



101 Lucas Valley Road, Suite 300
San Rafael, CA 94903
Tel.: 415-472-1734
Fax: 415-499-7715
www.LGVSD.org

MANAGEMENT TEAM
General Manager, Curtis Paxton
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
Gary E. Robards
Crystal J. Yezman

The Mission of the Las Gallinas Valley Sanitary District is to protect public health and the environment by providing effective wastewater collection, treatment, and recycling services.

BOARD MEETING AGENDA

June 1, 2023

MATERIALS RELATED TO ITEMS ON THIS AGENDA ARE AVAILABLE FOR PUBLIC INSPECTION DURING NORMAL BUSINESS HOURS AT THE DISTRICT OFFICE, 101 LUCAS VALLEY ROAD, SUITE 300, SAN RAFAEL, OR ON THE DISTRICT WEBSITE WWW.LGVSD.ORG

Estimated Time

OPEN SESSION:

4:30 PM

1. PUBLIC COMMENT

This portion of the meeting is reserved for people desiring to address the Board on matters not on the agenda and within the jurisdiction of the Las Gallinas Valley Sanitary District. Presentations are generally limited to three minutes. All matters requiring a response will be referred to staff for reply in writing and/or placed on a future meeting agenda. Please contact the General Manager before the meeting.

4:35 PM

2. CONSENT CALENDAR:

These items are considered routine and will be enacted, approved or adopted by one motion unless a request for removal for discussion or explanation is received from the staff or the Board.

- A. Approve the Board Minutes for May 18, 2023
- B. Approve the Warrant List for June 1, 2023
- C. Approve Yezman attendance at CASA CWEA Partnering for Impact meeting June 6, 2023
- D. Approve Call for Bids - Primary Clarifier #1 Rehabilitation Using In-Kind Mechanism
- E. Approve Regional Government Services Master Agreement Extension Amendment No. 3
- F. Approve ArcSine Engineering SCADA Support Services Contract for July 1, 2023 to June 30, 2026
- G. Approve Data Instincts Agreement Amendment No. 1
- H. Approve Award of Contract for Revisions to LGVSD Standard Specifications and Drawings
- I. Approve 2023 Sewer Rate Study Final Report
- J. Approve Strategic Plan

Possible expenditure of funds: Yes, Item B through H.

Staff recommendation: Adopt Consent Calendar – Items A through J.

-
- 4:40 PM 3. INFORMATION ITEMS:**
STAFF/CONSULTANT REPORTS:
1. General Manager's Report – verbal
 2. Engineering Department Report – written
 3. Operations Department Report – written
 4. Proposed Fiscal Year 2023-2024 Budget – written
- 5:40 PM 4. APPROVE RESOLUTION 2023-2307 SETTING TIME AND PLACE FOR PUBLIC HEARING ON THE BUDGET FOR THE FISCAL YEAR 2023-2024**
Board to review Resolution 2023-2307 fixing the time and place for a public hearing on the 2023-2024 budget.
- 5:45 PM 5. DRAFT ORDINANCE 193 AMENDING TITLE 3, CHAPTER 2 RELATING TO REIMBURSEMENT FOR PUBLIC SEWER MAIN EXTENSIONS AND SET PUBLIC HEARING DATE**
Board to discuss draft Ordinance 193 and set Public Hearing date.
- 6:00 PM 6. BOARD MEMBER REPORTS:**
1. CLARK
 - a. NBWA Board Committee, 2023 Operations Control Center Ad Hoc Committee, Other Reports
 2. FORD
 - a. NBWRA, 2023 Operations Control Center Ad Hoc Committee, 2023 McInnis Marsh Ad Hoc Committee, 2023 Fleet Management Ad Hoc Committee, 2023 GM Evaluation Ad Hoc Committee, 2023 San Francisco Bay Trail Ad Hoc Committee, Other Reports
 3. MURRAY
 - a. Marin LAFCO, 2023 Biosolids Ad Hoc Committee, CASA Energy Committee, 2023 Development Ad Hoc Committee, 2023 San Francisco Bay Trail Ad Hoc Committee, Other Reports
 4. ROBARDS
 - a. Gallinas Watershed Council/Miller Creek, 2023 Engineering Ad Hoc Committee re: STPURWE, 2023 McInnis Marsh Ad Hoc Committee, 2023 Development Ad Hoc Committee, 2023 GM Evaluation Ad Hoc Committee, Other Reports
 5. YEZMAN
 - a. Flood Zone 7, CSRMA, 2023 Ad Hoc Engineering Committee re: STPURWE, Marin Special Districts, 2023 Biosolids Ad Hoc Committee, Other Reports
- 6:10 PM 7. BOARD REQUESTS:**
- A. Board Meeting Attendance Requests – Verbal
 - B. Board Agenda Item Requests – Verbal

6:15 PM 8. VARIOUS INDUSTRY RELATED ARTICLES

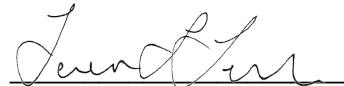
6:20 PM 9. ADJOURNMENT

FUTURE BOARD MEETING DATES: JUNE 15 AND JUNE 30, 2023

AGENDA APPROVED:	Megan Clark, President	Patrick Richardson, Legal Counsel
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CERTIFICATION: I, Teresa Lerch, Board Secretary of the Las Gallinas Valley Sanitary District, hereby declare under penalty of perjury that on or before May 29, 2023 4:30 p.m., I posted the Agenda for the Board Meeting of said Board to be held on June 1, 2023, at the District Office, located at 101 Lucas Valley Road, Suite 300, San Rafael, CA.

DATED: May 25, 2023



Teresa L. Lerch
Board Secretary

The Board of the Las Gallinas Valley Sanitary District meets regularly on the first and third Thursday of each month. The District may also schedule additional special meetings for the purpose of completing unfinished business and/or study sessions. Regular meetings are held at the District Office, 101 Lucas Valley Road, Suite 300, San Rafael, CA.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District at (415) 472-1734 at least 24 hours prior to the meeting. Notification prior to the meeting will enable the District to make reasonable accommodation to help ensure accessibility to this meeting.

AGENDA ITEM 1

6/1/2023

PUBLIC COMMENT

This portion of the meeting is reserved for persons desiring to address the Board on matters not on the agenda and within the jurisdiction of the Las Gallinas Valley Sanitary District. Presentations are generally limited to three minutes. All matters requiring a response will be referred to staff for reply in writing and/or placed on a future meeting agenda. Please contact the General Manager before the meeting.

MEETING MINUTES OF MAY 18, 2023

THE BOARD OF DIRECTORS AND STAFF OF THE LAS GALLINAS VALLEY SANITARY DISTRICT MET IN OPEN SESSION ON MAY 18, 2023 AT 4:32 PM AT THE DISTRICT OFFICE, 101 LUCAS VALLEY ROAD, SUITE 300 CONFERENCE ROOM, SAN RAFAEL, CA. 94903

BOARD MEMBERS PRESENT: Megan Clark, Ron Ford and Crystal Yezman

BOARD MEMBERS ABSENT: Craig Murray and Gary Robards

STAFF PRESENT: Curtis Paxton, General Manager; Dale McDonald, District Treasurer; Greg Pease, Collections/Maintenance/Safety Manager;

OTHERS PRESENT: Patrick Richardson, District Counsel;

ANNOUNCEMENT: President Clark announced that the agenda had been posted as evidenced by the certification on file in accordance with the law.

1. **PUBLIC COMMENT:** None.

2. **CONSENT CALENDAR:**

These items are considered routine and will be enacted, approved or adopted by one motion unless a request for removal for discussion or explanation is received from the staff or the Board.

- A. Approve the Board Minutes for May 4 and May 8, 2023
- B. Approve the Warrant List for May 18, 2023
- C. Approve Board Compensation for April 2023
- D. Approve Murray attendance at CASA CWEA Partnering for Impact meeting June 6, 2023
- E. Approve Resolution 2023-2306 Harassment, Discrimination and Retaliation Prevention Policy

ACTION:

Board approved (M/S Ford/Yezman (3-0-2-0) the Consent Calendar items A through E.

AYES: Clark, Ford and Yezman

NOES: None.

ABSENT: Murray and Robards

ABSTAIN: None.

3. **INFORMATION ITEMS:**

STAFF / CONSULTANT REPORTS:

1. General Manager's Report – Paxton reported.
2. Collections/Safety/Maintenance Department Report – Pease reported. Yezman would like follow up letters sent to those Homeowner's who received a 'recommend replacement' on their sewer lateral inspection report.
3. Administration Department Report – McDonald reported.
4. Quarterly Financial Report – McDonald reported.

4. **CAPITAL RESERVES AND REPURPOSING OF BANK OF MARIN MONEY MARKET ACCOUNT**

Board reviewed Resolution 2023-2305 designating \$3,000,000 to be held in the Capital Reserve for the construction of the Operations and Control Center building and repurposing the Bank of Marin Business Money Market account for use as a restricted Recycled Water Capital Repair and Replacement Fund. Discussion ensued.

ACTION:

Board approved (M/S Yezman/Ford (3-0-2-0) Resolution 2023-2305 designating \$3,000,000 to be held in the Capital Reserve for the construction of the Operations and Control Center building and repurposing the Bank of Marin Business Money Market account for use as a restricted Recycled Water Capital Repair and Replacement Fund.

AYES: Clark, Ford and Yezman
NOES: None.
ABSENT: Murray and Robards
ABSTAIN: None.

5. BOARD MEMBER REPORTS

1. CLARK

- a. NBWA Board Committee – no report
- b. 2023 Operations Control Center Ad Hoc Committee – no report
- c. Other Reports–CSDA Special Legislative Days – verbal report

2. FORD

- a. NBWRA – no report
- b. 2023 Operations Control Center Ad Hoc Committee – verbal report
- c. 2023 GM Evaluation Ad Hoc Committee – no report
- d. 2023 McInnis Marsh Ad Hoc Committee – no report
- e. 2023 Fleet Management Ad Hoc Committee – no report
- f. Other Reports – Gallinas Watershed Council- verbal report

3. MURRAY - absent

- a. Marin LAFCO – no report
- b. CASA Energy Committee –no report
- c. 2023 Biosolids Ad Hoc Committee – no report
- d. 2023 Development Ad Hoc Committee – no report
- e. Other Reports– no report

4. ROBARDS - absent

- a. Gallinas Watershed Council/Miller Creek – no report
- b. 2023 Engineering Ad Hoc Committee re: STPURWE – no report
- c. 2023 McInnis Marsh Ad Hoc Committee – no report
- d. 2023 Development Ad Hoc Committee – no report
- e. 2023 GM Evaluation Ad Hoc Committee – no report
- f. Other Reports – none

5. YEZMAN

- a. Flood Zone 7– no report
- b. CSRMA – no report
- c. Marin Special District Association – no report
- d. 2023 STPURWE Engineering Ad Hoc Committee – no report
- e. 2023 Biosolids Ad Hoc Committee – no report
- f. Other Reports– ACWA conference – verbal report

6. BOARD REQUESTS:

- A. Board Meeting Attendance Requests – Yezman requested to attend the Partnering for Impact Conference in Berkeley on June 6, 2023.
- B. Board Agenda Item Requests – Board President Clark created the 2023 San Francisco Bay Trail Ad Hoc Committee and assigned Ford and Murray as co-chairs of the committee.

7. MISCELLANEOUS DISTRICT CORRESPONDENCE:

Discussion ensued.

8. ADJOURNMENT:

ACTION:

Board approved (M/S Ford/Yezman 3-0-2-0) the adjournment of the meeting at 6:31 PM.

AYES: Clark, Ford and Yezman

NOES: None.

ABSENT: Murray and Robards

ABSTAIN: None.

The next Board Meeting is scheduled for Monday, May 25 at 1:00 PM in-person at the District Office.

ATTEST:

Teresa Lerch, Board Secretary

APPROVED:

Craig K. Murray, Vice-President

Agenda Item 20
Date June 1, 2023

Las Gallinas Valley Sanitation District
Warrant List 6/1/2023 DRAFT

	Date	Num	Vendor	Original Amount	Addition and Adjustment	Total Amount	Description for items
1	6/1/2023	EFT1	ADP Payroll	0.00		0.00	Payroll & Processing Charges
2	6/1/2023	20240	All Steel Fence	38,299.75		38,299.75	STPURWE- Automatic Gate Openers Installed @ Plant
3	6/1/2023	20241	Aramark	282.56		282.56	Laundry Service w/e 5/15
4	6/1/2023	20242	ArcSine Engineering	4,793.40		4,793.40	SCADA Support March & April
5	6/1/2023	20243	Aries Industries	18.44		18.44	Misc. Supplies
6	6/1/2023	20244	AT&T	684.44		684.44	Phone Lines @ Plant & Pump Stations
7	6/1/2023	ACH	Azteca Systems (Cityworks)	38,160.00		38,160.00	License Renewal for Cityworks
8	6/1/2023	EFT2	Bank of Marin	27,723.45		27,723.45	Recycled Water Loan Payment- June
9	6/1/2023	EFT	CalPERS 457 Plan	0.00		0.00	EE's Contribution to Deferred Comp.- Pay Period 5/15 - 5/28
10	6/1/2023	EFT	CalPERS Retirement	0.00		0.00	EE & ER Payment to Retirement- Pay Period 5/15 - 5/28
11	6/1/2023	ACH	Caltest Analytical	7,258.36		7,258.36	Outside Lab Testing
12	6/1/2023	ACH	Cardenas, Manuel	2,179.89		2,179.89	CWEA Annual Conference Reimbursement
13	6/1/2023	20245	Cintas Corp.	179.54		179.54	Safewasher & Filter Service
14	6/1/2023	ACH	Clark, Megan	651.90		651.90	CSDA Legislative Days- Conference Reimbursement
15	6/1/2023	EFT	Direct Dental	1,205.61		1,205.61	Dental Payments- May
16	6/1/2023	ACH	Edelstein, Daniel	3,762.25		3,762.25	Canada Goose Addling Project- April
17	6/1/2023	20246	Facilitron	325.00		325.00	Special Board Meeting Room Rental from San Rafael City Schools
18	6/1/2023	20247	Freyer & Laureta	45,091.35		45,091.35	Pump Station Electrical Upgrades- April
19	6/1/2023	ACH	GHD	6,281.15		6,281.15	Composting Feasibility Study, Biosolids Research Program Services
20	6/1/2023	ACH	Grainger	1,238.08		1,238.08	"Dead End" Traffic Sign, Pressure Gauges
21	6/1/2023	ACH	H2O Innovation	11,831.97		11,831.97	STPURWE- Four 10" Bushing
22	6/1/2023	20248	Huss, Pamela	112.00		112.00	Low Income Sewer Rate Assistance Program
23	6/1/2023	20249	IDEXX Distribution	1,738.86		1,738.86	Lab Supplies -Colilert
24	6/1/2023	20250	Jackson's Hardware	61.81		61.81	Misc. Supplies
25	6/1/2023	ACH	Kennedy/Jenks	32,002.12		32,002.12	STPURWE- Construction Management & Inspections Services - April
26	6/1/2023	20251	Liebert Cassidy Whitmore	85.00		85.00	Legal Fees- April
27	6/1/2023	20252	Linscott Engineering Contractors	10,392.74		10,392.74	STPURWE- Effluent Line Investigation/ Site Tube Installation
28	6/1/2023	20253	McMaster-Carr	1,920.32		1,920.32	Misc. Supplies
29	6/1/2023	20254	McPhail Fuel Company	651.24		651.24	Propane

**Las Gallinas Valley Sanitation District
Warrant List 6/1/2023 DRAFT**

	Date	Num	Vendor	Original Amount	Addition and Adjustment	Total Amount	Description for items
30	6/1/2023	ACH	Orion Protection Services	353.20		353.20	Patrol Services @ Smith Ranch- June
31	6/1/2023	ACH	Regional Government Services	6,615.00		6,615.00	Caselle Pre-Training Attendance, Financial Management-Caselle Implementation
32	6/1/2023	20255	Regional Monitoring Program	18,195.00		18,195.00	Annual Participant Fee -SF Bay Regional Water Quality Control Board
33	6/1/2023	ACH	Reladyne	2,690.82		2,690.82	Unleaded & Diesel Fuel
34	6/1/2023	20256	Siteone Landscape Supply	32.69		32.69	Misc. Supplies
35	6/1/2023	EFT	Sun Life Financial	3,524.49		3,524.49	EE's AD&D, Disability and Life Insurance- June
36	6/1/2023	20257	Unicorn Group	3,674.03		3,674.03	Prop 218 Notices- Postage
37	6/1/2023	EFT	Vision Service Plan	585.63		585.63	Vision Payment- June
38	6/1/2023	ACH	WECO	1,760.30		1,760.30	Misc. Supplies
39	6/1/2023	20258	Woodland Center Auto Supply	374.20		374.20	Truck Battery & Battery Charger- Collections
40	6/1/2023	20259	Zappetini	15,000.73		15,000.73	Replacement of 3 Existing Wood Platforms to Galvanized Catwalks

Do not change any formulas below this line.

TOTAL \$ 289,737.32 \$ - \$ 289,737.32

EFT1	EFT1 = Payroll (Amount Required)	0.00	0.00	Approval:
EFT2	EFT2 = Bank of Marin loan payments	27,723.45	27,723.45	Finance
PC	Petty Cash Checking	0.00	0.00	
>1	Checks (Operating Account)	141,913.10	141,913.10	GM
N/A	Checks - Not issued	0.00	0.00	
EFT	EFT = Vendor initiated "pulls" from LGVSD	5,315.73	5,315.73	Board
ACH	ACH = LGVSD initiated "push" to Vendor	114,785.04	114,785.04	
Total		\$ 289,737.32	\$ 289,737.32	

Difference: \$ -

STPURWE Costs 93,764.66



AGENDA ITEM 2C
DATE June 17, 2023

BOARD MEMBER CONFERENCE/ MEETING/WEBINAR ATTENDANCE REQUEST

Date: 5/18/2023 Name: Crystal Yezman

I would like to attend the Partnering for Impact Meeting of
CASA/CWEA

To be held on the 6 day of June from 8 a.m. to
6 day of June from 4 p.m.

Location of meeting: Berkeley, CA

Actual meeting date(s): June 6, 2023

Meeting Type: (In person/Webinar/Conference) Conference

Purpose of Meeting: Education/Networking

Meeting relevance to District: SB1383, Denmark Presentation, Biosolids,
Natural Env Treatment methods

Request assistance from Board Secretary to register for Conference: YES NO

Board Directors to make their own Hotel Reservations and book their own transportation including airfare, taxi and/or shuttles.

Frequency of Meeting: 1x

Estimated Costs of Travel (if applicable): \$200

Date submitted to Board Secretary: 05/18/2023

Board approval obtained on Date: _____

Please submit this form to the Board Secretary no later than 1 week prior to the Board Meeting.

TOGETHER
WE CAN
MAKE AN
IMPACT



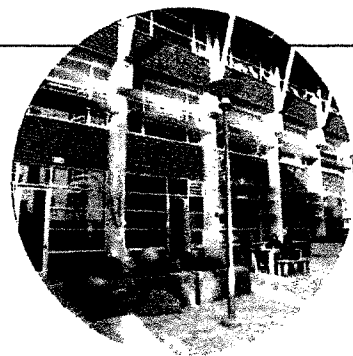
City of San José

CASA PARTNERING **CWEA** FOR IMPACT

David Brower Center, Berkeley

June 6, 2023 • 9:00 a.m. to 4:15 p.m.

REGISTER >





Silicon Valley Clean Water

Harnessing the Power of Partnerships and Innovation to Address Tomorrow's Challenges



Dave Richardson, Woodard & Curran
Event Committee Lead
Chair, CASA Associates Committee

Dear CASA and CWEA Members,

Partnering for Impact (PFI) is a one-day, highly-interactive gathering of wastewater **thought-leaders, practitioners, academics, and regulators** who strive to advance technology and innovation through partnerships.

We'll discuss innovations in liquid and solid stream processes, and explore ways our sector can speed-up the delivery of innovative projects.

We've structured the day with provocative topics, dynamic speakers, panel leaders, and roundtable sessions designed to collect your input through facilitated discussions and sharing at your table with fellow attendees. Each participant will be furnished with take away notes and a closing keynote speaker will deliver a call-to-action for all of us.

PFI was developed by a team led by Rick Warner and continues as a national movement alongside WEF and other innovative organizations. In California, PFI is organized annually by CASA and CWEA, and sponsored by the firms and individuals who are active in CASA's Engineering and Research Committee. We would like to thank the volunteers and CWEA staff for all of their support.

We invite technology leaders from research universities and innovative State and Federal regulators who are looking to develop utility partnerships to move technology and innovation forward.

We cannot wait to see you and the innovation and partnership ideas you bring to the table with us!

Thank you to our supporters

Dave Richardson Woodard & Curran

Kathryn Gies West Yost Associates

Dave Jones Hazen & Sawyer

Michael Metts Dudek

Ligaya Kohagura Black & Veatch

Susan Dennis Jacobs

Layne Baroldi Synagro

James Dunbar Lystek

Sarah Deslauriers Carollo Engineers

Marco Palilla HDR Engineering

Brian Villacorta Coombs Hopkins Company

Jonathan Boitano Brown & Caldwell

Surendra Thakral AECOM

Vivian Housen V.W. Housen & Associates

William Tanner Tanner Pacific

Students
and Young
Professionals
are welcome
to join!

Your name could be here! For details contact Alec Mackie, CWEA, amackie@cwea.org

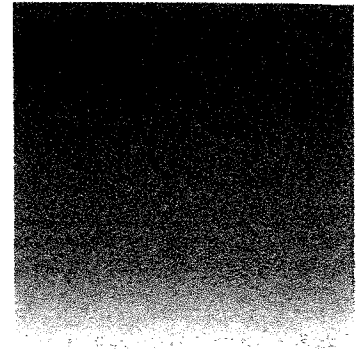
Sessions & Speakers



Starting at 8:30 a.m. enjoy a light continental breakfast and networking.

Opening Keynote Presentation Innovations in Pollutant Removal by Natural Systems

David Sedlak
UC Berkley



Morning Session

Policies, Practices in Data Management, and Partnerships

Jamie Ferro, Moderator, West Yost

Technology and Risk Presentation

Sophie Hyldal Thorgaard, Consulate General of Denmark

Leveraging Data

Amos Branch (invited), Carollo

Sustainable Nutrient Management

Sandeep Sathyamoorthy, Black & Veatch

**Register
Soon
Early Bird
Ends on
May 19**

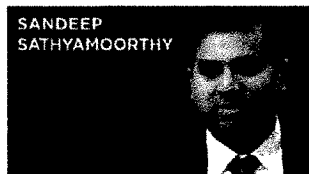
SOPHIE
HYLDA
THORGAARD



AMOS
BRANCH



SANDEEP
SATHYAMOORTHY

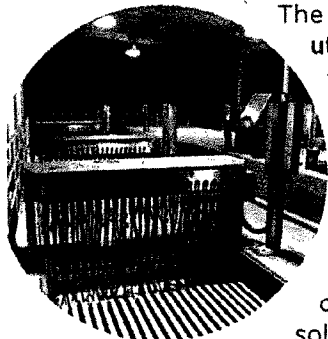


Then we'll move into
Rountable Discussions

Followed by
Lunch and Networking

Partnering for Impacting

Elevating Innovation & Excellence



Paul Cockrell

The goal of Partnering for Impact (PFI) is to build stronger utility/university/industry collaborations in the water sector for innovation and find areas where our efforts can create a positive impact. Water agencies, cities, counties, utilities, research funders, and universities actively addressing water issues are increasingly recognizing the value of partnering.

In addition, we can work together to promote national leadership in the water sector. Intentional collaboration can help drive innovation, increase the adoption of solutions, and enhance both resilience and ecosystem health, all while considering the needs of local economies.



Hyperion WRF, Playa del Rey

Sessions & Speakers

Afternoon Session

Biosolids Solutions: New Markets, New Money, and New Methods

Greg Kester, Moderator, CASA

Implementation of SB 1383 – Bringing Innovation to Biosolids and Organics Markets

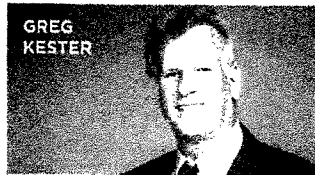
Speaker from Cal Recycle

Codigestion Challenges and Benefits

Speaker from Los Angeles County Sanitation Districts

Funding for Biosolids and Energy Projects

Jane Gray, Dudek



GREG
KESTER

JANE
GRAY



Partnering for Impact Wrap-up Translating Conference Ideas into a Call to Action

Wyatt Troxel
WTr Science Group, EnerVention

Don't miss it Attendee Happy Hour Meet-up

Jupiter
2181 Shattuck Avenue
Berkeley
4:30 p.m. No host bar.

Housed in an old livery stable from the 1890's, with interior inspired by the oldest bar in Berlin, Jupiter exudes charm & rare atmosphere. Steps off BART, in the heart of Downtown Berkeley, this brewhouse features two stories of seating, a heated beer garden, live music, delicious food and incredible local beer.

Description and photos by Visit Berkeley.



PFI REGISTRATION FORM

(PLEASE PRINT OR TYPE)



REGISTER ONLINE >

First Name: _____ Last Name: _____

Agency/Company: _____ Title: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: _____ E-Mail: _____

Emergency Contact: _____ Emergency Phone: _____

MEMBERSHIP: CWEA WEF CASA CA-NV AWWA # _____

Special Services: Check here if you require special accommodations to fully participate and attach written description.

