

Handout

Agenda Item

2

Date

April 27, 2020

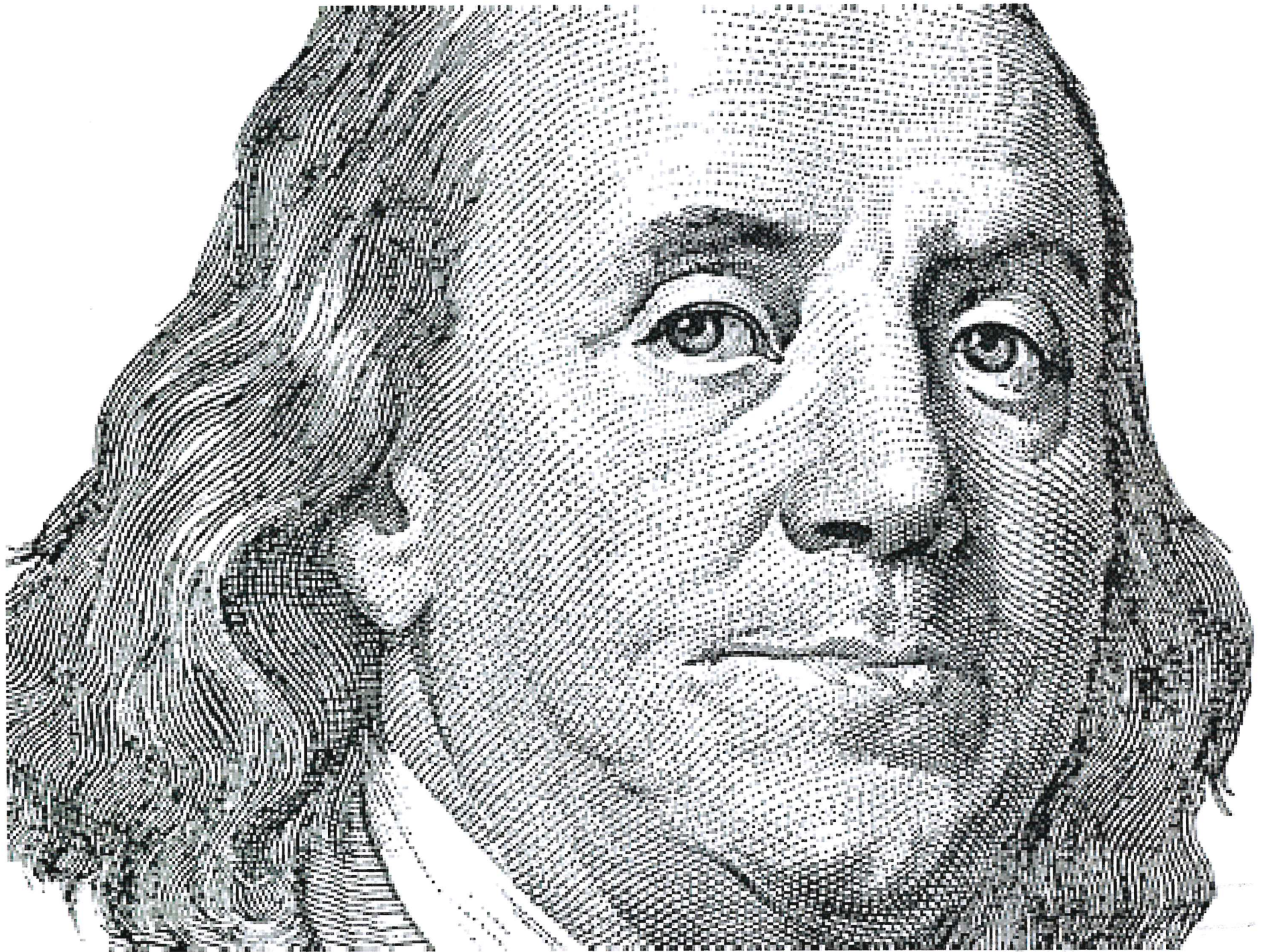


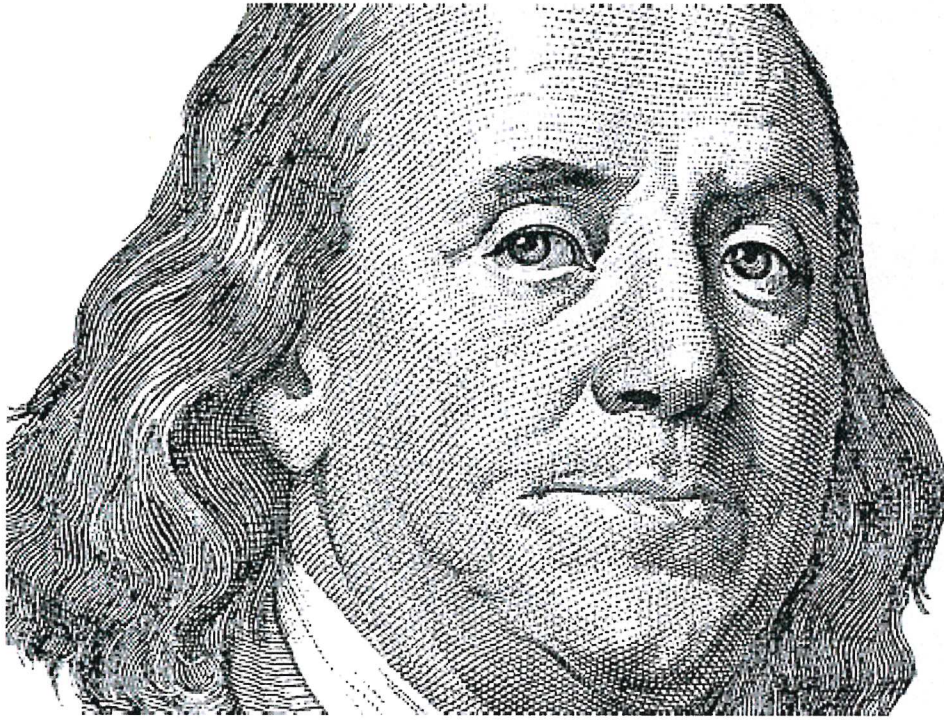
REVISED
Proposed
FY2020-2021 Budget
Discussion

April 27, 2020

Photographer: Shabda Kahn







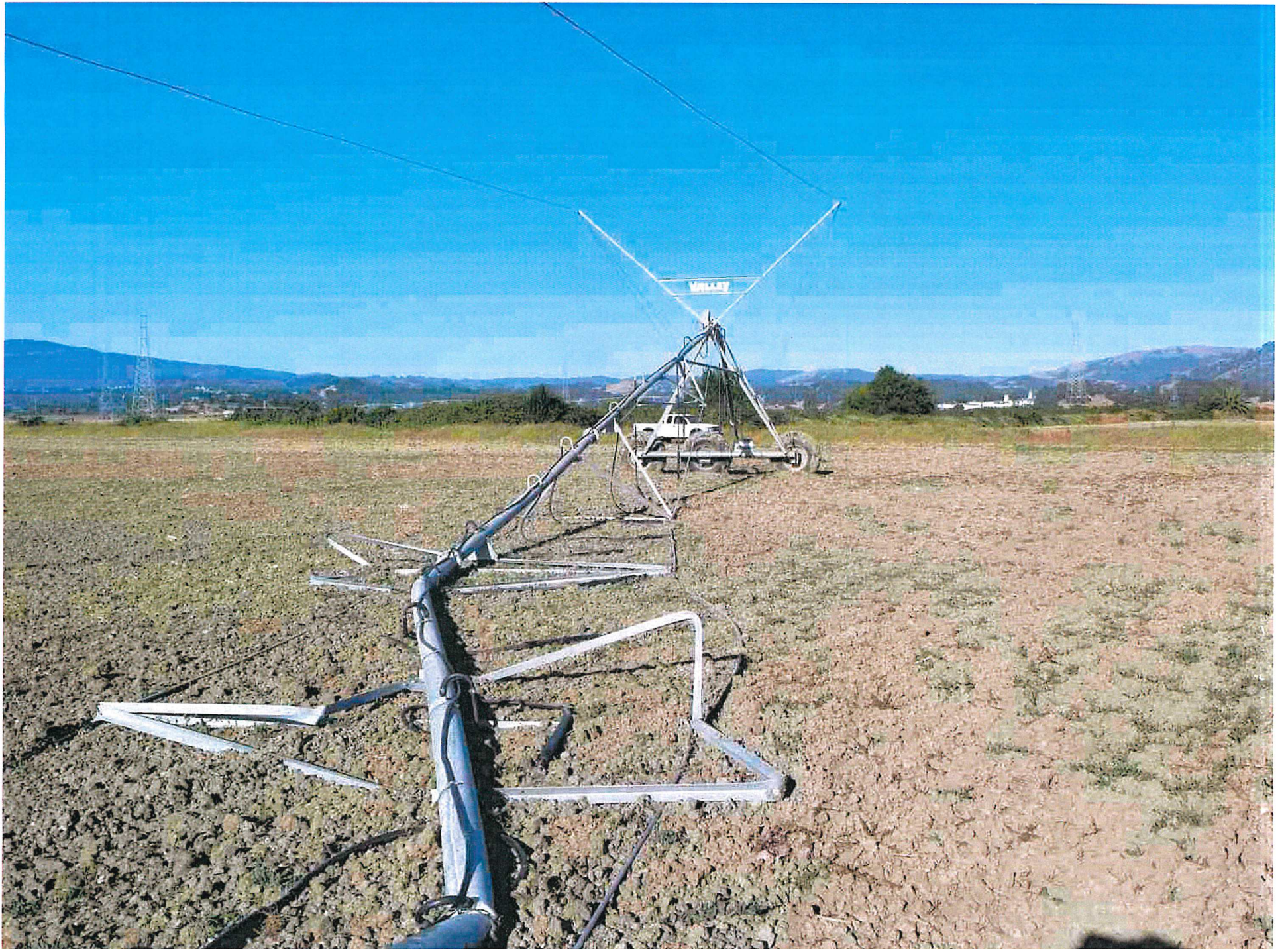
“By failing to prepare, you are preparing to fail.”

