

RESOLUTION NO. 2022-2261

**A RESOLUTION FIXING AND APPROVING THE BUDGET
FOR THE FISCAL YEAR 2022-23**

LAS GALLINAS VALLEY SANITARY DISTRICT

WHEREAS, the General Manager and Administrative Services Manager has prepared the proposed budget for the fiscal year 2022-23; and,

WHEREAS, the members of the Sanitary District Board of Directors have studied that proposed budget and made amendments thereto;

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Las Gallinas Valley Sanitary District that the general fund allocation approved for fiscal year 2022-23 is \$42,205,773 including an allocation of \$23,318,068 for capital improvements and \$4,527,723 for debt service.

BE IT FURTHER RESOLVED, by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, as follows:

1. That balances on hand as of June 30, 2022, and in the funds of the District, shall be reserved for use by the District during the fiscal year 2022-23.
2. That the budget for said District for the fiscal year 2022-23 heretofore presented to this Board, a copy of which is hereto attached as Exhibit A and by reference incorporated herein, be, and the same is hereby approved.
3. That the General Manager of this District shall be, and is hereby, authorized and directed to file a certified copy of this resolution with the budget of this District thereto attached, with the Board of Supervisors and the Treasurer of Marin County.

* * * * *

I hereby certify that the forgoing is a full, true and correct copy of a resolution duly and regularly passed and adopted by the Sanitary Board of the Las Gallinas Valley Sanitary District, Marin County, California, at a meeting thereof held on June 16, 2022, by the following vote of the members thereof:

AYES, and in the favor thereof, Members: *Clark, Ford, Murray, Schrieblman, Yezma*
NOES, Members: *None.*
ABSENT, Members: *None.*
ABSTAIN, Members: *None*



Dale McDonald, Acting District Secretary,
Las Gallinas Valley Sanitary District

APPROVED:

Judy Schriebman

Judy Schriebman, Board President
Las Gallinas Valley Sanitary District

(seal)

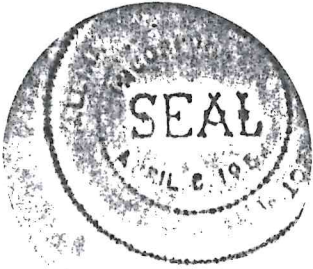


Exhibit A

Las Gallinas Valley Sanitary District
2022-23 Budget

Las Gallinas Valley Sanitary District

Adopted Budget

Fiscal Year 2022-23

June 16, 2022





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MANAGEMENT TEAM
Interim General Manager, Chris DeGabriele
Plant Operations, Mel Liebmann
Collections/Safety/Maintenance, Greg Pease
Engineering, Michael P. Cortez
Administrative Services, Dale McDonald

DISTRICT BOARD
Megan Clark
Ronald Ford
Craig K. Murray
Judy Schriebman
Crystal J. Yezman

June 16, 2022

To the Board of Directors of the Las Gallinas Valley Sanitary District,

The management staff of the Las Gallinas Valley Sanitary District ("District") is pleased present the Proposed LGVSD Budget for the upcoming 2022-23 fiscal year. The proposed budget includes the latest data on revenue projections, expense forecasts, debt service requirements, reserve funding, and capital outlay expenditures.

District Policy F-40-10, Budget Preparation, requires that the General Manager and Administrative Services Manager shall prepare an annual budget proposal. The proposed annual budget, as amended by the Board during its review, shall be adopted at a regular meeting in June.

SUMMARY

The District must provide enough revenue to cover the cost of providing sanitary sewer collection, treatment, and recycled water service including the costs of acquisition, construction, reconstruction, maintenance, repairs, replacement and operation of the sanitary sewer systems and the payment of principal and interest on bonds or other debt instruments issued for the construction or reconstruction of the sanitary sewer systems. Operating revenue includes sewer service charges collected, revenue from the production of recycled water, and revenue from permit and inspection fees related to development related sewer system improvements of the collection system. Non-operating revenue, which supplements operating revenue, includes property taxes, interest, franchise fees, and other pass-thru reimbursement revenue. Capital contributions, grants, and the utilization of bond funds and reserves round out the revenue sources for the District. The District is anticipating \$39,565,605 in total funding for 2022-23 with \$22,317,137 coming from revenue and \$17,248,468 from prior year capital carryover and reserve funds.

Operating and Maintenance ("O&M") expense is anticipated to increase over the prior year budget by \$1,126,410, or 10.9%. O&M expense means the reasonable and necessary expenses paid or incurred for maintaining and operating the collection, treatment, and recycled water systems ("Systems") of the District, determined in accordance with generally accepted accounting principles ("GAAP") that the Governmental Accounting Standards Board ("GASB") established for and used by state and local governments in the United States. O&M expenses include all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the systems of the District in good repair and working order. These include all administrative costs of the District that are charged directly or apportioned to the operation of the systems, such as salaries and wages of employees, overhead, the cost of permits, licenses, and charges to operate the system and insurance premiums. Excluded from O&M expenses is depreciation, replacement, obsolescence charges, reserves and amortization of intangibles. O&M expenses, including employee salaries and wages, comprises 27.15% of the budget.

Debt service requirements are \$4,527,723 and include the 2017 Revenue Bonds and 2019 IBank loan. The final 2012 Bank of Marin Loan payment will be made in August 2022. Debt service comprises 10.73% of the budget.

New Reserve funding of \$1,122,414 is proposed to be established and set aside to cover scheduled, routine, and unscheduled expenses that would otherwise be drawn from the general fund. Reserve funds may also be used for large-scale projects and improvements that are expected to happen in the future, such as the construction of the new Operations Control Center ("OCC") Building at the treatment plant and the John Duckett Pump Station and Trunk Sewer project. The District maintains five reserve funds and three restricted funds. Restricted funds are monies set aside for a particular purpose and \$1,778,667 in additional funding is proposed with the budget. Reserve funds are permanently restricted to that purpose and cannot be used for other expenses. Reserves policy F-50 establishes and explains the purpose and reasons for each of the reserves established, along with target thresholds. Both the reserve funds and restricted funds are included in the reserve funding total, but they are different in that while the board can reallocate funds from reserves, the restricted funds, such as Captains Cove and Marin Lagoon, serve a specific purpose and therefore their use is controlled by State law and agreements in place for providing service. Reserve and restricted funding comprise 6.87% of the budget.

The Capital Outlay effort for 2022-23 remains the primary driver of expenditures for the District comprising 55.25% of the total budget. The total capital outlay for the Capital Improvement Program ("CIP") for fiscal year is \$23,318,068. Included in CIP is an allocation of \$3,000,000 that will be used for the OCC Building construction project in the future. During the development of the CIP, review of strategic initiatives established by the Board, along with anticipated implementation of the Integrated Wastewater Master Plan indicate that capital improvements will remain the primary expense driver for the District for at least the next 10 years. The good news is that by adding to or improving District facilities the public materially benefits from the value and useful life of the assets of the District.

Unused prior year Carryover CIP funds is the primary funding source for the majority of capital projects in fiscal year 2022-23. \$16,268,568 of carryover funding is allocated for use on capital projects in 2022-23 budget.

Sincerely,



Chris DeGabriele

Interim General Manager



Dale McDonald

Administrative Services Manager

Las Gallinas Valley Sanitary District

Adopted Budget – 2022-23

REVENUE

Operating Revenue

The District is heading into its second year of a two-year rate plan approved by the Board on June 17, 2021. A Sewer Service Charge (“SSC”) rate increase of \$93 annually, equal to 9.0%, for Single Family Residential (“SFR”) users, is proposed. The rate increase will provide \$1,460,445 in additional revenue over last year. Non-residential SSC revenue was lower in fiscal year 2021-22 as less wastewater was generated by non-residential customers during the pandemic.

Recycled water revenue is the estimated cost of providing water to Marin Municipal Water District (“MMWD”) and North Marin Water District (“NMWD”) based on the projected recoverable costs for the year. Projections for revenue is based on actual recycled water provided to MMWD and NMWD since April 2021. Revenue is expected to increase over the prior year as demand for recycled water increases.

Inspections, permits, and application fees reflect projected revenue from fees related to the Private Sewer Lateral Inspection program, lateral repairs and replacement, and applications for engineering review. The revenue is based on historical sales and permit data for properties within the District between 2019 and 2022.

Non-Operating Revenue

Secured property taxes are calculated based on the value of real property, land and personal property, such as structures, located upon real property. Secured property is taxed at a general rate of 1% of the assessed value. Property tax projections for 2022-23 are expected to be slightly higher than 2021-22 actuals. For 2022-23, revenue is budgeted at \$1,262,092 and reflects a 3% increase over projected 2021-22 receipts. The District has historically identified secured property taxes as General Construction Revenue, since the State puts no limitations on its use. It can, therefore, be considered a general fund that can be used for any legal purpose allowed by District Code and State law. The Low-Income Sewer Rate Assistance Program is funded from secured property tax revenue.

Prior Secured taxes, Supplemental Property Tax Assessments, and Home-Owner Property Tax Relief (“HOPTR”) funds are projected to rise 3% over last year. These are collected by the County with and at the same time as the secured property taxes and SSC assessment. They are reported separately as required by the State Controller’s Office and auditing standards. Both the 1% annual Ad-Valorem tax increase for most property owners and the reassessment of property value upon sale of homes are factored in the reserve assumptions.

Educational Revenue Augmentation Funds (“ERAF”) are determined by State statute. Special districts are allocated a certain amount of property tax revenues; however, a portion is shifted from counties, cities, special districts, and redevelopment agencies to K-12 schools and community colleges. The District is subject to ERAF I and II tax shifts, which are specified by the State, using population and other factors. These factors are adjusted annually per the incremental growth rate in assessed property tax values. Staff has budgeted \$584,867 for 2022-23 based on increase in actual ERAF revenue for 2021-22 and communication with Marin County on their projected ERAF funding allocation formulas.

Las Gallinas Valley Sanitary District

Adopted Budget – 2022-23

The Solid Waste Franchise fee revenue is forecast based on the anticipated Marin Sanitary Service rate increase adopted in January of each year. The revenue is based on the agreement with the solid waste franchisee, Marin Sanitary Service. Higher rates due to costs related to implementation of SB 1383, the State's organics recycling law, could be adopted in January 2023 which would increase both revenue and pass thru expenses related to the solids waste collection, recycling, and organic waste programs.

Interest on reserves, which are invested in the Bank of Marin and the Local Agency Investment Fund with the State of California, are expected to continue to yield low rates with the possibility for a slight increase in 2023. As the District uses accumulated funds for construction projects, the earnings are projected to decline in 2022-23.

The Private Sewer Lateral Assistance program began in July 2012. The budget reflects the projected direct repayments and annual payments to be collected on the tax roll in 2022-23 from property owners that took advantage of the program to have the District pay for their sewer lateral repair or replacement. Fewer anticipated loans are expected in 2022-23.

Miscellaneous revenue is comprised of insurance policy dividends. Staff does not forecast a budget in this category, as they are difficult to project, but has included a small placeholder to assist with future accounting if needed.

Capital Contributions / Capacity Related Revenue

Annexation, Capital Facilities, Charges, and Connections Fee activity for remodel permits and Accessory Dwelling Units (“ADUs”) has increased from prior years. The largest connection fee in 2021-22 was from Oakmont Assisted Living in the amount of \$425,339. While the District is substantially built out and the pace of development is difficult to predict, staff is aware of a few large-scale development projects which are anticipated to be approved for connecting to the sewer system in 2022-23. State and local governments have passed laws that allow expansion of ADUs to create more affordable housing and provide flexibility for families who wish to build second unit on their property. ADUs are normally not subject to capacity or connection fees but can be billed a SSC depending on the size and number of units. Marin County has begun an environmental review of its housing plan with requirement to implement its Housing Element Plan by January 2023. The Housing Element Plan includes changes to zoning which will make it easier for developers to expanding housing options to meet state mandates. The County has been directed to plan for 3,569 additional housing units in unincorporated areas over the eight-year cycle that begins in 2023. The City of San Rafael looks to add 3,220 homes by 2031. The District should plan for substantial impact in future years for all homes that are built within the District's service area of 94903. Staff is budgeting \$1,740,572 for capital facility charges for 2022-23 primarily the result of the two large projects under development. The completion of a connection fee study by HDR Engineering will have an impact on the revenue forecast for future years. The interest income for this category is for existing funds on deposit, which have been expended for capital projects.