Dietary Restrictions: Indicate any dietary restrictions _____

Tell us a bit about you. Please select one response for each question.

1. WHAT IS YOUR CAREER STAGE?			2. WHAT IS YOUR PRIMARY PRACTICE AREA?			
<input type="checkbox"/> Student	<input type="checkbox"/> Job Seeker	<input type="checkbox"/> Collection Systems	<input type="checkbox"/> Electrical/Instrumentation	<input type="checkbox"/> Laboratory	<input type="checkbox"/> Plant Maintenance	
<input type="checkbox"/> Entry-level	<input type="checkbox"/> Journey-level	<input type="checkbox"/> Engineering	<input type="checkbox"/> Pretreatment	<input type="checkbox"/> Public Outreach	<input type="checkbox"/> Stormwater	<input type="checkbox"/> Utility Executive
<input type="checkbox"/> Supervisor	<input type="checkbox"/> Management	<input type="checkbox"/> Plant Operations	<input type="checkbox"/> Safety	<input type="checkbox"/> Other		
<input type="checkbox"/> Executive	<input type="checkbox"/> Retiree	<input type="checkbox"/> Other				

3. WHAT TYPE OF ORGANIZATION DO YOU WORK FOR?

<input type="checkbox"/> Municipal - Large (400K+ customers)	<input type="checkbox"/> Municipal - Medium (50K-400K customers)
<input type="checkbox"/> Municipal - Small (< 50K customers)	<input type="checkbox"/> Non-municipal - Consulting Firm
<input type="checkbox"/> Non-municipal - Manufacturer or sales representative	<input type="checkbox"/> Non-municipal - Regulator, State or Federal
	<input type="checkbox"/> Other

REGISTRATION	
<input type="checkbox"/> EARLY BIRD RATE (BEFORE MAY 19)	\$185
<input type="checkbox"/> REGULAR RATE (AFTER MAY 19)	\$235
<input type="checkbox"/> SUPPORTING REGISTRATION RATE Supporting Registrants ensure the participation of emerging leaders, invited guests, and presenters highlighting breakthrough technologies for the water sector. Supporting registrants will receive recognition for their support at the event and in on-site signage.	\$500
<input type="checkbox"/> STUDENT Provide proof of college attendance w/minimum of 9 units.	\$0
Fee Total \$	

For assistance contact **CWEA MEMBER SERVICES**
510.382.7800 option 4 or memberservices@cwea.org

DAVID BROWER CENTER, 2150 Aliston Way, Berkeley, CA 94704
Weekday parking is available in the Oxford Garage directly below us.
Enter on Kittredge St. Staffed by a live attendant 10 a.m. - 7 p.m.
Nearest BART station: Downtown Berkeley

REGISTRATION OPTIONS:

1. Register online at events.cwea.org
2. Fax to 510.382.7810
3. Mail registration form and payments to:
CWEA PF123, 7677 Oakport Street, Suite 1030, Oakland, CA 94621-1935

Event Partners

PAYMENT INFORMATION

For payments by check or money order, make payable to: **CWEA PF123**

For payments by credit card, please print clearly.

Credit card: VISA MASTERCARD DISCOVER AMEX Signature: _____

Credit card number: _____ Expiration date: _____

Name of account holder: _____ Billing zip code: _____

Full payment or purchase order is required to process registrations. If you have to cancel, written cancellation notice is required and must be received at least 15 days prior to the workshop date. A 25% service fee shall be retained on all cancellations. No refunds shall be given for cancellations made less than 15 days prior to the event. A written special service request is required 30 days in advance.



Item Number _____ 2D _____

GM Review _____ CP _____

Agenda Summary Report

To: Board of Directors
From: Michael P. Cortez, PE, District Engineer
(415) 526-1518; mcortez@lqvsd.org
Mtg. Date: June 1, 2023
Re: Call for Bids – Primary Clarifier #1 Rehabilitation Using In-kind Mechanism
Item Type: Consent Action Information Other
Standard Contract: Yes No (See attached) Not Applicable

STAFF RECOMMENDATION

Board approves Call for Bids for Primary Clarifier #1 (PC#1) Rehabilitation with an engineer’s estimate of \$850,000 using in-kind clarifier mechanism manufactured by Ovivo (formerly Dorr-Oliver/Eimco).

BACKGROUND

District staff completed the evaluation of alternatives for the rehabilitation of existing Primary Clarifier #1 and determined that the most efficient solution is replacement in kind of the existing clarifier mechanism installed in the 1980s. This would allow minimum modifications to the existing concrete structure by utilizing existing anchor bolt patterns, center column dimensions, and other design features without significantly impacting downstream piping and treatment processes.

The existing PC#1 mechanism manufacturer, Dorr-Oliver/Eimco (now Ovivo) has the original shop drawings, submittal revisions, and other special requirements that would allow the future contractor and Ovivo adhere to the original intent of the design prepared by Nute Engineering in the 1980s.

PC #1 Rehabilitation project has a budget of \$300,000 for FY 22-23, and it is scheduled to commence after completion of the Secondary Treatment Plant Upgrade and Recycled Water Expansion (STPURWE) project. Staff has included the additional funding needed in the proposed 2023/2024 Budget.

PREVIOUS BOARD ACTIONS

N/A

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

N/A




Item Number _____ 2E _____

GM Review _____ CP _____

Agenda Summary Report

To: Board of Directors

From: Dale McDonald, Administrative Services Manager 
 (415) 526-1519 dmcdonald@lgvsd.org

Meeting Date: June 1, 2023

Re: Regional Government Services Master Agreement Extension Amendment No. 3

Item Type: Consent Action _____ Information _____ Other _____

Standard Contract: Yes No _____ (See attached) Not Applicable _____

STAFF RECOMMENDATION

Board to approve one-year master agreement extension with Regional Government Services Authority as defined in the attached Additional Scope of Services in an amount not to exceed an additional \$64,500 for the period July 1, 2023 to June 30, 2024.

BACKGROUND

Since 2002, Regional Government Services Authority (RGS) has been serving the needs of cities, counties, special districts, joint powers authorities, and other governmental entities by providing a ready source of support and consulting services to meet the needs of its partner agencies in a broad range of disciplines. The District has had a relationship with RGS for over four years. During that time, RGS has provided a range of human resources, finance, administrative, Board of Director support and organizational development services under multiple agreements.

The most recent support provided to the Board is with the General Manager (GM) Evaluation being conducted by RGS Human Resource Service Director Bobbie Bennett. Ongoing financial consultation and Caselle Government Accounting software implementation assistance has also been beneficial to the District, allowing staff to focus on budget development, capital project prioritization, payroll processing, and other day-to-day accounting aspects of government without the cost of adding an additional in-house financial or Human Resource position to the payroll.

The most recent, Master Agreement Amendment No. 2, extending the term of the agreement through June 30, 2023, was executed on September 26, 2022.

Extension of the master agreement would allow RGS to continue providing support to the District in the areas outlined in the Additional Scope of Service.

PREVIOUS BOARD ACTION

- On November 5, 2020, the Board of Directors approved the current RGS Master Services Agreement for on-call Human Resources, financial management, and Board of Director support and organizational development services.



ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

The Master Agreement from 2020 has a not to exceed of \$126,000 for three lines of services, funded over two fiscal years. The District has spent \$106,946 for services through March 31, 2023, averaging \$3,820 a month. Expenses through June 30 are expected to be higher because of the ongoing GM Evaluation and as the District goes live with its Caselle Accounting software system, scheduled for June 12.

An additional \$64,500 would be added to the current agreement, bringing the total cost to \$190,500 providing for 3 years and 7 months of service.

This does not include direct costs associated with work outside the Scope of Services, such as recruitment. If RGS Advisors must travel to the District, mileage and other travel expenses will be invoiced at the current IRS rate. RGS bills for actual hours worked.

ADDITIONAL SCOPE OF SERVICE
For Fiscal Year 2023-2024

May 15, 2023

Subject to the terms and conditions of this Agreement, Regional Government Services Authority (RGS) shall assign RGS employees to perform the functions described below as needed. Services may be performed onsite or remotely.

The **additional Scope of Services** is not to exceed **\$64,500**. This is in addition to the original agreement contracted price of \$126,000 dated December 4, 2020. Mileage and travel will be billed at the current IRS rate and is billed separately.

1. Provide ongoing as-needed Human Resources Management services. The cost of Human Resources services will not exceed \$17,500.
 - 1.1. Provide professional guidance and assistance with the performance evaluation process, including the General Manager classification.
 - 1.2. Facilitate staff compliance with departmental policies, procedures, and regulations governing human resources activities, as needed.
 - 1.3. Draft specific documentation relevant to resolving a range of personnel issues.

	Estimated Year Hours	Estimated Cost
On Call HR Support & General Manager Evaluation	125	\$17,500
Support to Board for GM evaluation	90	\$13,200
On-call support	20	\$2,500
Assist with written documents, including but not limited to performance job description	15	\$1,800

Please note significant HR issues and recruitments are additional services outside this Scope of Service. RGS recognizes the District has a contract with an HR company to provide non-transactional HR work. RGS will coordinate with this company as needed.

2. Provide ongoing Finance Management services. The cost for additional Finances Services is estimated not exceed \$47,000. Services will include:
 - 2.1. Accounting review FY 2022-23, preparation of fiscal year end, audit preparation support.
 - 2.1.1. Bank reconciliation
 - 2.1.2. Correcting entries
 - 2.1.3. Journal entries
 - 2.1.4. Year-end close
 - 2.2. Financial accounting support during Caselle Accounting Enterprise Resource Planning (ERP) implementation and conversion from Quick Books.
 - 2.3. Implementation of District’s FY 2023-24 budget and budget monitoring procedures, including mid-year adjustments and CIP project tracking.

- 2.4. Consult on District compliance and administrative and financial policies and procedures.
 - 2.4.1. Continuing disclosure (bonds)
 - 2.4.2. Internal control environment
 - 2.4.3. Banking procedures
 - 2.4.4. Accounting transactions
 - 2.4.5. Financial controls
 - 2.4.6. Project budget control and reporting
 - 2.4.7. Other best practices
- 2.5. Coach finance staff as needed in operations activities and budget monitoring.
- 2.6. Produce and contribute financial and other staff reports to District leadership, as needed.

	Estimated Hours	Estimated Cost
Finance Management	335	\$47,000
Fiscal administrative support, including but not limited to FY 2022-23 accounting review, support on audit preparation, FY 2023-24 budget & CIP monitoring, OPED, GASB 68, GASB 96 SaaS, Vehicle Equipment Reserve Fund, bank reconciliation.	185	\$28,000
Caselle ERP accounting support during initial year of implementation.	100	\$12,000
District compliance and administrative & fiscal policies & procedures & coaching staff, & assisting with staff reports.	50	\$7,000

- 3. Organization Development. Any incidental costs related to the utilization of the organizational assessment completed in 2020 are to be identified and billed separately. The remaining cost for this service is to be funded from any balance remaining under the master agreement, approximately \$1,500 as of June 1, 2023.
- 4. Be reasonably available to perform the services during the normal work week. Meet regularly and as often as necessary for the purpose of consulting about the additional scope of work performed with the appropriate District manager and with the RGS Lead Advisor or Advisors.
- 5. The District will only be invoiced for the actual hours worked. The work will be done remotely and/or onsite. RGS Advisors may only work onsite with the authority of the RGS Lead Advisor or Human Resources Services Director.



Item Number _____ 2F _____
GM Review _____ CP _____

Agenda Summary Report

To: Board of Directors
From: Mel Liebmann, Plant Manager mliebmann@lqvsd.org 415-526-1526
Mtg. Date: June 1, 2023
Re: Approve ArcSine Engineering SCADA Support Services Contract for July 1, 2023 to June 30, 2026
Item Type: Consent Discussion _____ Information _____ Other _____
Standard Contract: Yes No _____ (See attached) Not Applicable _____

STAFF RECOMMENDATION

Board to approve ArcSine Engineering SCADA Support Services Agreement for July 1, 2023 to June 30, 2026 to cover costs associated with the scope of work items.

BACKGROUND

The District utilizes a Supervisory and Control Data Acquisition (SCADA) System to perform the functions necessary to provide continuous operation of the wastewater treatment plant, recycled water facility and sewage pump stations. Staff’s ability to monitor, control, make operational decisions and present performance data from the many treatment process areas is reliant on a network of integrated equipment that requires maintenance and occasional modification when necessary.

ArcSine Engineering has provided annual SCADA support services to maintain and improve the district’s Rockwell Automation based control systems since 2016. ArcSine also provided systems integration support for the District’s recently completed Secondary Treatment Plant Upgrade and Recycled Water Expansion project. They have worked with staff to remedy many shortcomings of the existing control system. ArcSine staff continue to develop documentation in the programmed environment that makes troubleshooting easier. Other important improvements include the installation and configuration of new control system computer servers, implementing the inclusion of the collections crew into the alarm delivery system, configuration changes to improve pump station radio telemetry and an innumerable amount of treatment plant supervisory, process control and database modifications.

ArcSine, has worked with staff to develop a scope of work and fee estimate to provide ongoing support of the District’s SCADA system covering fiscal years 2023/2024 – 2025/2026. ArcSine’s proposal is included with this summary report. ArcSine Engineering’s billing is based on time and material expended.

Staff believe that continuing to utilize ArcSine Engineering for SCADA Support Services is the most advantageous way to maintain continued effective and reliable monitoring and control systems utilized in district operations and treatment processes.



ArcSine Engineering staff are intimately familiar with the District's SCADA network, a critical and complex District asset. The selection of ArcSine Engineering was based on a well-established reputation for delivering excellent service to several regional utilities. An increase in scope and cost for general support services in FY 22-23 was an anticipated result of the transition from the firm's focus on STPURWE project related activities to more general support related activities.

ArcSine Engineering has continued to work with staff over the last several years to implement a plan that applies industry best practices that will ensure a uniform well documented environment for both the programmer and end user. This foundational work expedites troubleshooting, ensures consistency, reduces errors, and allows for rapid transition to other service providers, if desired, in the future. Staff recommends continuing to use ArcSine Engineering as the District's SCADA Support Services provider to maintain continuity of services, and not go out for a Request for Proposals at this time.

PREVIOUS BOARD ACTION

The Board approved ArcSine Engineering's support services in FY 2022-23 for an estimated scope of work in the amount of \$63,318 at the May 5, 2022, Meeting. At the December 22, 2022 Board meeting the Board approved Amendment 1 to ArcSine Engineering SCADA Support Services Agreement for July 1, 2022 to June 30, 2023 for covering costs associated with additional scope of work items in the amount of \$21,377 bringing the total for FY 2022-23 to \$84,695.

ENVIRONMENTAL REVIEW:

NA

FISCAL IMPACT:

\$184,571 or \$61,523 divided evenly per year for FY's 2024-26.



SCOPE OF WORK

SCADA ON-CALL SUPPORT 2023-2026 LAS GALLINAS VALLEY SANITARY DISTRICT

ArcSine Project No. 1663.11/T1

April 27, 2023

INTRODUCTION

This Scope of Work covers professional services to be provided by ArcSine Engineering (Consultant) for ongoing support of Plant Control Systems.

This Scope is of similar character and a follow-on to prior support scopes for the District. The work under this Scope will be performed on an as-needed basis, as requested by the District over a 3-year period. The Scope is limited, and is not intended to provide a level of effort to make improvements. Instead its goal is to provide resources to support existing systems and functionality, as issues arise.

This Scope provides an estimating basis for annual support, although resources will be applied to the work as it comes up.

Task 1 – Recordkeeping

The District has in place electronic files and related documentation, all of which is in a state of evolution and ongoing improvement. Examples include Control Strategies which describe how things work.

This Task consists of recordkeeping associated with support work items, such as receiving District requests and writing/editing Control Strategies, editing documents and files to reflect work performed.

Provide brief status reports.

This Task does not provide for expansion of documentation.

Task 2 – On-Call Support, On Site And Off Site

This Task is comprised of remote on-call support, and emergency on-site support of the Plant Control System. The Secondary Treatment Improvements project made significant changes to Plants processes and control, and ArcSine has continued to work with the Plant's Operations Staff and District Contractors to refine these controls. The following consists of the estimating basis for continued on-call support.

2.1 Provide remote on-call SCADA support to Plant staff. Provide telephone support and remote troubleshooting support through VPN access. For estimating purposes, allow for the following:

2.1.1 Per year, twelve (12) programmer telephone consultations, at 4 hours each, with 20 hours of engineering oversight, with no formal documentation or followup.

2.1.2 Per year, seven (7) programmer consultations at 8 hours each, with 15-hours engineering oversight, with the time covering correspondence, teleconferences, work, testing, and recordkeeping.

2.1.3 District-requested programming changes for reporting.

2.2 Provide on-site response to SCADA urgent events. Per year, allow for three on-site visits, allow for 16 hours each event (preparation, coordination, resources for the on-site visit, followup), total, plus reasonable expenses and time of senior staff for technical oversight and consultation.

Task 3 – SCADA Support For District Engineers And District Consultants

This Task is included to account for coordination, and data requests from District Engineers and Consultants. Participate in meetings, workshops, and extract archived historical data as requested. The following is the estimating basis for continued support.

3.1 Provide remote on-call SCADA support to District Engineers and Consultants. Provide telephone support and remote troubleshooting support through VPN access. For estimating purposes, allow for the following:

3.1.1 Per year, three (3) programmer telephone consultations at 4 hours each, with 5 hours of engineering oversight, documentation will be provided as needed.

3.1.2 Per year, ten (3) programmer consultations at 8 hours each, with 4-hours engineering oversight, with the time covering correspondence, teleconferences, work, testing, and recordkeeping.

3.2 Per year, provide on-site response to SCADA related meeting and/or workshops. Per year, allow for two on-site visits, allow for 12 hours each event, total, plus reasonable expenses and time of senior staff for technical oversight and consultation.

RELATED WORK

Not covered in this Scope is work associated with responding to Cyber Security interests. It is expected that a separate scope(s) will be developed, as measures to be implemented are defined. Work will likely include the following:

- Cyber Security workshops/meetings
- Network improvements
- Improvements/changes to remote access
- SCADA hardware changes
- SCADA software modifications

NOT INCLUDED

Other support for the District is available, but is not included in this Scope. Examples include the following:

- Design of Plant/pumping station upgrades
- Programming for Plant/pumping station upgrades
- Design/implementation of other improvements

**Las Gallinas Valley Sanitary District
2023-2026 SCADA Support
Fee Estimate**

Description Year 1	Review	Senior Programmer	Senior Design	Programmer	Technician	Drafting	Clerical	Expenses
	\$240	\$198	\$181	\$144	\$85	\$116	\$93	
Task 1 – Recordkeeping								
A. Receiving requests, responding	2	8		16	4			
B. Control Description edits, prior to work	2			16			4	
C. Edits following work				10				2
D. Other recordkeeping								
E. Status reports	2			6				2
Subtotal - Hours	6	8	0	48	4	0	8	
Subtotal - Fee	\$ 1,440	\$ 1,584	\$ -	\$ 6,912	\$ 340	\$ -	\$ 744	\$ -
Subtotal	\$ 11,020							
Contingency Note 3 10%	\$ 1,102							
Task Subtotal	\$ 12,122							
Task 2 - On-Call Support, On Site And Off Site								
2.1 Provide Remote On-Call SCADA Support To Plant Staff; Allow The Following:								
A. Twelve telephone programmer consultations at 4 hours (plus 12-hours engineering oversight)	5	7		48	6			
B. Seven involved programmer consultations at 8 hours each (plus 15-hours engineering oversight)	5	10		56	8		4	
2.2 Allow Three On-Site Visits, 16 Hours Each Event (48 Hours Total), Plus Expenses And Oversight								
	3	3		48	6			\$1,200
Subtotal - Hours	13	20	0	152	20	0	4	
Subtotal - Fee	\$ 3,120	\$ 3,960	\$ -	\$ 21,888	\$ 1,700	\$ -	\$ 372	\$ 1,200
Subtotal	\$ 32,240							
Contingency Note 3 10%	\$ 3,224							
Task Subtotal	\$ 35,464							
Task 3 - SCADA Support For District Engineers And District Consultants								
3.1 Provide Remote On-Call SCADA Support To Plant Staff; Allow The Following:								
A. Three telephone programmer consultations at 4 hours (plus 5-hours engineering oversight)	1	4	2	12				
B. Three involved programmer consultations at 8 hours each (plus 4-hours engineering oversight)	1	3	2	21			4	
3.2 Allow Two On-Site Visits, 12 Hours Each Event Plus Expenses And Oversight								
	2	3		24				\$800
Subtotal - Hours	4	10	4	57	0	0	4	
Subtotal - Fee	\$ 960	\$ 1,980	\$ 724	\$ 8,208	\$ -	\$ -	\$ 372	\$ 800
Subtotal	\$ 13,044							
Contingency Note 3 10%	\$ 1,305							
Task Subtotal	\$ 14,349							
2023 - 2024 Support Total								
	\$61,935							
Task 4 – 2024 - 2025 Support								
Subtotal - Fee	\$61,935							
Escalation 6.9% Estimated CPI	\$ 4,274							
Task Subtotal	\$ 66,209							
Task 5 – 2025 - 2026 Support								
Subtotal - Fee	\$ 66,209							
Escalation 6.9% Estimated CPI	\$ 4,568							
Task Subtotal	\$ 70,777							
Total	\$ 184,571							
NOTES								
1. Individual hourly rates include salary, overhead, and profit.								
2. Other direct costs (ODC's) such as reproduction, delivery, mileage (rates will be those allowed by current IRS guidelines), and travel expenses will be billed at actual cost plus 5%.								
3. Task Subtotals include a 10% contingency to account for estimating variances.								



Item Number _____ 2G _____

GM Review _____ CP _____

Agenda Summary Report

To: Board of Directors
From: Teri Lerch, Executive Assistant/Board Secretary
 (415) 526-1510; tlerch@lgvsd.org
Mtg. Date: June 1, 2023
Re: Data Instincts 2022-23 Agreement Amendment No. 1
Item Type: Consent Action _____ Information _____ Other _____
Standard Contract: Yes _____ No _____ (See attached) Not Applicable .

STAFF RECOMMENDATION

Board approve Amendment No. 1 with Data Instincts.

BACKGROUND

The District has contracted with Data Instincts to provide Public Information and Awareness Services. The increased cost estimate from Data Instincts includes video production services for the June 8, 2023 ribbon cutting event of \$10,000 which is over their budgeted amount.

Board Policy F-90 requests contracts which total over \$60,000. be brought to the Board.

PREVIOUS BOARD ACTION

N/A

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

Minimal impact to the 2022-23 budget.

**AMENDMENT NO. 1
AGREEMENT FOR SERVICES
PROVIDING PUBLIC INFORMATION AND AWARENESS SERVICES
(JOB NO.2223-100, 2223-600 AND 2223-650)**

THIS AMENDMENT made this _____ day of _____ 2023 by and between the **LAS GALLINAS VALLEY SANITARY DISTRICT** (hereinafter referred to as “District”), and **DATA INSTINCTS** whose address is, **9481 WINECREST ROAD, WINDSOR, CA. 95492** (hereinafter referred to as “Consultant”).

WHEREAS, the original Agreement between both parties dated **August 29, 2022** is amended and supplemented as follows; and

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Scope of Work.

- a. The District required additional Public Relations services to be performed as described in Consultant’s email dated May 8, 2023, on a time and materials basis, value of services not-to-exceed \$10,000.
- b. The adjusted Total Contract Price to date is **\$69,250.** (Previous Amount = \$59,250.)
- c. The term of this Amendment extends the Revised Agreement to August 31, 2023, subject to early termination by either party as outlined in Section 20 of the original agreement.

2. Successors And Assigns. This Amendment shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto.

3. Entire Agreement. Except as expressly modified by this Amendment, the Agreement shall be and remain in full force and effect in accordance with its terms and shall constitute the legal, valid, binding and enforceable obligations to the parties. This Amendment and the Agreement (including any written amendments thereto), collectively, are the complete agreement of the parties and supersede any prior agreements or representations, whether oral or written, with respect thereto.

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed by their authorized representatives.

LAS GALLINAS VALLEY SANITARY DISTRICT

By _____
Curtis Paxton General Manager Date

DATA INSTINCTS

Signature Date

By _____
Print Name Title



Item Number _____ 2H _____

GM Review _____ CP _____

Agenda Summary Report

To: Board of Directors
From: Michael P. Cortez, PE, District Engineer
 (415) 526-1518; mcortez@lqvsd.org
Mtg. Date: June 1, 2023
Re: Award of Contract to Hazen & Sawyer for Revisions to LGVSD Standard Specifications and Drawings
Item Type: Consent Action _____ Information _____ Other _____
Standard Contract: Yes No _____ (See attached) Not Applicable _____

STAFF RECOMMENDATION

Board authorizes the General Manager to execute a contract with Hazen & Sawyer for Revisions to LGVSD Standard Specifications and Drawings in the amount of \$95,330.

BACKGROUND

The *District Standard Specifications and Drawings* (District Standards) was most recently updated in 2000. In recent years, District staff encountered substantial discrepancies on acceptable design requirements between current industry standards and the 2000 District Standards, such that District staff determined that some requirements in the drawings and specifications are obsolete. Hence, a thorough update is warranted for conformity with current industry published standards, applicable codes, and regulatory requirements. The updated District Standards would provide developers with procedural guide and minimum general requirements for the design, acceptable materials, and other special considerations specific to the District.