Benjamin Franklin















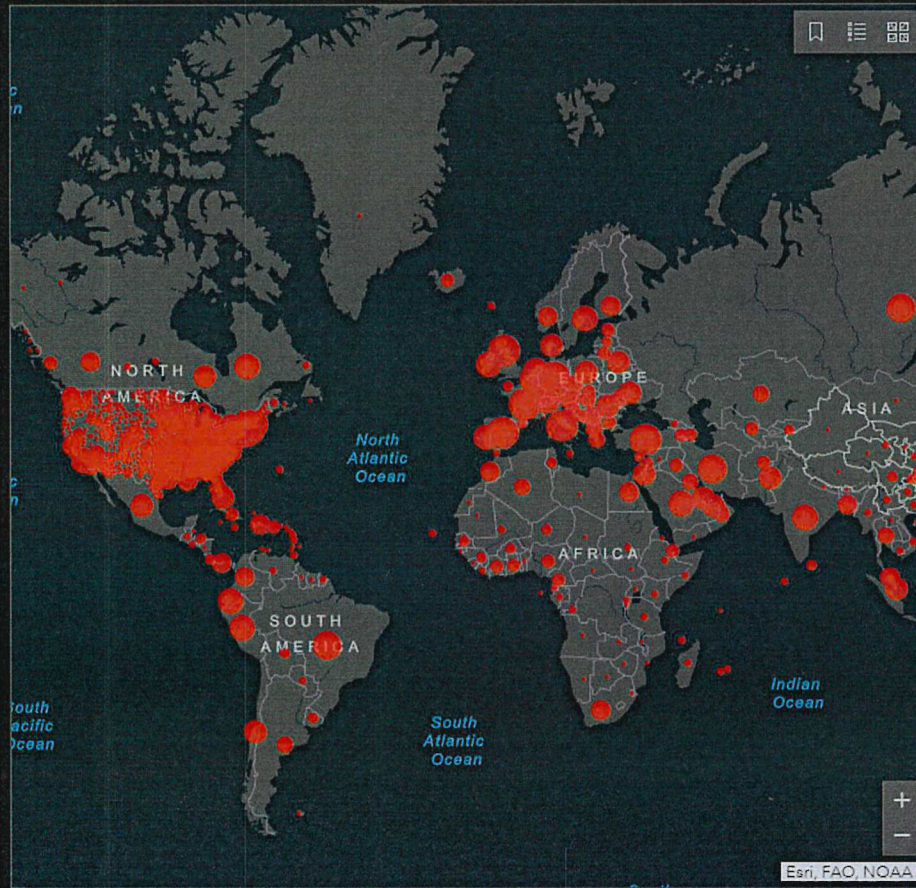
Total Confirmed
2,990,559

Confirmed Cases by
Country/Region/Sovereignty

- 965,951 US
- 229,422 Spain
- 197,675 Italy
- 162,220 France
- 157,946 Germany
- 154,037 United Kingdom
- 110,130 Turkey
- 91,472 Iran
- 87,147 Russia
- 83,912 China
- 63,100 Brazil
- 47,147 Canada
- 46,687 Belgium
- 38,440 Netherlands
- 29,164 Switzerland
- 27,977 India

185 countries/regions

Last Updated at (M/D/YYYY)
4/27/2020, 6:31:19 AM



Total Deaths
207,446

- 26,644 deaths Italy
- 23,521 deaths Spain
- 22,856 deaths France
- 20,732 deaths United Kingdom
- 17,280 deaths New York City New York US
- 7,207 deaths Belgium
- 5,984 deaths Germany
- 5,806 deaths

Total Test Conducted in U.S.
5,441,079

- 805,350 tested New York US
- 526,084 tested California US
- 344,613 tested Florida US
- 276,021 tested Texas US
- 236,100 tested Massachusetts US
- 223,144 tested New Jersey US
- 214,952 tested Illinois US
- 198,593 tested Pennsylvania US

Deaths Recovered

US Tested



Confirmed Logarithmic Daily Cases

Lancet Inf Dis Article: [Here](#). Mobile Version: [Here](#).
Lead by JHU CSSE. Automation Support: [Esri Living Atlas team](#) and [JHU APL](#). Contact US, FAQ.

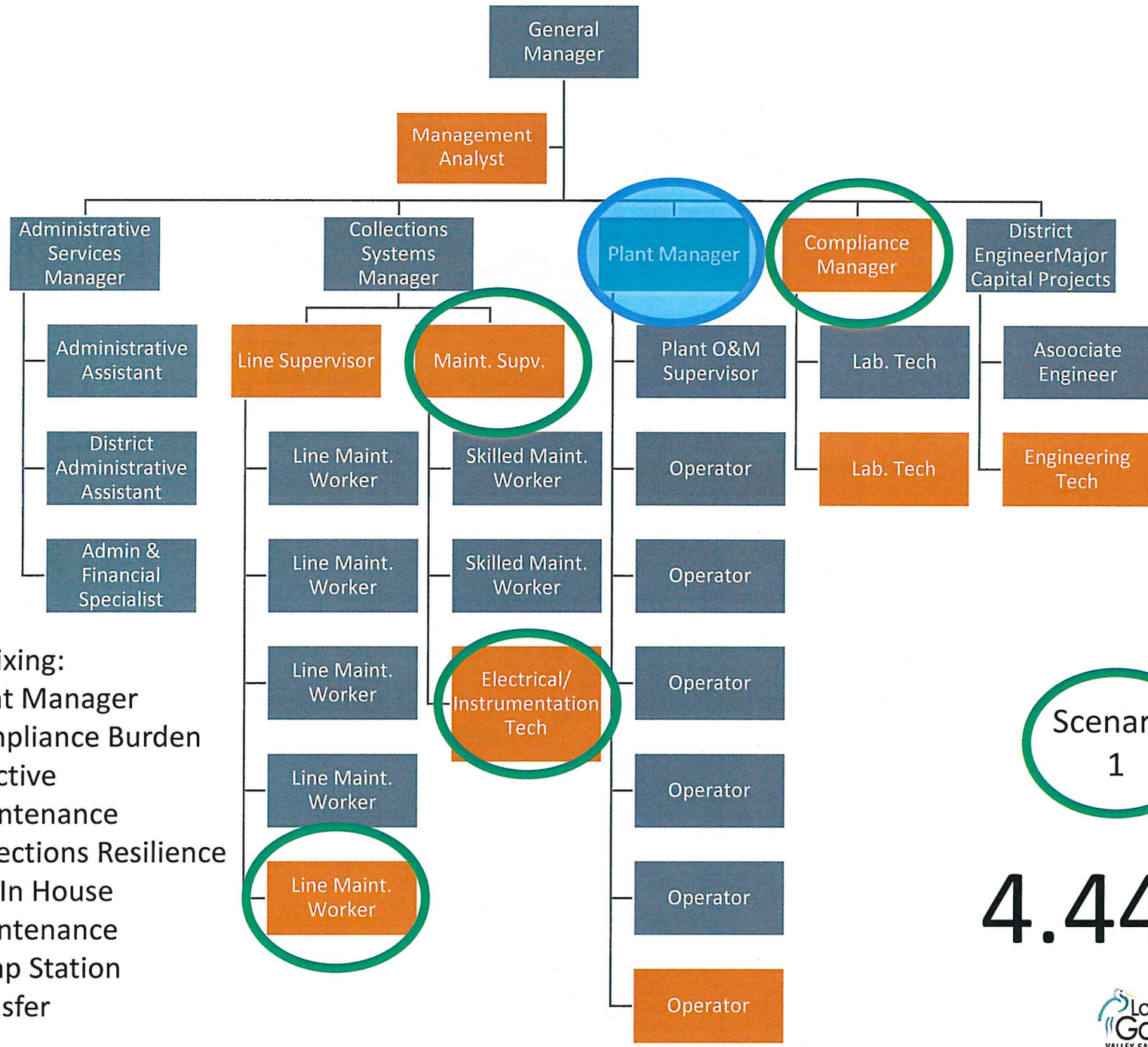
Data sources: [WHO](#), [CDC](#), [ECDC](#), [NHC](#), [DXY](#), [1point3acres](#), [Worldometers.info](#), [BNO](#), the

FY 2020-2021 Budget Philosophies:

1. Start to become more proactive and less reactive.
2. Start to implement staff increase recommendation without triggering avoidable/ironic organizational and operational turbulence.
3. Lay new foundations for improved short and long-range budgetary management and CIP planning and implementation.
4. Improve District Emergency/Disaster Response.
5. Move Board Strategic Initiatives forward with and eye on 'essentialism'.
6. Maintain sensitivity to coronavirus economic impacts.