Marin Municipal Water District entered into an agreement in March 2017, to buy into the existing capacity of the Recycled Water Treatment Facility as well as participating in the debt service of the 2017 Revenue Bonds associated with the estimated cost for the expansion of the facility. These funds are allocated to the reserve funding for the cost of the project and will be used in fiscal years 2021-22 and 2022-23.

There is only one pending disbursement of \$567,760 from the IBank loan remaining, which will be disbursed once the Notice of Completion for the Secondary Treatment Plant Upgrade and Recycled Water (“STPURWE”)

Las Gallinas Valley Sanitary District Adopted Budget – 2022-23

project is filed. The remaining funds will return to the general fund as STPURWE expenditures have already been paid. The disbursements budgeted are reflected in the Other category on the charts on the following pages.

Federal and State grants may become available for wastewater infrastructure projects in 2022-23 and beyond but none have been identified as of this workshop, let alone secured. The District has contracted with a consultant to pursue alternative funding and is working with partner agencies, such as North Bay Water Reuse Authority, to look into grant opportunities. It is wise for the District to design construction ready projects to take advantage of any grants that become available, but it would not be prudent to anticipate revenue from grants at this time. A Local Assistance Grant in the amount of \$43,309 was obtained from CalRecycle which can be used for implementation of organic recycling programs in fiscal year 2022-23 as mandated by Senate Bill 1383.

Utilization of Bond Funds and Reserves

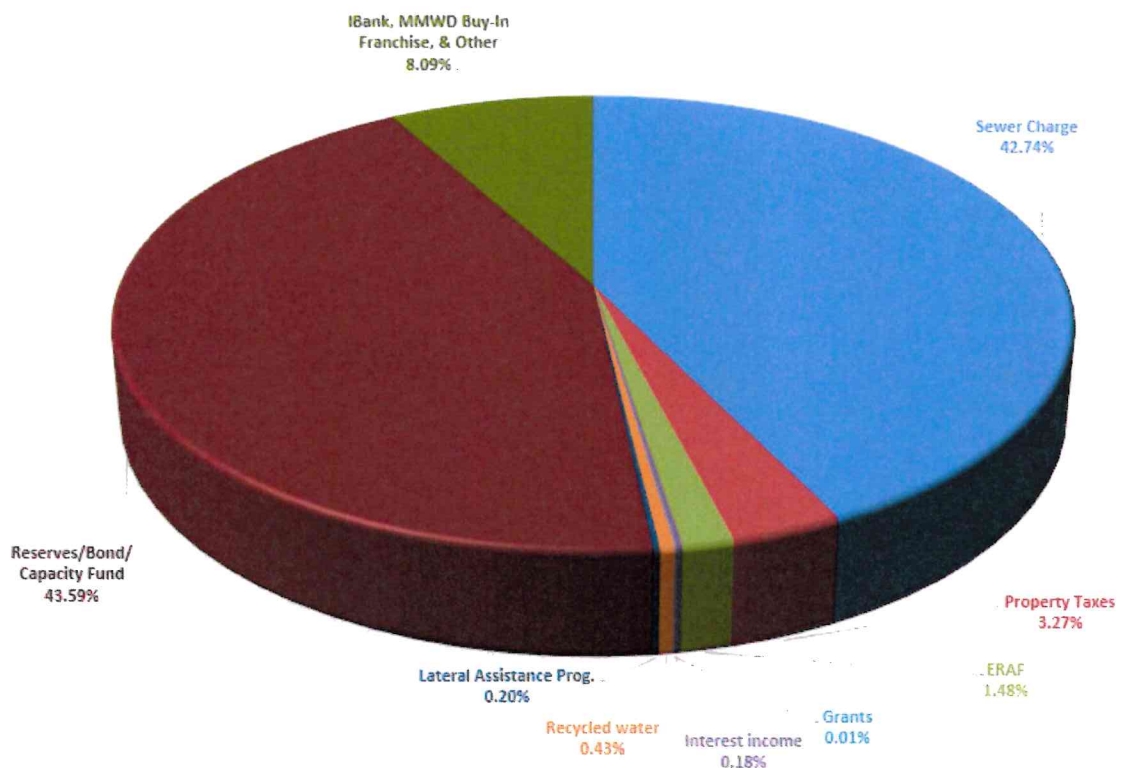
The Private Sewer Lateral (“PSL”) Assistance Program has continued to collect reimbursements for loans made to property owners. No additional funding use has been proposed in recent years resulting in the balance in this program sitting at \$388,085. Funds must be sufficient to fund future assistance with anticipated revenue of \$79,300 allocated for 2022-23. The budget includes using \$59,800 towards new loans in 2022-23.

The District has previously budgeted for projects that have not yet begin or are in the middle of construction, which has created carry-over capital funding that is available for continuing projects. These projects are included in the Capital Outlay budget. Any unused funding allocated to these projects will carry forward into 2022-23. A total of \$16,268,568 of prior-year capital carry-over is budgeted for use in 2022-23.

Capital Reserves used for the

STPURWE Project are anticipated to be depleted by September 2022. The Marin Municipal Water District (“MMWD”) Buy-In and their share of debt service payments set aside for the STPURWE project will be used to close out the project. The Bank of Marin Business Money Market account will be closed, and any remaining

FISCAL YEAR 2022-23 TOTAL REVENUE SOURCES \$39,565,605



Las Gallinas Valley Sanitary District Adopted Budget – 2022-23

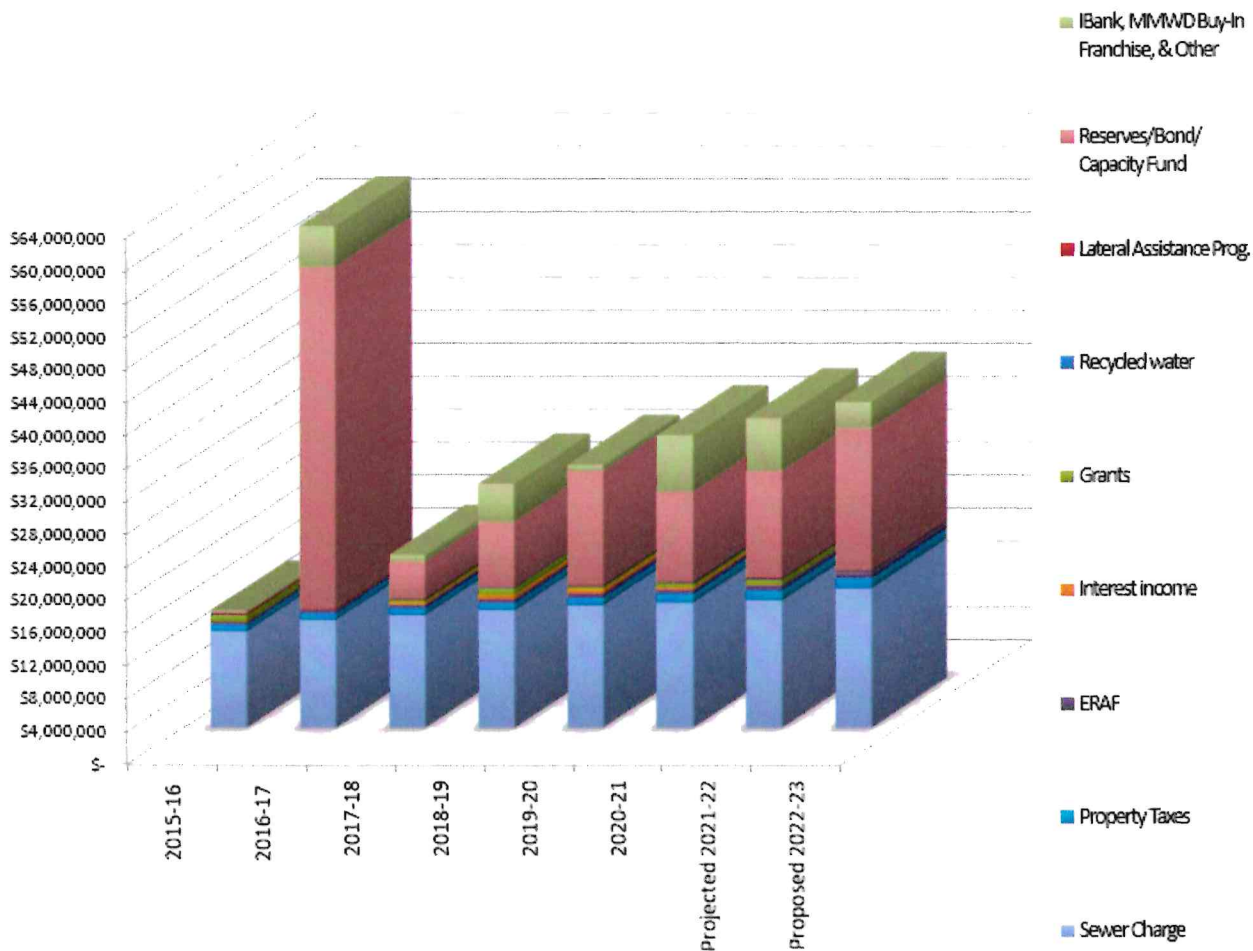
balance will be transferred to the District’s Local Agency Investment Fund (“LAIF”). Other than the completion of the STPURWE project, there is no planned use of these undesignated Capital Reserve funds in 2022-23.

Transfers from the Marin Lagoon and Captains Cove restricted funds can be used towards repayment of operating and capital costs incurred for Marin Lagoon and Captains Cove collection systems. A total of \$120,100 is budgeted for 2022-23.

Transfers from the Capacity / Connection Fee Facilities Fund, which has been growing as fees for new or additional connections to system are paid by developers, can be used to pay for collection system and plant capacity improvements necessary to serve those connections. There is no planned use of these funds budgeted for 2022-23.

The graph below shows the composition of District revenues for the past five fiscal years plus the projected 2021-22 and preliminary budget for 2022-23.

Revenue Sources 2015 to 2023



Las Gallinas Valley Sanitary District Adopted Budget – 2022-23

EXPENDITURES

The Government Accounting Standards Board (GASB), which is recognized as the official source of GAAP for state and local governments, establishes modified accrual accounting standards. Modified accrual accounting is used and accepted by governmental agencies because they focus on current-year obligations. Las Gallinas Valley Sanitary District Policy F-40-20, Basis of Budgeting, required that all budgetary procedures conform to state regulations and generally accepted accounting principles. As such, the District uses a modified accrual basis of accounting for reporting on budgeted versus actual expenditures, with the following exceptions:

- Grant revenues are budgeted on a modified cash basis rather than an accrual basis.
- Fixed assets are depreciated for some financial reporting but are fully expensed in the year acquired for budgetary purposes.

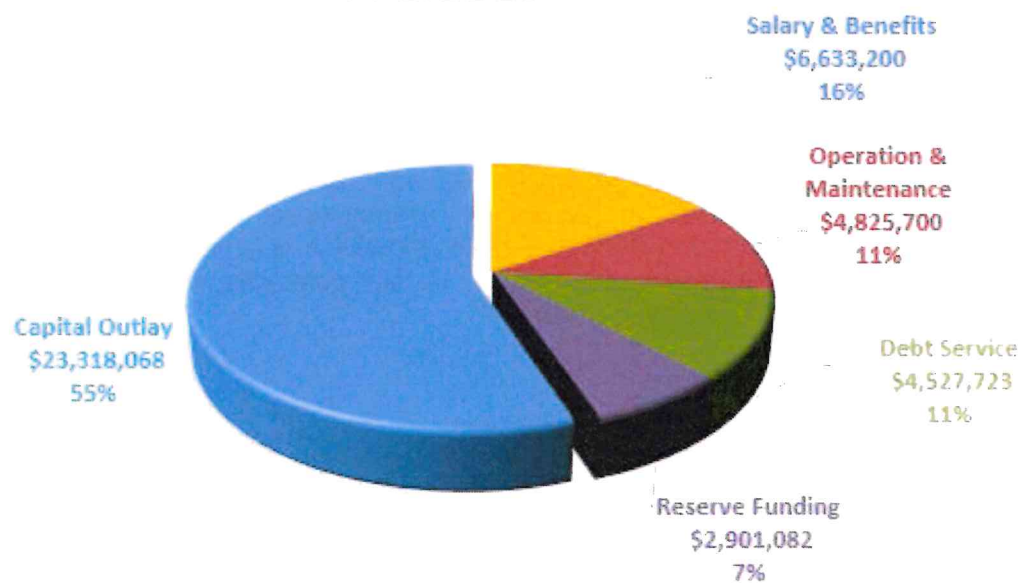
Modified accrual accounting is an alternative bookkeeping method that combines accrual-basis accounting with cash-basis accounting. It recognizes revenues when they become available and measurable and, with a few exceptions, records expenditures when liabilities are incurred.