On March 10, 2023, District staff issued a Request for Proposal (RFP) and reached out to multiple consulting firms; however, only one consultant responded. As the sole proposer, Hazen & Sawyer submitted a proposal for the following scope of work:

1. Review and evaluate the 2000 District Standards for conformity with *LGVSD Specifications for Lateral Sewers* approved by the Board in 2019.
2. Research current standard practices of engineering design and construction requirements.
3. Revise and update specifications and drawings by incorporating research results and District staff input.
4. Provide final LGVSD standard specifications and drawings in Microsoft Word and AutoCAD formats, which would provide third-party consultants flexibility in incorporating District requirements in their projects.
5. Update the sewer design criteria for single and multi-family residential units and commercial developments to be used by developers for sanitary sewer flow calculations when applying for allocation of sewer capacity.

Staff reviewed the Hazen & Sawyer proposal including the fee schedule and deemed it reasonable and meets District requirements.



PREVIOUS BOARD ACTION

N/A

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

\$95,330

April 7, 2023
Mr. Mike Cortez, PE
District Engineer
Las Gallinas Valley Sanitary District
101 Lucas Valley Road Suite 300
San Rafael, CA 94903

Re: Revisions to LGVSD Standard Specifications and Drawings, Job No. 22125-02

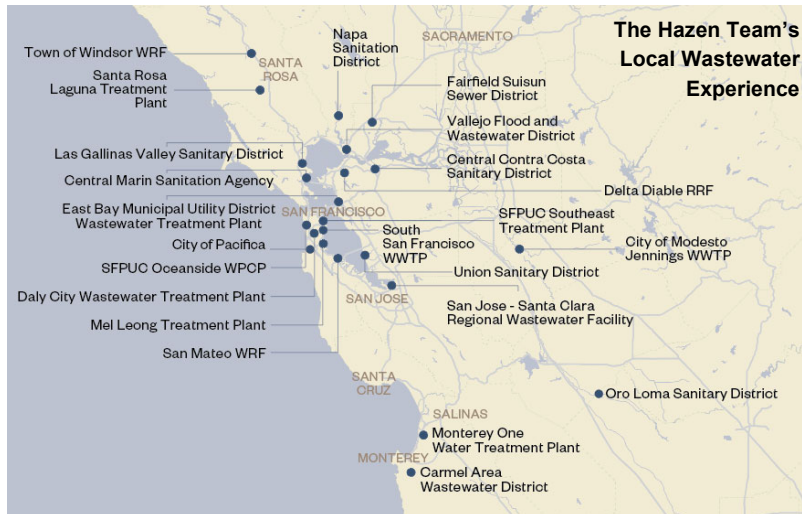
Dear Mr. Cortez:

Hazen and Sawyer (Hazen) understands that Las Gallinas Valley Sanitary District's (LGVSD's, District's) Standard Specifications and Drawings (District Standards), last updated in 2000, are ready to be updated. For example, over the last 22 years, there have been significant improvements to water conservation resulting in reduced wastewater flows from new developments than those developed over 20 years ago. The District Standards are used both for District projects and to provide guidelines for planning and design of projects (e.g., new housing developments) with proposed wastewater connections within the District's service area.

With that background, the District is faced with an important decision. Your challenge will be to distinguish between the firms proposing to assist the District with updating your standards. Each firm will offer extensive experience and staff qualifications and provide supporting documentation about their unique knowledge of District's facilities. However, the following are key messages that help define and distinguish the Hazen Team, who have completed similar assignments locally as well as throughout the country:



Understanding the Importance of Updating the District Standards. Hazen is currently preparing a hydraulic model for the District's collection system, and we have been using the District Standards for inputting flow demands into the model. Hazen, with the District's cooperation, is also working with several developers to help them evaluate the impact of their new wastewater flows on the District's collection and treatment system, using the District Standards to provide uniformity for these evaluations.





A Proven Team with a Local, Committed, and Accessible Project Manager Who Produces Results. Our Team, led by Gregg Cummings, consists of the same core members who recently delivered on the On-Call task orders, including the 245 Nova Albion and Los Gamos permit applications, as well as the San Francisco Public Utilities Commission (SFPUC) Standards update.



Experience with Updating Standards. Hazen is currently updating collection system design standards for the SFPUC, and Central Contra Costa Sanitary District. We can bring our SFPUC experience to efficiently and effectively update the District Standards.

Hazen is pleased to provide the proposal, which includes General Firm Information, Project Understanding and Approach, and a Compensation Matrix.

The local Hazen Team offers Standard Specifications and Drawings experience, exceptional service, and recent experience with how developers and other users will use the updated District Standards, making Hazen an outstanding choice for this assignment. We confirm that Hazen can meet the required insurance levels, agrees to the previously negotiated contract language, and that Marc Solomon has authority to negotiate and contractually bind Hazen. If you have any questions about this proposal, please do not hesitate to contact Gregg Cummings at gcummings@hazenandsawyer.com or (415) 307-9505.

Sincerely,
Hazen

Gregg A. Cummings, PE
Project Manager/Senior Associate

Marc Solomon, PE, BCEE, D.WRE
Principal-In-Charge/Vice President

Cc: Irene Huang, PE



General Firm Information

Hazen is a nationally and internationally recognized environmental engineering consulting firm founded in 1951, with over 1,500 employees who specialize in the engineering and construction of wastewater, water, and stormwater facilities. Hazen has eight offices in California, including four in the Bay Area. We are currently conducting several projects for the District, including the Digester Room MCC-2 Upgrade, Collection System Hydraulic Model Development, and As-Needed Engineering and On-Call Services. Hazen is also working with District staff and developers on four development projects using District Standards.

Hazen's Firm Project References, Organizational Chart, Brief Resumes of Key Staff, and Hourly Rates are included at the end of this proposal.

Project Understanding and Approach

Project Understanding

The Las Gallinas Valley Sanitary District's (LGVSD's, District's) Standard Specifications and Drawings (District Standards) were last updated in 2000. These documents have some outdated information, such as water usage factors based on a less intensive water conservation era, which need to be updated to reflect current District conditions. Also, as noted in the Request for Proposal, some of the language in the District Standards may be obsolete and some of the standards may no longer conform to current industry published standards, applicable codes, and regulatory requirements.

Hazen's goal with this project is to address these issues and update the District Standards to meet current industry standards, codes, and regulations and to provide District Standards that facilitate working with developers and other potential discharges to District systems.

Project Approach

For this project to update the District Standards, Hazen proposes the following Project Approach:

1. Manage the scope, schedule, and budget for this project, including monthly reporting.
2. Coordinate a 1-hour Kickoff Meeting to review the scope, schedule, and budget for the project with District staff, obtain relevant documents, and discuss project overview to better understand the District's concerns and goals for this project. For meetings included in this project Hazen will prepare and distribute agenda in pdf format via email.
3. Review and evaluate the 2000 District Standard, including the following:
 - a) Part A – General Information
 - b) Part B – Engineering and Design Requirements
 - c) Part C – General Construction Requirements
 - d) Part D – Technical Construction Requirements
 - e) Part E – Standard Drawings

It is understood that the District will provide the Standard Specifications as Word files and the Standard Drawings as AutoCAD files.

4. Review and update six standard drawings (LD-1 to LD-6) included in the current District Standards for sewer laterals , and update details of acceptable materials shown on AM-1 to AM-11. It is understood that the District will provide the drawings as AutoCAD files.
5. Identify potential updates to the Standard Details that are recommended to be reviewed by District Counsel. These updates to be reviewed will be highlighted in the documents to facilitate review.
6. Research current construction standard practices of engineering design and construction requirements for four to five comparable Bay Area Wastewater Agencies. An initial list of these agencies we propose to contact, based on our familiarity with their design standards, are San Francisco Public Utilities Commission (SFPUC), Union Sanitary District (USD), East Bay Municipal Utility District (EBMUD), and Napa Sanitation District, and Central Marin Sanitation Agency (CMSA). The results of this research will be summarized in a Technical Memo, focusing on common practices and industry standards as well as providing suggested justification for recommended updates to District Standards based on our research.
7. Evaluate the most effective way to incorporate the following District specific requirements into the District Standards:
 - a) Vehicle access in new developments for all new manholes and new sewer mains, include accommodating design and access requirements for providing access for District maintenance activities.
 - b) Design criteria in District Standards Section 4-01 for gravity sewer design in new developments.
 - c) LGVSD Specifications for Lateral Sewers, verifying consistency with District Standards.
8. Mark-up the existing District Standards, based on the results of Tasks 2 to 7 above, and provide the mark-ups to the District for review.
9. Mark-up the existing 19 District Standard Drawings, and provide up to an additional 21 District Standard Drawings, including the following:
 - a) Shallow Manhole
 - b) Flat Top Manhole
 - c) Inside Drop Manhole Connection
 - d) Precast Manhole Base
 - e) 5-foot Diameter Sewer Manhole
 - f) Manhole Connection
 - g) Waterproofing Manhole Ring Section (Inflow & Infiltration Seal)
 - h) Air Release Valve
 - i) Air Release Valve Vault
 - j) Backwater Prevention Devices
 - k) Construction Signage
 - l) 4-inch Sewer Lateral Detail
 - m) 6-inch and 8-inch Sewer Lateral Detail
 - n) Lateral Connection to Sewer Main
 - o) Steep Slope Lateral Installation
 - p) Private Sewage Pump Station
 - q) Vehicular Access to Manholes
 - r) Private Road Access

- 10. Develop a list of suggested Construction Specification Institute (CSI) sections that could be added as an optional task.
- 11. Prepare and submit the updated District Standards at the 10%, 60%, 95%, and final levels.
- 12. Coordinate meetings with District staff at the 10%, 60%, and 95% levels. The Tasks 8 and 9 mark-ups will be provided at the 60% level, and District comments will be incorporated into the 95% submittals.

The following deliverables are included:

- 1. Comparable Wastewater Agency Technical Memorandum
- 2. Mark-ups of District Standard Specifications and Standard Drawings, provided as pdf's.
- 3. Final District Standard Specifications, provided as Word files.
- 4. Final District Standard Drawings, provided as AutoCAD files
- 5. Compiled final version of District Standards in pdf format.

Schedule

The proposed for this project is summarized below:

- Notice to Proceed: May 1, 2023
- Submit Comparable Wastewater Agency Technical Memorandum: June 9, 2023
- Submit Mark-ups of District Standard Specifications and Standard Drawings: June 30, 2023
- Submit Final District Standard Specifications, Standard Drawings, and Compiled Version of District Standards: July 31, 2023

Firm Project References

San Francisco Public Utilities Commission, Wastewater & Stormwater Utility Standards, San Francisco, CA

Hazen is developing Utility Standards for the San Francisco Public Utilities Commission (SFPUC). These Standards include design guidelines, drainage design standards, standard specifications and details, stormwater outfall guidelines, and sea level rise procedures. As part of this work, we contacted other agencies and reviewed their sea level rise standards, presented at Technical Advisory Group meetings made up of SFPUC and Public Works staff, and provide Ad Hoc assistance related to on-going development projects such as Hunter’s Point and Balboa Reservoir.



<p>Relevant Highlights</p> <ul style="list-style-type: none"> • Design guidelines and drainage standards • Standard specifications and details • Sea Level Rise flow chart and Ad Hoc reviews 	<p>Reference</p> <p>Andrew Corrales SFPUC acorrales@sfwater.org</p>
---	--

Las Gallinas Valley Sanitary District, As-Needed Engineering and On-Call, San Rafael CA

As part of Hazen’s As-Needed Engineering and On-Call contracts, we assisted the District by applying District Standards for 245 Nova Albion and reviewed the connection request for the Los Gamos development. Hazen also assisted the District with obtaining air permits and reviewing submittals for a new generator, evaluating Administration Building constructability, and conducting a condition assessment inspection of a digester.



Relevant Highlights

- Familiarity with District Standards
- Understanding of developer requirements
- Constructability and permitting assistance

Reference

Ms. Irene Huang, PE, | LGVSD
 (415) 472-1734
 ihuang@lgsd.org

CAD and BIM Standards Development as well as As-Needed CAD and BIM Services., Central San, CA

Central Contra Costa Sanitation District (Central San) retained Hazen to provide professional engineering services for their CAD and BIM Standards Development as well as As-Needed CAD and BIM Services. Development of Central San’s Cad/BIM Standards that includes stakeholder workshops; performing a gap analysis; developing a CAD Standards Manual; developing CAD templates, standard details, library and resources files, developing a BIM Execution Plan and BIM Standards Manual as well as developing 3D templates, details and resource files. The as-needed CAD/BIM support to Central San will include but is not limited to reviewing and providing QA/QC for CAD/BIM submittals for various Treatment Plant projects; ensuring that project documentation and contracts are consistent and follow the standards developed for CAD and BIM Standards; conducting CAD BIM Standards training to Central San CAD users and stakeholders; updating and monitoring CAD/BIM design standards and procedures pursuant to industry best practices and national guidelines; and recommending software and/or workflow for design review process to incorporate live PDF editing/ commenting to facilitate communication between consultants and District staff and integrate comments into final deliverables.



Relevant Highlights

- Developing CAD and BIM Design Standards
- Development of Revit and Civil 3D Templates
- Stakeholder Engagement

Reference

Khae Bohan, LSIT, GISP | CCCSD
 District PM (Asset Management Program Administrator)
 (925) 229-7327
 kbohan@centralsan.org

Organizational Chart

The Hazen Team, presented in the organizational chart below, was selected based on two very important criteria: **familiarity** with the District and **experience** with wastewater detailed design and design standards. Our team members have the required technical and management expertise and are prepared to begin your project immediately.



Key Staff Qualifications



Gregg Cummings, PE | Project Manager

*M.S., Environmental/Structural Engineering, San Jose State University
 B.S., Civil Engineering, University of California, Berkeley
 Professional Engineer*

Gregg will be the Project Manager and the day-to-day contact for the District. He has over 37 years of experience in the planning, design, and construction support of water, wastewater, and recycled water projects, utility upgrades, hydraulic modeling, and engineering support related to design standards. Gregg is currently the Project Manager for the District’s Digester Room MCC2, Collection System Hydraulic Model Development, and On-Call projects. He is also Contract Manager and Technical Reviewer for SFPUC’s Wastewater and Stormwater Utilities Standards Project and Civil Design Manager for Union Sanitary Districts’ Campus Building project.



Marc Solomon, PE, BCEE, W.DRE | Principal in Charge

B.S., Civil Engineering, Duke University, North Carolina

M.S., Public Health, Tulane University, Louisiana

Professional Engineer, Water Treatment Plant Operator; Water Distribution System Operator

Board Certified Environmental Engineer Diplomate, Water Resource Engineer, Value Engineering Certification

Marc will be the Principal in Charge and responsible for ensuring that the resources are available for these projects. Marc is an accomplished principal and project manager on a wide range of wastewater projects. Marc's broad project experience has exposed him to all phases of project planning, design, system modeling, system controls, construction management, and operational reliability. This unique and diverse experience enhances his project management abilities and his ability to work effectively with project teams and externally with elected officials, engineers, operators, contractors, and the general public. Marc is a hands-on Principal and Project Manager and has worked closely with Gregg on all District projects and is also involved with Hazen's standards update for Central Contra Costa Sanitary District's CAD/BIM..



Jeremy Borchardt, PE | Technical Reviewer

B.S., Civil Engineering, California State University, Fresno, CA

Professional Engineer

Jeremy is a Project/Program Manager with expertise in civil engineering and pipeline design. His diverse experience includes planning, design, and construction of multidiscipline projects requiring public outreach, permitting, environmental compliance, traffic control, hydraulics, trenchless technologies, condition assessment, survey and mapping, routing studies (pipeline), cost estimates, construction schedules and coordination of sub consultants. His experience also includes construction management, construction inspection, and the QA/QC and design of water conveyance and transmission systems. Jeremy has worked with and developed a strong collaborative working relationship with a wide range of clients and agency staff including districts, water companies, and local, state and federal governments. He is technical advisor for updating the SFPUC Wastewater & Stormwater Utility Standards.



Eric Neill, PE | Updating Standards

*M.S., Civil Engineering (Water Resources), Oregon State University
B.S., Civil Engineering, University of California, Davis
Professional Engineer*

Eric is an engineer supporting conveyance and water resource projects throughout California. He has design, construction, and condition assessment experience with municipal sanitary sewers, water distribution systems, urban utilities, and other conveyance infrastructure including pump stations, canals, and large diameter pipelines. He has extensive experience with construction inspection, change management, and utility relocation design and coordination. Eric has additional experience with trenchless rehabilitation design, distribution system modeling, and emergency response assessment and planning. His advanced education includes experience in hydraulic and hydrologic modeling for applications such as flood modeling, sediment transport, stormwater system design and analysis, culvert analysis, and pipeline network analysis. Eric assisted with updating design standards and specifications for the SFPUC Wastewater & Stormwater Utility Standards.



Patrick DeLong | Updating Standards

*BS, Civil Engineering, Minor in Environmental Engineering,
New Jersey Institute of Technology (Albert Dorman Honors College), Newark, NJ*

Patrick is an assistant engineer within the San Francisco Office with diverse experience in sanitary sewer systems, green infrastructure, and stormwater management. He assisted with updating design standards and specifications and led the development of stormwater outfall guidelines for the SFPUC Wastewater & Stormwater Utility Standards. Pat is also assisting SFPUC with reviewing green infrastructure proposals from developers and assisted SFPUC with updating their green infrastructure design standards. He is also conducting green infrastructure inspections for SFPUC for projects during construction.



Victor Panez | Drafting

AOS, Drafting/CAD Technology, Hi-Tech Institute

Victor is a Lead CAD/BIM Coordinator and Senior Principal Designer for Hazen and Sawyer with over 18 years of experience in the consulting field providing 3D CAD Design and CAD Coordination services. He is experienced working in Revit and AutoCAD, Autodesk BIM 360, Bentley MicroStation V8i and Bentley OpenPlant Piping system. Also using Bentley Project Wise Explorer for our current projects in the firm.



Compensation

The two tables below provide our Hours and Fee Matrix along with our Hourly Fees:

Hours and Fee Matrix


Hazen	LGVSD District Standards	Principal-in-Charge	Project Manager	QAQC	Staff Engineer	Staff Engineer	CAD	Total Hours	H&S Labor Cost
		Marc Solomon	Gregg Cummings	Jeremy Borchardt	Eric Neill	Pat DeLong	Victor Panez		
	Billing Rate	\$320	\$310	\$290	\$190	\$160	\$170		
	LGVSD TO1 Standard Specs and Dwgs								
1	Project Management	1	6					7	\$ 2,180
2	Kickoff call (1 hour)	1	2		1	1		5	\$ 1,290
3	Review and evaluate District Standards	1	4	8	24	24		61	\$ 12,280
4	Review and update six standard drawings	1	2	6	24	24	12	69	\$ 13,120
5	Identify updates to be reviewed by Legal Counsel	1	6	4	4	4		19	\$ 4,740
6	Research construction standard practices (5)	2	6	6	25	25		64	\$ 12,990
7	Evaluate incorporating District specific requirements	1	2	1	8	8		20	\$ 4,030
8	Mark-up existing District Standards	1	2	1	8	8		20	\$ 4,030
9	Mark-up existing District Standard Drawings	1	2	1	8	8		20	\$ 4,030
10	Develop CSI list	1	4	1				6	\$ 1,850
11	Prepare and submit updated District Standards (4)	6	16	16	24	24	64	150	\$ 30,800
12	Review meetings (3, 1 hour each)	3	3		6	6		18	\$ 3,990
	OTHER DIRECT COSTS (ODCs)								\$ -
	Labor Sub Total	20	55	44	132	132	76	459	\$ 95,330
	TOTAL								\$ 95,330
	Grand Total								\$ 95,330
	Previous Task Orders								\$ -
	Contract Grand Total								\$ 95,330
	OPTIONAL TASKS								
1	Develop CSI specs (20)		10	10	50	50		120	\$ 23,500
2	Develop new standard drawings (5)	1	5	5	20	20	40	91	\$ 17,120



Item Number _____ 21 _____

GM Review _____ CP _____

Agenda Summary Report

To: Board of Directors
From: Dale McDonald, Administrative Services Manager 
(415) 526-1519 dmcDonald@lqvsd.org
Meeting Date: June 1, 2023
Re: Accept 2023 Sewer Rate Study Final Report
Item Type: Consent Action _____ Information _____ Other _____
Standard Contract: Yes _____ No _____ (See attached) Not Applicable

STAFF RECOMMENDATION

Board to accept Hildebrand Consulting’s 2023 Sewer Rate Study Final Report.

BACKGROUND

On January 19, 2023, the Board awarded a contract to Hildebrand Consulting to conduct a sewer user charge cost for service and rate study to assist with the development of a series of rate policies for the fiscal years 2023/2024 through 2026/2027. The broad objective of the study was to provide the necessary information and analysis to the Board to set rates and a rate structure to adequately fund the operating, capital costs and debt service for the next four years. The study also considered future capital related expansion of facilities, especially the impact large capital projects, such as the new operations and lab buildings at the treatment plant and new ultraviolet disinfection system, would have on sewer rates.

The Board received the draft sewer rate report on May 8, 2023 from Hildebrand Consulting. No changes to the report were recommended or made.

The proposed rate increases in the study will be presented at a public hearing along with considered adoption of the proposed rate increases on June 30, 2023.

PREVIOUS BOARD ACTION

On May 8, 2023, the Board received the draft report and authorized the General Manager to bring the final Sewer Rate Study back to the Board for approval under consent.

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

Accepting the final report has no fiscal impact.

Attachment:

1. 2023 Sewer Rate Study Final Report, May 9, 2023 by Hildebrand Consulting



2023 Sewer Rate Study

Final Report

May 9, 2023



May 9, 2023

Mr. Dale McDonald
Administrative Services Manager
Las Gallinas Valley Sanitary District
101 Lucas Valley Rd. Suite 300
San Rafael, CA 94903

Re: 2023 Sewer Rate Study

Dear Mr. McDonald,

Hildebrand Consulting is pleased to present this 2023 Sewer Rate Study (Study) that we performed for Las Gallinas Valley Sanitary District (District). We appreciate the fine assistance provided by you and all of the members of the District staff who participated in the Study.

If you or others at the District have any questions, please do not hesitate to contact me at:

mhildebrand@hildco.com
(510) 316-0621

We appreciate the opportunity to be of service to the District and look forward to the possibility of doing so again in the near future.

Sincerely,



Mark Hildebrand

Hildebrand Consulting, LLC

Enclosure

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Schedule 2 – 5-Year Capital Improvement Program

Schedule 3 - Cash Flow Pro Forma

List of Acronyms

AWWA	American Water Works Association
BOD	biochemical oxygen demand
CIP	Capital improvement program
COSA	cost of service analysis
DCR	debt service coverage ratio
FY	Fiscal year (which ends on June 30 for the District)
ccf	hundred cubic feet (748 gallons)
LGVSD	Las Gallinas Valley Sanitary District
mg/l	milligrams per liter
mgd	millions of gallons per day
MMWD	Marin Municipal Water District
NMWD	North Marin Water District
O&M	operations and maintenance
TSS	total suspended solids
SSU	Sewer Service Unit
SWRCB	State Water Resources Control Board
WEF	Water Environment Federation
WWTP	wastewater treatment plant

Section 1. INTRODUCTION

Hildebrand Consulting, LLC was retained by Las Gallinas Valley Sanitary District (District or LGVSD) to conduct a comprehensive Sewer Rate Study (Study). This report describes in detail the assumptions, procedures, and results of the Study, including conclusions and recommendations.

1.1 DISTRICT BACKGROUND

LGVSD provides wastewater collection, treatment, and disposal services in the northern San Rafael area. The District serves over 32,000 customers and manages over 100 miles of collection lines. As a multi-faceted public utility, LGVSD also generates solar energy, operates a garbage franchise, and oversees a water reclamation project which provides the public with wildlife and recreational benefits. The LGVSD service area is challenged by a low topography, bayside location, and sensitive receiving bodies which limit the ability to discharge during the summer. As a result, during the summer about two thirds of the District's treated effluent is recycled in collaboration with Marin Municipal Water District (MMWD) and North Marin Water District (NMWD). Hildebrand Consulting is playing an active role as an independent consultant in refining those cost allocations between LGVSD and NMWD. The remainder of treated effluent is utilized at LGVSD's irrigation pastures. These discharge limitations are costs that may be borne by sewer customers and not recycled water customers (whose use of the recycled water can be seen as a service rendered).

LGVSD previously initiated a major capital program to upgrade its wastewater treatment plant (WWTP) and expand the existing LGVSD Recycled Water Treatment Facility in order to address aging infrastructure, changes in wastewater content, and new regulations. In addition, the District plans to complete additional WWTP upgrades to its primary treatment process and add ultraviolet filtration. The expansion has

created operational efficiencies and also allows the District to serve the present and future residents.

1.2 RATE STUDY BACKGROUND

LGVSD's last comprehensive rate study was conducted in 2021. Generally speaking, residential customers are charged a flat rate per dwelling unit. Non-residential rates are charged based on average winter and summer water usage as well as a strength factor (depending on the type of commercial operation).

The purpose of this Study is to update the District's financial plan and evaluate the structure of the existing sewer user charges by updating the cost-of-service analysis (COSA). The broader purpose of the 10-year financial plan is to provide the necessary information and analysis to the District's Board of Directors for it to set rates that adequately fund the operating, capital costs and debt service associated with the collection, treatment and disposal of wastewater for the next four years (fiscal year 2023/24 through FY 2026/27). Periodically updating the COSA is a best practice and necessary to comply with applicable law. Rate structure updates ensure that each class of customer continues to pay their fair and proportional share of costs. The cost to serve each class of customers may vary over time due to changes in water use, sewage strength, number of accounts and other factors.