Staff Increase Concerns

1. General Manager observations and three objective studies point to a staffing deficit.
 1. Regional Governmental Services
 2. Futuresense
 3. Kennedy Jenks
2. **Substantive increases are very long overdue**, cumulatively large, and absence has led to staff levels not keeping up with system evolution.
3. Backlogged District problems will languish and most likely worsen without additional staff.
4. Mechanics of hiring are slow; not starting augmentation now will exacerbate time dependent problems.
5. If **phasing** is not 'designed' carefully, **avoidable/ironic** problems may/will surface.
6. 4.44% rate increase required for appropriate initial **phase**.
7. Public Perception

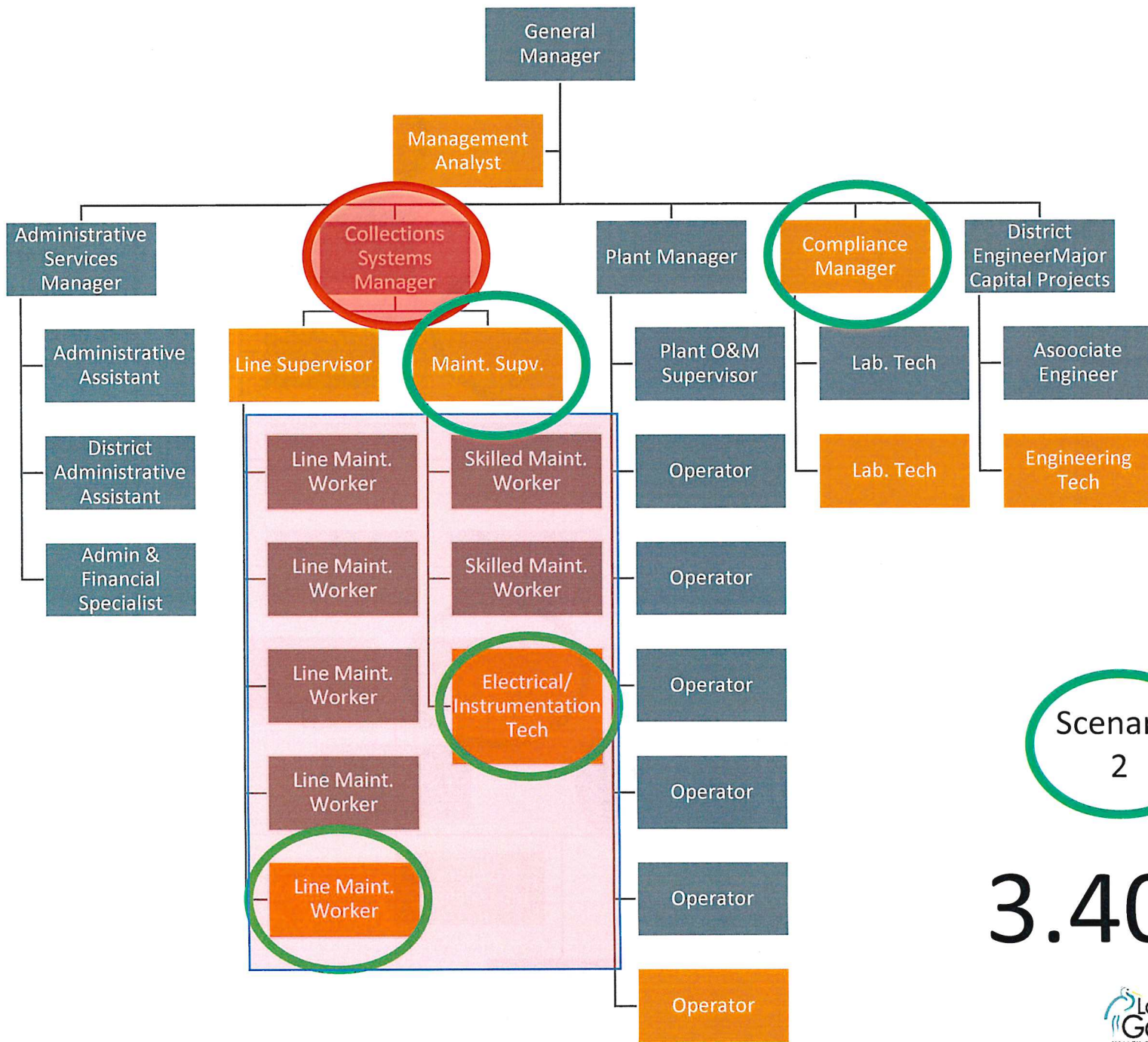


- Begins fixing:
1. Plant Manager Compliance Burden
 2. Reactive Maintenance
 3. Collections Resilience
 4. E&I In House Maintenance
 5. Pump Station Transfer