The General Manager and Administrative Services Manager are responsible for development of internal accounting policies and procedures necessary to implement financial policies and to ensure that internal controls, processes, and procedures follow the California State Controller's Office Internal Control Guidelines pursuant to CGC section 12422.5 and are adequate to protect the finances of the District.

Expenditures of the District are broken down into the following categories:

1. Operating and Maintenance Expenses (*including salary & benefits*)
2. Debt Service
3. Reserve Funding
4. Capital Outlay

FY 2022-23



The District's largest expenditure category is Capital Outlay followed by Operation and Maintenance. The operating and maintenance expense, debt service, reserve and restricted funding, and capital outlay

financials have been reviewed and comments on key items of interest are being provided to the Board to facilitate discussion. The Board recently reviewed its reserve policy and established reserve funding targets for the Operating & Rate Stabilization Reserve, Emergency Repair, Capital Reserves, and Vehicle and Equipment Reserve.

Las Gallinas Valley Sanitary District

Adopted Budget – 2022-23

Operating and Maintenance Expenses

Employee Expenses:

Staff salaries are based on 2022-23 projected wages including a 2.75% cost of living increase agreed to with Operating Engineers Local 3 (“OE3”) in the Memorandum of Understanding (“MOU”) between the District and OE3, and with unrepresented employees by contract. The budget includes funding for one additional full-time position being proposed for 2022-23. The total budgeted wage increase for all employee wages is 3.62% over the prior year adopted budget.

Expense accounts for Emergency Response Stipend, Certification Stipend, and Longevity Pay were created to provide transparent employee compensation as agreed to in the MOU effective July 1, 2022. Having these items reported separately from regular staff salaries allows the true cost of these programs to be available to the public.

Payroll taxes, group life insurance, CalPERS retirement, Health benefits, Dental, and Vision insurance are projected to increase over prior year actuals as new employees are hired to fill approved and proposed positions.

CalPERS contributions are projected from regular wages with the published employer contribution rate of 14.03% for classic members (up slightly from 14.02%) and 7.47% (down from 7.59%) for PEPRA in 2022-23. Staff who became CalPERS members after 2013 are covered by the PEPRA plan which requires lower retirement contributions by the District. PEPRA employees are required to contribute 8% towards their retirement per MOU.

Health insurance is projected based on the known rates for July through December 2022 and the application of an estimated health insurance trend rate of +1% for 2022-23. CalPERS Health will set the coverage rates for 2023 in the summer of 2022. The expense also reflects costs associated with the three recently or soon to be filled approved positions and one new proposed position for 2022-23. Other Post-Employment Benefits (“OPEB”) retiree health benefits for prior employees and pre-funded expenditures for current employees based on the GASB 75 actuarial valuation measurement date June 30, 2020 are included under health benefit expenses.

Commute Vehicle Stipend was eliminated and replaced with the Emergency Response Stipend for all represented employees per MOU agreement. Managers with the Commute Vehicles Stipend dropped this benefit from their most recent contracts. The Auto Allowance is a vehicle allowance benefit for some management employees who have this benefit included in their contracts. A cost-of-living adjustment for the vehicle Auto Allowance apply starting July 1, 2022.

Proposed New Position:

Board Financial Policy F-40-40 grants exclusive authority to the Board to increase the number of authorized staff at the District. Historically, new staff positions are considered as part of the budget process. After review of operational needs management is recommending the addition of one new staff position:

Collection System Operator

The current team of collection system operators is responsible for preventative and corrective maintenance and repairs of the collection system in the District. There are 2 lead and 3 collection system operators that performs hydro-cleaning and rodding of sewer lines, televised inspection of underground wastewater pipes, inspections, servicing and mechanical repair of stationary and mobile equipment, and other related work. In addition to normal

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business day operational shifts, the collections group provides weekend, holiday, and emergency standby rotation coverage. Teams of 2 are normally dispatched to the field for operational and safety reasons.

Current staffing levels allows two teams to be dispatched into the field, with one collection operator available to serve in a support role and/or perform other collection system tasks. The addition of 1 collection operator to this group would allow three teams of 2 to work in the field. The backlog of televised sewer inspection can be addressed by having this third team in place. Creating the extra position will provide standby coverage flexibility, boost team morale, and establish adequate coverage for planned (vacation) and unplanned time off (sick time) without significant overtime expense and allow for the chronic deferral of training and professional development opportunities to be addressed.

The draft budget includes \$101,650 in salary and \$43,600 for benefits for this new position. The total cost of \$145,250 is estimated based on filling the position with a Collection System Operator III who takes advantage of the District's offered CalPERS Health family benefit option. Actual expenses would be lower if the position is filled by a Level I or II Collection System Operator or if the single health benefit option is chosen.

Insurance:

Workers compensation insurance is based on projected wages for 2022-23, plus an increase of full-time positions being filled, and an decrease in the experience modification factor from 0.98 to 0.94 based on the District's recent claims history. The Workers Compensation Insurance Rating Board (WCIRB) continues to use the simplified Experience Rating Formula which removes the first \$250 of each claim for the calculation. A 3.57% increase over actuals was used in developing the \$72,900 budget amount for 2022-23.

Pooled liability insurance includes general liability and mobile equipment, billed separately. The general liability insurance premium period is based on a calendar year and the mobile equipment on a fiscal year basis. The liability insurance is the larger premium for which the yearly cost is known based on the current billing, a modest increase of 1% over 2021 has been calculated for liability insurance.

Property insurance is reported on the same line item with general liability. Since 2018, significant events have driven the property insurance market to tighten substantially. Prior events in 2020 and 2021 has further aggravated market conditions and the firming trend is expected to continue. Property insurance rates are estimated to increase 7.5% or an additional \$4,650 because of market conditions. In addition, the new construction values related to the STPURWE Project scheduled for completion in June 2022 will be added to the Schedule of Values (SOV) which will increase the Total Insurance Value by 38%, resulting in a significant premium increase at renewal estimated at an additional \$23,560 for 2022-23.

Repairs and Maintenance:

The majority of repairs and maintenance expenses are coordinated by the Maintenance Supervisor but actual expenses related to assets are charged to the respective Collection System, Pump Station, Treatment Plant, or Recycled Water departments for proper accounting. Management work together to authorize and approve expenses. Inflation and logistic delays have had an impact on the costs of parts and services in 2022. It is anticipated that continued inflationary factors will influence costs into 2023. The Repair and Maintenance budget for 2022-23 is therefore projected to increase \$136,000 over the prior year budget (equal to 15.01%).

The building and grounds maintenance budget includes having an outside firm perform yard work on the main building landscape and reflects expenses related to maintenance work performed by the District's skilled maintenance employees. It also includes monthly Jefferson Security Fire Suppression monitoring expenses.

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Adopted Budget – 2022-23

Power generation maintenance and repairs consists of work performed on the photo voltaic system, a maintenance contract for the BERS turbines, and maintenance of the CNG fill stations at the treatment plant and the pump station. Repair of the CNG fill station at Smith Ranch Road is planned for 2022-23.

Capital repairs/replacements consist of items that are long-lived or life extending in nature but are not included in the capital improvements budget. They are either items that are capital in nature, but the replacement/repair is not anticipated as part of the initial capital outlay budget or items such as small pumps and equipment with a cost under the \$5,000 capitalization threshold. The budget has been increased over prior years as replacement and spare parts are being restocked by the new Maintenance department.

Other Operating Expenses:

Chemical costs will be higher in 2022-23. The budget is based on past usage and the expected increased chemical use in recycled water production. As a member agency of The Bay Area Chemical Consortium ("BACC"), the District benefits from regional bids for chemicals by wastewater agencies in the Bay Area. All agencies have experienced an increase in chemical costs over the last year. Unit prices beginning July 1 for hypochlorite will increase 90%, bisulfite 14%, and ferric chloride 68%. Costs associated with recycled water production are recoverable based on the percentage of water received by each of LGVSD, MMWD, and NMWD.

Outside services includes support services related to personnel and HR such as CPS HR consultants, Bio-Wheel maintenance support, guard service, labor relations, janitorial services, security patrols and alarm monitoring, portable restroom rentals, alternate grant funding studies, and other incidental outside operating expenses. Consultants include costs for climate assessments, Canada goose project and reporting to NPDES, support for solar panel energy management in the reclamation area MMWD water data review and rate setting assistance, recruitment, labor relations, and for organizational and Board development.

Reclamation expenses include pasture disking and marsh pond vegetation management. Sludge Disposal is the cost for injecting digested biosolids in the District's dedicated disposal site. The amount is based on prior year activity, however long-range system improvements will lead to increased costs, which will hopefully be offset by a regional program and associated fees.

Feasibility studies that are not capital improvement or capacity related are treated as an operational expense. These includes biogas studies, compost feasibility studies, and Descanso Force Main Alignment Analysis related to the McInnis Marsh Restoration. A total of \$91,600 is budgeted for 2022-23 to complete these projects and to fund North Bay Water Reuse Authority joint-studies on Sea Level Rise Adaptation and Drought Contingency Planning. Biosolids system improvement analysis project is included as a capital project in preparation for biosolids well monitoring project.

Financial services include actuarial valuations and accounting CPA services. Actual prior year costs plus anticipated actuarial and CPA use in 2022-23 is the basis for this budget item.

Lateral rehab assistance program is based on the amount of expenses in 2021-22 and the number of property owners who would utilize loan for repair or replacement of their sewer lateral. The amount of \$59,800 is anticipated to be enough funding for 6 lateral replacements.

Low-Income Rate Assistance Program, new in fiscal year 2022-23, has been allocated \$50,000 in the budget. The Board can consider a mid-year budget adjustment if interest in the program exceeds the budget.

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Adopted Budget – 2022-23

General and Administrative:

Election costs are budgeted at \$25,000 bi-annually, every even fiscal year, and is based on estimated billings from the Marin County Registrar of Voters if an election were to be held.

Computer support and supplies includes annual software renewals, outside computer network support, replacement of computer equipment as needed, Zoom, and other incidental computer peripherals. As software companies move away from providing owned software licenses and switch to a Software-as-a-Service (“SaaS”) licensing and delivery model, in which software is licensed on a subscription basis and is centrally hosted, the District will see these expenses rise. CityWorks, ArcGIS, SCADA, and the upcoming Caselle Accounting Enterprise Resource Planning (“ERP”) software all follow SaaS licensing models.

Public education and outreach expenses are for the joint efforts with other Marin County sewage treatment agencies, web site maintenance, donation requests from community groups for funding, special mailings and for the District’s newsletter and annual sewer rate change mailings.

Memberships and Permits are based on 2021-22 invoiced actuals with a slight increase factored for some permits. This includes the renewal of the annual fee for biosolids application to the Regional Water Quality Control Board in the amount of \$23,780.

Rents and leases include the administration office lease at 101 Lucas Valley Road, at \$110,340 for 2022-23, costs for the lease of the postage machine, off-site records storage, railroad easements and copiers. As in the past, we must prepare for Public Safety Power Shutoffs (PSPS) events from PG&E initiated by high-risk weather conditions. These events may trigger power outages in our area and will require that we have standby generators and fuel ready for power outages during possible wildfires. Rents and leases assigned to pump stations are for portable stand by generators for PSPS events and is budgeted at \$52,300.

Employee training and education includes the cost for the District to participate in the Liebert Cassidy Whitmore employment relations consortium and other offsite training. Webinar training opportunities have become standard practice over the last year. The District expects to increase sending staff to offsite training conferences in 2022 and 2023 as COVID-19 restrictions are lifted, the budget reflects this increase over last year actuals.