In addition, the Study has reviewed the surcharge imposed on Captains Cove and Marin Lagoon to ensure that the rates equitably reflect the cost of operating the disproportionate number of pump stations needed to serve those areas.

1.3 SCOPE & OBJECTIVES OF STUDY

The scope of this Study was to prepare a multi-year financial plan, update the COSA, review the District's existing rate structure, and propose a 4-year rate schedule. The primary objectives of this Study were to:

- i. Develop a multi-year financial management plan that integrates the District's operational and capital project funding needs
- ii. Propose annual rate adjustments to the Sewer Service Charges that will ensure adequate revenues to meet the District's ongoing service and financial obligations
- iii. Determine the cost of providing sewer service to the District's customers using equitable and industry-accepted methodologies
- iv. Recommend specific modifications to the District's existing rate structure in order to ensure that the District is equitably recovering the cost of service and comporting with industry standards and California's legal requirements

1.4 STUDY METHODOLOGY

This Study applied methodologies that are aligned with industry standard practices for rate setting as promulgated by the Water Environment Federation (WEF) and all applicable law, including California Constitution Article XIII D, Section 6(b), commonly known as Proposition 218.

The Study began with development of a multi-year financial management plan that determined the level of annual rate revenue required to cover projected annual operating expenses, debt service (including coverage targets), and capital cost requirements while maintaining adequate reserves. A financial planning model was customized to reflect the District's financial dynamics and latest available data for the sewer operations in order to develop a long-term financial management plan, inclusive of projected annual revenue requirements and corresponding annual rate adjustments.

Revenue requirements calculated in the financial plan for FY 2023/24 were then used to perform a detailed COSA. The COSA and rate structure design were conducted based upon principles outlined by the WEF, legal requirements (Proposition 218) and other generally accepted industry practices to develop rates that reflect the cost of providing service.

Recommendations for the financial plan and updated rate structure have been presented to the District's Board of Directors and a Public Hearing to adopt the rates has been scheduled for late June of 2023.

Section 2. FINANCIAL PLAN

This Study’s 10-year financial plan was developed through interactive work sessions with District staff. As a result of this process, the Study has produced a robust financial plan that will allow the District to meet revenue requirements and financial performance objectives throughout the projection period while striving to minimize rate increases. This includes maintaining prudent reserves and ensuring that the District’s customers are all paying fair and equitable amounts for services provided.

2.1 FINANCIAL DATA & ASSUMPTIONS

The District provided historical and budgeted financial information associated with operation of the sewer system, including historical and budgeted operating costs, a multi-year capital improvement program (CIP), and outstanding debt service obligations. District staff also assisted in providing other assumptions and policies, operating and capital reserve targets, and escalation rates for operating costs (all of which are described in the following subsections).

2.1.1 BEGINNING FUND BALANCES

The District’s beginning fund balance for FY 2022/23 is summarized in **Table 1**.

Table 1: FY 2022/23 Beginning Cash Balance

Unrestricted Cash and Operating Reserve	\$27,909,000
Emergency Repair Reserve	\$1,000,000
Capital Reserve	\$2,951,500
Vehicle & Equipment Reserve	\$841,700
Total:	\$32,702,200
Restricted Debt Service Reserves	\$904,600
Restricted (Capital Facility Charges)	\$587,700
Total Reserves:	\$34,194,500

2.1.2 RESERVE TARGETS

Reserves for utilities are cash balances that are maintained in order to (a) comply with contractual obligations (e.g., bond covenants), (b) protect the utility from unexpected financial events, and/or (c) accommodate operational and capital program cash flow needs. Often multiple reserves or fund targets are maintained, each with a specific function. In addition to the direct benefits of financial stability, reserves can help utilities obtain higher credit rankings, which can then help qualify the utility for cheaper debt. Credit rating agencies evaluate utilities on their financial stability, which includes adherence to formally adopted reserve targets.

The following describes recommended reserve targets which are partially informed based on existing District reserve policies (Policies and Procedures F-50-10) and are consistent with 1) the author's industry experience for similar systems, 2) findings of reserve studies conducted by the American Water Works Association (AWWA), and 3) healthy reserve levels for public utilities per the evaluation criteria published by rating agencies (e.g., Fitch, Moody's, and Standard & Poor's).

Operating and Rate Stabilization Reserve Target – The Operating and Rate Stabilization Reserve target is maintained in order to meet the liquidity and cash flow needs for the District's day-to-day operations and debt service obligations. This reserve ensures continuity of service regardless of short-term changes in cash flow or sudden increases in operating costs. The District has a policy to maintain the Operating fund at a level equal to 7 months of the annual operating budget plus the annual debt service.

Given the FY 2022/23 estimated end of year expenses of \$10.4 million plus debt service of \$4.2 million, the targeted reserve for that year would be about \$8.5 million.

Emergency Reserve Target: This reserve is maintained with the intention of protecting the District from catastrophic failure of critical infrastructure and managing the inherent volatility of capital spending needs. By policy, the District maintains a target level of \$1 million.

Capital Reserve Target: The Capital Reserve is designed to allow the District to manage the inherent variability in annual capital spending. For example, in the current financial plan the annual capital spending is as high as \$26 million in one year and as low as \$4 million in another year. The District’s policies describe the reserve as a source of “capital for major capital projects that span two or more years” and that the targeted level should be informed by accumulated depreciation. The District’s current Capital Reserve Target is \$4 million.

Given that this reserve is designed to smooth the inherent variability of the capital spending program, the reserve may be drawn down during years of higher-than-average capital spending and conversely the reserve should be built up during years when capital spending is below average. Such an approach can help reduce the need for large rate adjustments and help ensure continuous funding for capital replacement and rehabilitation projects.

Vehicle and Equipment Reserve – Vehicle and equipment purchases can be cyclical and vary considerably from one year to the next, particularly when more expensive vehicles need to be replaced (e.g., vac trucks). Much like the Capital Reserve, the Vehicle and Equipment Reserve is designed to absorb this inherent volatility in the annual cost of vehicles and expensive equipment. The District’s current reserve target is \$1 million.

2.1.3 CUSTOMER GROWTH

Generally speaking, the District's service area is largely built-out with growth mostly coming in the form of densification. The recent average District capital facility charge revenue of about \$340 thousand per year over the last two years indicates that the annual growth rate has been approximately 0.3 percent. This Study assumes that this rate of growth will continue over the next 10 years.

2.1.4 RATE REVENUES

Rate revenue is the revenue generated by Sewer Service Charges from customers for sewer service. Sewer Service Charges are collected from individual residential and non-residential

customers within the District. This Study’s financial plan proposes annual rate revenue adjustments that will meet the District’s revenue requirements. Budget and projected Sewer Service Charge revenues are listed in Schedule 3¹. The rate revenue used for FY2022/23 is based on the District’s projected revenue for that year.

2.1.5 NON-RATE REVENUES

In addition to rate revenue, the District receives other revenue, including property taxes, miscellaneous fees, operating revenue, capital facility charge revenue², MMWD capacity purchase payments, recycled water rate revenue, grants, and interest revenue on investments. Estimates of interest income were calculated annually based upon estimated average fund balances and historic effective return of 0.30 percent on cash and invested funds, which is consistent with the District’s historical earnings. This financial plan assumes that property tax revenue will increase by 2 percent per year. Projections of all other non-rate revenues were based on FY 2022/23 budgeted revenues and were projected to remain flat. Connection fee revenue is not treated as restricted, but the revenues go to the Capital Improvement Fund and therefore are used to fund capital projects (which is consistent with the intended use of those fees). Budgeted revenues FY 2022/23 are depicted in Figure 2 below and listed in detail in **Schedule 3**.

¹ The rate revenue in Schedule 3 includes the proposed rate adjustment recommended by this Study, as described in Section 2.2

² It should be noted that California law (Government Code 66013 et. seq.) requires that Capital Facility Charge revenue be spent “solely for the purposes for which the charges were collected”.

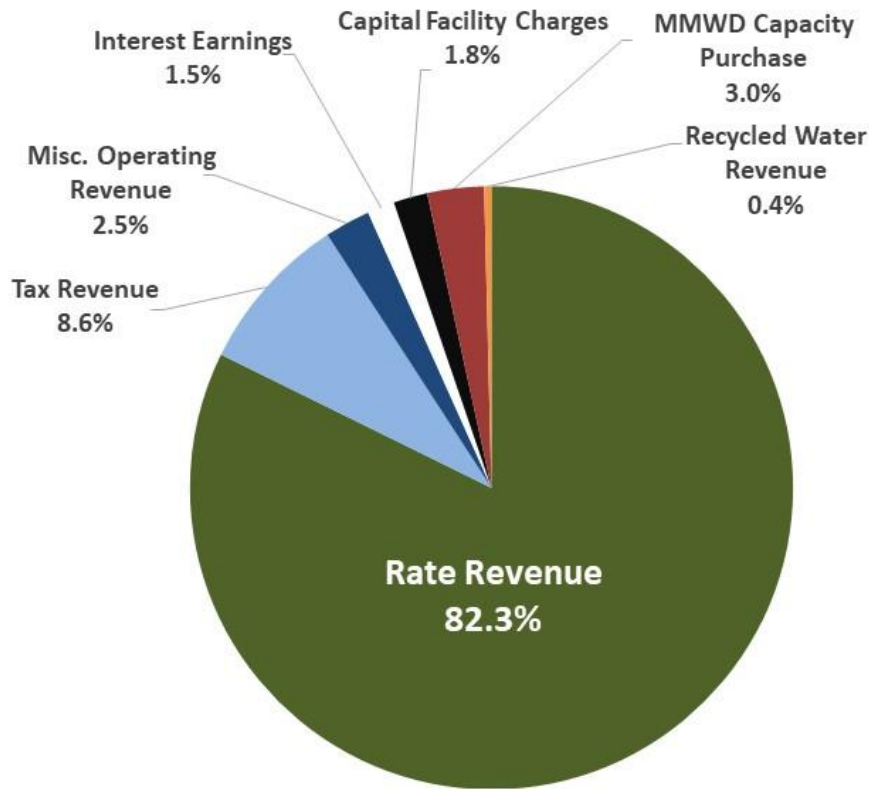


Figure 1: FY 2022/23 Budgeted Revenue Categories

2.1.6 OPERATION AND MAINTENANCE EXPENSES AND EXISTING DEBT SERVICE

For the purpose of this Study, the District’s operating and maintenance expenses include all ongoing collection, treatment, disposal, and administrative expenses, and debt service payments. The financial plans’ assumed annual operating and maintenance costs are based on the FY 2022/23 year-end estimates and are adjusted for future years based on inflation (see Section 2.1.7). The District currently has six outstanding revenue loans. The combined annual debt service is \$4.2 million in FY 2022/23 after accounting for the portion of the debt that is paid by MMWD. In 2026/27 the annual debt service will fall to approximately \$3.5 million.

Debt service coverage is a measure of how easily an entity is able to afford its outstanding debt. Typically, loans (such as revenue bonds) require a minimum debt coverage ratio (DCR) of 1.2. This Study recommends maintaining a DCR of at least 1.5 to ensure access to favorable borrowing terms in the future. The District currently has an estimated DCR of 2.47 (see Schedule 3) and the financial plan forecasts the DCR remaining above 1.85 over the next 10 years.

Budgeted expense categories for year-end estimates for FY 2022/23 are depicted in **Figure 2**. Budgeted and projected operating and debt expenses are listed in detail in **Schedule 1**. Capital program expenses are discussed in Section 2.1.8 and detailed in **Schedule 2**.

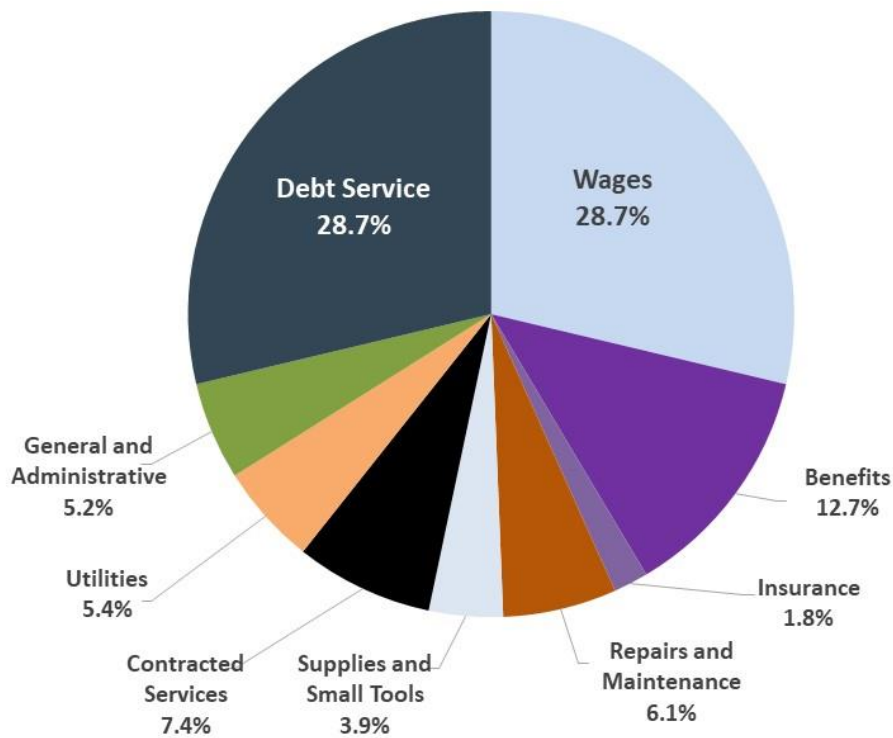


Figure 2: FY 2022/23 Expense Categories (Estimated Year End)

2.1.7 COST ESCALATION

Annual cost escalation factors for the various types of expenses were developed based upon a review of historical inflation trends, published inflation forecasts, industry experience, and discussions with District staff. During the projection period, all of the District’s operating and capital expenses are projected to increase gradually at 3 percent per year based on long-term historic average inflation rates.

2.1.8 CAPITAL IMPROVEMENT PROGRAM AND DEBT STRATEGY

In the past three years (from FY 2019/20 to FY 2021/22) the District averaged \$21.2 million in annual capital spending, most of which (82 percent) was debt financed. Between FY 2022/23 and FY 2030/31 the District has budgeted an average capital spending level of \$17.9 million (after accounting for inflation). The budgeted capital spending is a product of the District’s master planning effort, evaluation of risk and priorities by management, as well as multiple meetings with Board committees.

Due to the spike in capital spending proposed in the near term, this financial study proposes to debt finance approximately \$65 million in capital spending over the next 7 years. The projects to be debt financed are identified in Schedule 2. The financial model assumes that the interest rate will be 3.56 percent with a 1 percent cost of issuance and a repayment period of 20 years.

This Study assumes that the annual capital spending during the “outyears” (the years beyond FY 2030/31, which have not been planned yet) will be equal to the average capital spending of the prior three years (about \$16.6 million).

Figure 3 shows the projected capital spending for the next 10 years. A detailed list of projected capital projects and associated costs is provided in **Schedule 2**.

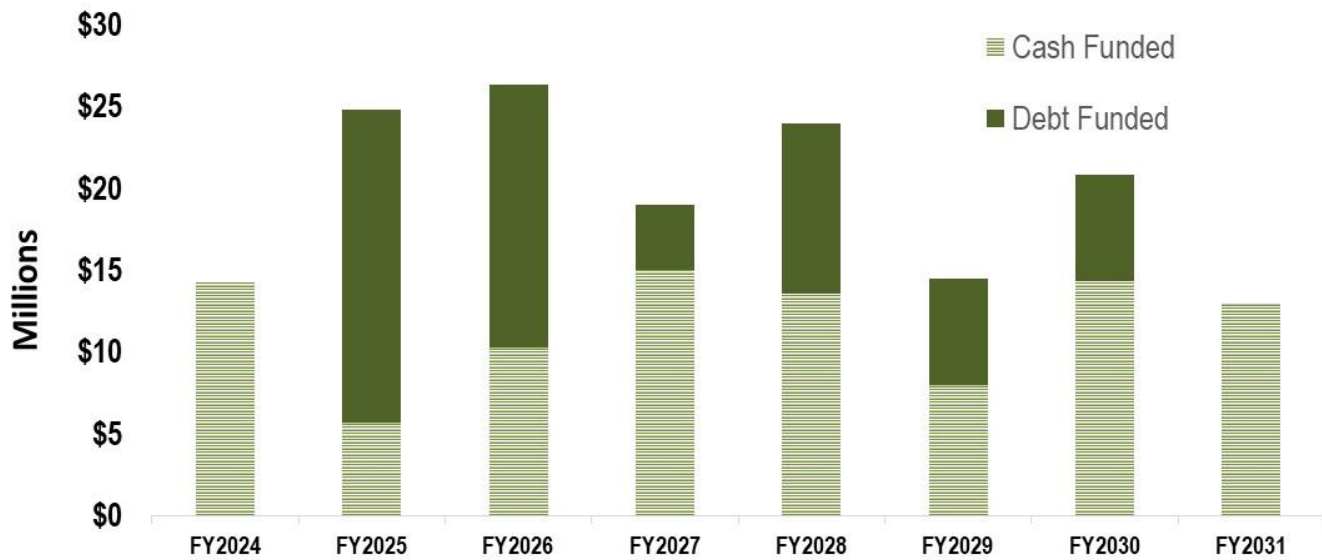
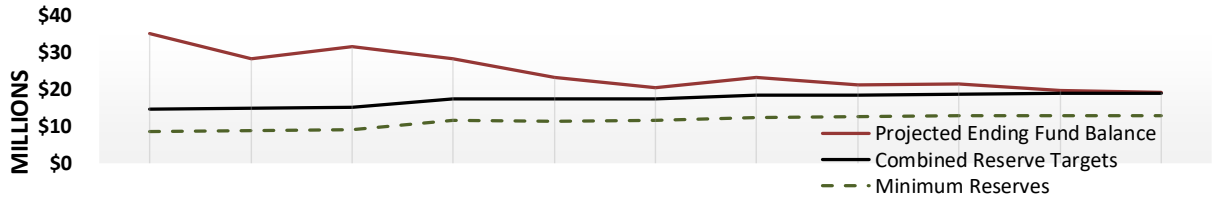
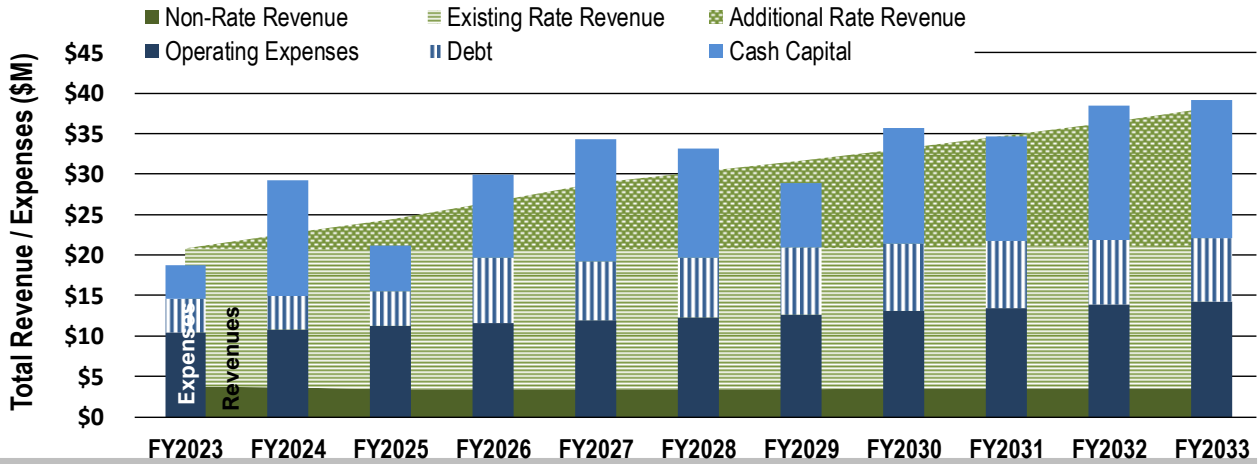


Figure 3: Historical and projected capital spending

2.2 PROPOSED RATE REVENUE INCREASES

All of the above information was entered into a financial planning model to produce a financial plan that evaluated the sufficiency of current revenues to meet current and estimated future financial obligations and determined the level of rate revenue increases necessary in each year of the planning period.

Based upon the previously discussed financial data, assumptions, and reserve targets, this Study proposes a 4-year schedule of rate revenue adjustments as shown at the bottom of **Figure 4**. The numbers provided in **Schedule 3** (cash flow proforma) are summarized graphically in Figure 4.



	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
		Proposed				Forecasted					
Rate Revenue Increase:		11.0%	10.0%	10.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Debt Coverage Ratio:	2.47	2.78	3.12	1.87	2.34	2.48	2.31	2.45	2.60	2.84	3.13
Net Debt Proceeds:			\$19.1M	\$16.1M	\$4.0M	\$10.5M	\$6.5M	\$6.5M			

Figure 4: Financial Plan Estimates with Recommended Rate Increases

Note that the actual rate increases in Year 1 (FY 2023/24) will be slightly different for various customer classes, due to the minor structural changes that are being proposed for the rates (see Section 3). The structural changes will shift cost responsibilities among the District’s customers and will result in some customers experiencing slightly higher rate increases and some customers experiencing slightly lower rate increases. This phenomenon is limited to Year 1, with the remaining rate revenue increases (Year 2, 3 and 4) being the same for all customers. The cost-of-service findings, and resultant impact to the District’s customers, is explained in more detail in Section 3.

Section 3. COST-OF-SERVICE & RATE STRUCTURE

This section of the report explains the COSA and design of Sewer Service Charges intended to meet the District’s financial obligations for FY 2023/24 and beyond. Proposed Sewer Service Charges are intended to meet the utility’s financial needs, satisfy legal requirements, and achieve other rate-setting objectives. The Sewer Service Charge analyses and related recommendations address each of the following:

- Identification of Sewer Service Charge rate-setting objectives
- Evaluation of customer account and wastewater production data
- A COSA used to allocate costs to each customer and customer class in proportion with service demands
- Design of the Sewer Service Charge rate structure to meet revenue needs, satisfy legal requirements, and achieve rate-setting objectives in a fair and reasonable manner

3.1 RATE SETTING OBJECTIVES

There are two rate setting objectives that are primary and fundamental to guiding the rate-setting process. They include: (1) Sewer Service Charges must generate sufficient revenue to meet the utility’s service and financial obligations, and (2) Sewer Service Charges must be calculated consistent with the requirements of the California Constitution, Article XIII D (Proposition 218) and relevant case law. Other rate-setting objectives are secondary and can be addressed so long as the primary objectives are first achieved. Beyond the primary objectives, other rate-setting objectives identified to help guide the rate design process included the following:

- Sewer Service Charges should be viewed as fair and equitable by the public
- Sewer Service Charges should be simple, understandable, and easy to administer
- Sewer Service Charges should strike an appropriate balance between fixed and usage-based charges, with consideration of:

- Revenue stability
- Affordability for basic usage

3.2 CURRENT SEWER SERVICE CHARGES

The District's current Sewer Service Charges were last increased in July 2023 by about 9 percent and are presented in Table 2.

Residential Rates

Residential customers are charged per dwelling unit, with multifamily dwelling units paying 90 percent of the rate of a single-family dwelling unit. This has been a long-standing policy of the District based on past studies and is not proposed to be changed in this study.

Non-Residential Rates

The Sewer Service Charge for non-residential accounts is based on the assignment of sewer service units (SSU). One SSU is assigned for every 8 ccf (hundred cubic feet, or 748 gallons) of average water usage during the summer and winter, as reported by Marin Municipal Water District (MMWD). Each account pays a minimum of one (1) SSU. As an exception, schools are assigned one SSU for each 100 ADA (average daily student attendance).

The rate per SSU paid by non-residential accounts depends on the type of account and the associated strength of the sewage produced by the commercial activities. The strength is measured in terms of biochemical oxygen demand (BOD) and total suspended solids (TSS), both of which affect the cost of treating the sewage that the treatment plant. The proposed strength factors are discussed in more detail in Section 3.4.

Table 2: Current Sewer Service Charge Schedule

Residential (per dwelling unit per year)

Single Family	\$1,122
Multi-Family	\$1,010
Mobile Home	\$1,122

Non-Residential (per SSU per year)¹

Domestic Strength	\$1,122
Dry Industry	\$1,122
Schools	\$1,122
Mortuaries	\$2,244
Hotels w/ Restaurants	\$2,244
Mixed Uses	\$2,244
Restaurants/Café	\$2,693
Markets w/ Disposals	\$2,917
Bakeries	\$3,590

¹ Non-residential accounts are assigned one SSU for every 8 ccf of average water usage during the summer and winter, as reported by MMWD. As an exception, schools are assigned one SSU per 100 ADA.

3.3 PROPOSED RATE STRUCTURE MODIFICATIONS

The District’s current rate structure and cost of service methodology is consistent with established and common industry practices. The only proposed modifications are to update the cost-of-service calculations and to simplify the list of non-residential customer types, as described in Section 3.4.