Scenario
1

4.44%

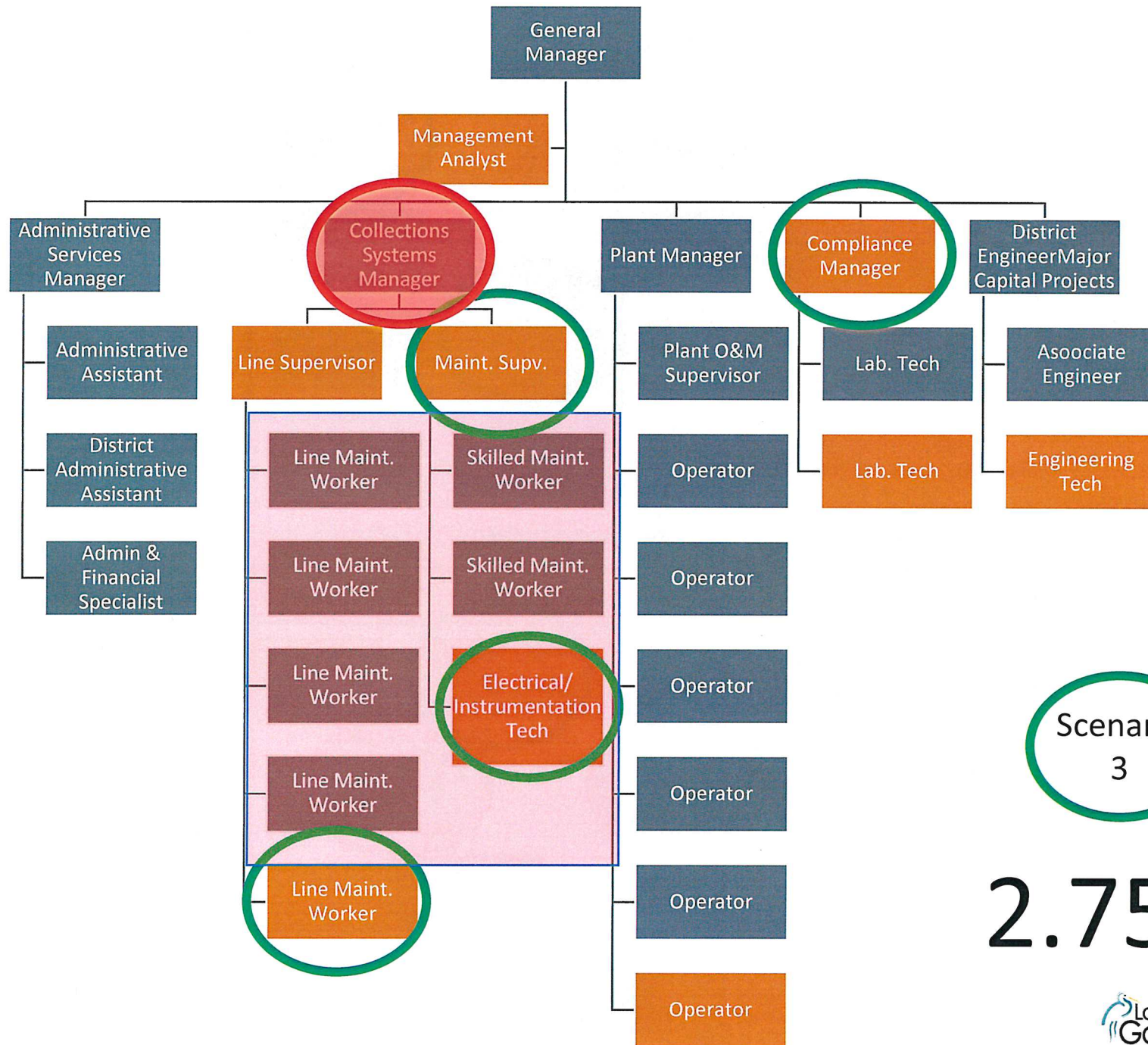




Scenario
2

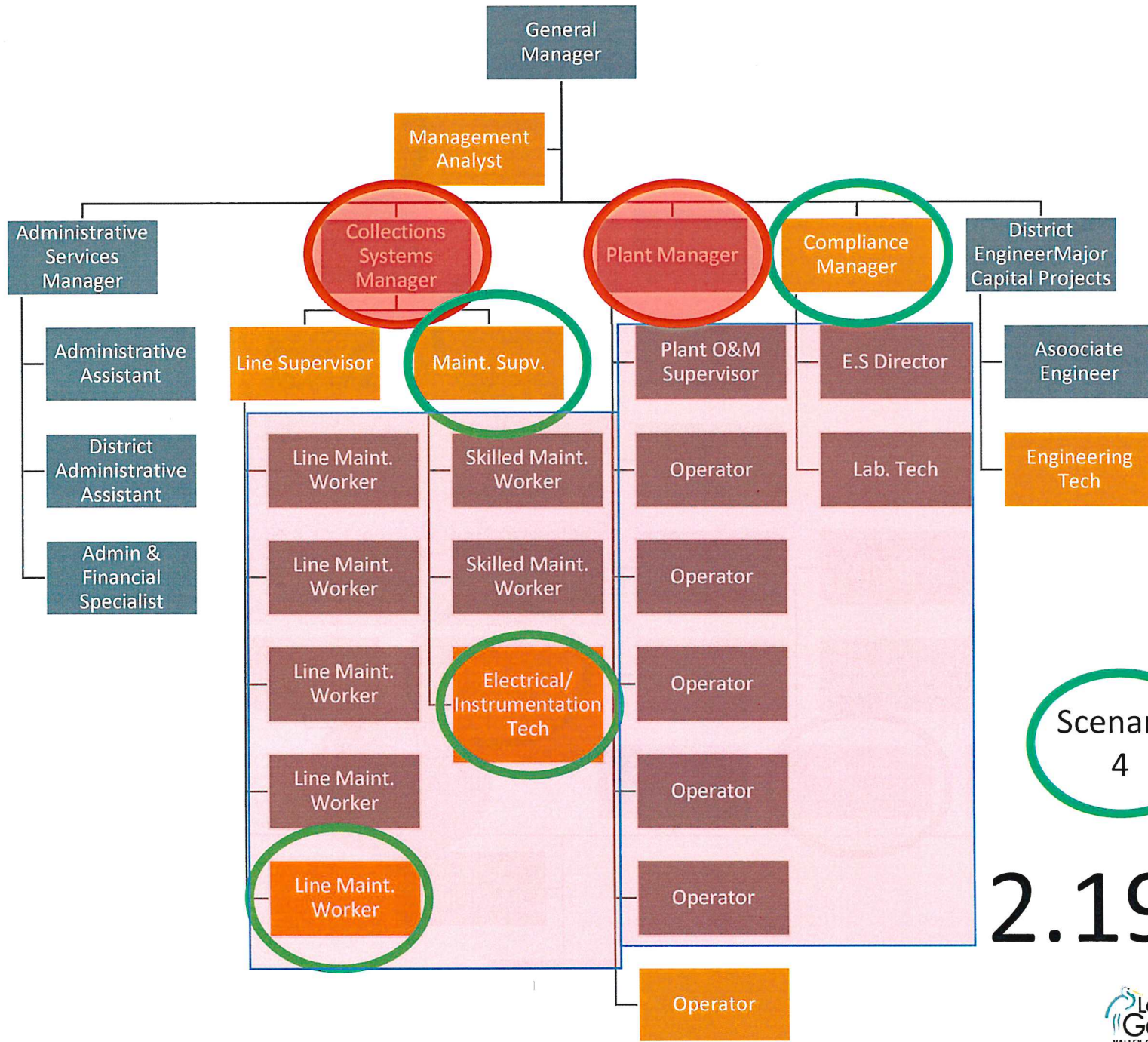
3.40%





Scenario
3

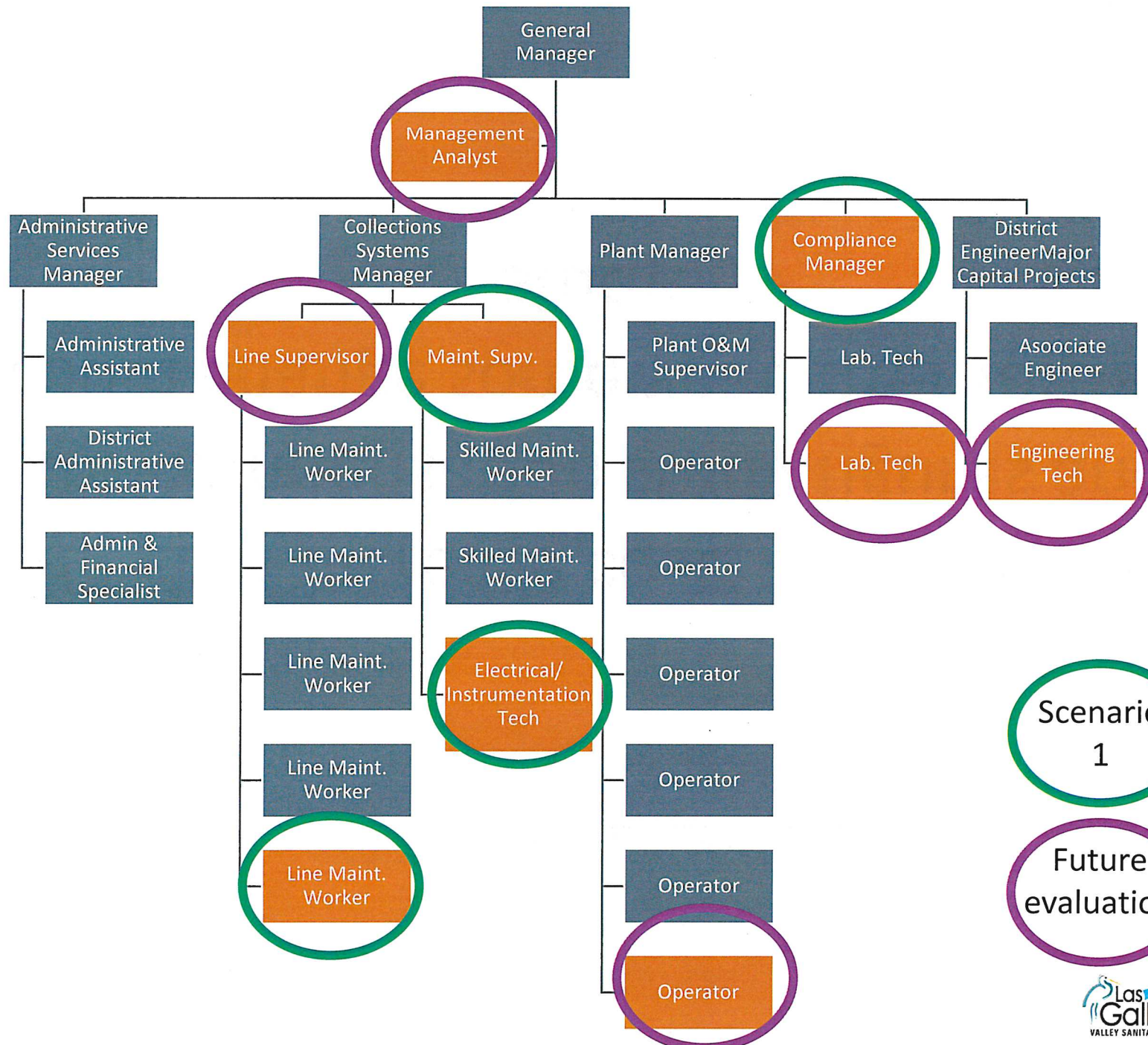
2.75%



Scenario
4

2.19%

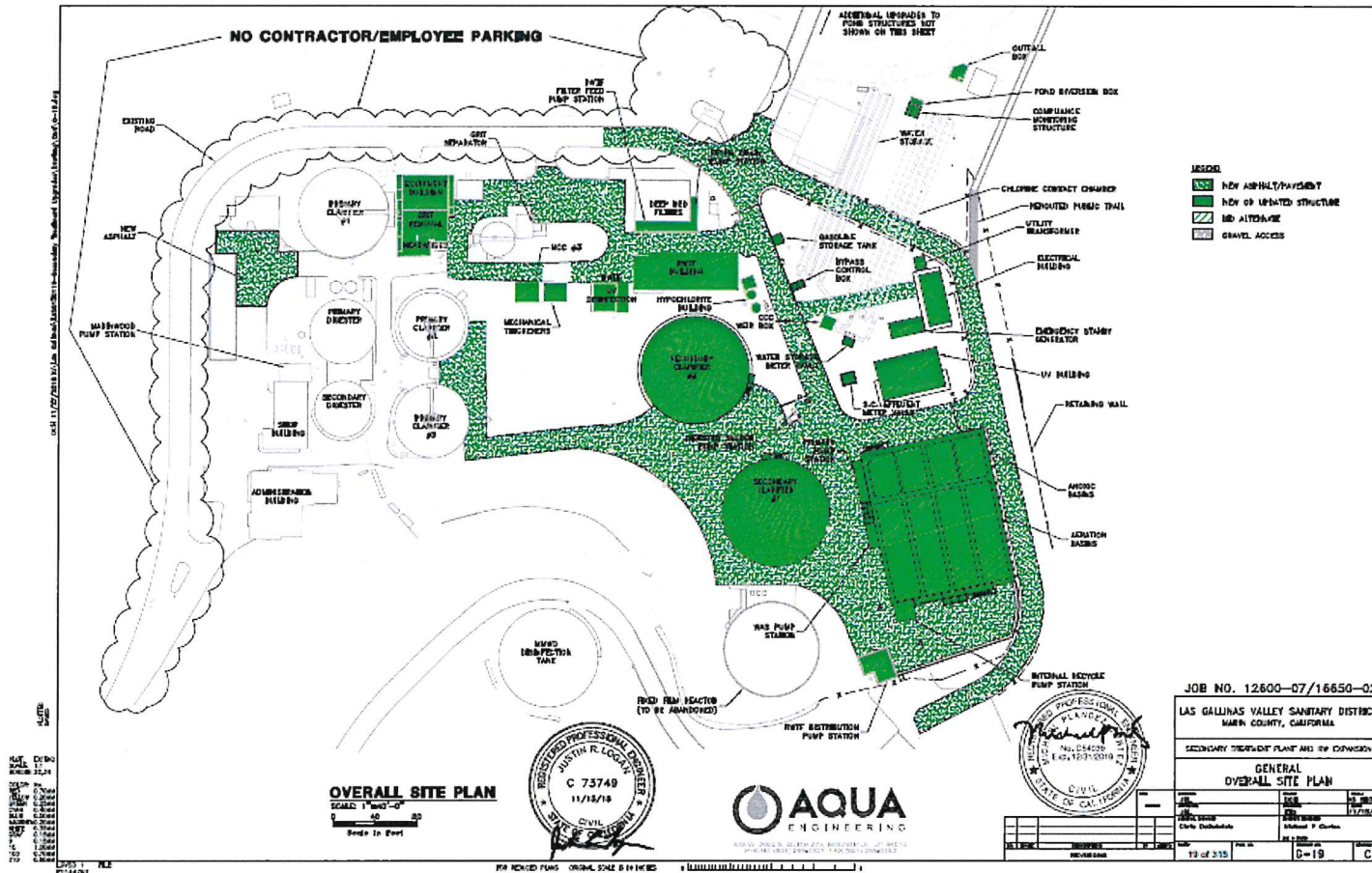




EXPECTATION MANAGEMENT

ALL staff increase costs are based on pre-compensation study figures and could change somewhat after formal study.