Debt Service

The District has six issuances of debt outstanding. They are as follows:

- Certificates of Participation (COP) with an original principal amount of \$10,000,000, which were issued in 2005, and have annual principal and interest payments through December 2025. The District refinanced them at a reduced interest rate of 3.3% which will save interest over the remaining life and will result in lower annual payments. The principal balance remaining is scheduled to be \$2,668,800 as of July 1, 2022.
- State Revolving Fund Loan (SRF) was a construction loan which originated in 2010 and was completely drawn down in 2012. The original principal amount was \$4,314,750 with annual principal and interest payments through June 2032. The interest rate is 2.7%. The principal balance remaining is scheduled to be \$2,472,780 as of July 1, 2022.

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- Bank of Marin Loan #1 which originated in 2011 with a principal amount of \$4,600,000. Monthly principal and interest payments are due through June 2031. The interest rate is 3.88%. The principal balance remaining is scheduled to be \$2,517,664 as of July 1, 2022.
- Bank of Marin Loan #2 which originated in 2012 with a principal amount of \$2,000,000. Monthly principal and interest payments are due through August 2022. The interest rate is 3.25%. The principal balance remaining is scheduled to be \$39,064 as of July 1, 2022. The loan will be paid off in August 2022.
- 2017 Revenue Bonds were issued in April 2017 with a principal amount of \$38,365,000. The true interest rate to maturity is 3.2984%. Annual principal and interest payments are due through April 2042. The principal balance remaining is scheduled to be \$33,375,000 as of July 1, 2022.
- The District entered into an agreement with California Infrastructure and Economic Development Bank (IBank) in May 2019 for a loan of \$12,000,000. The loan has a maturity date ranging from August 1, 2019 thru August 1, 2043. The interest rate on the loan is 3.0% per annum. The principal balance remaining is scheduled to be \$10,982,678 as of July 1, 2022. An annual service fee, \$32,948 for 2022-23, is treated as an Operating & Maintenance expense but recognized as debt service for budget purposes. The annual fee is not reported as a long-term obligation in audited financials.

The debt service does not reflect the reimbursement to be received from MMWD for buying into the existing recycled water treatment facility or their portion of the 2017 Revenue Bonds. The payments received from MMWD are transferred to capital reserves until the completion of the STPURWE project.

The Debt Service Coverage Ratio (DSCR) for the District for 2022-23, based on the presented budget and debt service, is determined by dividing the Net Operating Income (\$7,924,301) by Total Debt Service (\$4,527,723). The calculated DSCR for 2022-23 is therefore 1.75. The District is required to maintain a DSCR of 1.25 or higher due to bond covenants and we are above this minimum. The District includes both its operating income and non-operating income, primarily guaranteed property taxes, in determining its Net Operating Income which is used in the calculation of DSCR.

HDR Engineering recommended having a DSCR of 2.18 or higher in their Sewer Service Charge Rate Study dated April 2021 in anticipation of debt to be incurred with the OCC Building project. When specifically included in a utility's bond indenture, rate stabilization reserves can be used to help meet debt service coverage requirements during times of revenue shortfalls.

Reserves

District Financial Policy F-50 Reserves, establishes reserves, explains the purpose and reasons for the size of each reserve, and provides for oversight of reserves.

Operating & Rate Stabilization Reserve has set a target of a minimum balance equal to 7 months of average annual budgeted expenses. Based on reserve fund policy the reserve target for 2022-23 is therefore \$9,325,530 but the reserve only has balance \$2,673,576 at the beginning of the upcoming fiscal year. The budget includes adding \$635,195, one-tenth of the reserve target shortfall, to the budget for 2022-23. The reserve has been established to fund unexpected expense increases and can be used to help stabilize sewer service charge rate swings.

- Emergency repair reserve target of \$1,000,000 was met in fiscal year ended June 30, 2017. Staff recommends no changes to this reserve.

Las Gallinas Valley Sanitary District

Adopted Budget – 2022-23

- The Capital Reserves holds funds for the Secondary Treatment Plant Upgrade and Recycled Water Expansion (STPURWE) project and include actual payments required to service the 2017 Revenue Bonds. Most of these funds will be used before June 30, 2022 as the STPURWE project comes to completion. The unallocated balance of \$594,840 in the reserve can be used for other major capital projects such as the Operation Control Center (“OCC”) Building project or John Duckett Pump Station and Force Main Sewer Crossing Project. \$336,464 is proposed to be added to Capital Reserves for undesignated capital projects. The Board can choose to reallocate the reserves to a specific project.
- Vehicle and Equipment Reserve (VERF) was established in fiscal year 2019-20 to fund vehicle and equipment replacements. The reserve was established at \$1,000,000 and was setup with funds held in the District’s LAIF account. The Board authorized purchase of new vehicles mid-year reducing the projected end of year balance. Staff suggests restoring the VERF target balance over 3 to 4 years while a VERF Replacement Program and Schedule is developed. A total of \$150,755 is therefore budgeted for 2022-23 to replenish the VERF to its target before anticipated withdraws for new vehicles in 2022-23.
- Capacity Connection Fee reserve fund is restricted for the use of collection system and plant capacity improvements to serve the new connections that contributed to the fund through fees collected. Two large projects are anticipated to add \$1,741,403 to the fund.
- Captains Cove and Marin Lagoon are restricted reserves built up when there is excess of special assessments over projected operations, maintenance and capital expenditures which are collected for these developments. Both funds will be drawn down to pay for operational and capital projects. A rate study will be undertaken to see if the surcharge rates that Captains Cove and Marin Lagoon are contributing is sufficient to continue the ongoing operations and maintenance needs of the pump stations serving these communities.

Capital Outlay

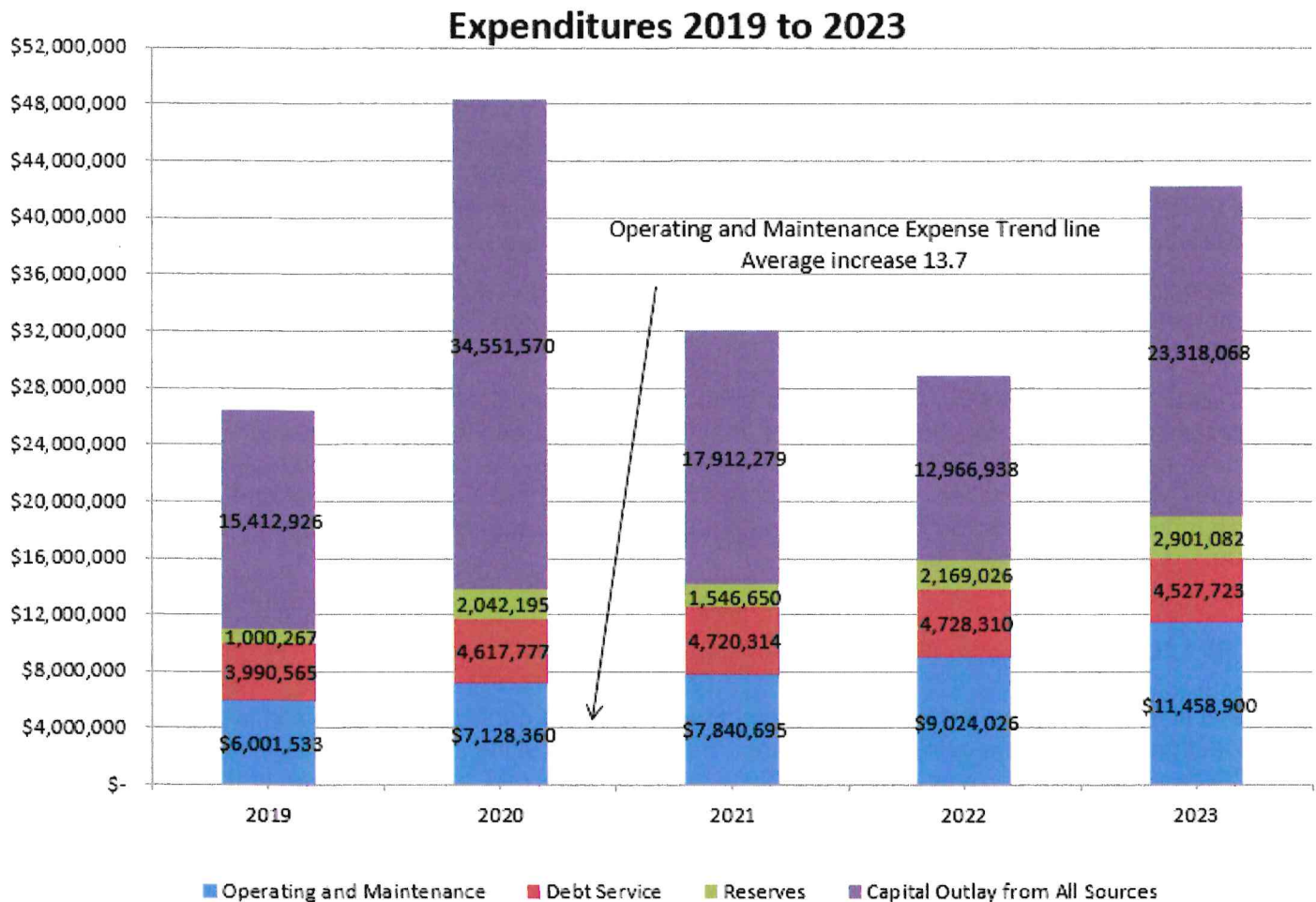
The District is required to budget for the adequate maintenance of capital equipment and facilities to protect the public investment and ensure achievement of their maximum useful life. The District is required to prepare and adopt a 5-Year Capital Improvement Plan (“CIP”) as part of the rate setting process that identifies and sets priorities for all major capital assets to be acquired, constructed or replaced by the District. District policy requires the CIP be included in the adopted budget and that the status of the CIP is updated annually as part of the budget process.

The CIP shall identify adequate funding to support the acquisition, construction and replacement of assets identified in the plan, and shall identify projects that the District believes beneficial to the system, but funding has not yet been identified. The CIP shall include and indicate when and for what projects the District intends to finance through the issuance of debt. Additionally, the District shall strive to develop a comprehensive strategy and funding plan for the renewal and replacement of existing capital assets.

The Capital Outlay budget contains projects specifically identified in the 5-Year CIP for 2022-23 through 2026-27 plus miscellaneous capital needs that change yearly. The 2023-2027 years are very rough estimates that will be updated as the District’s Integrated Wastewater Plan is completed over the next year. The draft 2022-23 Budget only includes funding approval for projects identified in the first year of the CIP. See the separate Capital Outlay Budget for the list of projects. The following is a graph showing the composition of District expenditures for the past 4 fiscal years plus the budget for 2022-23.

Las Gallinas Valley Sanitary District Adopted Budget – 2022-23

Most of Capital Outlay expenses in recent years have been related to the Secondary Treatment Plant Upgrade Recycled Water Expansion Project but this will change as we head into 2022-23. Collection system projects, including the restarting of the Sewer Main Collection System Rehabilitation Program, will comprise the majority of the capital budget in 2022-23, with total collection system project costs budgeted at \$4,289,848.



The Capital Outlay budget details are presented at the end of the report.

A preliminary five-year CIP contains projected expenditures through 2026-27 which include the Operation Control Center Building construction occurring in year 3. All projects after year 2 are subject to change once the Integrated Wastewater Master Plan is completed in 2023.

Supporting Financial Statements are attached to this report on the following pages.

**LAS GALLINAS VALLEY SANITARY DISTRICT
BALANCE STATEMENT & ACCOUNT INFORMATION
ADOPTED BUDGET - JUNE 16, 2022**

BALANCE STATEMENT	2021-22 Adopted Budget	2021-22 Projected Actuals	2022-23 Adopted Budget
<u>Beginning Balance (July 1):</u>	\$ 43,801,682	\$ 43,801,682	\$ 36,550,041
Revenue:			
Rate Revenues (1)	\$ 15,648,637	\$ 15,450,063	\$ 16,910,508
Other Operating revenue (1)	617,460	174,515	248,770
Non-operating revenue (1)	2,111,738	2,255,494	2,223,923
Capital / Capacity Related (Excluding IBank)	735,257	1,587,561	2,366,176
Expenditures:			
Operating expense (2)	(10,332,490)	(9,024,026)	(11,458,900)
Debt Service (3)	(4,728,310)	(4,728,310)	(4,527,723)
Capital outlay	(24,375,754)	(12,966,938)	(23,318,068)
<u>Ending Balance (June 30):</u>	<u>\$ 23,478,220</u>	<u>\$ 36,550,041</u>	<u>\$ 18,994,727</u>

DEBT SERVICE COVERAGE RATIO (DSCR)	2021-22 Adopted Budget	2021-22 Projected Actuals	2022-23 Adopted Budget
Net Operating Income (NOI) = ⁽¹⁾ - ⁽²⁾	\$ 8,045,345	\$ 8,856,046	\$ 7,924,301
Total Debt Service = ⁽³⁾	\$ 4,728,310	\$ 4,728,310	\$ 4,527,723
DSCR = NOI / Debt Service (Estimate *)	1.70	1.87	1.75

HDR Engineering used 2.7% inflation factor in April 2021 Sewer Service Charge Rate Study. Actual annual inflation rate of 8.5% as of March 2022. HDR Engineering Sewer Service Charge Rate Study DSCR target for 2022-23, after rate increase, is 2.18.