3.4 WASTEWATER COST-OF-SERVICE ANALYSIS

There are three steps to determining Sewer Service Charges. These are:

- Determine annual Sewer Service Charge revenue requirements
- Analyze the cost of providing service and proportionately allocate costs to each customer class and customer
- Design Sewer Service Charges to recover costs from each customer class and customer

The District’s ten-year financial plan (see Section 2) was used to identify the wastewater rate revenue required to meet financial obligations for each fiscal year of the planning period. As presented in Section 2.2 of this report, no rate revenue increase is proposed for FY 2022/23, however an update to the cost-of-service analysis will result in a change to the sewer rates.

Once the annual Sewer Service Charge revenue requirement has been determined, the next step in the rate-setting process is to evaluate the cost of providing service. The COSA is intended to allocate the costs of providing wastewater service to customers in proportion to the extent to which each customer contributes to the utility’s incursion of costs. The COSA evaluates the cost of providing wastewater services and allocates those costs to rate structure components to ensure the proposed rates are aligned with the costs to provide service.

3.4.1 CUSTOMER FLOW AND LOADINGS

To develop equitable Sewer Service Charges, the revenue requirement is allocated to various customer classifications according to the services provided and the demands placed on the wastewater system. This Study allocates costs based on estimated wastewater flows and sewage strength. Collection system costs are allocated entirely based on flow, whereas treatment costs are allocated on the basis of both flow and strength.

Sewer Service Charges calculations are based on several factors related to how wastewater customers impact the cost to provide service. The rates are calculated based on the cost to provide service. Costs are allocated to each customer class (residential and non-residential) based on their respective estimated wastewater flows and loadings. “Loading” refers to the quantities of BOD and TSS that are delivered to the WWTP, both of which drive the cost to treat wastewater.

The wastewater flows for the non-residential customers are estimated based on the average of summer and winter water usage as reported by MMWD, while single family and mobile home dwelling units are assumed to produce an average of 8 ccf per month.

Multifamily dwelling units are assumed to produced 7.2 ccf (90 percent of single-family homes)

This study proposes to simplify the list of non-residential customer classes from the current list of 9 types (see Table 2) to three broader categories (Domestic Strength, Elevated Strength, and High Strength). This will simplify the administration of the billing system and make it easier for the District to classify its customers. It is recommended that the District retain the right to categorize non-residential customers at its sole discretion and judgement. Table 3 provides an example of how various commercial enterprises could be classified.

Table 3: Customer Classifications and Example Customer Types

	Domestic	Elevated	High
	Approximate Strength		
BOD	175 mg/L	500 mg/L	900 mg/L
TSS	175 mg/L	500 mg/L	800 mg/L
	Example Customer Types		
	Residential	Hotel with food	Restaurants
	Mobile Home	Commercial laundry	Coffee shops
	Retail/office		Café
	Dry industry		Bakery
	Schools/institutions		Market with disposal
	Bar (no food)		
	Car wash		
	Hotel without food		
	Laundromat		
	Auto repair		

Strength assumptions for elevated and high strength non-residential customers are based on previous wastewater rate analyses, SWRCB guidelines³ and industry standards (see Table 4).

The flow and loading assumptions for all customer classes have been assessed and updated as needed by this Study. **Table 4** summarizes customer account and water usage data obtained from the utility billing system for FY 2021/22. Table 4 also summarizes the assumed strength characteristics and the resulting estimated loading characteristics for each customer class.

³ Revenue Guidelines, Appendix G, March 1998, SWRCB

Table 4: Customer Account Data and Estimated Flows and Loadings

Customer Class	No. of Accounts ¹	Number of Units	Estimated Annual Sewer Flow ³	BOD Strength ⁴	Annual BOD Loading	TSS Strength ⁴	Annual TSS Loading
			MG	mg/l	lbs	mg/l	lbs
Residential							
Single Family	9,293	9,330 Accounts	667.3	175	973,941	175	973,941
Multi-Family	100	2,446 dwelling units	158.1	175	230,715	175	230,715
Mobile Home	2	715 dwelling units	51.3	175	74,935	175	74,935
Non-Residential							
Domestic Strength	354	2,261 SSUs ²	162.4	175	236,961	175	236,961
Elevated Strength	31	302 SSUs	21.7	500	90,431	500	90,431
High Strength	33	156 SSUs	11.2	900	84,083	800	74,740
Totals	9,813	15,210	1,072.0		1,691,066		1,681,723

Notes:

¹ Customer count based on District billing records.

² Includes schools, which were assigned SSUs based on an ADA of 4,964 students. One (1) SSU is assigned per 100 ADA per historical District practice.

³ Assumes 8 ccf of monthly wastewater production per single family and mobile home dwelling units and 90 percent of that amount per multi-family dwelling unit.

⁴ Assigned for defined customer classes based on SWRCB guidelines.

3.4.2 ALLOCATION OF COSTS

The sum of the rate revenue to be recovered in FY 2023/24 is \$19.035 million (see Schedule 3). Table 5 shows how these revenue requirements have been split between three cost categories (54 percent to flow, 23 percent to BOD and 23 percent to TSS). The allocation of costs to these three categories is consistent with past District practices and is also consistent with the author’s experience with other studies and common industry practices. A more in-depth analysis of the exact proportion of costs associated with flow, BOD treatment and TSS handling is beyond the scope of this study. Once these costs are allocated, unit costs are determined by dividing the cost for each component by the number of system units identified in Table 4.

Table 5: Determination of Unit Costs

Cost Category	Parameter Allocation Percentages¹	Annual Cost Allocated to Each Parameter	Total Annual Quantities²	Unit Cost for Each Parameter
Flow (MG)	54%	\$10,279,062	1,072.0 MG	\$9,588.87 /MG
BOD (lbs)	23%	\$4,378,119	1,691,066 lbs	\$2.59 /lbs
TSS (TSS)	23%	\$4,378,119	1,681,723 lbs	\$2.60 /lbs
Total Annual Rate Revenue Requirement for FY 2023/24:		\$19,035,300		

Notes:

¹ Collection and treatment costs are allocated 54 percent to flow and 23 percent to each strength factor based on the District's historical practices, which are consistent with common industry standards.

² Quantities are derived from Table 4.

In **Table 6** the unit costs from Table 5 are applied to the annual wastewater flows, BOD loadings and TSS loadings associated with residential and non-residential customers to arrive at the allocation of total costs to each customer class.

Table 6: Wastewater Allocation of Annual Costs to Users

No. of Accounts	Customer Class	Usage-Based Costs ¹			Allocation of Total Costs
		Flow Cost = \$9,588.87 /MG	Unit BOD Unit Cost = \$2.59 /lb	TSS Unit Cost = \$2.60 /lb	
Residential					
9,293	Single Family	\$6,398,800	\$2,521,500	\$2,535,500	\$11,455,800
100	Multi-Family	\$1,515,800	\$597,300	\$600,600	\$2,713,700
2	Mobile Home	\$492,300	\$194,000	\$195,100	\$881,400
Non-Residential					
354	Domestic Strength	\$1,556,800	\$613,500	\$616,900	\$2,787,200
31	Elevated Strength	\$207,900	\$234,100	\$235,400	\$677,400
33	High Strength	\$107,400	\$217,700	\$194,600	\$519,700
9,813	Totals:	\$10,279,000	\$4,378,100	\$4,378,100	\$19,035,200

Notes:

¹ Costs are derived by multiplying the units costs (see Table 5) by the estimated sewer flows, BOD loading and TSS loadings for each customer class (see Table 4).

Finally, in Table 7 the Sewer Service Charge rates are calculated by adding the strength-adjusted flow rates, which are derived by dividing the usage-based costs from Table 6 by the estimated wastewater flows for the respective customer classes, which yields an effective usage rate (per ccf).

The total residential annual fixed rate is then calculated by multiplying the effective usage rate by the assumed volume of wastewater per dwelling unit per year (8 ccf per month for single family and mobile homes and 7.2 ccf per month for multifamily dwelling units).

Similarly, the total non-residential annual rate per SSU is calculated by multiplying the effective usage rate by the assumed 8 ccf per month per SSU. It is the District’s policy that all customers pay a minimum of 1 SSU.

Table 7: Wastewater Rate Determination

No. of Accounts	Customer Class	Estimated Annual Sewer Flow (ccf)	Strength Adjusted Flow			Total Effective Usage Rate (\$/ccf)	Annual Fixed Rate per Unit	Annual Revenue
			Flow	Rates (\$/ccf) BOD	TSS			
Residential ¹								
9,293	Single Family	892,128	\$7.17	\$2.83	\$2.84	\$12.841	\$1,233 per DU	\$11,455,800
100	Multi-Family	211,334	\$7.17	\$2.83	\$2.84	\$12.841	\$1,109 per DU	\$2,713,700
2	Mobile Home	68,640	\$7.17	\$2.83	\$2.84	\$12.841	\$1,233 per DU	\$881,400
Non-Residential								
354	Domestic Strength	217,056	\$7.17	\$2.83	\$2.84	\$12.841	\$1,233 per SSU	\$2,787,200
31	Elevated Strength	28,992	\$7.17	\$8.08	\$8.12	\$23.368	\$2,243 per SSU	\$677,500
33	High Strength	14,976	\$7.17	\$14.54	\$12.99	\$34.701	\$3,331 per SSU	\$519,700
9,813	Totals	1,433,126						\$19,035,300

Notes:

¹The residential annual fixed rate is calculated by multiplying the effective usage rate by the assumed volume of wastewater per dwelling per year (8 ccf per month).

3.4.4 PROPOSED RATES

Table 8 summarizes the proposed wastewater rate schedule for the next four years starting on July 1, 2023. The proposed wastewater rates will increase annually in accordance with the percent increases presented in Table 8 (as explained in Section 2.2) to continue to meet service and financial obligations.

Table 8: 4-Year Schedule of Proposed Sewer Service Charges

	Effective Date			
	July 1, 2023	July 1, 2024	July 1, 2025	July 1, 2026
District's rate revenue increase ¹ :	11%	10%	10%	10%
Residential (per dwelling unit per year)				
Single Family	\$1,233	\$1,356	\$1,492	\$1,641
Multi-Family	\$1,109	\$1,220	\$1,342	\$1,476
Mobile Home	\$1,233	\$1,356	\$1,492	\$1,641
Non-Residential (per SSU per year) ²				
Domestic Strength	\$1,233	\$1,356	\$1,492	\$1,641
Elevated Strength	\$2,243	\$2,467	\$2,714	\$2,985
High Strength	\$3,331	\$3,664	\$4,030	\$4,433

Notes:

¹ Actual rate increases may vary by customer class during Year 1 due to updates to cost allocation

² Non-residential accounts are assigned one (1) SSU for every 8 ccf of average water usage during the summer and winter, as reported by Marin Municipal Water District. Each account shall pay a minimum of one (1) SSU.

The proposed wastewater rates reflect the cost of providing wastewater service to customers. In particular, the proposed wastewater rates reflect a proportionate distribution of costs to all customers and customer classes, and better reflect the cost of providing service.

Section 4. CONCLUSION

This Study used methodologies that are aligned with industry standard practices for rate setting as promulgated by WEF, AWWA and all applicable laws, including California’s Proposition 218. The proposed annual adjustments to the rates will allow the District to continue to provide reliable sewer service to customers while meeting the state’s mandates.

The Sewer Service Charges will need to be adopted in accordance with Proposition 218, which will require a detailed notice describing the proposed rates to be mailed to each affected property owner or customer at least 45 days prior to conducting a public hearing to adopt the rates.

SCHEDULES

Schedule 1 - Budgeted and Projected Cash Outflows

Schedule 2 – 5-Year Capital Spending Plan

Schedule 3 - Cash Flow Pro Formas

Budgeted and Projected Cash Outflows (1 of 3)

Schedule 1

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2033/34
EMPLOYEE WAGES										
1 Regular Staff Salaries (1901)	\$3,709,000	\$3,821,000	\$3,935,000	\$4,053,000	\$4,175,000	\$4,300,000	\$4,429,000	\$4,562,000	\$4,699,000	\$4,840,000
2 Extra Hire (1005)	\$74,000	\$76,000	\$78,000	\$80,000	\$83,000	\$85,000	\$88,000	\$91,000	\$93,000	\$96,000
3 Over Time (1011)	\$91,000	\$94,000	\$97,000	\$99,000	\$102,000	\$106,000	\$109,000	\$112,000	\$115,000	\$119,000
4 Stand By	\$81,000	\$84,000	\$86,000	\$89,000	\$91,000	\$94,000	\$97,000	\$100,000	\$103,000	\$106,000
5 Emergency Response Stipend	\$58,000	\$59,000	\$61,000	\$63,000	\$65,000	\$67,000	\$69,000	\$71,000	\$73,000	\$75,000
6 Certification Stipend	\$135,000	\$139,000	\$143,000	\$147,000	\$151,000	\$156,000	\$161,000	\$166,000	\$171,000	\$176,000
7 Longevity Pay	\$104,000	\$107,000	\$110,000	\$113,000	\$117,000	\$120,000	\$124,000	\$127,000	\$131,000	\$135,000
8 Directors Fees	\$76,000	\$78,000	\$80,000	\$83,000	\$85,000	\$88,000	\$90,000	\$93,000	\$96,000	\$99,000
EMPLOYEE BENEFITS										
9 Directors Benefits	\$117,000	\$120,000	\$124,000	\$127,000	\$131,000	\$135,000	\$139,000	\$143,000	\$148,000	\$152,000
10 Payroll Taxes (SSI)	\$249,000	\$256,000	\$264,000	\$272,000	\$280,000	\$288,000	\$297,000	\$306,000	\$315,000	\$325,000
11 Group Life Insurance	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000
12 PERS	\$744,000	\$766,000	\$789,000	\$813,000	\$837,000	\$862,000	\$888,000	\$915,000	\$942,000	\$971,000
13 Health Insurance	\$716,000	\$738,000	\$760,000	\$783,000	\$806,000	\$831,000	\$856,000	\$881,000	\$908,000	\$935,000
14 Dental Insurance	\$40,000	\$41,000	\$43,000	\$44,000	\$45,000	\$47,000	\$48,000	\$50,000	\$51,000	\$53,000
15 Vision Insurance	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
16 Long Term Disability	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000
17 Auto Allowance	\$9,000	\$9,000	\$10,000	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000	\$12,000	\$12,000
INSURANCE										
18 Workers' Comp Insurance	\$143,000	\$147,000	\$152,000	\$156,000	\$161,000	\$166,000	\$171,000	\$176,000	\$181,000	\$187,000
19 Pooled Liability & Property Insurance	\$134,000	\$138,000	\$142,000	\$146,000	\$151,000	\$155,000	\$160,000	\$165,000	\$170,000	\$175,000
20 Fidelity Bond	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
REPAIRS AND MAINTENANCE										
21 Vehicle Parts & Maintenance	\$27,000	\$28,000	\$28,000	\$29,000	\$30,000	\$31,000	\$32,000	\$33,000	\$34,000	\$35,000
22 Building maintenance	\$56,000	\$58,000	\$60,000	\$61,000	\$63,000	\$65,000	\$67,000	\$69,000	\$71,000	\$73,000
23 Grounds Maintenance	\$105,000	\$109,000	\$112,000	\$115,000	\$119,000	\$122,000	\$126,000	\$130,000	\$134,000	\$138,000
24 Reclamation Pasture and Pond Maint.	\$184,000	\$190,000	\$196,000	\$201,000	\$207,000	\$214,000	\$220,000	\$227,000	\$233,000	\$240,000
25 Power Generation Maint & Repair	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
26 Equipment Maintenance	\$54,000	\$56,000	\$58,000	\$59,000	\$61,000	\$63,000	\$65,000	\$67,000	\$69,000	\$71,000
27 Equipment Repair	\$274,000	\$282,000	\$290,000	\$299,000	\$308,000	\$317,000	\$327,000	\$336,000	\$347,000	\$357,000
28 Capital Repairs/Replacements	\$213,000	\$220,000	\$226,000	\$233,000	\$240,000	\$247,000	\$255,000	\$262,000	\$270,000	\$278,000



Budgeted and Projected Cash Outflows (2 of 3)

Schedule 1

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2033/34
SUPPLIES & SMALL TOOLS										
29 Hypochlorite	\$266,000	\$274,000	\$283,000	\$291,000	\$300,000	\$309,000	\$318,000	\$328,000	\$337,000	\$348,000
30 Bisulfite	\$44,000	\$46,000	\$47,000	\$49,000	\$50,000	\$52,000	\$53,000	\$55,000	\$56,000	\$58,000
31 Miscellaneous Chemicals	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000	\$52,000	\$54,000	\$56,000	\$57,000	\$59,000
32 General Operating & Lab Supplies	\$51,000	\$53,000	\$54,000	\$56,000	\$58,000	\$59,000	\$61,000	\$63,000	\$65,000	\$67,000
33 Fuel, Oil, and CNG for Vehicles	\$51,000	\$53,000	\$54,000	\$56,000	\$57,000	\$59,000	\$61,000	\$63,000	\$65,000	\$67,000
34 Safety Equipment & Supplies	\$64,000	\$66,000	\$68,000	\$70,000	\$72,000	\$75,000	\$77,000	\$79,000	\$81,000	\$84,000
35 Safety Services	\$58,000	\$60,000	\$62,000	\$64,000	\$66,000	\$68,000	\$70,000	\$72,000	\$74,000	\$76,000
36 Small Tools	\$13,000	\$13,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000	\$16,000	\$17,000
CONTRACTED SERVICES										
37 Lab Contract Services	\$39,000	\$41,000	\$42,000	\$43,000	\$44,000	\$46,000	\$47,000	\$48,000	\$50,000	\$51,000
38 Pollution Prevention Program	\$15,000	\$16,000	\$16,000	\$17,000	\$17,000	\$18,000	\$18,000	\$19,000	\$19,000	\$20,000
39 Outside Services	\$140,000	\$144,000	\$148,000	\$153,000	\$157,000	\$162,000	\$167,000	\$172,000	\$177,000	\$182,000
40 Janitorial	\$23,000	\$24,000	\$25,000	\$26,000	\$26,000	\$27,000	\$28,000	\$29,000	\$30,000	\$31,000
41 Uniform Service	\$15,000	\$15,000	\$16,000	\$16,000	\$16,000	\$17,000	\$18,000	\$18,000	\$19,000	\$19,000
42 Sludge Disposal Inject	\$106,000	\$109,000	\$112,000	\$116,000	\$119,000	\$123,000	\$126,000	\$130,000	\$134,000	\$138,000
43 SCADA Engineering Support	\$79,000	\$82,000	\$84,000	\$87,000	\$89,000	\$92,000	\$95,000	\$98,000	\$101,000	\$104,000
44 Regulatory Consultant	\$180,000	\$186,000	\$191,000	\$197,000	\$203,000	\$209,000	\$215,000	\$222,000	\$228,000	\$235,000
45 Engin. Pass-thru & Gen. Small Projects	\$52,000	\$54,000	\$55,000	\$57,000	\$59,000	\$60,000	\$62,000	\$64,000	\$66,000	\$68,000
46 Feasibility Studies	\$68,000	\$70,000	\$72,000	\$74,000	\$77,000	\$79,000	\$81,000	\$84,000	\$86,000	\$89,000
47 Consultants - Other	\$201,000	\$207,000	\$214,000	\$220,000	\$227,000	\$233,000	\$240,000	\$248,000	\$255,000	\$263,000
48 Legal	\$111,000	\$114,000	\$117,000	\$121,000	\$124,000	\$128,000	\$132,000	\$136,000	\$140,000	\$144,000
49 Audit	\$23,000	\$24,000	\$25,000	\$26,000	\$26,000	\$27,000	\$28,000	\$29,000	\$30,000	\$31,000
50 Financial Services	\$2,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
51 Private Lateral Rehab Assist. Program	\$52,000	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000	\$61,000	\$63,000	\$65,000	\$67,000
52 Low-Income Rate Assistance Program	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

Budgeted and Projected Cash Outflows (3 of 3)

Schedule 1

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2033/34
UTILITIES										
53 Internet	\$9,000	\$9,000	\$9,000	\$9,000	\$10,000	\$10,000	\$10,000	\$11,000	\$11,000	\$11,000
54 Telephone	\$39,000	\$40,000	\$41,000	\$42,000	\$44,000	\$45,000	\$46,000	\$48,000	\$49,000	\$51,000
55 Utility Power	\$731,000	\$753,000	\$776,000	\$799,000	\$823,000	\$847,000	\$873,000	\$899,000	\$926,000	\$954,000
56 Water	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$39,000	\$40,000	\$42,000	\$43,000	\$44,000
GENERAL & ADMINSTRATIVE										
58 Payroll Processing	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000	\$15,000	\$16,000	\$16,000
59 Conferences	\$44,000	\$45,000	\$47,000	\$48,000	\$50,000	\$51,000	\$53,000	\$54,000	\$56,000	\$57,000
60 Mileage and Travel	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
61 Office Supplies	\$46,000	\$47,000	\$49,000	\$50,000	\$52,000	\$53,000	\$55,000	\$56,000	\$58,000	\$60,000
62 Meeting Supplies	\$4,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$6,000	\$6,000	\$6,000
63 Computer Services and Software	\$100,000	\$103,000	\$106,000	\$109,000	\$113,000	\$116,000	\$120,000	\$123,000	\$127,000	\$131,000
64 Bank Charges	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
65 User Charge Collection Fee	\$34,000	\$35,000	\$36,000	\$37,000	\$38,000	\$40,000	\$41,000	\$42,000	\$43,000	\$45,000
66 Publication and Legal Ads	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$14,000	\$14,000	\$14,000	\$15,000	\$15,000
67 Public Education and Outreach (1)	\$73,000	\$75,000	\$77,000	\$79,000	\$82,000	\$84,000	\$87,000	\$89,000	\$92,000	\$95,000
68 Taxes, Other	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$3,000
69 Memberships	\$68,000	\$70,000	\$72,000	\$74,000	\$76,000	\$79,000	\$81,000	\$83,000	\$86,000	\$88,000
70 Permits	\$86,000	\$89,000	\$91,000	\$94,000	\$97,000	\$100,000	\$103,000	\$106,000	\$109,000	\$112,000
71 Fines	\$69,000	\$71,000	\$73,000	\$75,000	\$77,000	\$80,000	\$82,000	\$85,000	\$87,000	\$90,000
72 Rents and Leases	\$147,000	\$151,000	\$156,000	\$160,000	\$165,000	\$170,000	\$175,000	\$180,000	\$186,000	\$191,000
73 Employee Recognition (1)	\$8,000	\$8,000	\$8,000	\$9,000	\$9,000	\$9,000	\$9,000	\$10,000	\$10,000	\$10,000
74 Employee Training and Education	\$11,000	\$12,000	\$12,000	\$12,000	\$13,000	\$13,000	\$13,000	\$14,000	\$14,000	\$15,000
75 Miscellaneous expense	\$67,000	\$69,000	\$72,000	\$74,000	\$76,000	\$78,000	\$81,000	\$83,000	\$85,000	\$88,000
76 Existing Debt Service	\$4,221,000	\$4,232,000	\$4,234,000	\$3,504,000	\$3,506,000	\$3,503,000	\$3,506,000	\$3,503,000	\$3,255,000	\$2,993,000
77 Total Operating Expenses	\$14,959,000	\$15,297,000	\$15,630,000	\$15,237,000	\$15,591,000	\$15,954,000	\$16,331,000	\$16,714,000	\$16,859,000	\$17,008,000

Capital Spending Plan (1 of 2)

	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31
PLANNING, SOFTWARE, & OTHER ENGINEERING								
1	Integrated Wastewater Master Plan Phase 2 and Phase 3	\$100,000						
2	Biosolids Program Monitoring Research Support& Flood Protection	\$340,000	\$350,200					
3	Asset Management CMMS Centricity (Plant, PS, Rec Phases 2-4)	\$500,000	\$250,000	\$116,600				
4	Sea Level Rise Mitigation Program Planning	\$100,000						
5	Hydraulic Modeling of Collection System	\$75,000	\$77,250	\$79,500	\$81,750	\$84,000	\$86,250	
6	Emergency Bypass Pumping Analysis & Response Plan	\$35,000	\$36,050					
7	On-Call Engineering Contract	\$200,000	\$206,000	\$212,180	\$218,545	\$225,102	\$231,855	\$238,810
8	On-Call Inspection	\$60,000	\$61,800	\$63,600	\$65,400	\$67,200	\$69,000	\$71,070
9	On-Call Construction Contract (2021-2023)	\$250,000	\$257,500	\$265,225	\$273,182	\$281,377	\$289,818	\$298,513
10	Standard Specifications and Drawings Update Project	\$35,000						
11	Accounting Caselle ERP Integration	\$20,000						
12	Website Improvement Design and Implementation	\$25,000						
13	Arc Flash Study	\$10,000						
14	Lab Software LIMS for TNI Standards Reporting	\$45,000						
FLEET & EQUIPMENT AND OTHER EQUIPMENT								
15	Fleet Replacement Vehicles	\$100,000			\$109,000	\$115,000		
16	Utility Collection System Replacement Trucks				\$560,000			
17	Equipment for Collection System Reponse (trailers, hoses)	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255	\$11,593	\$11,593
18	Standby/Towable Generators for Minor Pump Stations	\$281,125						
19	2023 Vac-Con Flusher Truck - clean diesel	\$332,476						
COLLECTION SYSTEM								
20	John Duckett PS & HWY 101 Terra Linda Trunk Sewer Design	\$1,520,368						
21	Electrical System VFD Upgrade & SCADA Integration for (7) PS	\$500,000	\$1,030,000	\$1,060,000				
22	Automatic Transfer Switches for Pump Stations	\$225,000						
23	Pump Station Site Lighting, Safety, & Security Improvements	\$206,877						
24	Annual Site Improvement - Paving, Fencing, Lighting	\$35,000	\$36,050	\$37,100	\$38,150	\$39,200	\$40,250	\$40,250
25	Captains Cove Pump Station Upgrades (2)	\$25,000						
26	Marin Lagoon Pump Stations Upgrades (2)	\$20,000	\$60,000	\$61,800	\$63,654	\$65,564	\$67,531	\$69,557
27	Smith Ranch Pump Station Generator Diesel Conversion				\$109,000	\$560,000		
28	Rafael Meadows Pump Station - Fencing	\$150,000						
29	Force Main Assessment, Install Ports, Cleaning, Location Marking, & Mapping	\$380,000	\$250,000	\$257,500	\$265,225	\$273,182		
30	Smith Ranch Rd Combined Force Main			\$257,500	\$2,650,000			
31	Lower Marinwood TS Capacity Upgrade & Relocation			\$257,500	\$1,590,000			
32	Sewer Main Collection System Rehabilitation Program	\$2,000,000	\$1,030,000	\$1,060,000	\$1,090,000	\$1,122,700	\$1,156,381	\$1,191,072
33	Sewer I&I Reduction Program (annual per SSMP)	\$500,000	\$515,000	\$530,000	\$545,000	\$560,000	\$575,000	\$592,250
34	Manhole Frame & Cover Adjustment Allowance	\$50,000	\$51,500	\$53,000	\$54,500	\$56,000	\$57,500	\$59,225
35	Upper Terra Linda TS & Siphon Improvements		\$500,000	\$4,000,000				
36	Northgate Industrial Park 8" Hwy 101 Undercrossing				\$180,250	\$1,855,000		
37	Mulligan PS & 18" TS and Hwy 101 Undercrossing Capacity Upgrades				\$981,000	\$6,720,000		
38	IWMP Pump Station & Force Main Projects					\$1,700,000	\$5,900,000	\$4,100,000
39	Sea Level Rise Mitigation Construction						\$1,090,000	\$1,120,000

