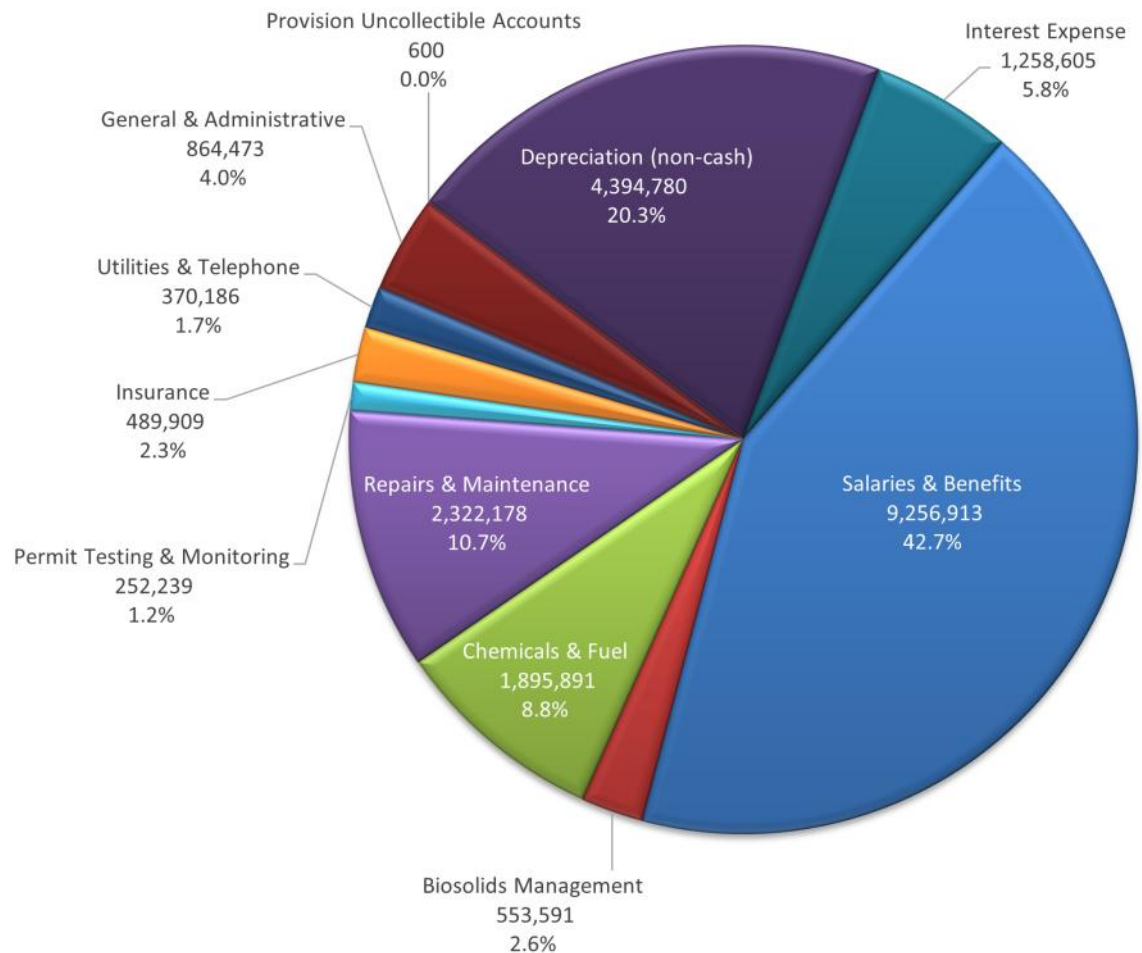


## WHERE THE MONEY GOES (EXPENSES)

**CMSA FY25 total expenses** were \$21,659,365, of which \$20,400,760 were actual operational expenses, \$1,258,605 were non-operating interest expenses, and \$4,394,780 was in depreciation, a non-cash expense.



**Excluded from this chart** are expenditures for capital and asset management projects which have been capitalized and shown as capital assets on the Statement of Net Position and in the Capital Assets section of this report.



## DEFINITIONS

**DEPRECIATION:** A current year non-cash expense that reduces the value of an asset as a result of wear and tear, age, or obsolescence.

**GENERAL & ADMINISTRATIVE:** Expenses include professional services, office related supplies, regulatory permits and memberships in local, state, and national industry organizations.

**INSURANCE:** Premiums are for general liability, property, auto, cyber liability, and workers' compensation insurance, and employee/commissioner bonds.

**INTEREST EXPENSE:** Payments due for borrowing money on the bond obligations.

**PERMIT & MONITORING TESTING:** Laboratory fees related to wastewater sampling and monitoring services,

other regulatory compliance fees, and laboratory supplies.

**CHEMICALS & FUEL:** Expenses include purchases for chemicals used in treatment and fuel.

**REPAIRS & MAINTENANCE:** Includes facility expenses to maintain vehicles, equipment, and energy generation systems, and for generators, tools, supplies, and groundskeeping.

**SALARIES & BENEFITS:** Compensation and health benefits paid to, and on behalf of, employees and retirees.

**UTILITIES & TELEPHONE:** Expenses include electricity, natural gas, solid waste disposal/recycling, water, telephone, and internet.