We must **PREPARE** for new systems, not **REACT** to them.



LGVSD Rate Increase History, percent

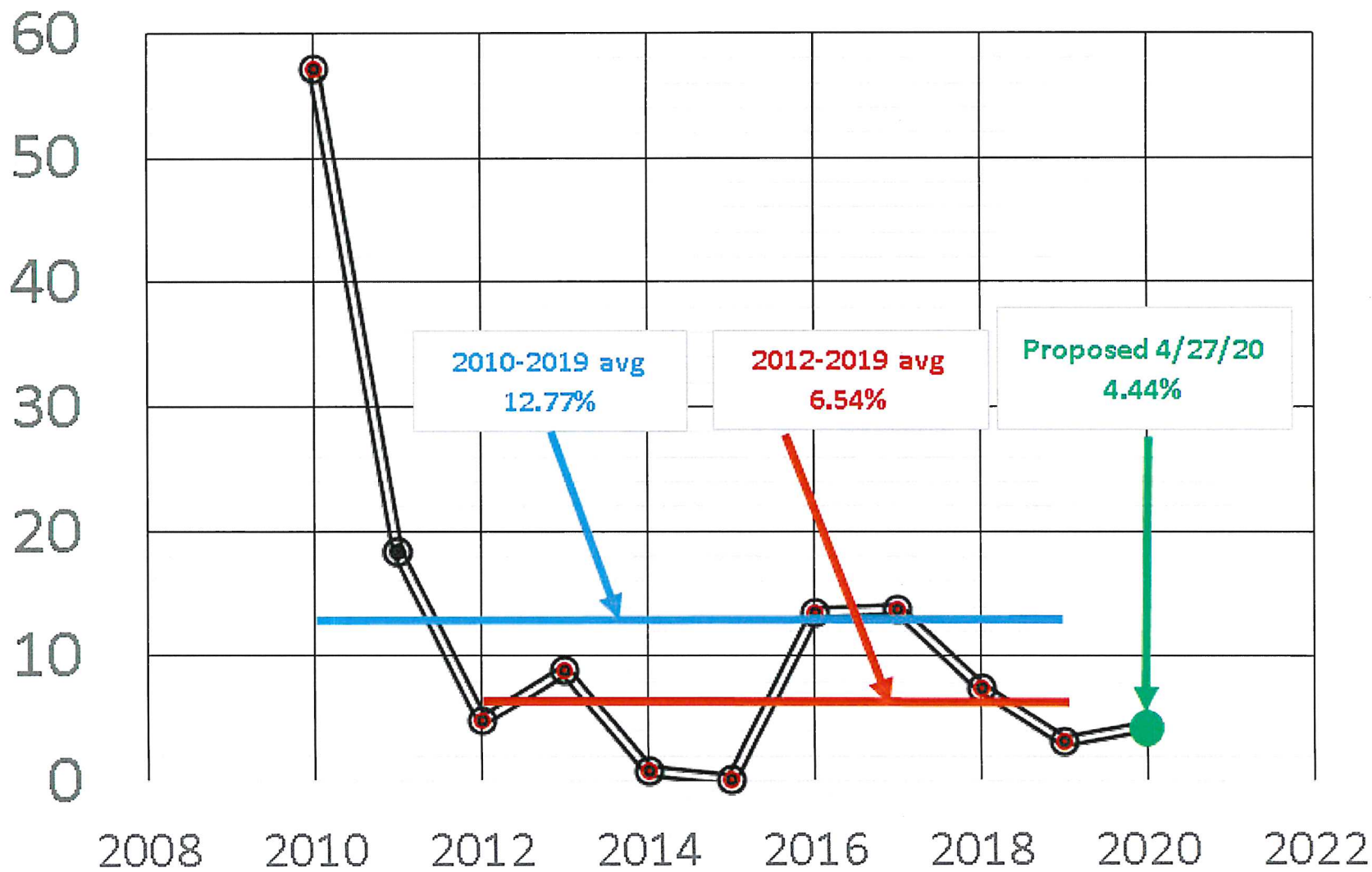


Table 1. Proposed FY 2020-2021 CIP budget reductions.

| Line | Name | Change | Comment |
|-------------|--|---------------|--|
| 8 | On-Call Engineering Contract | -\$100,000 | Reduced budget from \$200,000 to \$100,000 due to scope reduction. |
| 22 | Tractor/Backhoe Replacement | -\$100,000 | Eliminated from CIP. To be procured through existing Vehicle Replacement Fund. |
| 23 | Small Pickup | -\$35,000 | |
| 24 | Forklift | -\$50,000 | |
| 73 | IWMP Reclamation Projects (Placeholder) | -\$50,000 | Reduced budget from \$100,000 to \$50,000 due to scope reduction. |
| 94 | Plant Lighting Improvements and Other Electrical Enhancement | -\$145,000 | Funds moved to Year 2. |
| 97 | Maintenance Shop & Locker Room Improvements | -\$50,000 | Funds moved to Year 2. |

Total: -\$530,000

April 17: proposed rate increase of **6.78%**

April 27: 13.5% CIP cut lowers to **4.44%**



FY 2020-2021 Capital Improvements Program

(Date: 4/21/2020)