Capital Spending Plan (2 of 2)

RECLAMATION										
40	Reclamation Pump Station Improvements - MCC, Pumps, Wet Well	\$150,000	\$257,500							
41	St. Vincent's Pump Station Improvements					\$100,000	\$257,500	\$530,000		
42	Solar PV System Replacement	\$250,000								
43	Center Pivot No. 1 Replacement	\$25,500								
44	Sludge Lagoon Liner Replacement/Repair	\$75,000	\$77,250	\$79,500						
45	Storage Pond 1 Transfer Pipe Repair					\$100,000				
46	Marsh Pond Vegetation Removal & Long-Term Vegetation Management Plan		\$61,800			\$67,200				
47	Miller Creek Vegetation Maintenance Repair, Maintenance	\$75,000								
48	Levee Road Restoration			\$63,600		\$67,200				
49	Reclamation Levee Capping - SLR mitigation					\$567,500				
50	Biosolids Program Implementation & Construction					\$2,300,000	\$2,300,000	\$2,300,000		
51	Sea Level Rise Mitigation Construction						\$1,090,000	\$1,120,000		
TREATMENT PLANT										
52	Laboratory Building Design (Lab / Education Center / Boardroom)	\$750,000								
53	Operations & Admin Building Design			\$1,200,000						
54	Corporation Yard Design		\$500,000							
55	Primary Clarifier #1 Repair	\$1,000,000								
56	Primary Clarifier Sludge Pump Addition	\$150,000								
57	Treatment Plant Upgrade Phase 2 Design - Primary Clarifiers	\$400,000								
58	Treatment Plant Upgrade Phase 3 Design - Flow Eq, UV, Headworks			\$500,000						
59	Digester Room MCC #2 Upgrade Design & Construction	\$1,400,000								
60	TWAS Enclosure / Sludge Basin and Reception Pad	\$1,400,000								
61	Fueling Station Project (diesel & gas)	\$300,000								
62	Plant Lighting Improvements and Other Electrical Ethan.	\$110,000								
63	Annual Site Improvement - Paving, Fencing, Lighting	\$60,000	\$61,800	\$63,600	\$65,400	\$67,200	\$69,000			
64	Boiler Relocation Project						\$515,000			
65	Vac Truck Recycled Water Filling Station & Wash Rack				\$63,600					
66	Digester Replacement and Solids Improvement Design					\$1,300,000				
67	Sea Level Rise Mitigation Construction						\$1,090,000	\$1,120,000		
FINANCED AND BOND PROJECTS										
68	John Duckett PS & HWY 101 Terra Linda TS Crossing	Debt	\$7,612,500	\$7,612,500						
69	Laboratory Building Construction - (Lab / Education Center / Boardroom) (Financed)	Debt	\$4,000,000	\$3,500,000						
70	Corporation Yard Construction	Debt		\$5,000,000						
71	Operations & Admin Building (Cash)				\$6,000,000					
72	Operations & Admin Building (Financed)	Debt				\$6,500,000				
73	Treatment Plant Upgrade Phase 2 Construction - Primary Clarifiers	Debt	\$7,500,000							
74	Treatment Plant Upgrade Phase 3 Construction - Flow Eq, UV, Headworks	Debt			\$3,975,000	\$3,975,000				
75	Digester Replacement and Solids Improvement Construction	Debt					\$6,540,000	\$6,540,000		
76	Total Capital Spending		\$14,276,346	\$24,792,500	\$26,341,314	\$18,989,583	\$23,997,180	\$14,491,678	\$20,839,840	\$12,937,956



Cash Flow Proforma (1 of 2)

Schedule 3

	Estimate FY 2023	Forecast FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033	
1	Rate Revenue Increase:		11.0%	10.0%	10.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Rate Revenue												
2	Service Charge Revenue	\$17,102,300	\$17,102,300	\$19,035,000	\$20,997,000	\$23,161,000	\$25,547,000	\$26,902,000	\$28,329,000	\$29,831,000	\$31,414,000	\$33,080,000
3	Change due to growth & use		\$52,000	\$58,000	\$64,000	\$70,000	\$78,000	\$82,000	\$86,000	\$91,000	\$95,000	\$100,000
4	Increase due to rate adjustments		\$1,881,000	\$1,904,000	\$2,100,000	\$2,316,000	\$1,277,000	\$1,345,000	\$1,416,000	\$1,492,000	\$1,571,000	\$1,792,000
Non-Rate Revenues												
5	Tax Revenue	\$1,778,000	\$1,802,000	\$1,827,000	\$1,852,000	\$1,878,000	\$1,904,000	\$1,931,000	\$1,958,000	\$1,986,000	\$2,015,000	\$2,044,000
6	Miscellaneous Fees	\$194,000	\$194,000	\$194,000	\$194,000	\$194,000	\$194,000	\$194,000	\$194,000	\$194,000	\$194,000	\$194,000
7	Interest Earnings	\$303,000	\$104,980	\$84,700	\$94,582	\$84,941	\$69,284	\$61,142	\$69,983	\$63,208	\$64,183	\$58,858
8	Operating Revenue	\$291,000	\$291,000	\$291,000	\$291,000	\$291,000	\$291,000	\$291,000	\$291,000	\$291,000	\$291,000	\$291,000
9	Grants	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	Capital Facility Charges	\$379,000	\$354,000	\$354,000	\$354,000	\$354,000	\$354,000	\$354,000	\$354,000	\$354,000	\$354,000	\$354,000
11	MMWD Capacity Purchase	\$631,000	\$631,000	\$631,000	\$631,000	\$631,000	\$631,000	\$631,000	\$631,000	\$631,000	\$631,000	\$631,000
12	Recycled Water Revenue	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000	\$81,000
13	Total Revenue	\$20,784,300	\$22,493,280	\$24,459,700	\$26,658,582	\$29,060,941	\$30,426,284	\$31,872,142	\$33,409,983	\$35,014,208	\$36,710,183	\$38,625,858
O&M Costs												
14	Wages	\$4,201,000	\$4,327,000	\$4,656,000	\$4,796,000	\$4,940,000	\$5,088,000	\$5,241,000	\$5,398,000	\$5,560,000	\$5,727,000	\$5,899,000
15	Benefits	\$1,863,000	\$1,919,000	\$1,976,000	\$2,036,000	\$2,097,000	\$2,160,000	\$2,224,000	\$2,291,000	\$2,360,000	\$2,431,000	\$2,503,000
16	Insurance	\$270,000	\$278,000	\$286,000	\$295,000	\$304,000	\$313,000	\$322,000	\$332,000	\$342,000	\$352,000	\$363,000
17	Repairs and Maintenance	\$888,000	\$915,000	\$942,000	\$971,000	\$1,000,000	\$1,030,000	\$1,061,000	\$1,093,000	\$1,125,000	\$1,159,000	\$1,194,000
18	Supplies and Small Tools	\$577,000	\$594,000	\$612,000	\$630,000	\$649,000	\$668,000	\$688,000	\$709,000	\$730,000	\$752,000	\$775,000
19	Contracted Services	\$1,076,000	\$1,108,000	\$1,141,000	\$1,176,000	\$1,211,000	\$1,247,000	\$1,285,000	\$1,323,000	\$1,363,000	\$1,404,000	\$1,446,000
20	Utilities	\$788,000	\$812,000	\$837,000	\$862,000	\$887,000	\$914,000	\$942,000	\$970,000	\$999,000	\$1,029,000	\$1,060,000
21	General and Administrative	\$765,000	\$788,000	\$811,000	\$836,000	\$861,000	\$886,000	\$913,000	\$940,000	\$969,000	\$998,000	\$1,028,000
22	Total Operating Expenses	\$10,428,000	\$10,741,000	\$11,261,000	\$11,602,000	\$11,949,000	\$12,306,000	\$12,676,000	\$13,056,000	\$13,448,000	\$13,852,000	\$14,268,000
Capital Costs												
23	Total Capital Spending	\$4,153,000	\$14,276,000	\$24,793,000	\$26,341,000	\$18,990,000	\$23,997,000	\$14,492,000	\$20,840,000	\$12,938,000	\$16,573,000	\$17,070,000
24	Bond Proceeds	\$0	\$0	\$19,113,000	\$16,113,000	\$3,975,000	\$10,475,000	\$6,540,000	\$6,540,000	\$0	\$0	\$0
25	Existing Debt Service	\$4,201,000	\$4,221,000	\$4,232,000	\$4,234,000	\$3,504,000	\$3,506,000	\$3,503,000	\$3,506,000	\$3,503,000	\$3,255,000	\$2,993,000
26	Cash Funded Capital Projects	\$4,153,000	\$14,276,000	\$5,680,000	\$10,229,000	\$15,015,000	\$13,522,000	\$7,952,000	\$14,300,000	\$12,938,000	\$16,573,000	\$17,070,000
27	New Debt Service	\$0	\$0	\$0	\$3,800,000	\$3,800,000	\$3,800,000	\$4,801,000	\$4,801,000	\$4,801,000	\$4,801,000	\$4,801,000
28	Total Capital Expenses	\$8,354,000	\$18,497,000	\$9,912,000	\$18,263,000	\$22,319,000	\$20,828,000	\$16,256,000	\$22,607,000	\$21,242,000	\$24,629,000	\$24,864,000
Transfers In / (Out)												
29	Capital Reserve		\$1,048,500									
30	Vehicle & Equipment Reserve		\$158,300									
31	Capital Facility Reserve	(\$379,000)	(\$354,000)	(\$354,000)	(\$354,000)	(\$354,000)	(\$354,000)	(\$354,000)	(\$354,000)	(\$354,000)	(\$354,000)	(\$354,000)
32	Total Revenue Requirement	\$18,782,000	\$28,031,200	\$21,173,000	\$29,865,000	\$34,268,000	\$33,134,000	\$28,932,000	\$35,663,000	\$34,690,000	\$38,481,000	\$39,132,000



Cash Flow Proforma (2 of 2)

Schedule 3

	Estimate FY2023	Forecast FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	Forecast FY2031	Forecast FY2032	Forecast FY2033
33 Beginning Year Balance	\$27,909,000	\$29,532,300	\$23,640,380	\$26,573,080	\$23,012,662	\$17,451,603	\$14,389,887	\$16,976,029	\$14,369,012	\$14,339,220	\$12,214,403
34 Surplus/(Shortfall)	\$1,623,300	(\$5,891,920)	\$2,932,700	(\$3,560,418)	(\$5,561,059)	(\$3,061,716)	\$2,586,142	(\$2,607,017)	(\$29,792)	(\$2,124,817)	(\$860,142)
35 End of Year Balance	\$29,532,300	\$23,640,380	\$26,573,080	\$23,012,662	\$17,451,603	\$14,389,887	\$16,976,029	\$14,369,012	\$14,339,220	\$12,214,403	\$11,354,261
36 <i>Reserve Target</i>	\$8,533,583	\$8,727,833	\$9,037,583	\$11,454,333	\$11,230,917	\$11,440,333	\$12,238,333	\$12,461,750	\$12,688,667	\$12,779,667	\$12,869,500
37 <i>Available Cash</i>	\$20,998,717	\$14,912,547	\$17,535,496	\$11,558,329	\$6,220,686	\$2,949,553	\$4,737,696	\$1,907,262	\$1,650,553	(\$565,264)	(\$1,515,239)
Other Reserves (beginning balance)											
38 <i>Emergency Repair Reserve</i>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
39 <i>Capital Reserve</i>	\$2,951,500	\$1,903,000	\$1,903,000	\$1,903,000	\$1,903,000	\$1,903,000	\$1,903,000	\$1,903,000	\$1,903,000	\$1,903,000	\$1,903,000
40 <i>Vehicle & Equipment Reserve</i>	\$841,700	\$683,400	\$683,400	\$683,400	\$683,400	\$683,400	\$683,400	\$683,400	\$683,400	\$683,400	\$683,400
41 <i>Capital Facility Reserve</i>	\$587,700	\$941,700	\$1,295,700	\$1,649,700	\$2,003,700	\$2,357,700	\$2,711,700	\$3,065,700	\$3,419,700	\$3,773,700	\$4,127,700
Debt Coverage Calculations											
42 Debt Coverage Ratio	2.47	2.78	3.12	1.87	2.34	2.48	2.31	2.45	2.60	2.84	3.13



Item Number 2J

GM Review CP

Agenda Summary Report

To: Board of Directors
From: Curtis Paxton, General Manager
 (415) 526-1511; cpaxton@lgvsd.org
Mtg. Date: June 1, 2023
Re: Approval of 2023-2027 Strategic Plan
Item Type: Consent X Action Information
Standard Contract: Yes No (See attached) Not Applicable

STAFF RECOMMENDATION

Approve the final 2023-2027 Strategic Plan (attached) prepared by Brent Ives of BHI Management Consulting.

BACKGROUND

The Board authorized a contract with Brent Ives of BHI Management Consulting in April 2022 to facilitate Strategic Plan workshops with the Board of Directors and produce an update to the current Las Gallinas Valley Sanitary District (LGVSD) Strategic Plan. Brent Ives interviewed individual Board members to gain insight on ideas and desires for the District in the next 5 years and what would be necessary to carry out these desires.

Board Workshops to review the draft Strategic Plan documents were conducted in June 2022, October 2022 and February 2023. LGVSD staff provided input into the various drafts discussed with the Board and did a recent review of the Final Draft that incorporated the input received from the Board. The Final Strategic Plan (attached) is ready for approval by the Board.

The expectation is that the Strategic Plan will be reviewed on an annual basis, with the next review being performed in Spring 2024.

PREVIOUS BOARD ACTION

On April 7, 2021, the Board approved a contract with Brent Ives (BHI Management Consulting) to update the LGVSD Strategic Plan. Workshops with the Board were conducted on June 6, 2022, October 6, 2022, and February 2, 2023, to receive input from the Board on the Strategic Plan.

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

N/A

LGVSD



STRATEGIC PLAN

2023-2027



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Core Values

In carrying out our commitment, our core values are:

- Protect public health and the environment
- Provide high quality customer service
- Use public funds responsibly
- Maintain a safe and challenging workplace

Our Board

Megan Clark, President

Craig K. Murray, Vice-President

Crystal J. Yezman, Director

Ronald Ford, Director

Gary E. Robards, Director

Our Mission

The Mission of the Las Gallinas Valley Sanitary District is to protect public health and our environment, providing effective wastewater collection, treatment, and resource recovery.

Our Vision

In the next 5 years, we will strengthen the District management of all assets, use practical operational methods, employ healthy organizational practices and properly analyze infrastructure investments and resource utilization.

Recognizing that sanitation and wastewater treatment is vital to protecting the public health, in the course of normal operations the District will:

- Manage our treatment and collection systems in a planned and sustainable way to reduce impact on natural resources;
- Proactively manage risks created by climate change, sea level rise, fire, earthquakes and flooding when developing and designing projects (“through the lens”);
- Create and maintain a more suitable workplace to promote a sustainable, motivated, long-term and cohesive workforce;
- Provide high-quality, transparent, and accessible customer service;
- Strive for zero spills;
- Meet or exceed regulatory requirements for treatment (effluent, emissions and biosolids);
- Strive toward beneficial recycling of wastewater, biosolids and other resources using safe and effective processes and systems to achieve our zero-waste vision;
- Collaborate with neighboring agencies to achieve efficiencies for the public;
- Cooperate with stakeholders to leverage opportunities for protecting the Bay and regional water resources;
- Increase public education, acceptance and understanding of what we do;
- Promote the District through industry participation and seek industry competitive awards;
- Responsibly manage the refuse franchise;
- Use public funds responsibly;
- Aggressively seek grant and financial opportunities for support of District priorities

MESSAGE FROM THE GENERAL MANAGER

“
Our goals can only be reached through a vehicle of a plan, in which we must fervently believe, and upon which we must vigorously act. There is no other route to success.

- Pablo Picasso

Photo: San Pablo Bay

MESSAGE FROM THE GENERAL MANAGER

The Las Gallinas Valley Sanitary District (LGVSD) proudly presents our updated Strategic Plan covering Fiscal Years 2023 through 2027. This Strategic Plan is the result of collaborative work by the Board of Directors and LGVSD staff in casting a vision for the next five years as well as the specific implementation actions needed to fulfill that vision.

LGVSD has been providing excellent service to our customers in the North San Rafael area since the mid-1950s. We currently serve approximately 32,000 people in our service area and look forward to this Strategic Plan providing the roadmap to continue that excellent service in wastewater collection, treatment and resource recovery for years to come.

In 2023, the Board of Directors adopted the

Strategic Plan which reaffirms the Mission, Vision, and Core Values of the District. Although the past few years have been extremely challenging dealing with the COVID-19 pandemic, LGVSD staff, under the leadership of the Board of Directors, were able to continue to provide effective service to our community without interruption. LGVSD staff and the Board of Directors are excited to be able to now direct resources and energy towards the successful implementation of the Strategic Plan.

This Strategic Plan outlines the specific focus areas and objectives that LGVSD will employ. There is a lot of work to be done over the course of this Strategic Plan, and we look forward to using this roadmap to achieve continued effective and excellent service to our community.



Curtis Paxton
General Manager

PROCESS AND ORGANIZATION OF LGVSD STRATEGIC PLAN

In 2022, LGVSD retained the services of BHI Management Consulting (BHI) to facilitate and coordinate the updating of the District's five-year Strategic Plan. BHI first gathered input directly from LGVSD staff and individual members of the Board of Directors. This was followed by two Board and staff planning workshops. At each meeting the District Mission and 5-year Vision, areas of strategic focus and implementation of actions were discussed.

The Board developed a new Mission Statement to describe the overall purpose of the District and cast a new Vision for the District. District core values were carefully reviewed and updated to reflect the Board's commitment to effective and ethical practices. The Board also identified five areas of strategic focus around which implementation of tactical tasks, projects and actions are organized.

The organization of the Plan is outlined by

Mission/Vision/Values, followed by five, five-year strategic focus areas, and the associated tasks, projects and actions needed to fulfill the vision. The Vision to Action Table, completes the plan by providing a one-page overview of the plan providing associated dates for action.

Using this process, this Strategic Plan provides a roadmap for the District guided by the Board's Vision for the next five years. A collective review of the Board of Directors was made a final time prior to Board approval.

Strategic Focus Areas

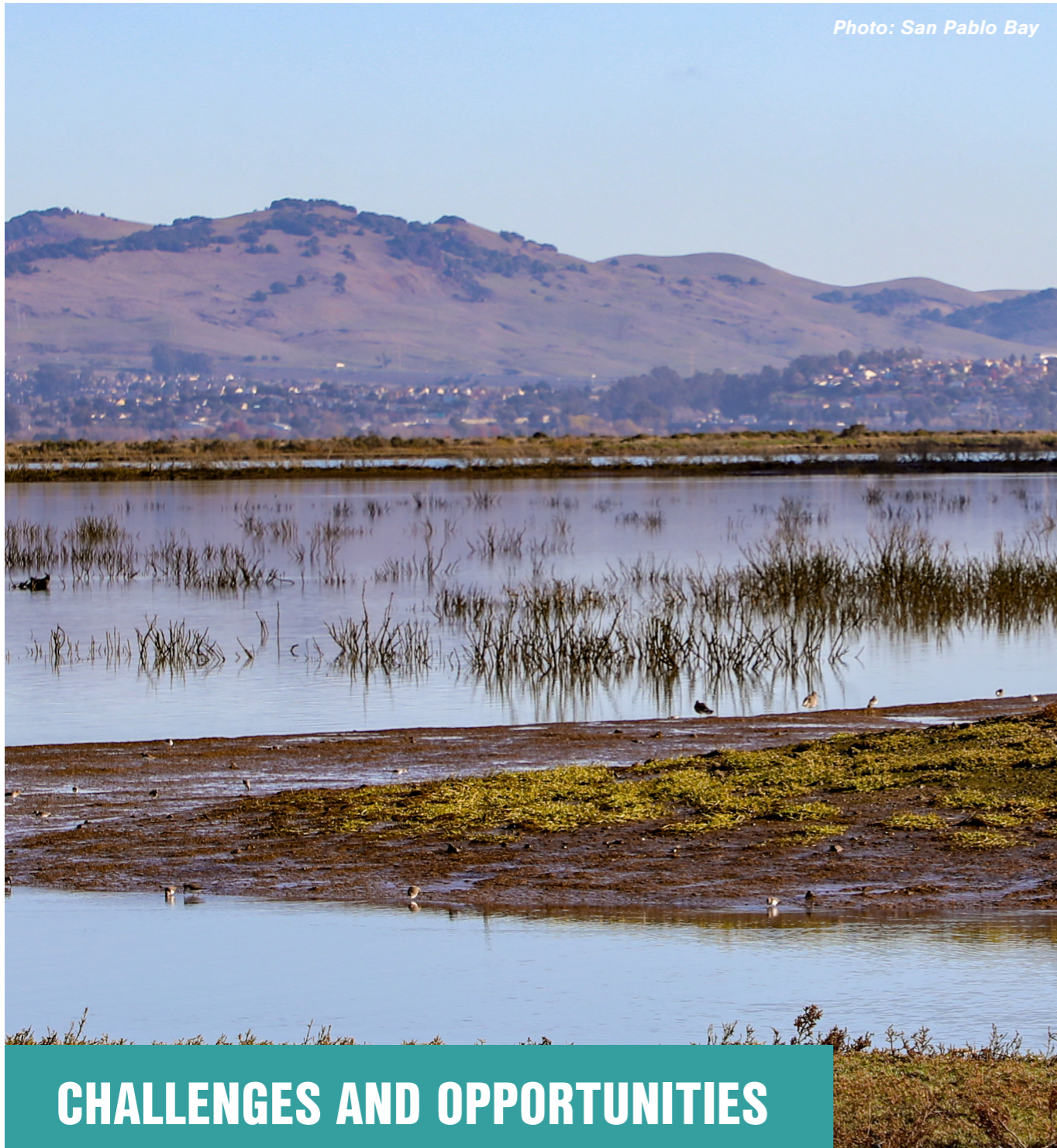
Strategic Focus Areas are the organized and prioritized directions for LGVSD in the next five years. Each will be described in further detail in the following pages. They are:

- 1.0 Integrated Wastewater Master Plan (IWMP)
- 2.0 Biosolids
- 3.0 Workplace
- 4.0 Workforce
- 5.0 Administrative and Executive Focus Areas



Photo: LGVSD Reclamation Ponds

Photo: San Pablo Bay



CHALLENGES AND OPPORTUNITIES

LGVSD has a number of challenges and opportunities over the course of this Strategic Plan. LGVSD has a variety of capital projects to address, especially with the sewer collection system. While the major project at the treatment plant has been completed, and a second phase of treatment plant upgrade projects are considered, a major focus of the capital program will be on rehabilitation and/or replacement of major sewers and pump stations.

As we seek to ensure a smooth transition as our workforce reaches retirement age, workforce development and succession planning efforts will help us maintain excellent service to our customers and community.

Maintaining and balancing adequate revenues with expenditures is another area of effort for the District. A four-year study is underway to ensure the District is adequately funded on both the operations and maintenance budget side as well as the ambitious capital program that is required.

1.0 INTEGRATED WASTEWATER MASTER PLAN (IWMP)

OUR OBJECTIVE IS TO ACTIVELY AND EFFECTIVELY PLAN AND MANAGE OUR WASTEWATER UTILITY.



There is immense power when a group of people with similar interests gets together to work toward the same goals.