**BIOSOLIDS MANAEMENT:** Hauling and disposal fees associated with biosolids.



## 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.



A safe and healthy workplace.



Creating job satisfaction within a diverse workforce.



Effective asset management.



Engaging public outreach and educational programs.



Leadership, partnership, teamwork, and collaboration.





# GFOA AWARD FOR OUTSTANDING ACHIEVEMENT

The Government Finance Officers Association  
of the United States and Canada

has given an Award for

**Outstanding Achievement in**

**Popular Annual Financial Reporting**

to Central Marin Sanitation Agency for its  
Popular Annual Financial Report for the  
fiscal year ended June 30, 2024.

The Award for Outstanding Achievement in  
Popular Annual Financial Reporting is a prestigious  
national award recognizing conformance with the  
highest standards for preparation of state and  
local government popular reports.

In order to receive an Award for Outstanding  
Achievement in Popular Annual Financial Reporting  
a government unit must publish a  
Popular Annual Financial Report,  
whose contents conform to standards of creativity,  
presentation, understandability and reader appeal.



Government Finance Officers Association

Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting

Presented to

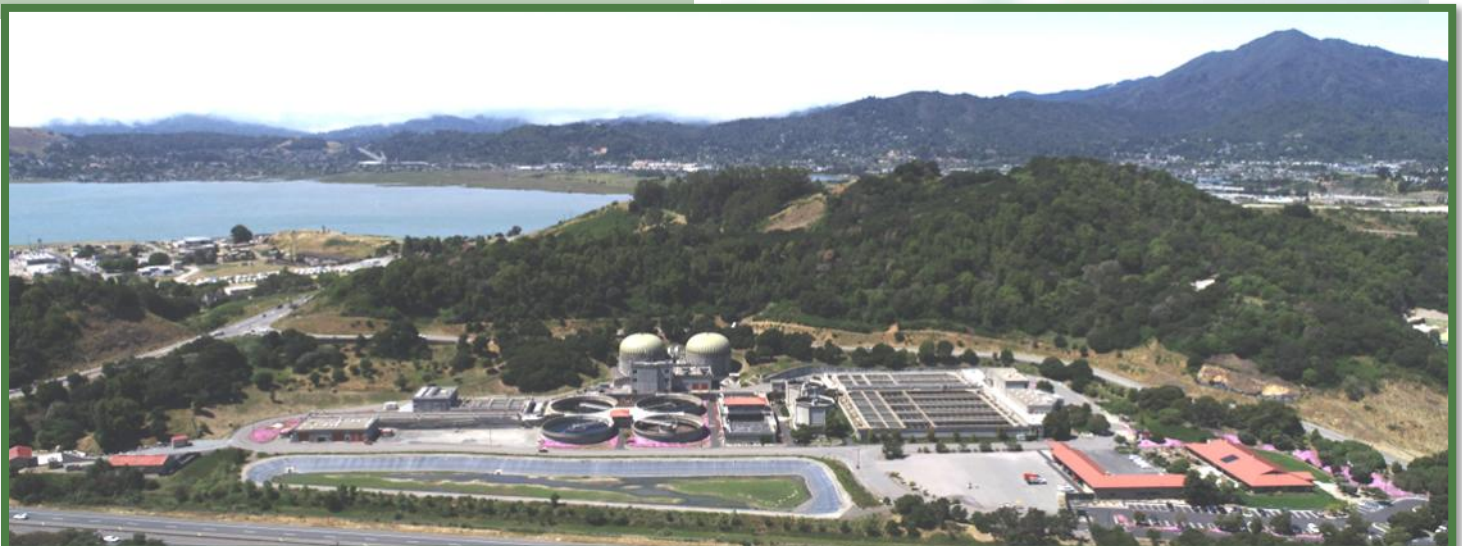
**Central Marin Sanitation Agency  
California**

For its Annual Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO





## CALIFORNIA WATER ENVIRONMENT ASSOCIATION

### 2024 REDWOOD EMPIRE REGIONAL SECTION AWARD INDIVIDUAL

*Electrical/Instrumentation*      *Mechanical Technician of the*  
*Person of the Year*                      *Year*  
**Sean Clementz**                      **Brian Carr**

*Pretreatment, Pollution, Prevention (P3)*  
*Person of the Year*  
**Eromosele Esoimeme**

### AGENCY

*Engineering Achievement*      *Treatment Plant of the Year*  
*Award*                      *Award*

### 2024 STATE LEVEL AWARDS

AGENCY  
*Safety Program of the Year*

## CMSA COMMISSIONERS

**Eli Beckman,**  
**Chair**  
*Sanitary District No. 2*  
*Corte Madera*

**Dean DiGiovanni,**  
**Vice-Chair**  
*San Rafael Sanitation District*

**Mary Sylla,**  
**Secretary**  
*Ross Valley Sanitary District*

**Doug Kelly,**  
**Board Commissioner**  
*Ross Valley Sanitary District*

**Maribeth Bushey,**  
**Board Commissioner**  
*San Rafael Sanitation District*



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**Annual Comprehensive Financial**  
**Report with Audited Financial**  
**Statements**

**FY25 Popular Annual Financial**  
**Report**

**FY24-25 Business Plan**



## CENTRAL MARIN SANITATION AGENCY

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