* Actual DSCR will be determined at the end of the fiscal year based on actual revenue and expenditures.

ACCOUNTS SUMMARY	As of June 30, 2021	As of June 3, 2022
<u>Cash in Bank and On Hand:</u>		
Bank of Marin - Various Accounts	\$ 11,107,489	\$ 12,297,988
Petty Cash - Unrestricted	966	931
Total cash in bank and on hand	<u>11,108,455</u>	<u>12,298,919</u>
Investments:		
Certificates of Deposit - Restricted	900,130	902,370
Local Agency Investment Fund - Restricted/Reserves	7,079,424	7,847,671
Local Agency Investment Fund - Unrestricted & PY Carryover	18,622,635	13,920,923
Total investments	<u>26,602,189</u>	<u>22,670,964</u>
Other		
US Bank Bond & Cost of Issuance Funds	116	123
IBank Installment Sale Agreement ⁽⁴⁾	6,090,922	567,760
TOTAL CASH AND INVESTMENTS	<u>43,801,682</u>	<u>35,537,766</u>

⁽⁴⁾ Considered cash for accounting purposes while held by IBank until disbursement for expenditures occur.

**LAS GALLINAS VALLEY SANITARY DISTRICT
REVENUE
ADOPTED BUDGET FY 2022-2023 - JUNE 16, 2022**

Revenue Description	2020-21 Final Audited Actual	2021-22 Adopted Budget	2021-22 Projected End of Year	2022-23 Adopted Budget	% Change Over Prior Year Budget
OPERATING REVENUE					
Sewer Service User Charges	\$ 15,170,106	\$ 15,648,637	\$ 15,450,063	\$ 16,910,508	7.46%
Recycled Water (MMWD / NMWD)	123,155	529,400	110,337	172,000	-207.79%
Inspections/Permits/Application Fee	85,947	87,310	62,929	75,520	-15.61%
Miscellaneous Operating Revenue	12,662	750	1,250	1,250	
Total Operating Revenue	15,391,869	16,266,097	15,624,578	17,159,278	5.21%
NON-OPERATING REVENUE					
Property Tax	1,096,636	1,130,170	1,225,332	1,262,092	10.45%
Suppl. Property Tax Assess.	19,720	18,976	39,900	27,695	31.48%
Educational Revenue Augmentation Fund	439,054	451,000	559,681	584,867	22.89%
Homeowner Property Tax Relief	4,284	3,733	4,322	4,453	16.17%
Franchise Fees Marin Sanitary Service	153,351	151,938	162,030	169,776	10.51%
Private Sewer Lateral Assistance Program	114,219	138,800	112,617	79,300	-75.03%
Interest Income	2,912	1,760	3,785	2,640	33.33%
Interest on Reserves and LAIF	320,011	151,100	61,929	68,100	-121.88%
Reimbursements / Pass thru	15,918	41,000	85,897	25,000	
Other non-operating revenues	23,261	23,261	-	-	
	2,189,366	2,111,738	2,255,494	2,223,923	5.04%
CAPITAL CONTRIBUTIONS / CAPACITY RELATED					
Annex, Capital Facility Charges, Connection Fees	213,536	35,341	478,107	1,740,572	
Interest on Connection Fee Fund	209	622	643	964	
Interest on Bond Funds	-	-	7	7	
Marin Municipal Water District Inter-Governmental	463,395	694,294	463,269	619,633	
IBank Loan Disbursements	5,909,078	6,663,191	5,124,515	567,760	
Federal Grants	-	-	-	-	
State Grants	446,229	5,000	645,535	5,000	
	7,032,447	7,398,448	6,712,076	2,933,936	-152.17%
TOTAL REVENUES	\$ 24,613,682	\$ 25,776,283	\$ 24,592,148	\$ 22,317,137	-15.50%
UTILIZATION OF BOND FUNDS AND RESERVES					
	<i>Actual Use</i>	<i>Adopted Available</i>	<i>Projected Use</i>	<i>Budgeted</i>	
Operating Reserves / Rate Stabilization	-	299,571	300,000	-	
Private Sewer Lateral Assistance Funds	-	100,000	56,400	59,800	
PY Capital Outlay Carryover Utilized	1,950,512	10,293,060	9,408,995	16,268,568	
Capital Construction Project Reserve for STPURWE	-	4,019,000	2,946,705	800,000	
Interest Earned on Unspent Bond Funds & IBank	235,768	-	5,104	-	
Transfers from 2017 Bond Fund	8,710,157	-	-	-	
Transfers from Marin Lagoon Restricted Fund	-	84,000	37,134	107,700	
Transfers from Captains Cove Restricted Fund	-	30,000	37,196	12,400	
Transfers from Capacity Connection Fee Fund	-	200,000	200,000	-	
SUB TOTAL	10,896,437	15,025,631	12,991,534	17,248,468	12.89%
TOTAL FUNDS AVAILABLE FOR EXPENDITURES	\$ 35,510,119	\$ 40,801,914	\$ 37,583,683	\$ 39,565,605	

**LAS GALLINAS VALLEY SANITARY DISTRICT
BUDGET SUMMARY
ADOPTED BUDGET FY 2022-2023 - JUNE 16, 2022**

	2020-21 Final Actual	2021-22 Adopted Budget	2021-22 Projected End of Year	2022-23 Adopted Budget	% Change Over Prior Year Budget
OPERATING EXPENSES					
EMPLOYEE WAGES	3,129,192	4,518,950	3,978,552	4,682,500	3.62%
EMPLOYEE BENEFITS	1,411,250	1,970,290	1,679,161	1,950,700	-0.99%
INSURANCE EXPENSE	207,609	308,500	262,419	304,000	-1.46%
REPAIRS AND MAINTENANCE	734,631	906,200	603,654	1,042,200	15.01%
SUPPLIES & SMALL TOOLS	362,650	433,400	455,702	624,700	44.14%
CONTRACTED SERVICES	980,195	1,084,200	955,493	1,459,300	34.60%
UTILITIES	431,426	411,700	457,588	567,400	37.82%
GENERAL & ADMINSTRATIVE	583,742	699,250	631,457	828,100	18.43%
OPERATING EXPENSE TOTALS	\$ 7,840,695	\$ 10,332,490	\$ 9,024,026	\$ 11,458,900	10.90%
DEBT SERVICE					
DEBT SERVICE TOTALS	\$ 4,720,314	\$ 4,728,310	\$ 4,728,310	\$ 4,527,723	-4.24%
RESERVE FUNDING					
OPERATING RESERVE	166,286	321,678	621,678	635,195	97.46%
RATE STABILIZATION	-	-	-	-	
EMERGENCY REPAIR	-	-	-	-	
CAPITAL RESERVES	831,832	915,901	915,901	336,464	-63.26%
VEHICLE & EQUIPMENT (VERF)	328,131	50,969	50,969	150,755	195.78%
CAPACITY (RESTRICTED FUND)	220,253	35,963	478,750	1,741,536	4742.58%
CAPTAINS COVE (RESTRICTED FUND)	25	15,935	37,622	16,025	0.56%
MARIN LAGOON (RESTRICTED FUND)	123	24,914	64,106	21,106	-15.28%
RESERVE FUNDING TOTALS	\$ 1,546,650	\$ 1,365,360	\$ 2,169,026	\$ 2,901,082	112.48%
CAPITAL OUTLAY					
CAPITAL OUTLAY	\$ 17,912,279	\$ 24,375,754	\$ 12,966,938	\$ 23,318,068	-4.34%
TOTAL BUDGET					
TOTAL BUDGET	\$ 32,019,939	\$ 40,801,914	\$ 28,888,300	\$ 42,205,773	3.44%

**LAS GALLINAS VALLEY SANITARY DISTRICT
OPERATING AND MAINTENANCE EXPENSE
ADOPTED BUDGET FY 2022-2023 - JUNE 16, 2022**

Acct. Num.	Expense Description	2020-21 Final Actual	2021-22 Adopted Budget	2021-22 Projected End of Year	2022-23 Adopted Budget	% Change Over Prior Year Budget
EMPLOYEE WAGES						
1003	Regular Staff Salaries (1901)	\$ 2,850,194	\$ 4,159,900	\$ 3,306,853	\$ 4,072,400	-2.10%
1004	Extra Hire (1005)	78,524	21,980	107,679	5,200	-76.34%
1008	Over Time (1011)	103,619	118,140	149,548	165,700	40.26%
1009	Vacation and Sick Accrual	(52,177)	64,000	64,000	64,000	N/A
1010	Stand By	79,792	82,340	82,567	92,500	12.34%
1014	Emergency Response Stipend	-	0	42,673	46,900	N/A
1015	Certification Stipend	-	0	82,273	84,000	N/A
1016	Longevity Pay	-	0	62,376	71,200	N/A
1036	Directors Fees	69,240	72,590	80,583	80,600	11.03%
	TOTAL EMPLOYEE WAGES	<u>3,129,192</u>	<u>4,518,950</u>	<u>3,978,552</u>	<u>4,682,500</u>	3.62%
EMPLOYEE BENEFITS						
1037	Directors Benefits	8,865	9,950	9,681	9,700	-2.51%
1404	Payroll Taxes (SSI)	210,497	338,600	252,119	287,100	-15.21%
1502	Group Life Insurance	6,259	9,440	7,541	8,700	-7.84%
1507	PERS	737,289	750,300	626,147	787,500	4.96%
1509	Health Insurance	364,441	750,530	722,298	787,000	4.86%
1510	Dental Insurance	24,234	25,800	17,326	16,500	-36.05%
1514	Vision Insurance	2,232	4,410	3,024	3,300	-25.17%
1516	Long Term Disability	21,271	30,090	26,391	34,100	13.33%
2006	Auto Allowance	8,586	14,700	9,576	16,800	14.29%
2007	Commute Vehicle Stipend	27,576	36,470	5,058	-	
	TOTAL EMPLOYEE BENEFITS	<u>1,411,250</u>	<u>1,970,290</u>	<u>1,679,161</u>	<u>1,950,700</u>	-0.99%
INSURANCE						
1701	Workers' Comp Insurance	61,664	75,500	65,489	72,900	-3.44%
2060	Pooled Liability & Property Insurance	144,947	231,900	195,930	230,000	-0.82%
2061	Fidelity Bond	998	1,100	1,000	1,100	0.00%
	TOTAL INSURANCE EXPENSE	<u>207,609</u>	<u>308,500</u>	<u>262,419</u>	<u>304,000</u>	-1.46%