- Idowu Koyenikan

1.1

Refine scope of work for IWMP for more plan completion FY 2023

1.1.1 Staff defined needed refinements (complete condition assessments, including sea level rise, and develop CIP project list). FY 2023

1.1.2 Prioritize projects identified. Board endorsement. Design and construct short-term projects identified above. FY 2023

1.2

Evaluate primary and disinfection treatment processes FY 2023 - 2027

1.2.1 Conduct a condition assessment to determine refurbishment needs. This assessment will forecast capacity needs and identify necessary resources to complete identified refurbishment actions within the scope of the five-year plan. FY 2023-2027

1.3

Refurbish collection system FY 2023 - 2027

1.3.1 Conduct a comprehensive condition assessment to identify system needs and determine a multi-year refurbishment plan. This assessment/plan will forecast capacity needs and identify necessary resources to complete identified refurbishment actions within the scope of the five-year plan. FY 2023-2027

1.3.2 Develop cost-sharing program for collection system upgrades. FY 2024

1.4

Using previously developed tools (i.e. - Heat Map, Effective Utility Management - EPA) as basis we will prioritize infrastructure work needed within planning term. FY 2024 - 2027

See Attachment - Heat Map

1.5

Integrate the management of LGVSD assets through a refined Asset Management Program FY 2025

2.0 BIOSOLIDS

OUR OBJECTIVE IS TO MIGRATE BIOSOLIDS FROM DISPOSAL TO BENEFICIAL USE.

2.1

Consider the feasibility of all options per the EPA National Priorities Program three-year research project, **Unregulated Organic Chemicals in Biosolids: Prioritization, Fate and Risk Evaluations for Land Applications (Research Project) and the Biosolids Program work being performed by GHD, Inc.**

(i.e. - Dedicated land disposal, land application, composting) for the beneficial use of biosolids. Implementation options that are best suited to LGVSD. FY 2027

2.2

Work with potential partners to create memorandums of understanding and agreements for the funding, design, constructions, and operations of the selected biosolids option. **Public/Private Partnerships (PPP) will be considered.** FY 2027



Photo: LGVSD Reclamation Ponds

3.0 WORKPLACE

OUR OBJECTIVE IS TO MAKE THE DISTRICT WORKPLACE ONE THAT IS SOUGHT OUT BY TOP TALENT.

3.1

Review project objectives, design (begun 2016), bid, and build an **Operations and Control Center.** FY 2022-2025

3.2

Build a new corporation yard and employee parking. FY 2023-2027

3.3

Consider an optional satellite corporation yard and employee parking. FY 2026

3.4

Improve software systems and IT infrastructure, **District-wide internet connectivity and cybersecurity to support operations and business management.** FY 2023-2027

3.5

Integrate low-emission and electric vehicles (EV) into our fleet. FY 2023-2027



Photo: LGVSD Reclamation Ponds

4.0 WORKFORCE

OUR OBJECTIVE IS TO MANAGE AND VALUE OUR WORKFORCE TO OPTIMIZE THIS GREAT PUBLIC ASSET.

4.1

Develop a workplace culture statement by the Board of Directors providing clear guidance to management, respecting the value of each employee and developing a strong team culture.
FY 2023

4.2

Develop a District succession plan to provide uninterrupted service to the public through organizational stability and a smooth transfer of knowledge.
FY 2024

4.4

Consider options regarding workforce housing opportunities.
FY 2025

4.3

Perform a comprehensive organizational analysis
FY 2023 - 2027

4.3.1 Perform a classification and compensation study.
FY 2026

4.3.2 Perform organizational health surveys/assessments.
Ongoing

4.3.3. Consider commensurate staffing changes necessary to support work as identified.
Annually, in yearly budget proposal.



Photo: Mother duck with ducklings



Photo: Heron

5.0 ADMINISTRATIVE AND EXECUTIVE FOCUS AREAS

OUR OBJECTIVE IS TO PRODUCTIVELY GOVERN AND MANAGE THE DISTRICT FOR THE GREATEST PUBLIC BENEFIT.

5.1

Provide a well-devised annual performance evaluation process for the General Manager.
FY 2023

5.1.1 GM self-assessment.

5.1.2 Full Board Participation

5.1.3. Cooperatively (Board/GM) developed annual performance goals and objectives.

5.2

Refine the LGVSD public relations program to potentially include comprehensive/intuitive website improvements, social media, school outreach, programs for the education of the public.
FY 2024

5.3

Achieve CSDA District of Distinction acknowledgement.
FY 2024

5.4

Consider alternate financial strategies for addressing Other Post-Employment Benefits (OPEB) liabilities.
FY 2024

VISION TO ACTION TABLE

Strategic Focus	Strategic Goals	Proposed Completion Dates
1.0 Integrated Wastewater Management Plan (IWMP)	1.1 Refine Scope of Work for IWMP for more plan completion. 1.2 Evaluate primary and disinfection treatment processes. 1.3 Refurbish collection system. 1.4 Using previously developed tools (i.e. Heat Map, Effective Utility Management - EPA) as a basis we will prioritize infrastructure work needed within planning term. 1.5 Integrate the management of LGVSD assets through a refined Asset Management Program.	1.1 FY 2023 1.2 FY 2023 - 2027 1.3 FY 2023 - 2027 1.4 FY 2024 - 2027 1.5 FY 2025
2.0 Biosolids	2.1 Consider the feasibility of all options per the EPA National Priorities Program three-year research project, Unregulated Organic Chemicals in Biosolids: Prioritization, Fate and Risk Evaluations for Land Applications (Research Project) and the Biosolids Program work being performed by GHD, Inc. 2.2 Work with potential partners to create a memorandum of understanding for the funding design, construction and operation of the selected biosolids option.	2.1 FY 2027 2.2 FY 2027
3.0 Workplace	3.1 Review project objectives, design (begun 2016), bid, and build an Operations and Control Center. 3.2 Build a new corporation yard and employee parking. 3.3 Consider an optional satellite corporation yard and employee parking. 3.4 Improve software systems and IT infrastructure, District-wide internet connectivity and cybersecurity to support operations and business management. 3.5 Integrate low-emission and electric vehicles (EV) into our fleet.	3.1 FY 2022 - 2025 3.2 FY 2023- 2027 3.3 FY 2026 3.4 FY 2023- 2027 3.5 FY 2023- 2027
4.0 Workforce	4.1 Develop a workplace culture statement by the Board of Directors providing clear guidance to management, respecting the value of each employee and developing a strong team culture. 4.2 Develop a District succession plan to provide uninterrupted service to the public through organizational stability and a smooth transfer of knowledge. 4.3 Perform a comprehensive organizational analysis. 4.4 Consider options regarding workforce housing opportunities.	4.1 FY 2023 4.2 FY 2024 4.3 2023 - 2027 4.4 FY 2025
5.0 Administrative & Executive Focus Areas	5.1 Provide a well devised annual performance evaluation process for the General Manager. 5.2 Refine the District public relations program to potentially include comprehensive/intuitive website improvements, social media, school outreach, programs for the education of the the public. 5.3 Achieve CSDA District of Distinction acknowledgement. 5.4 Consider alternate financial strategies for addressing other Post-Employment Benefits (OPEB) liabilities.	5.1 FY 2023 5.2 FY 2024 5.3 FY 2024 5.4 FY 2024

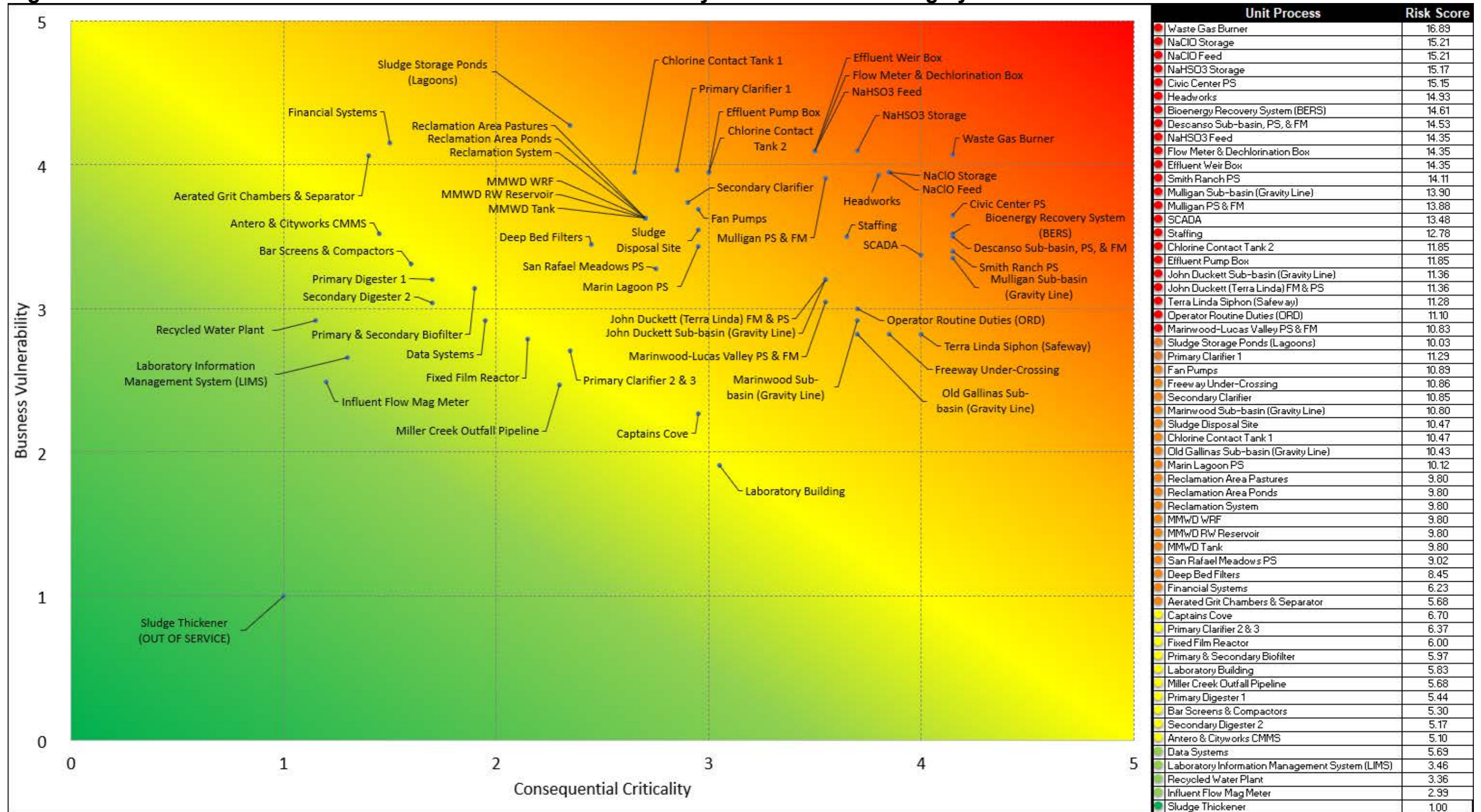


“
 If you want to go quickly, go alone.
 If you want to go far, go together.”

- African Proverb

ATTACHMENT - HEAT MAP

Figure 7: Total Risk Score Scatter Plot Shows that 42% of District Systems are Ranked Highly Critical



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LAS GALLINAS VALLEY SANITARY DISTRICT

101 LUCAS VALLEY ROAD,
SUITE 300
SAN RAFAEL, CA 94903
(415) 472-1734
WWW.LGVSD.ORG

*Photo: Sunset at San Pablo
Bay*

6/1/2023

General Manager Report

- Separate Item to be distributed at Board Meeting
- Separate Item to be distributed prior to Board Meeting
- Verbal Report
- Presentation



DESIGN (Number of projects in design phase: 12)

- Rafael Meadows Pump Station Standby Generator Installation
 - Generator enclosure has been repaired through a change order.
 - Completed start-up testing with Peterson/Caterpillar.
 - Staff prepared responses to submittals and RFI's for compliance requirements.
 - Punchlist items are in progress.
- Solar Photovoltaic System Upgrades
 - Power Purchase Agreement with ForeFront Power (FFP) has been fully executed.
 - FFP and its subcontractor began preliminary site investigations and testing of existing equipment in March.
 - Submitted application to PG&E's Self-Generation Incentive Program.
 - Conducting weekly meetings with FFP and Kenwood Energy on design and permitting aspects of the project.
 - Design of new solar PV system is in progress by ForeFront.
 - Tentative construction start date: Nov 2023.
 - Tentative construction completion date: Oct 2024.
- Standby Generator System Installation for Adrian, McPhail, and Industrial Park Pump Station
 - Received BAAQMD permits for all three pump stations. Two generators have been ordered. Pending confirmation from the contractor on the procurement of the third generator.
 - Contractor was on site in March 2023 to review site layouts and perform preliminary measurements.
 - Provided inspection requirements to Bellecci & Associates.
 - Contractor started construction in May 2023.

CONSTRUCTION (Number of projects in construction: 8)

- Secondary Treatment Plant Upgrade & Recycled Water Expansion ("Big Project")
 - Target completion date: June 2, 2023, pending site fencing and minor AC paving.
 - Target ribbon cutting: June 8, 2023.

CALL FOR BIDS (Number of projects: 5)

- Primary Clarifier 1 Rehabilitation
 - Obtained equipment pricing from Ovivo to match existing primary clarifier mechanism.
- Combined Project - TWAS Enclosure/Sludge Basin & Reception Pad
- Digester MCC-2 Upgrades
- Terra Linda Force Main Access Structures
- Pump Station Site Lighting Improvements

OTHER (Number of projects: 9)

- Integrated Wastewater Master Plan
 - Staff reviewed Phase 3 re-scoping memo from Kennedy Jenks (KJ) and finalized District comments after meeting with management.
 - Conducted re-scoping meeting with KJ to discuss District comments.
 - KJ is finalizing Phase 2 technical memos, including condition assessment on treatment plant, collection system, disaster resilience, and asset management. Anticipates submittal in May 2023.

Engineering Report (Feb through May 2023)

Job No.	Project Name/Updates	% Completion
DESIGN PROJECTS		
11200-03	John Duckett Pump Station & Sewer Main Capacity and Storage <ul style="list-style-type: none"> Redefined scope to reflect the following in the current CIP budgeting: <ol style="list-style-type: none"> Maintain current proposed pump station location for sea level rise mitigation. Remove force main realignment as project component. Designate exposed pipe creek crossing replacement and Hwy 101 trunk sewer crossing as critical project components. 	30%
20100-02	Operation Control Center Building Design <ul style="list-style-type: none"> Schematic Design is currently on hold. Fire Hydrant Line is currently being installed under the STPURWE project. Comcast fiber cable line is under design by Comcast staff and contractors. 	16% (On-hold)
20600-04	Flow Equalization Basin <ul style="list-style-type: none"> On-hold pending evaluation of final treatment facility layout. Need to discuss rescoping of design services with Hazen & Sawyer to reprioritize tasks based on recent storms and new secondary treatment process performance. 	25% (On-hold)
21600-03	Venetia Harbor Paving <ul style="list-style-type: none"> Staff to finish the grading and paving plan based on topographic data and prepare informal bid set. 	50%
20300-09	Smith Ranch Pump Station Electrical Upgrades <ul style="list-style-type: none"> Freyer & Laureta is updating the design per District staff input. Scope: New control panel, ATS, standby natural gas-powered generator, etc. Received draft design submittal. 	51%
21350-01	Automatic Transfer Switches for Pump Stations <ul style="list-style-type: none"> Freyer & Laureta and staff are evaluating the feasibility to expand current design scope to replace the existing variable frequency drive with a prefabricated single or duplex control panels at Captains Cove and Marin Lagoon pump stations. Staff will provide additional instruction to F&L. 	50%
21600-01	Emergency Bypass Pumping Analysis & Emergency Response Plan <ul style="list-style-type: none"> Freyer & Laureta continues to prepare the draft emergency response plan. 	50%
21600-09	Plant Lighting Improvements <ul style="list-style-type: none"> Five (5) additional flat panel light fixtures and conduit trenching were completed as part of STPURWE. Staff is evaluating if additional area lighting is still required for safe operations at night. 	75%
22500-03	Solar Photovoltaic System Upgrades <ul style="list-style-type: none"> Power Purchase Agreement with ForeFront Power (FFP) has been fully executed. FFP and its subcontractor began preliminary site investigations and testing of existing equipment in March. Submitted application to PG&E's Self-Generation Incentive Program. Conducting weekly meetings with FFP and Kenwood Energy on design and permitting aspects of the project. Design of new solar PV system is in progress by ForeFront. Tentative construction start date: Nov 2023. Tentative construction completion date: Oct 2024. 	8%
23200-01	Collection System Hydraulic Model <ul style="list-style-type: none"> Hazen reviewed record drawings and prepared model for existing conditions. A subconsultant (ADS) installed one rain gauge and 10 flow meters in the collection system. Flow monitoring will end in May. Staff and Hazen met to discuss preliminary flow monitoring results based on collected data. 	40%
TBD	Reclamation Pond Diversion Boxes <ul style="list-style-type: none"> Staff is developing scope for replacement of critical gates at two diversion boxes. Staff has reached out for informal bids from several contractors. 	5%
TBD	Annual Plant Paving at Various Locations <ul style="list-style-type: none"> Staff to redefine scope, e.g. plant entrance, or reuse and combine with other locations. 	5%

Job No.	Project Name/Updates	% Completion
CONSTRUCTION PROJECTS		
11500-09	Miller Creek Vegetation Maintenance <ul style="list-style-type: none"> On-going with Hanford ARC. Received comments from the Water Board on the annual vegetation and geomorphic monitoring reports. 	17%
12300-05	Rafael Meadows Pump Station Standby Generator Installation <ul style="list-style-type: none"> Generator enclosure has been repaired through a change order. Completed start-up testing with Peterson/Caterpillar. Staff prepared responses to submittals and RFI's for compliance requirements. Punchlist items are in progress. 	90%
12600-07 & 16650-02	Secondary Treatment Plant Upgrade & Recycled Water Expansion <ul style="list-style-type: none"> Target completion date: June 2, 2023, pending site fencing and minor AC paving. Target ribbon cutting: June 8, 2023. 	99%
21300-03	Standby Generator System Installation for Adrian, McPhail, and Industrial Park PS <ul style="list-style-type: none"> Received BAAQMD permits for all three pump stations. Two generators have been ordered. Pending confirmation from the contractor on procurement of the third generator. Contractor was on site in March 2023 to review site layouts and perform preliminary measurements. Provided inspection requirements to Bellecci & Associates. Contractor started construction in May 2023. 	45%
21300-06	Venetia Harbor Pump Station Concrete Slab Repair <ul style="list-style-type: none"> Linscott completed installation of a retaining wall around the concrete slab for subsidence repair. 	100%
21600-08	Grit Screw Conveyor Systems Replacement <ul style="list-style-type: none"> Held pre-construction meeting for construction in May. Hazen & Sawyer will provide inspection services for the project. Grit screw conveyor equipment has been delivered to the contractor for installation. 	37%
22125-04	On-Call Construction Contract <ul style="list-style-type: none"> North San Pedro Road Sewer Repair (100% complete) Las Gallinas Easement Sewer Repair (100% complete) 	Continuous
23500-05	Center Pivot No.1 Replacement <ul style="list-style-type: none"> Center pivot equipment was delivered on site. Demolition began in May. 	10%
REQUESTS FOR PROPOSALS		
<i>None.</i>		
CALL FOR BIDS		
12600-07	Combined Project - TWAS Enclosure/Sludge Basin and Reception Pad <ul style="list-style-type: none"> Issue Call for Bids for combined project in May 2023. 	
20200-01	Terra Linda Force Main Access Structures <ul style="list-style-type: none"> Freyer & Laureta submitted 100% design for ten access points along John Duckett Force Main. Staff is preparing formal bidding documents. 	
21300-04	Pump Station Site Lighting Improvements <ul style="list-style-type: none"> Freyer & Laureta provided design specifications and drawings. Light fixture type and model shall meet Dark Sky Initiative specifications. Staff is preparing bidding documents. 	
21600-07	Digester Room MCC#2 Upgrades <ul style="list-style-type: none"> Hazen included provisions for future boiler relocation in the design. Hazen submitted 100% design plans. Staff is finalizing formal bidding documents for public bids. 	
22600-01	Primary Clarifier 1 Rehabilitation <ul style="list-style-type: none"> Obtained equipment pricing from Ovivo to match existing primary clarifier mechanism. Preparing bidding documents. 	

Job No.	Project Name/Updates	% Completion
OTHER PROJECTS		
20100-04	Integrated Wastewater Master Plan <ul style="list-style-type: none"> • Staff reviewed Phase 3 re-scoping memo from Kennedy Jenks and finalized District comments after meeting with management. • Conducted re-scoping meeting with KJ to discuss District comments. • Kennedy Jenks is finalizing Phase 2 technical memos, including condition assessment on treatment plant, collection system, disaster resilience, and asset management. Anticipates submittal in May 2023. 	Phase 2: 85%
20125-01	On-Call Engineering Contract <ul style="list-style-type: none"> • Hazen & Sawyer will provide inspection services for the Grit Screw Conveyor Systems Replacement project. 	Continuous
21500-08	Biosolids Program <ul style="list-style-type: none"> • Staff provided comments and bidding format guidance to GHD on the RFP for biosolids land application. • Continue to hold biweekly progress meetings with GHD. • Submitted Biosolids and Site Characterization Workplan and Sampling and Analysis Plan to the Water Board in compliance with the Notice of Availability (NOA). 	Continuous
21500-08	Groundwater Monitoring Well Installation <ul style="list-style-type: none"> • Completed project close out. 	100%
21500-08	Flood Protection Plan <ul style="list-style-type: none"> • Submitted Flood Protection Plan prepared by ESA to the Water Board in compliance with the NOA. • Waiting for comments from the Water Board. 	95%
N/A	Sludge Lagoon Liner Replacement/Repair <ul style="list-style-type: none"> • Staff and GHD agreed to include the repair in the biosolids land application RFP. Service provider selected for the land application task can be utilized to empty the lagoon prior to repair/replacing the liner. 	
21600-07	Secondary Digester Inspection <ul style="list-style-type: none"> • Completed. 	100%
22125-02	Standard Specifications and Drawings Update <ul style="list-style-type: none"> • Issued RFP to update the 2000 LGVSD Standard Specifications and Drawings. • Staff evaluated the only proposal received from Hazen & Sawyer in response to the RFP. 	2%
22125-03	On-Call Inspection <ul style="list-style-type: none"> • On-going with Bellecci & Associates for collection system, development, and other projects as necessary. 	Continuous
LAND DEVELOPMENT		
	245 Nova Albion Way <ul style="list-style-type: none"> • Total of 100 living units. • Pending Land Development Ad Hoc Committee discussion. 	
	Congregation Rodef Sholom – 170 N San Pedro <ul style="list-style-type: none"> • Construction of a new 23,317 SF two-story building (synagogue) to replace the existing 14,357 SF building. • Coordinated District's pipebursting project with developer's contractor. • Bellecci & Associates inspected the sewer lateral tie-in. 	
	Los Gamos Apartments <ul style="list-style-type: none"> • Total of 192 apartment units. • Pending Land Development Ad Hoc Committee discussion. 	
	Northgate Redevelopment - 5800 Northgate Mall <ul style="list-style-type: none"> • Redevelop Northgate Mall to include both retail and multi-family units. <i>Project Concept 2025: retail space plus 965 multi-family units</i> <i>Project Concept 2040: retail space plus 1374 multi-family units</i> • Pending Land Development Ad Hoc Committee discussion. 	

Job No.	Project Name/Updates	% Completion
	Other Projects Reviewed by Staff (Will Serve Letters Issued):	
	<ul style="list-style-type: none"> • 98 Duran Dr – New ADU • 90 Esmeyer Dr – New ADU • 216 Mirada Ave – New ADU • 810 Pine Lane – New ADU • 55 Ranch Rd – Barn to ADU Conversion • Sourdough & Co. at 412 Las Gallinas Ave – New Restaurant in Existing Building 	
	Other Projects Reviewed by Staff (Will Serve Letters Not Required):	
	<ul style="list-style-type: none"> • 754 Las Colindas Rd – Residential Remodel • 635 Montecillo Rd – Residential Interior Remodel • 840 Montecillo Rd – Residential Interior Remodel • 505 Vendola Dr – Residential Interior Remodel • 80 Wallace Wy – Residential Interior Remodel • Embark Clinic at 4000 Civic Center Dr – Tenant Improvements • Exchange Bank at 3950 Civic Center Dr – Tenant Improvements • Golden Gate Veterinary Clinic at 4460 Redwood Hwy – Tenant Improvements • Marin Aging & Disability Institute at 70 Skyview Ter – Tenant Improvements • Starbucks at 260 Northgate Dr – Tenant Improvements • Marin Bible Church at 3 North San Pedro Rd – Tenant Improvements • Sol Food Warehouse at 79 Mitchell Blvd – Tenant Improvements 	
	Building Permit Lists	
	<ul style="list-style-type: none"> • Reviewed building permit lists from City of San Rafael: <ul style="list-style-type: none"> - Issued 18 request for information letters • Reviewed building permit lists from Marin County: <ul style="list-style-type: none"> - Placed 18 permit holds - Released 13 permit holds 	
SEWER LATERAL VIDEO INSPECTION - COLLECTIONS DEPARTMENT		
	<ul style="list-style-type: none"> • Reviewed 41 sewer lateral inspection videos and issued Letters of Findings. 	