FINAL R2

| Line No. | Mgr. | Priority | Project No. | Type | Project Name | FY 2019-20 | | | AS OF 4/10/2020 | | | YEAR 1 | | PROJECTED | | | | 5-Year Total | | | | | | |
|--|------|----------|-------------|------|---|-------------------|-----------------|------------------------------------|------------------------------|-----------------------------------|------------------------|--------------------|-------------|-------------------|---------------------------------------|------------------------|----------------|--------------|----------------|----------------|----------------|-------------|-------------|-----|
| | | | | | | FY 2020 Available | FY 2020 Revised | FY 2020 Carryover BEFORE Transfers | Transfer In/Out of Carryover | FY 2020 Carryover AFTER Transfers | Projected Expenditures | Encumbered Amount* | PO Balance* | Available Funding | Year 2 Projected Expenditures 2020-21 | Year 1 2020-21 Request | Year 2 2021-22 | | Year 3 2022-23 | Year 4 2023-24 | Year 5 2024-25 | | | |
| PLANNING, SOFTWARE, & OTHER ENGINEERING | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | RR | 0 | 20100-01 | C | Integrated Financial Software | \$100,000 | | \$0 | \$0 | \$0 | \$100,000 | \$0 | \$0 | \$100,000 | \$0 | \$0 | \$75,000 | \$0 | \$0 | \$0 | \$0 | \$75,000 | | |
| 2 | RR | 0 | 20100-03 | CANC | Redesign of Offices in Admin Building | \$20,000 | | \$20,000 | (\$20,000) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 3 | MC | 0 | 20100-05 | C | Integrated Wastewater Master Plan Phase 1 ¹⁰ | \$400,000 | | \$0 | \$0 | \$0 | \$400,000 | \$400,000 | \$325,308 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 4 | MC | 1 | 20100-05 | A | Integrated Wastewater Master Plan Phase 2 ¹⁰ | \$0 | | \$0 | \$0 | \$0 | \$0 | \$491,802 | \$491,802 | \$0 | \$500,000 | \$100,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$500,000 | |
| 5 | MC | 1 | 20100-05 | A | Integrated Wastewater Master Plan Phase 3 ¹⁰ | \$0 | | \$0 | \$0 | \$0 | \$0 | \$305,000 | \$305,000 | \$0 | \$0 | \$0 | \$300,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$300,000 | |
| 6 | MC | 1 | 20100-05 | N | Integrated Wastewater Master Plan Flow Monitoring Support | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$250,000 | |
| 7 | MC | 1 | 20125-01 | A | On Call Construction Contract | \$100,000 | | \$0 | \$0 | \$0 | \$100,000 | \$202,000 | \$201,867 | \$0 | \$210,000 | \$110,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$910,000 | |
| 8 | MC | 1 | 20125-01 | A | On Call Engineering Contract | \$0 | | (\$45,000) | \$45,000 | \$0 | \$45,000 | \$45,000 | \$28,078 | \$0 | \$100,000 | \$100,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$900,000 | |
| 9 | MC | 1 | 21125-01 | N | Project Files Scanning | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$20,000 | \$20,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$20,000 | |
| 10 | MC | 1 | 21125-02 | N | Drafting Software Upgrade | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 | \$10,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 | |
| 11 | MC | 1 | 21125-03 | N | Alternative Funding Pursuit | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$50,000 | \$50,000 | \$15,000 | \$15,000 | \$15,000 | \$15,000 | \$15,000 | \$15,000 | \$110,000 | |
| 12 | GP | 1 | 21200-01 | N | Centricity Maintenance, Support, & Training | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$80,000 | \$80,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$50,000 | |
| 13 | GP | 1 | 21200-02 | N | MFD/HQA/Commercial Lateral Ordinances Outreach/Survey | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 | \$10,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 | |
| 14 | MC | 1 | 21500-08 | N | Biosolids System Improvement Analysis | \$0 | | \$0 | \$75,000 | \$75,000 | \$0 | \$0 | \$0 | \$75,000 | \$75,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$75,000 | |
| 15 | GP | 2 | | N | City Works Upgrades | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$30,000 | \$20,000 | \$0 | \$0 | \$0 | \$0 | \$50,000 | | |
| 16 | GP | 2 | | N | City Works License for Engineering | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$10,000 | |
| 17 | GP | 2 | | N | Fleet Maintenance Software | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$2,000 | \$8,000 | |
| 18 | GP | 2 | | N | Pump Station 3D Site Imaging, Labeling, & SOP Program | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subtotal: | | | | | | \$620,000 | \$0 | -\$25,000 | \$180,000 | \$75,000 | \$645,000 | \$1,443,802 | \$1,352,054 | \$175,000 | \$955,000 | \$880,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$3,278,000 | |
| FLEET & EQUIPMENT (To be procured through Vehicle Replacement Fund) | | | | | | | | | | | | | | | | | | | | | | | | |
| 19 | GP | 0 | 19200-03 | C | Vac Truck | \$325,000 | | \$19,571 | (\$19,571) | \$0 | \$305,429 | \$305,429 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 20 | GP | 0 | 20200-03 | C | Easement Vehicle | \$145,000 | | \$0 | \$0 | \$0 | \$145,000 | \$145,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 21 | GP | 0 | 20300-07 | C | Bypass Pump Connection Components & Pipe | \$40,000 | | \$0 | \$0 | \$0 | \$40,000 | \$0 | \$0 | \$40,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 22 | GP | 1 | 21200-03 | N | Tractor/Backhoe Replacement | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 23 | MC | 1 | 21600-04 | N | Small Pickup | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 24 | MC | 1 | 21600-05 | N | Forklift | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Subtotal: | | | | | | \$510,000 | \$0 | \$19,571 | -\$19,571 | \$0 | \$490,429 | \$450,429 | \$0 | \$40,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| COLLECTION SYSTEM (INCL. PUMP STATIONS & FORCE MAINS) | | | | | | | | | | | | | | | | | | | | | | | | |
| 25 | MC | 0 | 11200-03 | C | Marinwood Trunk Sewer Repair | \$300,000 | | \$33,000 | (\$33,000) | \$0 | \$267,000 | \$267,000 | \$10,600 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| 26 | MC | 1 | 11200-03 | A | John Duddett Pump Station & HWY 101 Terra Linda T5 Design | \$8,408,784 | | \$8,338,622 | (\$70,162) | \$1,583,622 | \$70,162 | \$869,355 | \$849,193 | \$784,429 | \$799,793 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$799,793 | |
| 27 | MC | 1 | 12300-05 | A | Rafael Meadows Pump Station - Electrical | \$100,000 | | \$100,000 | \$0 | \$100,000 | \$0 | \$0 | \$0 | \$100,000 | \$100,000 | \$0 | \$500,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$600,000 | |
| 28 | GP | 1 | 19250-01 | A | Captains Cove Pump Station Upgrades ¹¹ | \$29,765 | | \$29,765 | \$0 | \$29,765 | \$0 | \$0 | \$0 | \$29,765 | \$29,765 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$29,765 | |
| 29 | MC | 1 | 18360-01 | A | Marin Lagoon Pump Station ¹⁰ | \$163,615 | | \$160,491 | \$0 | \$160,491 | \$3,124 | \$31,062 | \$3,124 | \$160,491 | \$250,000 | \$89,509 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$200,000 | \$1,050,000 | |
| 30 | GP | 1 | 19200-02 | A | Manhole Frame & Cover Adjustment Allowance | \$50,000 | | \$50,000 | \$0 | \$50,000 | \$0 | \$0 | \$0 | \$50,000 | \$50,000 | \$0 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$250,000 | |
| 31 | MC | 1 | 20200-01 | A | Air Release Valves | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$250,000 | \$250,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$250,000 | |
| 32 | MC | 1 | 20200-01 | A | Force Main Assessment, Cleaning, Location Marking, & Mapping | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$100,000 | \$100,000 | \$50,000 | \$50,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$200,000 | |
| 33 | MC | 1 | 20300-09 | N | Smith Ranch Pump Station Electrical Upgrades | \$15,000 | | \$15,000 | \$0 | \$15,000 | \$0 | \$0 | \$0 | \$15,000 | \$75,000 | \$75,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$75,000 | |
| 34 | MC | 1 | 21300-01 | N | Contempo Marin MH N050.07 & Connection Improvement | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$200,000 | \$200,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$200,000 | |
| 35 | MC | 1 | 21300-03 | N | Standby/Towable Generators for Minor Pump Stations | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$150,000 | \$150,000 | \$400,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$550,000 | |
| 36 | MC | 1 | 21300-04 | N | Pump Station Site Lighting, Safety, & Security Improvements | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$40,000 | \$200,000 | \$750,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$950,000 | |
| 37 | MC | 1 | 21300-06 | N | Fencing Improvements at Various Locations | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$60,000 | \$60,000 | \$60,000 | \$60,000 | \$60,000 | \$60,000 | \$60,000 | \$60,000 | \$180,000 | |
| 38 | MC | 1 | 21300-07 | N | RWMP Pump Station & Force Main Projects (Placeholder) | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$100,000 | \$100,000 | \$250,000 | \$250,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$4,000,000 | | |
| 39 | MC | 1 | 21350-01 | N | Automatic Transfer Switches for Pump Stations | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$21,000 | \$205,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$305,000 | |
| 40 | MC | 1 | 21600-01 | N | Emergency Bypass Pumping Analysis & Emergency Response Plan | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$45,000 | \$45,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$45,000 | |
| 41 | MC | 1 | 21600-02 | N | Annual Facility Painting at Various Locations | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$30,000 | \$30,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$170,000 | |
| 42 | MC | 1 | 21600-03 | N | Annual Facility Paving at Various Locations | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$30,000 | \$30,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$170,000 | |
| 43 | MC | 2 | 18300-05 | A | Hawthorn Pump Station Fencing | \$75,000 | | \$75,000 | (\$50,000) | \$25,000 | \$0 | \$0 | \$0 | \$25,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$25,000 | |
| 44 | MC | 2 | | N | Descanso Pump Station Odor Control | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$45,000 | \$100,000 | \$150,000 | \$0 | \$0 | \$0 | \$295,000 | |
| 45 | MC | 2 | | N | Lower Marinwood Trunk Sewer M000.5 and MH M000.03 Access Road | \$0 | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$40,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$40,000 | |



Table 2. Staff increase scenarios and associated rate increases. The current Sanitary Service Unit SSU is \$927 per year⁺

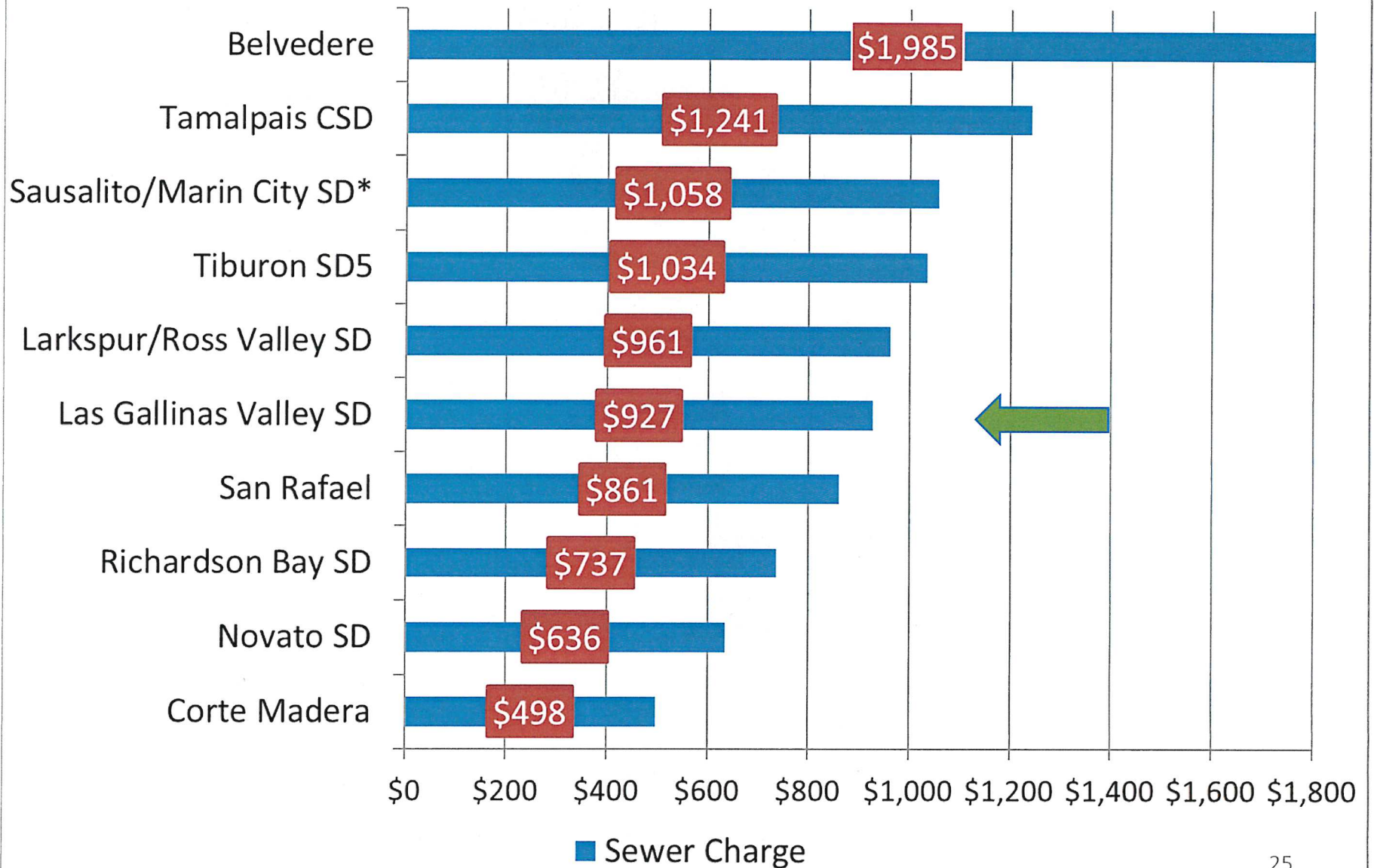
| 4/17 Scenario | CIP Reduction | Rate Increase | Proposed SSU | SSU Increase |
|----------------------|----------------------|----------------------|---------------------|---------------------|
| ECM | \$0 | 6.78% | \$990 | \$63 |
| LMW | | | | |
| MS | | | | |
| E&I Tech | | | | |
| Scenario 1 | \$530,000 | 4.44% | \$968 | \$41 |
| ECM | | | | |
| LMW | | | | |
| MS | | | | |
| E&I Tech | | | | |
| Scenario 2 | \$530,000 | 3.40% | \$958 | \$31 |
| ECM | | | | |
| LMW | | | | |
| E&I Tech | | | | |
| Scenario 3 | \$530,000 | 2.75% | \$953 | \$26 |
| ECM | | | | |
| E&I Tech | | | | |
| Scenario 4 | \$530,000 | 2.19% | \$947 | \$20 |
| LMW | | | | |
| E&I Tech | | | | |