**LAS GALLINAS VALLEY SANITARY DISTRICT
OPERATING AND MAINTENANCE EXPENSE
ADOPTED BUDGET FY 2022-2023 - JUNE 16, 2022**

Acct. Num.	Expense Description	2020-21 Final Actual	2021-22 Adopted Budget	2021-22 Projected End of Year	2022-23 Adopted Budget	% Change Over Prior Year Budget
REPAIRS AND MAINTENANCE						
2083	Vehicle Parts & Maintenance	40,190	42,500	28,864	31,600	-25.65%
2096	Building maintenance	47,715	47,300	20,907	96,300	103.59%
2097	Grounds Maintenance	46,092	67,400	58,118	109,300	62.17%
2331	Reclamation Pasture and Pond Maint. (2332,2	160,357	106,600	99,738	193,400	81.43%
2538	Power Generation Maint & Repair	20,292	30,700	30,973	32,800	6.84%
2365	Equipment Maintenance	39,845	66,200	59,328	81,500	23.11%
2366	Equipment Repair	207,235	227,000	160,575	174,900	-22.95%
2367	Capital Repairs/Replacements	<u>172,905</u>	<u>318,500</u>	<u>145,151</u>	<u>322,400</u>	1.22%
	TOTAL REPAIRS AND MAINTENANCE	<u>734,631</u>	<u>906,200</u>	<u>603,654</u>	<u>1,042,200</u>	15.01%
SUPPLIES & SMALL TOOLS						
2107	Hypochlorite	52,486	89,200	108,884	206,900	131.95%
2110	Bisulfite	45,721	56,800	68,331	85,400	50.35%
2109	Miscellaneous Chemicals (2101,2115)	49,921	61,100	38,957	73,100	19.64%
2362	General Operating & Lab Supplies (2115)	88,078	51,900	75,379	85,300	64.35%
2501	Fuel, Oil, and CNG for Vehicles (2501-2506)	38,866	41,100	40,811	43,000	4.62%
2389	Safety Equipment & Supplies	21,234	35,700	47,888	49,000	37.25%
2397	Safety Services	53,902	69,500	54,160	57,400	-17.41%
2249	Small Tools	<u>12,442</u>	<u>28,100</u>	<u>21,291</u>	<u>24,600</u>	-12.46%
	TOTAL SUPPLIES & SMALL TOOLS	<u>362,650</u>	<u>433,400</u>	<u>455,702</u>	<u>624,700</u>	44.14%

**LAS GALLINAS VALLEY SANITARY DISTRICT
OPERATING AND MAINTENANCE EXPENSE
ADOPTED BUDGET FY 2022-2023 - JUNE 16, 2022**

Acct. Num.	Expense Description	2020-21 Final Actual	2021-22 Adopted Budget	2021-22 Projected End of Year	2022-23 Adopted Budget	% Change Over Prior Year Budget
CONTRACTED SERVICES						
2117	Lab Contract Services	43,727	47,000	48,280	54,400	15.74%
2119	Pollution Prevention Program	19,590	22,800	15,940	16,600	-27.19%
2320	Outside Services (2321, 2322, 2323, 2326)	231,067	221,300	164,791	310,700	40.40%
2324	Janitorial	19,251	17,700	21,252	22,500	27.12%
2327	Uniform Service	10,627	11,700	12,921	13,600	16.24%
2330	Damage Claim	10,000	20,000	-	20,000	0.00%
2334	Sludge Disposal Inject	88,400	91,700	96,919	102,700	12.00%
2354	SCADA Engineering Support	-	-	-	67,200	N/A
2357	Regulatory Consultant	183,300	146,500	153,981	186,400	27.24%
2358	Engin. Pass-thru & Gen. Small Projects (2355)	21,466	63,200	15,837	15,900	-74.84%
2359	Feasibility Studies	33,844	55,000	78,496	91,600	66.55%
2360	Consultants - Other	159,767	131,200	87,094	198,700	51.45%
2713	Legal	123,856	115,000	176,042	186,600	62.26%
2717	Audit	24,500	25,100	27,160	27,200	8.37%
2718	Financial Services	10,800	16,000	381	35,400	121.25%
2801	Private Lateral Rehab Assist. Program	-	100,000	56,400	59,800	-40.20%
2802	Low-Income Rate Assistance Program	-	-	-	50,000	N/A
	TOTAL CONTRACTED SERVICES	<u>980,195</u>	<u>1,084,200</u>	<u>955,493</u>	<u>1,459,300</u>	<u>34.60%</u>
UTILITIES						
2533	Internet	5,793	4,800	7,347	7,800	62.50%
2534	Telephone	71,930	68,300	46,896	49,600	-27.38%
2535	Utility Power	326,317	317,300	371,394	476,100	50.05%
2536	Water	27,386	21,300	31,951	33,900	59.15%
	TOTAL UTILITIES	<u>431,426</u>	<u>411,700</u>	<u>457,588</u>	<u>567,400</u>	<u>37.82%</u>

**LAS GALLINAS VALLEY SANITARY DISTRICT
OPERATING AND MAINTENANCE EXPENSE
ADOPTED BUDGET FY 2022-2023 - JUNE 16, 2022**

Acct. Num.	Expense Description	2020-21 Final Actual	2021-22 Adopted Budget	2021-22 Projected End of Year	2022-23 Adopted Budget	% Change Over Prior Year Budget
GENERAL & ADMINSTRATIVE						
1006	Payroll Processing	20,996	22,150	23,454	24,900	12.42%
2477	Conferences	2,005	51,600	19,081	52,600	1.94%
2479	Mileage and Travel	1,020	5,200	1,026	4,600	-11.54%
2129	Election	250	-	-	25,000	N/A
2133	Office Supplies	40,458	33,100	36,664	42,800	29.31%
2134	Meeting Supplies	1,279	1,600	1,945	2,100	31.25%
2716	Computer Services and Software	93,200	110,900	50,394	97,600	-11.99%
2135	Bank Charges	1,600	1,500	-	200	-86.67%
9778	User Charge Collection Fee	36,834	41,200	34,829	36,900	-10.44%
2221	Publication and Legal Ads	6,629	16,300	12,820	12,800	-21.47%
2223	Public Education and Outreach ⁽¹⁾	41,566	61,200	42,714	74,700	22.06%
2264	Taxes, Other	891	900	1,949	1,900	111.11%
2272	Memberships (CASA, CSDA, NBWRA, etc.)	62,624	49,200	74,873	69,100	40.45%
2363	Permits (NPDES, Biosolids, BAAQCD, etc.)	92,735	96,500	112,555	119,300	23.63%
2364	Fines	-	-	-	-	
2246	Rents and Leases	173,933	171,900	186,345	192,700	12.10%
9786	Employee Recognition ⁽¹⁾	447	9,000	3,893	5,600	-37.78%
9787	Employee Training and Education ⁽¹⁾	4,403	25,700	12,723	49,400	92.22%
9999	Miscellaneous expense (2137, 2499)	2,872	1,300	16,193	15,900	1123.08%
	TOTAL GENERAL & ADMINSTRATIVE	<u>583,742</u>	<u>699,250</u>	<u>631,457</u>	<u>828,100</u>	<u>18.43%</u>
OPERATING EXPENSE TOTALS		<u>\$ 7,840,695</u>	<u>\$ 10,332,490</u>	<u>\$ 9,024,026</u>	<u>\$ 11,458,900</u>	<u>10.90%</u>

**LAS GALLINAS VALLEY SANITARY DISTRICT
DEBT SERVICE
ADOPTED BUDGET FY 2022-2023 - JUNE 16, 2022**

Expenditure	2020-21 Total Actual	2021-22 Adopted Budget	2021-22 Projected End of Year	2022-23 Adopted Budget
2005 Certificates of Participation/ Refunded 2014	\$ 698,760	\$ 709,125	\$ 709,125	\$ 708,665
2010 State Revolving Fund Loan	285,464	285,464	285,464	\$ 285,464
2011 Bank of Marin Loan	332,681	332,681	332,681	332,681
2012 Bank of Marin Loan	235,346	235,346	235,346	39,224
2017 Revenue Bonds ^{(1) (2)}	2,449,000	2,447,800	2,447,800	2,445,000
2019 IBank Loan	719,062	717,892	717,892	716,688
	\$ 4,720,314	\$ 4,728,310	\$ 4,728,310	\$ 4,527,723

(1) Includes treatment plant upgrade, recycled water treatment plant expansion and operations control center.

(2) Per Board action on May 25, 2017, amounts collected for the treatment plant upgrade and operations control center projects prior to the bonds being issued were reclassified as Reserves and are reflected in the Reserve Budget for all years presented.

Expenditure	Debt Service Breakdown FY 2022-23		
	Principal	Interest	Annual Fee
2005 Certificates of Participation/ Refunded 2014	\$ 630,000	\$ 78,665	\$ -
2010 State Revolving Fund Loan	218,699	66,765	-
2011 Bank of Marin Loan	237,888	94,794	-
2012 Bank of Marin Loan	39,064	160	-
2017 Revenue Bonds	1,110,000	1,335,000	-
2019 IBank Loan ⁽⁴⁾	359,654	324,086	32,948
	\$ 2,595,306	\$ 1,899,470	\$ 32,948

(4) Annual IBank fee treated as Operation & Maintenance Expense but recognized as debt service for budget purposes.

**LAS GALLINAS VALLEY SANITARY DISTRICT
RESERVES
ADOPTED BUDGET FY 2022-2023 - JUNE 16, 2022**

	2020-21 Actual	2021-22 Adopted Budget	2021-22 Projected End of Year	2022-23 Adopted Budget
Beginning Reserve Balance	\$ 7,079,424	\$ 8,171,967	\$ 8,171,967	\$ 6,245,395
Operating & Rate Stabilization Reserve				
Beginning Balance	\$ 2,185,612	\$ 2,351,898	\$ 2,351,898	\$ 2,973,576
Plus: Additions	166,286	321,678	621,678	635,195
Less: Use of Funds	-	-	-	-
Ending Balance	\$ 2,351,898	\$ 2,673,576	\$ 2,973,576	\$ 3,608,771
Purpose: Insure minimum of 7 months of O&M + Debt Service is available			Target \$	9,325,530
Rate Stabilization (combined with Ops Reserve 5-16-22)				
Beginning Balance	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Plus: Additions	-	-	-	-
Less: Use of Funds / Transfer to Ops Reserve	-	(299,571)	(300,000)	-
Ending Balance	\$ 300,000	\$ 429	\$ -	\$ -
Purpose: Fund unexpected expense increases, replenish over 3 to 4 year period.			Target \$	-
Emergency Repair				
Beginning Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Plus: Additions	-	-	-	-
Less: Use of Funds	-	-	-	-
Ending Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Purpose: Fund emergency repairs, replenish over 2 to 3 year period.			Target \$	1,000,000
Capital Reserves (STPURWE, OCC, and other CIP)				
Beginning Balance	\$ 2,593,812	\$ 3,425,644	\$ 3,425,644	\$ 1,394,840
Plus: Undesignated	146,722	229,717	229,717	336,464
Plus: STPURWE LGVSD Bond Reserve ⁽¹⁾	221,715	222,915	222,915	-
Plus: STPURWE MMWD Buy-In ⁽²⁾	206,549	206,549	206,549	-
Plus: 2017 Bond MMWD Debt Service Share ⁽³⁾	256,846	256,720	256,720	-
Less: Authorized Use of Funds	-	(4,019,000)	(2,946,705)	(800,000)
Ending Balance	\$ 3,425,644	\$ 322,545	\$ 1,394,840	\$ 931,304
Purpose: To provide capital for major capital projects.			Target \$	4,000,000
Vehicle and Equipment Reserve (VERF)				
Beginning Balance	\$ 1,000,000	\$ 1,094,425	\$ 1,094,425	\$ 876,978
Plus: Additions	328,131	50,969	50,969	150,755
Less: Authorized Use of Funds	(233,706)	-	(268,416)	(480,000)
Ending Balance	\$ 1,094,425	\$ 1,145,394	\$ 876,978	\$ 547,733
Purpose: To fund large vehicle and equipment replacements.			Target \$	1,000,000
Ending Reserve Balance	\$ 8,171,967	\$ 5,141,944	\$ 6,245,395	\$ 6,087,809

(1) Excess funds over debt payments put aside for project.

(2) MMWD quarterly payments towards buy-in thru 2022 - Held in Bank of Marin (BoM) Bus Money Market (BMM) #3983

(3) MMWD semi-annual Revenue Bond payments toward project - Held in Bank of Marin (BoM) Bus Money Market (BMM) #3983

Total Budgeted New Reserve Funding: \$ 1,122,414

**LAS GALLINAS VALLEY SANITARY DISTRICT
RESERVES - RESTRICTED FUNDS
ADOPTED BUDGET FY 2022-2023 - JUNE 16, 2022**

	2020-21 Actual	2021-22 Adopted Budget	2021-22 Projected End of Year	2022-23 Adopted Budget
Restricted Funds				
Capacity / Connection Fee Fund (#5025)				
Beginning Balance	\$ 96,745	\$ 316,998	\$ 316,998	\$ 595,748
<i>Plus: Additions</i>	220,253	35,963	478,750	1,741,536
<i>Less: Use of Funds</i>	-	(200,000)	(200,000)	-
Ending Balance	\$ 316,998	\$ 152,961	\$ 595,748	\$ 2,337,284
<i>Purpose: To pay for collection system and plant capacity improvements to serve new connections.</i>				
Captains Cove Fund (#5019)				
Beginning Balance	\$ 17,241	\$ 17,266	\$ 17,266	\$ 17,692
<i>Plus: Additions</i>	25	15,935	37,622	16,025
<i>Less: Use of Funds ⁽¹⁾</i>	-	(30,000)	(37,196)	(12,400)
Ending Balance	\$ 17,266	\$ 3,201	\$ 17,692	\$ 21,317
<i>Purpose: Special assessment fees in and class account 350 expenses out.</i>				
Marin Lagoon Fund (#5005)				
Beginning Balance	\$ 84,472	\$ 84,595	\$ 84,595	\$ 111,567
<i>Plus: Additions</i>	123	24,914	64,106	21,106
<i>Less: Use of Funds ⁽¹⁾</i>	-	(84,000)	(37,134)	(107,700)
Ending Balance	\$ 84,595	\$ 25,509	\$ 111,567	\$ 24,973
<i>Purpose: Special assessment fees in and class account 360 expenses out.</i>				

⁽¹⁾ Use of Funds for O&M Expenses in FY 21-22. Prior Year and Capital Expenditures to be recovered over multiple years. Special supplemental property tax revenue for prior years not deposited into restricted funds since August 2018. Expenditures since March 2019 not recovered from restricted funds.

Total Restricted Fund Reserve Funding: \$ 1,778,667



2022-2023 Capital Outlay - Capital Improvement Program

(Final Proposed Budget 6-16-2022)

ADOPTED

Line No.	Project No.	Project Name	Proposed Budget 22-23		FUNDING SOURCES							
			Use of Carryover Funds	Funding Balance Request in 2022-23	Year 1 Project Budget 2022-23	PY CIP Carryover	Unrestricted Funds	Captains Cove	Marin Lagoon	Vehicle Replacement Fund	Connection Fees	Grants
PLANNING, SOFTWARE, & OTHER ENGINEERING												
1	20100-05	Integrated Wastewater Master Plan Phase 2 ⁽¹⁾	348,720	100,190	448,910	348,720	100,190					
2	20100-05	Integrated Wastewater Master Plan Phase 3 ⁽¹⁾	100,000	-	100,000	100,000	-	-	-	-	-	-
3	21500-08	Biosolids System Improvement Analysis	-	107,000	107,000	-	107,000	-	-	-	-	-
4	22600-01	Asset Management Onboarding Task 2-4 CMMS CityWorks	400,000	-	400,000	400,000	-	-	-	-	-	-
5	22125-01	Sea Level Rise Mitigation Program Design	100,000	-	100,000	100,000	-	-	-	-	-	-
6	22125-02	Standard Specifications and Drawings Update Project	50,000	-	50,000	50,000	-	-	-	-	-	-
7	20125-01	On-Call Engineering Contract	210,000	-	210,000	210,000	-	-	-	-	-	-
8	22125-03	On-Call Inspection	36,673	-	44,910	36,673	-	-	-	-	-	-
9	22125-04	On-Call Construction Contract (2021-2023)	100,000	-	100,000	100,000	-	-	-	-	-	-
10	22200-01	IT Pipes Software Upgrade for Video Interface w/CityWorks	35,000	-	35,000	35,000	-	-	-	-	-	-
11	17200-03	City Works Azteca Annual Licensing plus ESRI license	-	40,000	40,000	-	40,000	-	-	-	-	-
12	22200-02	Fleet Maintenance Software annual licenses	528	1,632	2,160	528	1,632	-	-	-	-	-
13	20100-01	Accounting ERP Integration	53,798	-	53,798	53,798	-	-	-	-	-	-
14	22100-01	Website Improvement - O&M beginning in FY 22-23	25,000	-	25,000	25,000	-	-	-	-	-	-
15	21125-02	Drafting Software for Eng. Computer Upgrade	3,312	2,688	6,000	3,312	2,688	-	-	-	-	-
16	NEW	Biosolids well monitoring design and construction	147,906	152,094	300,000	147,906	152,094	-	-	-	-	-
17	NEW	Hydraulic Modeling	60,000	140,000	200,000	60,000	140,000	-	-	-	-	-
Subtotal:			1,670,938	543,603	2,222,778	1,670,938	543,603	22,000	-	-	-	480,000

FLEET & EQUIPMENT (To be procured through Vehicle Replacement Fund) and OTHER EQUIPMENT												
24	20300-07	Bypass Pump Connection Components & Pipe	40,000	-	40,000	40,000	-	-	-	-	-	-
25	NEW	Smart Covers (3) Additional in FY 22-23	-	22,000	22,000	-	22,000	-	-	-	-	-
26	NEW	4" Trash Pump w/ trailer	-	90,000	90,000	-	-	-	-	-	-	90,000
27	NEW	2023 Ford Transit Cargo Van Hybrid for Camera	-	40,000	45,000	-	-	-	-	-	-	40,000
28	NEW	2023 Hybrid Fleet to replace CMAX	-	45,000	45,000	-	-	-	-	-	-	45,000
29	NEW	2023 Vac-Con Flusher Truck - clean diesel (1) See Note	-	305,000	305,000	-	-	-	-	-	-	305,000
Subtotal:			-	502,000	507,000	-	22,000	-	-	-	-	480,000

(1) Funding approved and encumbered 6/16/22 but Board approval required prior to diesel vehicle purchase.

Line No.	Project No.	Project Name	Proposed Budget 22-23		FUNDING SOURCES											
			Use of Carryover Funds	Funding Balance Request in 2022-23	Year 1 Project Budget 2022-23	PY CIP Carryover	Unrestricted Funds	Captains Cove	Marin Lagoon	Vehicle Replacement Fund	Connection Fees	Grants				
COLLECTION SYSTEM (INCL. PUMP STATIONS "PS" & FORCE MAINS)																
35	11200-03	John Duckett PS & HWY 101 Terra Linda Trunk Sewer Design	730,927	-	730,927	730,927	-	-	-	-	-	-	-	-	-	-
36	12300-05	Rafael Meadows Pump Station - Electrical Standby Generator	108,695	51,305	160,000	108,695	51,305	-	-	-	-	-	-	-	-	-
37	20300-09	Smith Ranch Pump Station Electrical Upgrades	298,841	1,159	300,000	298,841	1,159	-	-	-	-	-	-	-	-	-
38	20200-01	Force Main Assessment, Cleaning, Location Marking, & Mapping	343,996	6,004	350,000	343,996	6,004	-	-	-	-	-	-	-	-	-
39	21300-03	Standby/Towable Generators for Minor Pump Stations	357,044	-	357,044	357,044	-	-	-	-	-	-	-	-	-	-
40	21350-01	Automatic Transfer Switches for Pump Stations	252,197	7,803	260,000	252,197	7,803	-	-	-	-	-	-	-	-	-
41	21300-04	Pump Station Site Lighting, Safety, & Security Improvements	241,877	-	241,877	241,877	-	-	-	-	-	-	-	-	-	-
42	21600-01	Emergency Bypass Pumping Analysis & Response Plan	103,152	1,848	105,000	103,152	1,848	-	-	-	-	-	-	-	-	-
43	22300-01	Rafael Meadows Pump Station - Civil, fencing, other	-	180,000	180,000	-	180,000	-	-	-	-	-	-	-	-	-
44	22300-02	Mulligan PS wet well upgrade	-	60,000	60,000	-	60,000	-	-	-	-	-	-	-	-	-
45	19200-02	Manhole Frame & Cover Adjustment Allowance	50,000	-	50,000	50,000	-	-	-	-	-	-	-	-	-	-
46	21300-06	Fencing Improvements at Various Locations	3,040	56,960	60,000	3,040	56,960	-	-	-	-	-	-	-	-	-
47	21600-03	Annual Facility Paving at Various Locations	-	35,000	35,000	-	35,000	-	-	-	-	-	-	-	-	-
48	20600-03	Smith Ranch CNG Filling Station Function	-	45,000	45,000	-	45,000	-	-	-	-	-	-	-	-	-
49	18350-01	Captains Cove Pump Station Upgrades(2)	49,123	877	50,000	49,123	877	-	-	50,000	-	-	-	-	-	-
50	NEW	Sewer Main Collection System Rehabilitation Program	230,176	769,824	1,000,000	230,176	769,824	-	-	-	-	-	-	-	-	-
51	NEW	SCADA integration & Control Panel Repl. for Pump Stations	-	250,000	250,000	-	250,000	-	-	-	-	-	-	-	-	-
52	NEW	Install Ports in Pump Stations	-	30,000	30,000	-	30,000	-	-	-	-	-	-	-	-	-
53	NEW	Hawthorn Pump Station Fencing - Second Fence line	-	25,000	25,000	-	25,000	-	-	-	-	-	-	-	-	-
			Subtotal:	2,769,068	1,520,780	4,289,848	2,719,945	1,519,903	50,000	-	-	-	-	-	-	-

RECLAMATION																
73	21500-01	Reclamation Pump Station Improvements	123,582	6,418	130,000	123,582	6,418	-	-	-	-	-	-	-	-	-
74	22300-03	St. Vincent's Pump Station Improvements	-	100,000	100,000	-	100,000	-	-	-	-	-	-	-	-	-
75	21500-04	Reclamation Pasture Irrigation System Assessment Study	-	45,000	45,000	-	45,000	-	-	-	-	-	-	-	-	-
76	11500-09	Miller Creek Vegetation Maintenance repair, maint.	51,141	23,859	75,000	51,141	23,859	-	-	-	-	-	-	-	-	-
77	22500-04	Solar PV System Replacement	135,000	165,000	300,000	135,000	165,000	-	-	-	-	-	-	-	-	-
78	NEW	Reclamation Pond Diversion Boxes	175,000	-	175,000	175,000	-	-	-	-	-	-	-	-	-	-
79	NEW	Reclamation Staging Area	-	60,000	60,000	-	60,000	-	-	-	-	-	-	-	-	-
80	NEW	Sludge Lagoon Liner Replacement/Repair	-	75,000	75,000	-	75,000	-	-	-	-	-	-	-	-	-
			Subtotal:	484,722	475,278	960,000	484,722	475,278	50,000	-	-	-	-	-	-	-

TREATMENT PLANT (INCL. RECYCLED WATER)

Line No.	Project No.	Project Name	Proposed Budget 22-23		FUNDING SOURCES									
			Use of Carryover Funds	Funding Balance Request in 2022-23	Year 1 Project Budget 2022-23	PY CIP Carryover	Unrestricted Funds	Captains Cove	Marin Lagoon	Vehicle Replacement Fund	Connection Fees	Grants		
94	21100-01	Plant Operations Control & Admin Building Design	1,520,797	4,203	1,525,000	1,520,797	4,203							
95	21600-07	Digester Inspection & Coating Improvement	300,000	-	300,000	300,000	-							
96	21600-06	Digester Room MCC #2 Upgrade Design & Construction	612,913	69,087	682,000	612,913	69,087							
97	20600-04	Flow Equalization Basin Design and Construction	375,000	-	375,000	375,000	-							
98	22600-01	Primary Clarifier #1 Repair	300,000	-	300,000	300,000	-							
99	21600-08	Grit Chambers Coating & Auger Rebuild	299,465	536	300,000	299,465	536							
100	21600-11	Annual Plant Paving at Various Locations	8,551	51,449	60,000	8,551	51,449							
101	21600-09	Plant Lighting Improvements and Other Electrical Enhanc.	50,000	-	50,000	50,000	-							
102	21600-15	Misc Plant Equipment Demolition & Disposal	20,673	9,327	30,000	20,673	9,327							
103	21600-12	Maintenance Shop & Locker Room Improvements	50,000	-	50,000	50,000	-							
104	NEW	Secondary Digester Piping Project		60,000	60,000	-	60,000							
Subtotal:			3,537,398	194,602	3,732,000	3,537,398	194,602							

Total (Non-Financed):