Table 3. Annual Revenue and Monthly Customer Cost Increase for all Scenarios.

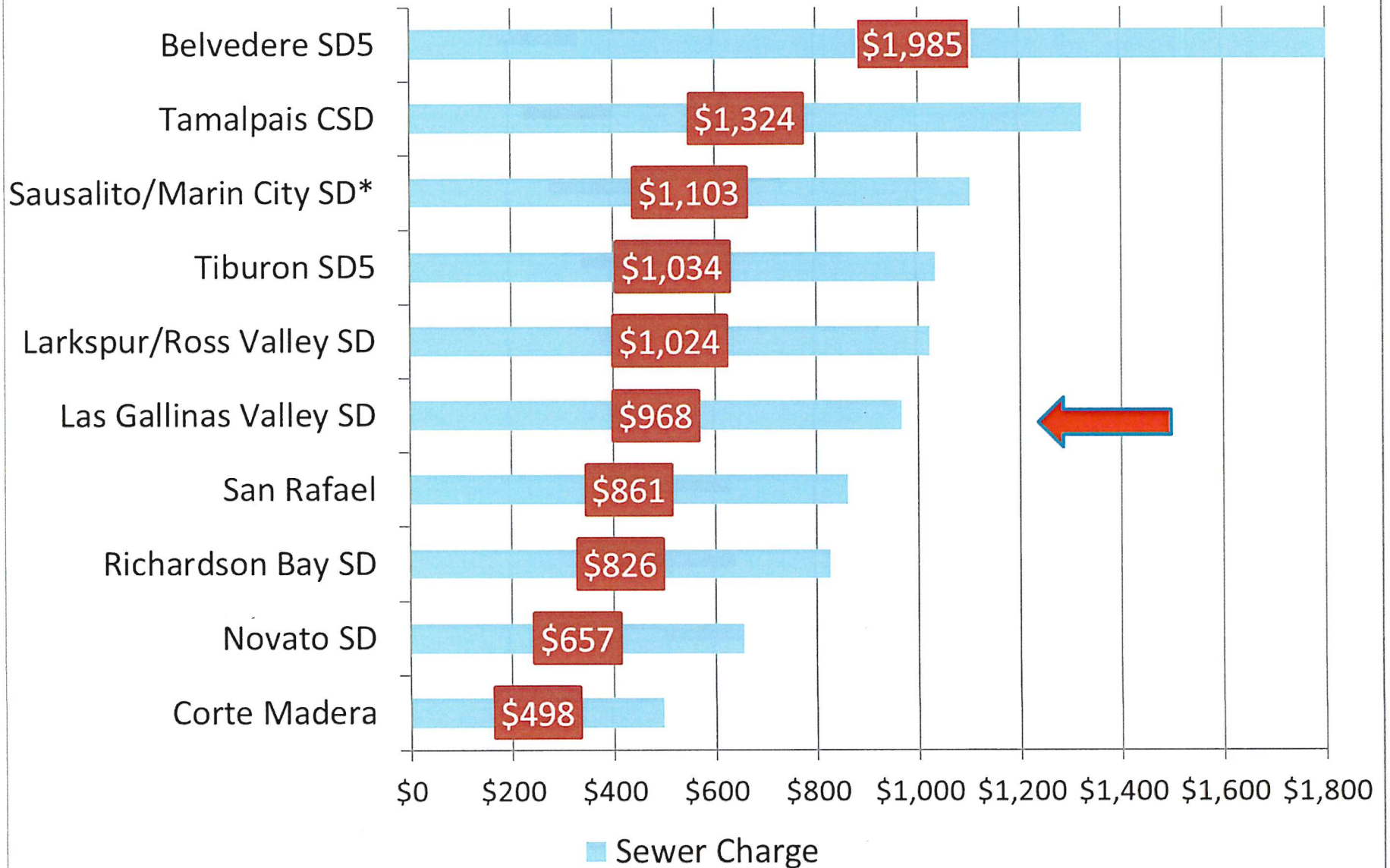
| Scenario | Rate Increase | Approximate Annual Revenue Increase | SSU Customer Cost Increase per month |
|-----------------|----------------------|--|---|
| 4 | 2.19% | \$334,486 | \$1.67 |
| 3 | 2.75% | \$415,930 | \$2.17 |
| 2 | 3.40% | \$510,450 | \$2.58 |
| 1 | 4.44% | \$661,700 | \$3.42 |
| 4/17 scenario | 6.78% | \$1,002,000 | \$5.25 |

Scenario 1:
Additional \$3.42 / month

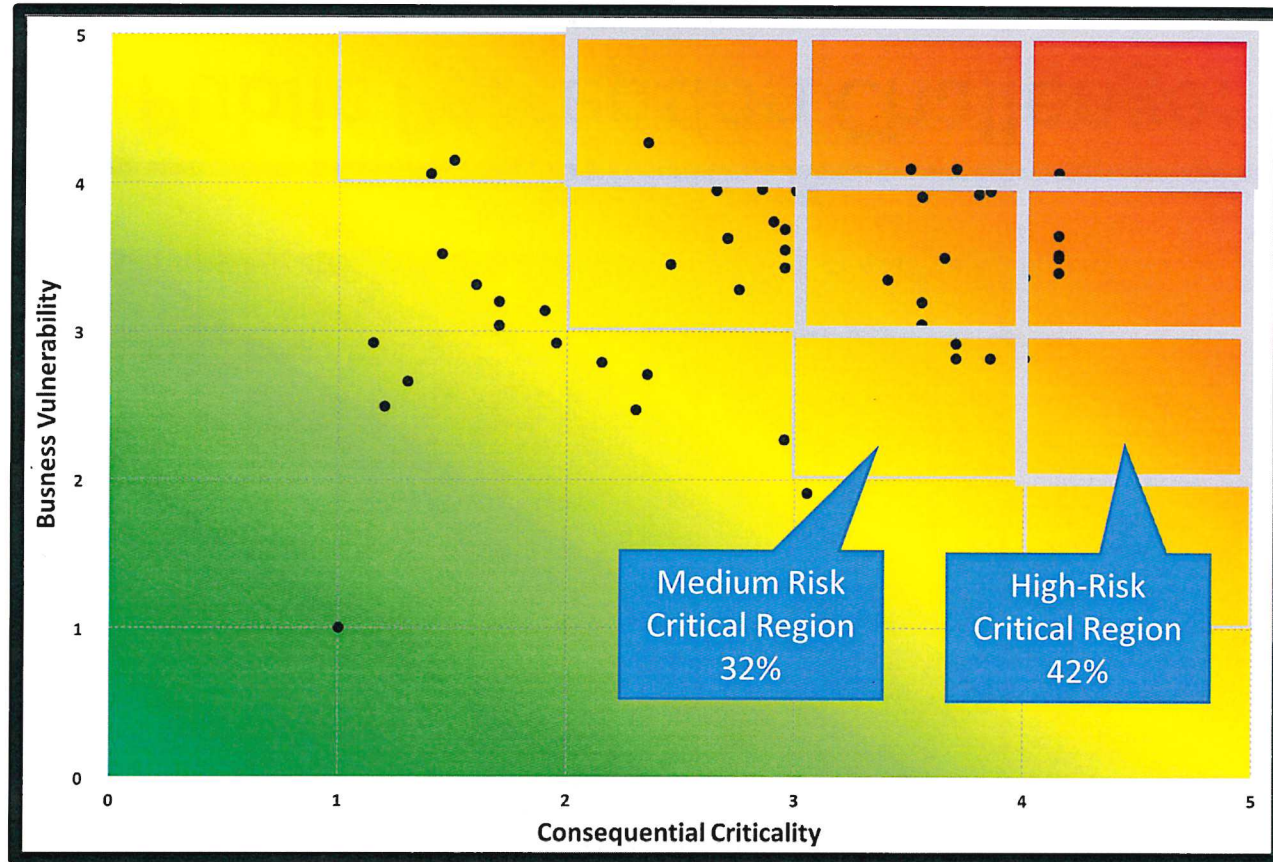
Sewer Rates per EDU Comparison in Marin County for FY 2019/20