8,462,126	3,236,262	11,711,626	8,413,003	2,755,385	50,000	480,000	-
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FINANCED AND BOND PROJECTS														
119	12600-07 & 16650-02	Secondary Treatment Plant Upgrade & Recycled Water Expan.	8,606,442	-	8,606,442	8,606,442	-							
120		Operations Control Center Building Construction & Soft Costs		3,000,000	3,000,000	-	3,000,000							
Subtotal:			8,606,442	3,000,000	11,606,442	8,606,442	3,000,000							

GRAND TOTAL CAPITAL OUTLAY:

17,068,568	6,236,262	23,318,068	17,019,445	5,755,385	50,000	480,000	-
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5-Year Capital Improvement Plan

(Final Proposed Budget 6-16-2022)

ADOPTED

Line No.	Project No.	Project Name	PROJECTED EXPENDITURES					5-Year Total Expenditures
			Adopted Year 1 Budget 2022-23	Year 2 2023-24	Year 3 2024-25	Year 4 2025-26	Year 5 2026-27	
PLANNING, SOFTWARE, & OTHER ENGINEERING								
1	20100-05	Integrated Wastewater Master Plan Phase 2 ⁽¹⁾	448,910	-	-	-	-	448,910
2	20100-05	Integrated Wastewater Master Plan Phase 3 ⁽¹⁾	100,000	100,000	105,000	-	-	305,000
3	21500-08	Biosolids System Improvement Analysis	107,000	-	-	-	-	107,000
4	22600-01	Asset Management Onboarding Task 2-4 CMMS CityWorks	400,000	875,000	510,000	110,000	30,000	1,925,000
5	22125-01	Sea Level Rise Mitigation Program Design	100,000	100,000	100,000	100,000	100,000	500,000
6	22125-02	Standard Specifications and Drawings Update Project	50,000	-	-	-	-	50,000
7	20125-01	On-Call Engineering Contract	210,000	100,000	100,000	100,000	100,000	610,000
8	22125-03	On-Call Inspection	44,910	45,000	45,000	45,000	45,000	224,910
9	22125-04	On-Call Construction Contract (2021-2023)	100,000	100,000	100,000	100,000	100,000	500,000
10	22200-01	IT Pipes Software Upgrade for Video Interface w/CityWorks	35,000	11,000	11,000	11,000	11,000	79,000
11	17200-03	City Works Azteca Annual Licensing plus ESRI license	40,000	40,000	40,000	40,000	40,000	200,000
12	22200-02	Fleet Maintenance Software annual licenses	2,160	2,000	2,000	2,000	2,000	10,160
13	20100-01	Accounting ERP Integration	53,798	-	-	-	-	53,798
14	22100-01	Website Improvement - O&M beginning in FY 22-23	25,000	5,000	5,000	5,000	-	40,000
15	21125-02	Drafting Software for Eng. Computer Upgrade	6,000	-	-	-	-	6,000
16	NEW	Biosolids well monitoring design and construction	300,000	50,000	50,000	50,000	50,000	500,000
17	NEW	Hydraulic Modeling	200,000	100,000	-	-	-	300,000
18		Sea Level Rise Mitigation Construction (Placeholder)	-	-	-	-	-	3,000,000
Subtotal:			2,222,778	1,528,000	1,068,000	563,000	3,478,000	8,859,778

FLEET & EQUIPMENT (To be procured through Vehicle Replacement Fund) and OTHER EQUIPMENT								
24	20300-07	Bypass Pump Connection Components & Pipe	40,000	-	-	-	-	40,000
25	NEW	Smart Covers (3) Additional in FY 22-23	22,000	-	-	-	-	22,000
26	NEW	4" Trash Pump w/ trailer	90,000	-	-	-	-	90,000
27	NEW	2023 Ford Transit Cargo Van Hybrid for Camera	45,000	-	-	-	-	45,000
28	NEW	2023 Hybrid Fleet to replace CMAX	45,000	-	-	-	-	45,000
29	NEW	2023 Vac-Con Flusher Truck - clean diesel ⁽¹⁾ See note	305,000	-	-	-	-	305,000
Subtotal:			507,000	-	-	-	-	507,000

(1) Funding approved and encumbered 6/16/22 but Board approval required prior to diesel vehicle purchase.

Adopted
Year 1
Budget
2022-23

PROJECTED EXPEDITURES

5-Year Total
Expenditures

Year 5
2026-27

Year 4
2025-26

Year 3
2024-25

Year 2
2023-24

Line
No. **Project No.** **Project Name**

COLLECTION SYSTEM (INCL. PUMP STATIONS "PS" & FORCE MAINS)

Line No.	Project No.	Project Name	Adopted Year 1 Budget 2022-23	Year 2 2023-24	Year 3 2024-25	Year 4 2025-26	Year 5 2026-27	5-Year Total Expenditures
35	11200-03	John Duckett PS & HWY 101 Terra Linda Trunk Sewer Design	730,927	601,674	-	-	-	1,332,601
36	12300-05	Rafael Meadows Pump Station - Electrical Standby Generator	160,000	-	-	-	-	160,000
37	20300-09	Smith Ranch Pump Station Electrical Upgrades	300,000	-	-	-	-	300,000
38	20200-01	Force Main Assessment, Cleaning, Location Marking, & Mapping	350,000	250,000	-	-	-	600,000
39	21300-03	Standby/Towable Generators for Minor Pump Stations	357,044	-	-	-	-	357,044
40	21350-01	Automatic Transfer Switches for Pump Stations	260,000	-	-	-	-	260,000
41	21300-04	Pump Station Site Lighting, Safety, & Security Improvements	241,877	-	-	-	-	241,877
42	21600-01	Emergency Bypass Pumping Analysis & Response Plan	105,000	-	-	-	-	105,000
43	22300-01	Rafael Meadows Pump Station - Civil, fencing, other	180,000	400,000	-	-	-	580,000
44	22300-02	Mulligan PS wet well upgrade	60,000	250,000	-	-	-	310,000
45	19200-02	Manhole Frame & Cover Adjustment Allowance	50,000	50,000	50,000	50,000	50,000	250,000
46	21300-06	Fencing Improvements at Various Locations	60,000	-	-	-	-	60,000
47	21600-03	Annual Facility Paving at Various Locations	35,000	35,000	35,000	35,000	35,000	175,000
48	20600-03	Smith Ranch CNG Filling Station Function	45,000	-	-	-	-	45,000
49	18350-01	Captains Cove Pump Station Upgrades(2)	50,000	-	-	-	-	50,000
50	NEW	Sewer Main Collection System Rehabilitation Program	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
51	NEW	SCADA Integration & Control Panel Repl. for Pump Stations	250,000	250,000	250,000	-	-	1,000,000
52	NEW	Install Ports in Pump Stations	30,000	-	-	-	-	30,000
53	NEW	Hawthorn Pump Station Fencing - Second Fence line	25,000	-	-	-	-	25,000
54		Descanso Pump Station Odor Control	-	-	45,000	-	-	45,000
55	18360-01	Marin Lagoon Pump Station No.1 (2)	-	-	-	400,000	400,000	800,000
56	14300-05	Smith Ranch Rd Combined Force Main	-	-	-	250,000	2,500,000	2,750,000
57		Captains Cove and Marin Lagoon Pump Station Telemetry(2)	-	-	-	250,000	250,000	500,000
58		Civic Center Pump Station VFD Control	-	-	-	100,000	-	100,000
59		Lower Marinwood TS Capacity Upgrade & Relocation	-	-	-	250,000	1,500,000	1,750,000
60		McInnis Pump Station Improvements	-	-	-	75,000	300,000	375,000
61		Vac Truck Recycled Water Filling Station & Wash Rack	-	-	-	60,000	-	60,000
62		Smith Ranch Pump Station Generator Diesel Conversion	-	-	-	-	100,000	100,000
63		IWMP Pump Station & Force Main Projects (Placeholder)	-	2,000,000	2,000,000	2,000,000	2,500,000	8,500,000
Subtotal:			4,289,848	4,836,674	3,380,000	4,820,000	24,955,000	26,111,522

Line No.	Project No.	Project Name	Adopted Year 1 Budget 2022-23	PROJECTED EXPEDITURES					5-Year Total Expenditures
				Year 2 2023-24	Year 3 2024-25	Year 4 2025-26	Year 5 2026-27		
RECLAMATION									
73	21500-01	Reclamation Pump Station Improvements	130,000	150,000	-	-	-	280,000	
74	22300-03	St. Vincent's Pump Station Improvements	100,000	100,000	200,000	-	-	400,000	
75	21500-04	Reclamation Pasture Irrigation System Assessment Study	45,000	-	-	45,000	-	90,000	
76	11500-09	Miller Creek Vegetation Maintenance repair, maint.	75,000	75,000	-	-	-	150,000	
77	22500-04	Solar PV System Replacement	300,000	-	-	-	-	300,000	
78	NEW	Reclamation Pond Diversion Boxes	175,000	-	-	-	-	175,000	
79	NEW	Reclamation Staging Area	60,000	-	-	-	-	60,000	
80	NEW	Sludge Lagoon Liner Replacement/Repair	75,000	75,000	75,000	-	-	300,000	
81		Storage Pond 1 Transfer Pipe Repair	-	100,000	-	-	-	100,000	
82		IWMP Reclamation Projects (Placeholder)	-	150,000	150,000	-	2,000,000	2,450,000	
Subtotal:			960,000	650,000	425,000	270,000	2,000,000	4,305,000	

TREATMENT PLANT (INCL. RECYCLED WATER)								
94	21100-01	Plant Operations Control & Admin Building Design	1,525,000	221,775	-	-	-	1,746,775
95	21600-07	Digester Inspection & Coating Improvement	300,000	-	-	-	-	300,000
96	21600-06	Digester Room MCC #2 Upgrade Design & Construction	682,000	-	-	-	-	682,000
97	20600-04	Flow Equalization Basin Design and Construction	375,000	1,000,000	2,000,000	-	-	3,375,000
98	22600-01	Primary Clarifier #1 Repair	300,000	-	-	-	-	300,000
99	21600-08	Grit Chambers Coating & Auger Rebuild	300,000	-	-	-	-	300,000
100	21600-11	Annual Plant Paving at Various Locations	60,000	60,000	60,000	60,000	60,000	300,000
101	21600-09	Plant Lighting Improvements and Other Electrical Enhanc.	50,000	150,000	-	-	-	200,000
102	21600-15	Misc Plant Equipment Demolition & Disposal	30,000	-	-	-	-	30,000
103	21600-12	Maintenance Shop & Locker Room Improvements	50,000	-	-	-	-	50,000
104	NEW	Secondary Digester Piping Project	60,000	-	-	-	-	60,000
105		BERS Tail Gas Piping	-	400,000	-	-	-	400,000
106		Primary Clarifiers - Improvements	-	-	-	-	5,000,000	5,000,000
107		Disinfection System Review and Upgrade Design	-	-	-	-	250,000	250,000
108		Fixed Film Reactor Demolition	-	-	-	150,000	-	150,000
109		IWMP Treatment Plant Projects (Placeholder)	-	250,000	2,000,000	2,000,000	5,000,000	9,250,000
Subtotal:			3,732,000	2,081,775	4,060,000	2,210,000	10,310,000	22,393,775

Line No.	Project No.	Project Name	PROJECTED EXPEDITURES					5-Year Total Expenditures
			Adopted Year 1 Budget 2022-23	Year 2 2023-24	Year 3 2024-25	Year 4 2025-26	Year 5 2026-27	

TOTAL PLANNING, FLEET, COLLECTION, RECLAMATION, & TREATMENT PROJECTS (Non-Financed)								
Total (Non-Financed):			11,711,626	9,096,449	8,933,000	7,863,000	40,743,000	62,177,074

FINANCED AND BOND PROJECTS								
121	12600-07 & 16650-02	Secondary Treatment Plant Upgrade & Recycled Water Expan.	8,606,442	-	-	-	-	8,606,442
122		Operations Control Center Building Construction & Soft Costs	3,000,000	3,000,000	24,000,000	-	-	30,000,000
123		John Duckett Pump Station & HWY 101 Terra Linda TS Crossing Const.		6,000,000	6,000,000	-	-	12,000,000
Subtotal:			11,606,442	9,000,000	30,000,000	-	-	50,606,442

GRAND TOTAL CAPITAL OUTLAY: 23,318,068 18,096,449 38,933,000 7,863,000 40,743,000 112,276,516