Sewer Rates per EDU Comparison in Marin County for FY 2020/21

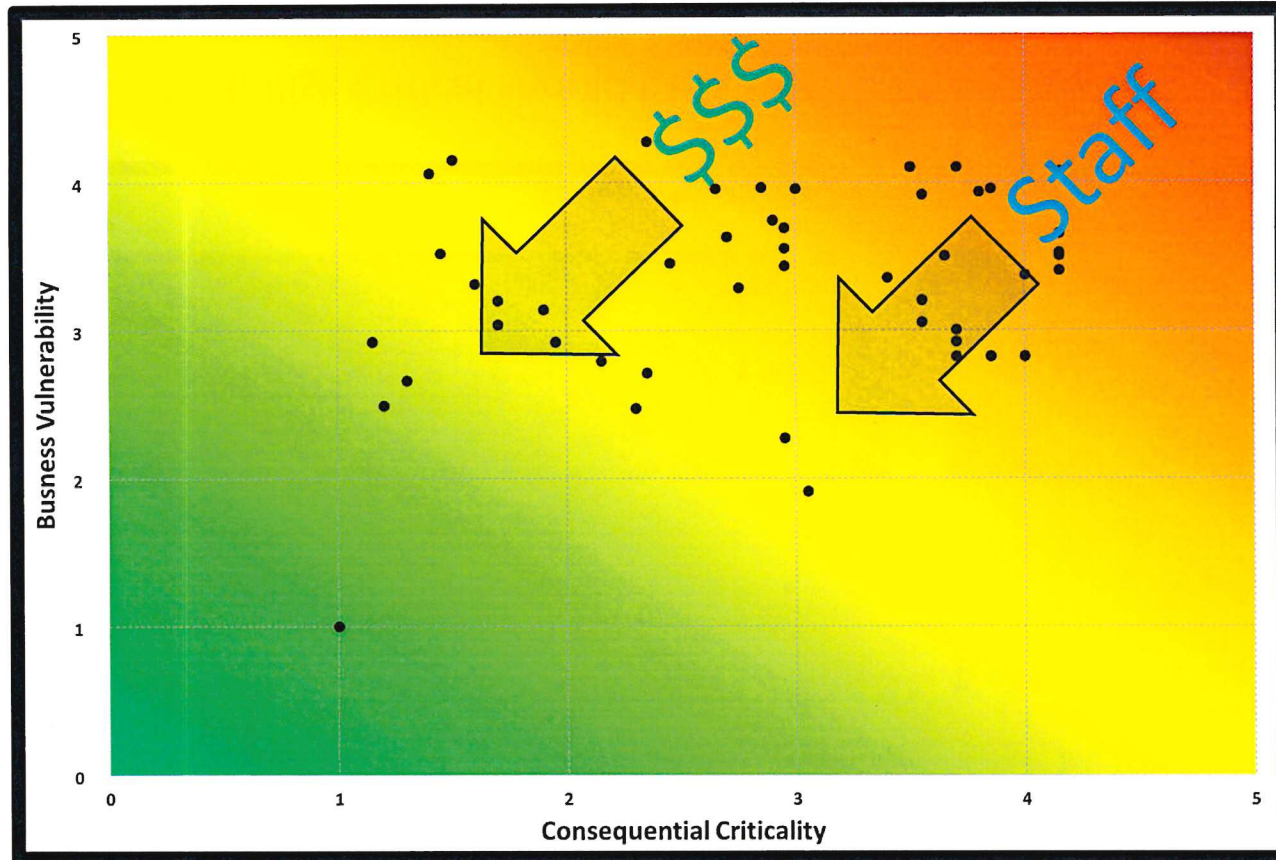


Heat Map shows Risk Criticality of District Systems

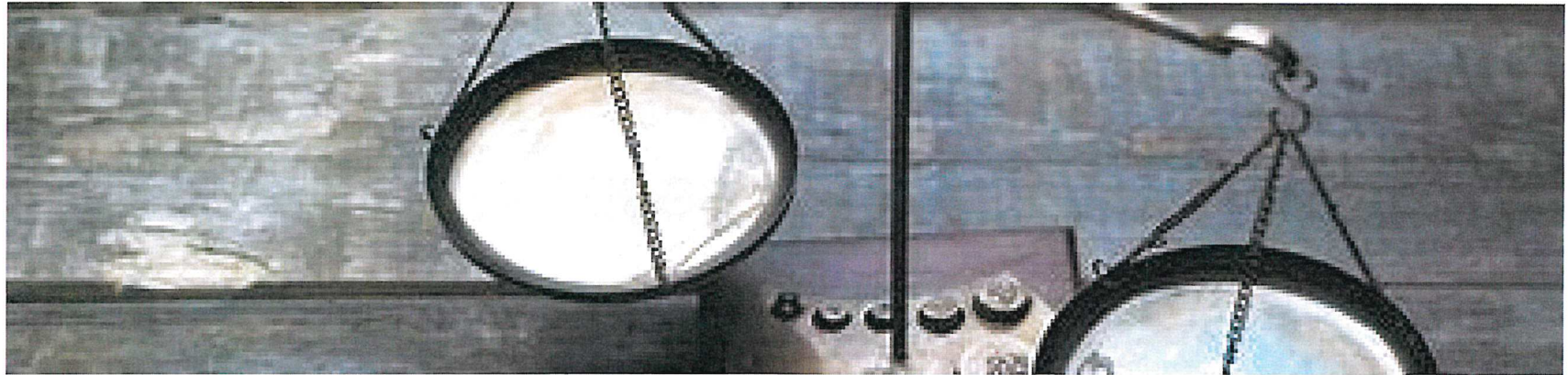


High Risk Critical should be 5-10%. LGVSD is at 42%.

Correctional Forces – Funding and Staff Increases



Public Perception Challenge:
\$3.42/month vs business risk reduction

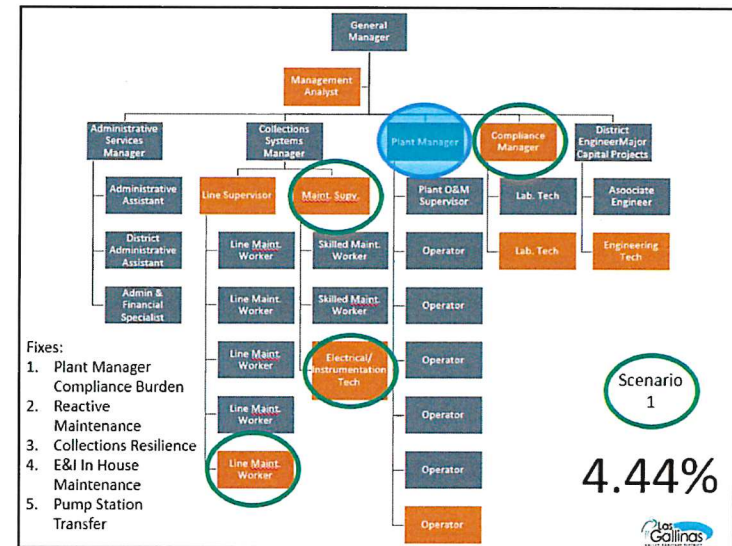
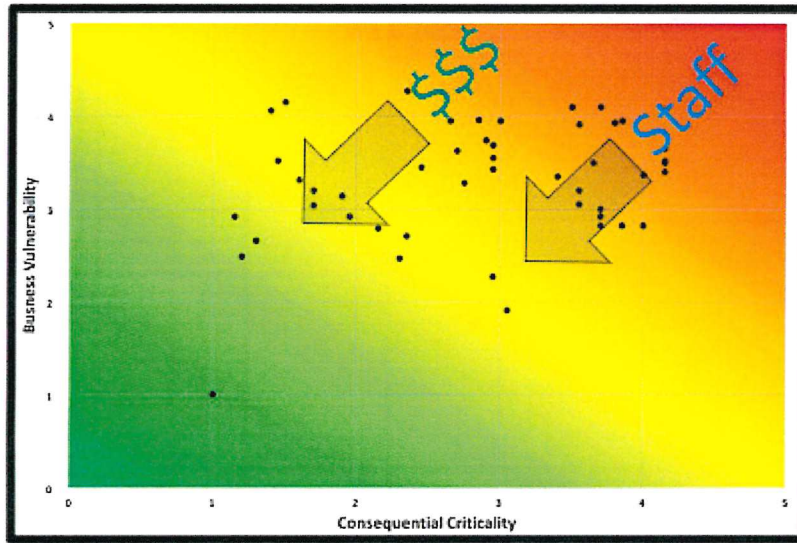


Public Perception Challenge:
\$3.42/month vs business risk reduction



\$3.42/month increase supports:

1. Job creation in a tough economy
2. Recent increases in District momentum
3. Staff Morale, Engagement, Ownership
4. Reduction of accumulating risks
5. Proactive trend instead of reactive trend



DISCUSSION