CRITICAL PROCESS

- Treatment plant effluent was discharged to Miller Creek during this quarter.
- Blending events occurred in January, February, and March during periods of heavy rainfall. Blending is a permitted treatment strategy that routes primary effluent, exceeding secondary treatment capacity, directly to combine with secondary treated effluent, both receiving disinfection and dechlorination before discharge to Miller Creek.
- Three BioWheel aeration trains were in operation in this report period. Persistent drive chain link failures were observed by operations staff and replaced by maintenance staff in this period. Failed trunnion assemblies were replaced by the STPURWE general contractor for two BioWheels in aeration basin train #4 in March.
- A 5 to 6 million gallon per day (MGD) flow restriction was observed at the yard piping between the new secondary clarifiers and the chlorine contact chamber. Air entrainment was ruled out using contractor installed clear standpipes to measure hydraulic head in this location during storm events. The line will be dewatered and inspected in the dry season to determine if there is a physical obstruction in the line.

NON-CRITICAL PROCESS

- Department supervisors and lead staff enrolled in and began attending RGS leadership academy courses this period.
- January - Representatives from West Yost performed onsite cybersecurity field assessment tasks required for their report the anticipated completion will be in the second quarter of 2023.
- February – Operations Department Team welcomes Ghazaleh (Grace) Maleki to fill the District’s Laboratory Analyst position.
- March – Department of Energy sponsored San Francisco State University Industrial Assessment Center representatives’ treatment plant tour and initialization of energy audit work to develop their report.

PERFORMANCE METRICS

Sewage Treated

- 5.18 million gallons per day average daily influent flow for January through March.

Recycled Water Production

- 1.24 million gallons of recycled water was pumped to North Marin Water District
- 20.36 million gallons of recycled water was pumped to Marin Municipal Water District

Reclamation

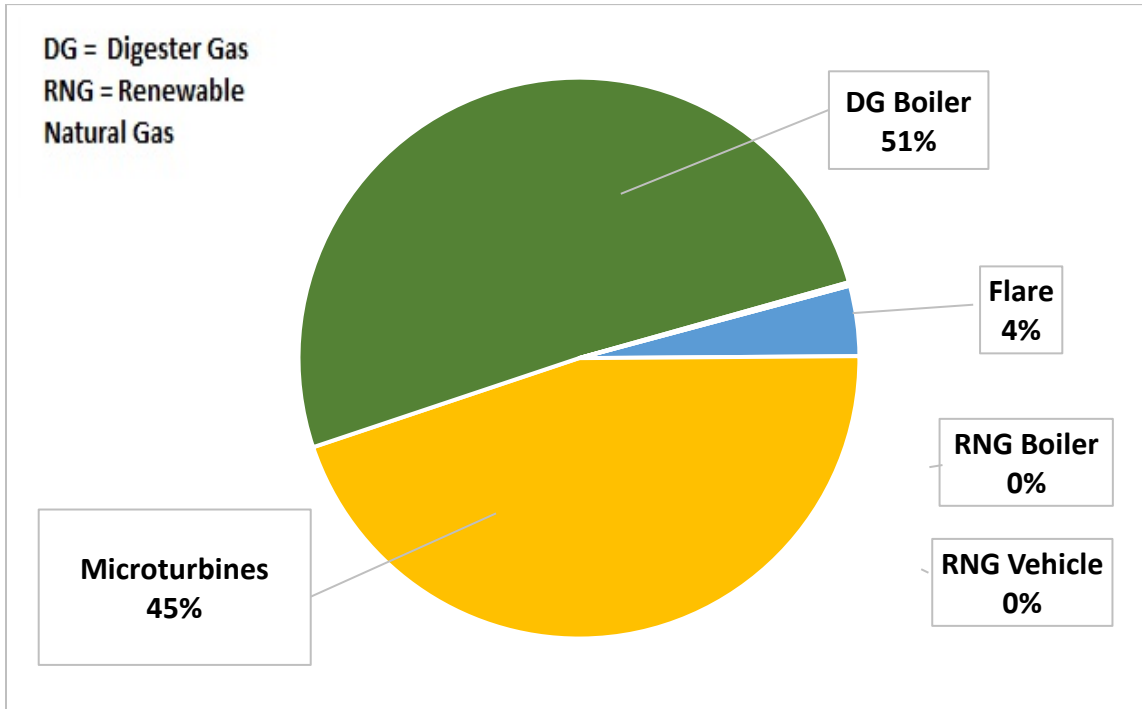
- Pond Levels Beginning of January – Pond #1 = 6.2’ - Pond #2 = 6.1’ ~ 69% of Capacity
Pond Levels at End of March – Pond #1 = 6.3’ - Pond #2 = 6.2’ ~ 70% of Capacity

Solar Power Generation

- 10,828 kWh offsetting approximately \$2,707 in PG&E/MCE electrical consumption costs using an average rate of \$0.25/kWh. Inverters A & B were shut down 12/2021 for safety.

Biogas Utilization

- Total Digester Gas Produced – 3,447,332 scf – Microturbines at 75% uptime producing a total of 52,225 kWh, offsetting approximately \$13,056 in PG&E/MCE electrical consumption costs using an average rate of \$0.25/kWh.



NPDES PERMIT COMPLIANCE

A single effluent copper sample result of 12 ug/l, collected on March 10, exceeded the maximum daily NPDES permit limit of 11 ug/l. This was reported to the water board on April 4, after results were received from an independent laboratory used to perform this analysis. Staff have a high level of confidence that the exceedance was attributable to a combination of high influent flow during a storm event and a settleability issue, related to filamentous bulking, that the secondary treatment process was experiencing at the time. All other water quality parameters met or exceeded permissible limits for this period. Annual and monthly reports were submitted to their respective regulatory agencies in accordance with permit requirements. On average, laboratory staff perform 138 process control and 25 regulatory compliance analyses per week during this report period.




Item Number _____ 3.4 _____

GM Review _____ CP _____

Agenda Summary Report

To: Board of Directors

From: Dale McDonald, Administrative Services Manager 
 (415) 526-1519 dmcdonald@lqvsd.org

Meeting Date: June 1, 2023

Re: Proposed Fiscal Year 2023-2024 Budget

Item Type: Consent _____ Action _____ Information X Other _____

Standard Contract: Yes _____ No _____ (See attached) Not Applicable X

STAFF RECOMMENDATION

Board to provide direction to staff so that the proposed budget for fiscal year 2023-2024 can be finalized.

BACKGROUND

Staff has been meeting since February 2023 developing the budget for fiscal year 2023-2024. The Board held a budget workshop on March 29, 2023 and provided feedback to staff. A report on the impact the District’s Capital Improvement Program would have on the sewer rates was given on April 20, 2023. A Sewer Rate Study, which included a comprehensive financial forecast for the next 10 years, was completed by Hildebrand Consulting, presented as draft sewer rate report on May 8, 2023, and submitted to be accepted under consent by the Board on June 1, 2023. Revenue, operating expenses, reserves, and capital expenditures based on the above meetings have been updated to reflect the current financial position of the District.

The proposed budget includes \$32,661,147 in revenue and \$38,364,834 in expenses. The District is projected to spend \$5,703,687 more than what will be brought in in the upcoming fiscal year. The District will be able to draw down from its unrestricted working capital to cover this shortfall. Based on the proposed budget, excluding capital carryover funding and restricted reserves, the working cash balance at the end of fiscal year June 30, 2024 is forecast to be \$2,359,496.

Board Input Requested

A few assumptions remain in the proposed budget. Staff is seeking input on the following items before the final budget is to be considered for adoption on June 30, 2023:

- Confirm the Sewer Service Charge (SSC) Rate for use in the 2023-2024 budget. The proposed annual SSC Single-Family Residential rate increase of \$111 has been incorporated into the proposed budget. Proposed changes to the rate structure methodology will impact Non-Residential rates. Based on the newly proposed strength levels; domestic, elevated, and high, it is estimated that the Non-Residential rate increases will generate approximately \$125K in additional revenue. This amount may be higher or lower depending on the final calculation-based water use of these customers. This SSC increase is forecast to bring in \$1,881,304 in additional revenue.

- Reserve funding targets need to be reviewed and determined. Board Policy F-50 requires that the Board review the reserve policy annually. It has historically been done during the budget process. Staff is suggesting increasing the Capital Reserve target to \$11M, consisting primarily of reserve funds for the Operation Control Center building for which \$3M was designated in fiscal year 2022-2023 and \$3M is proposed for fiscal year 2023-2024. The Emergency Repair reserve, currently targeted at \$1M, has not been raised since 2017. Staff is recommending raising the Emergency Reserve to \$1.5M to adjust for inflation and construction price increases. It is healthy for the District to have cash reserves to provide safeguards for the District's operations.
- The Capital Outlay Budget for 2023-2024 identifies funding sources for identified capital projects planned for in the upcoming fiscal year. The Capital Outlay Budget comprises 41.53% of the total budget. Many of the projects have previously been identified and contracts executed in prior years. They are primarily funded from prior year carryover funds. New and ongoing capital projects are identified in the budget and are primarily funded from unrestricted funds, property tax revenue and sewer service charges. The Board should review the proposed funding sources and provide direction to staff if any changes should be made prior to the final budget presentation.
- The District has an aggressive Capital Improvement Program (CIP) which has been expanded to 7-years to capture biosolids and sea-level rise projects anticipated to occur between 2028 through 2030. It was developed based on Board priorities, risk assessment, and recommended projects. The CIP incorporates many projects identified in the preliminary Integrated Wastewater Master Plan (IWMP) currently under development. The list of capital projects presented is the same as what was in the Hildebrand Sewer Rate Study with only slight adjustments to incorporate the latest cost estimates and completion timelines. The Board is asked to give direction on whether to keep the expanded to 7-year CIP or revert to the 5-year model for the final budget.

Other Information

The Secondary Treatment Plant Upgrade Recycled Water Expansion (STPURWE) project is expected to be completed by June 30, 2023, however the District is anticipating invoices from approved contracts and additional minor expenditures related to the project to trickle in between July and September. The District's accounting method is based on a modified accrual basis. For accounting purposes, the project is considered a "Construction-in-Progress" asset, with no depreciation recorded until the asset is placed in service. Once the Notice of Completion is filed, construction is considered complete, and the asset will be reclassified as an infrastructure improvement. Capitalization and depreciation will then apply. The project is included in the Capital Outlay Budget with expenditures to be paid in 2023-2024 using prior year carryover funds. Any unused carryover funds after the project completion will be allocated to the undesignated capital reserve.

Marin Municipal Water District (MMWD) Inter-Governmental revenue is expected to increase in 2023-2024 once the cost share adjustment for the STPURWE project is calculated. Staff will be meeting to develop the estimate before the final budget is presented.



Debt Service Coverage Ratio (DSCR) for 2023-2024 is projected to be 2.03 based on lower operating income and increased operating expenses. It remains above the minimum DSCR required by the 2017 Bond covenants but below the DSCR target of 2.18 suggested by HDR Engineering as part of their SSC Rate Study in April 2021. The recent Hildebrand Consulting sewer rate study recommends maintaining a DSCR of at least 1.5 to ensure access to favorable borrowing terms in the future.

Rising operation and maintenance expenses are expected to continue into 2023. The Consumer Price Index (CPI-U) as of April 2023 increased 4.2% over the last 12-months. The proposed budget includes inflation factors between 1.0% and 6% for various expenditures with some outliers, like energy and chemical costs, calculated based on higher actuals.

Board policy requires the District to maintain a balanced budget and to disclose deviations from a balanced budget when it occurs. The final proposed budget will be balanced with any identified shortfall being funded from the unrestricted working capital balance. Policy also requires that the District estimate revenues conservatively when forecasting the budget.

The attached budget for fiscal year 2023-2024 is similar in format and detail to what was presented in the 2022-2023 budget. It includes a summary and detailed information on anticipated revenue, expenditures proposed, financial statements, and list of CIP projects.

PREVIOUS BOARD ACTION

On June 16, 2022, the Board approved the budget for fiscal year 2022-2024.

On May 18, 2023, the Board accepted the 2023 Sewer Charge Study Report from Hildebrand Consulting for fiscal years 2023-2024 through 2026-2027.

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

The presentation of the proposed budget itself has no fiscal impact.

Board direction and feedback will influence the final budget for fiscal year 2023-2024 which will be presented on June 30, 2023.

Attachment:

- A. Las Gallinas Valley Sanitary District Proposed Budget for Fiscal Year 2023-2024, dated June 1, 2023

Las Gallinas Valley Sanitary District

Proposed Budget

Fiscal Year 2023-2024

June 1, 2023





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101 Lucas Valley Road, Suite 300
San Rafael, CA 94903
Tel.: 415-472-1734
Fax: 415-499-7715
www.LGVSD.org

MANAGEMENT TEAM
General Manager, Curtis Paxton
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
Gary E. Robards
Crystal J. Yezman

June 1, 2023

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

The management staff of the Las Gallinas Valley Sanitary District (“District or LGVSD”) is pleased to present the Proposed LGVSD Budget for the upcoming 2023-2024 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 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 \$32,661,147 in total funding for 2023-2024 with \$23,791,633 coming from revenue and \$8,869,514 from prior year capital carryover and reserve funds.

Operations and Maintenance (“O&M”) expenses are anticipated to increase over the prior year budget by \$1,145,200, or 9.99%. O&M expenses 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 is 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 are depreciation, replacement, obsolescence charges, reserves, and amortization of intangibles. O&M expenses, including employee salaries and wages, comprise 32.85% of the budget.

Debt service requirements are \$4,496,574 and include the 2017 Revenue Bonds and 2019 IBank loan. The final 2012 Bank of Marin Loan payment was made in August 2022. Debt service comprises 11.72% of the budget.

New Reserve funding of \$4,396,463 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”) and Laboratory Buildings at the treatment plant and the John Duckett Pump Station and Trunk Sewer project. The District maintains five reserve funds and four restricted funds. Restricted funds are monies set aside for a particular purpose and \$935,157 in additional funding is proposed with the budget, and includes new funding for the Recycled Water Capital Repair and Replacement fund required under agreement with Marin Municipal Water District (“MMWD”). 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, while 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 13.90% of the budget.

The Capital Outlay effort for 2023-2024 remains the primary driver of expenditures for the District comprising 41.53% of the total budget. The total capital outlay for the Capital Improvement Program (“CIP”) for fiscal year is \$15,932,540, excluding \$3,000,000 that will be reserved for the OCC 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 recent Sewer Rate Study by Hildebrand Consulting included a 10-year CIP forecast based of the District developed CIP. 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 Capital Outlay Carryover funds is the primary funding source for the majority of capital projects in fiscal year 2023-2024. \$8,751,119 of carryover funding is allocated for use on capital projects in the 2023-2024 budget.

Sincerely,



Curtis Paxton
General Manager



Dale McDonald
Administrative Services Manager

Las Gallinas Valley Sanitary District

Proposed Budget – 2023-2024

REVENUE

Operating Revenue

The District is heading into its first year of a four-year rate plan to be considered and approved by the Board on June 30, 2023. A Sewer Service Charge (“SSC”) rate increase of \$111 annually for Single Family Residential (“SFR”) users is proposed. The rate increase will provide \$1,881,304 in additional revenue over last year. Non-residential SSC revenue is expected to increase slightly as new strength levels are implemented. In addition, it is anticipated that more wastewater was generated by non-residential customers as businesses returned to normal as the COVID-19 pandemic wound down. Projected end of year revenue for 2022-2023 is higher than originally budgeted, further confirming an increase in wastewater generated is anticipated.

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 are 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 2023.

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 2023-2024 are expected to be slightly higher than 2022-2023 actuals. For 2023-2024, property tax revenue is budgeted at \$1,229,409 and reflects a 3% increase over projected 2022-2023 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 \$507,904 for 2023-2024 using the foundational basis from the ERAF revenue received in 2022-2023.

Las Gallinas Valley Sanitary District

Proposed Budget – 2023-2024

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 2024 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 yield higher than average returns with rates to remain flat in 2024. As the District uses accumulated funds for construction projects, the earnings are projected to decline in 2023-2024.

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 2023-2024 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 2023-2024 as home sales, a primary trigger for lateral sewer replacements, remain flat.

The Miscellaneous revenue account allows various incidental or one-off payments to be deposited into the District’s operating account. Revenue received this fiscal year included \$85,900 in payment for the remaining unused Sharp Solar Panel Warranty value and \$10,200 in payments from Marin County to reimburse the District for collecting wastewater samples for COVID-19 testing. 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 (“CFC”), and Connections Fee activity for remodel permits and Accessory Dwelling Units (“ADUs”) has increased from prior years. CFC’s can be paid over 3 years as the project is developed. While the District is substantially built out and the pace of development is difficult to predict, staff are aware of a few large-scale development projects which are anticipated to be approved for connecting to the sewer system in 2023-2024. State and local governments are looking at laws to allow additional expansion of ADUs to create more affordable housing and provide flexibility for families who wish to build a 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. Staff is budgeting \$870,286 in receipts for capital facility charges for 2023-2024 primarily the result of the two large projects under development. A capacity fee study by HDR Engineering was completed in 2022 which, based on the cost-of-service for connecting to the system, adjusted the CFCs that can be imposed on development. Annexation and development fees are separate from the CFC connection fees. The interest income for this category is for existing CPC funds held on deposit, which must be expended only for capital projects that increase capacity to either the collection system or treatment plant.

Marin Municipal Water District (“MMWD”) 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. Through May 2023, the MMWD buy-in and debt service funds were allocated to the Capital Reserves for their shared cost of the expansion project. Now that the project is complete, the buy-in and debt service payments received from MMWD will be allocated to undesignated Capital Reserves for future use by the District. In addition, per the agreement, MMWD and LGVSD will meet in early 2023-2024 to review the construction costs of the projects and adjust the buy-in amount based on actual final costs of the project. The Marin Municipal Water District Inter-Governmental capital contribution revenue line item includes \$240,000 in 2023-2024 as a placeholder for anticipated revenue from the buy-in adjustment.

Las Gallinas Valley Sanitary District

Proposed Budget – 2023-2024

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”) project is filed. The remaining funds will be returned 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, but no specific grant has been identified 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 investigate 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 in April 2022 which can be used for implementation of organic recycling programs in fiscal year 2023-2024 and beyond as mandated by SB 1383. A Zero Waste Marin reimbursement grant of \$5,000 is anticipated in 2023-2024 to offset the District’s cost for various waste reduction laws and support projects that move Marin’s communities to Zero Waste.

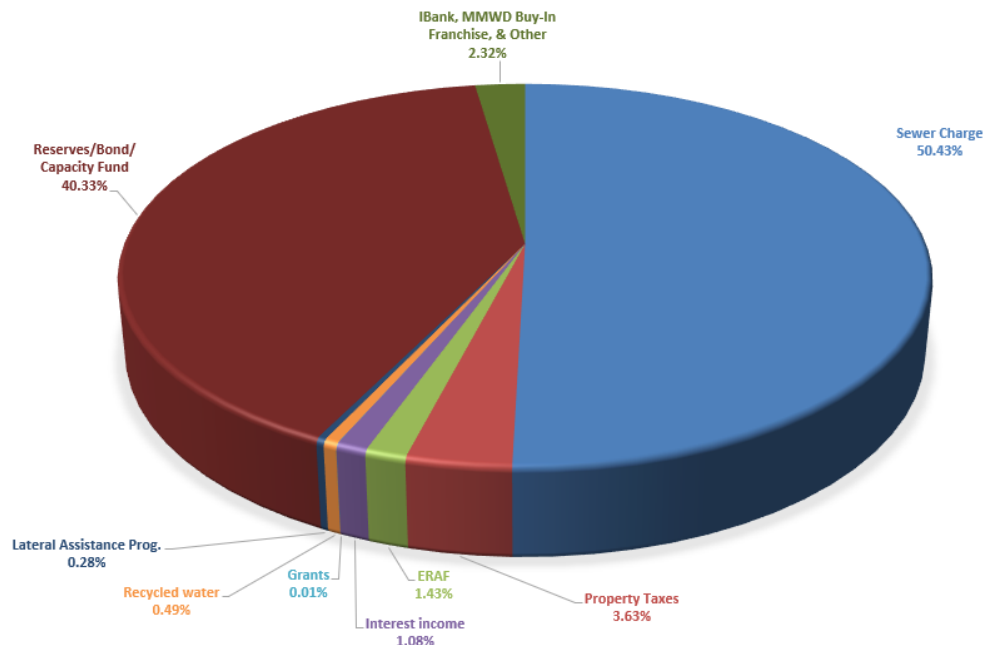
Utilization of Bond Funds and Reserves

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 \$394,015. Funds must be sufficient to fund future assistance with anticipated revenue of \$81,700 allocated for 2023-2024. The budget includes using \$60,500 towards new loans in 2023-2024.

The District has previously budgeted for projects that have not yet begun 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 2023-2024. A total of \$8,751,119 of prior-year capital carry-over is budgeted for use in 2023-2024.

Capital Reserves used for the STPURWE Project were depleted by May 2023. The Marin Municipal Water District (“MMWD”) Buy-In and their share of debt service payments collected for the STPURWE project and held in this reserve was used towards the completion of the

FISCAL YEAR 2023-2024 TOTAL REVENUE SOURCES \$32,661,147



Las Gallinas Valley Sanitary District Proposed Budget – 2023-2024

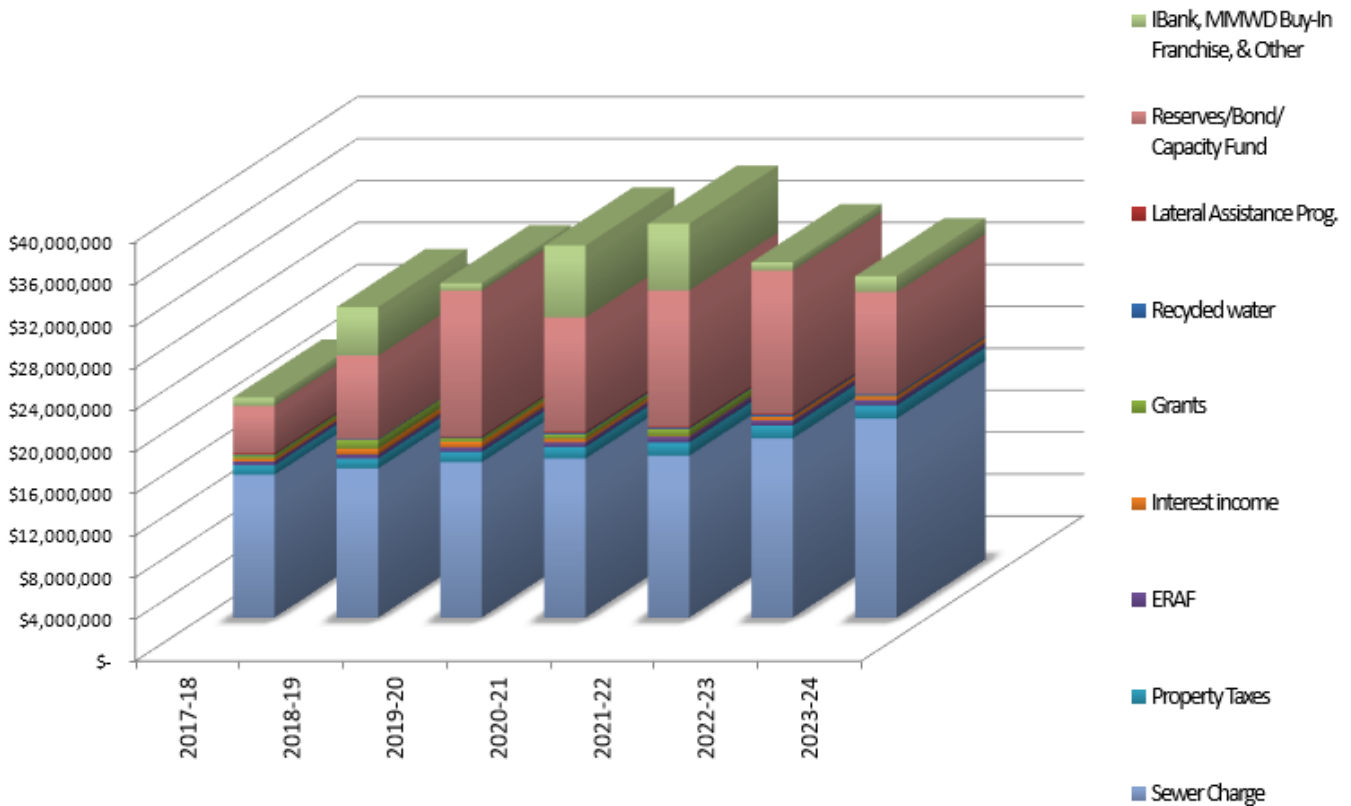
project. The projected Capital Reserve beginning balance of \$5,649,747 includes \$3,000,000 designated for the Operations Control Center (“OCC”) project. There is no planned use of these funds in 2023-2024.

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 2023-2024.

Transfers from the Marin Lagoon and Captains Cove restricted funds can be used towards repayment of operating and capital costs, including capital replacement and Board authorized capital projects, incurred for Marin Lagoon and Captains Cove collection systems. A total of \$52,200 is budgeted for 2023-2024.

A new restricted Recycled Water Capital Repair and Replacement fund was recently established. The Bank of Marin Business Money Market account, previously used to receive MMWD’s contributions towards the STPURWE projects, has been repurposed to hold these funds. It has been added to the Restricted Funds financial schedule with initial transfers into the fund expected to occur after meeting with MMWD to complete the first annual reconciliation of operating costs as required under the agreement between LGVSD and MMWD.

The graph below shows the composition of District revenues for the past five fiscal years plus the projected 2022-2023 and proposed budget for 2023-2024.



Las Gallinas Valley Sanitary District

Proposed Budget – 2023-2024

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.

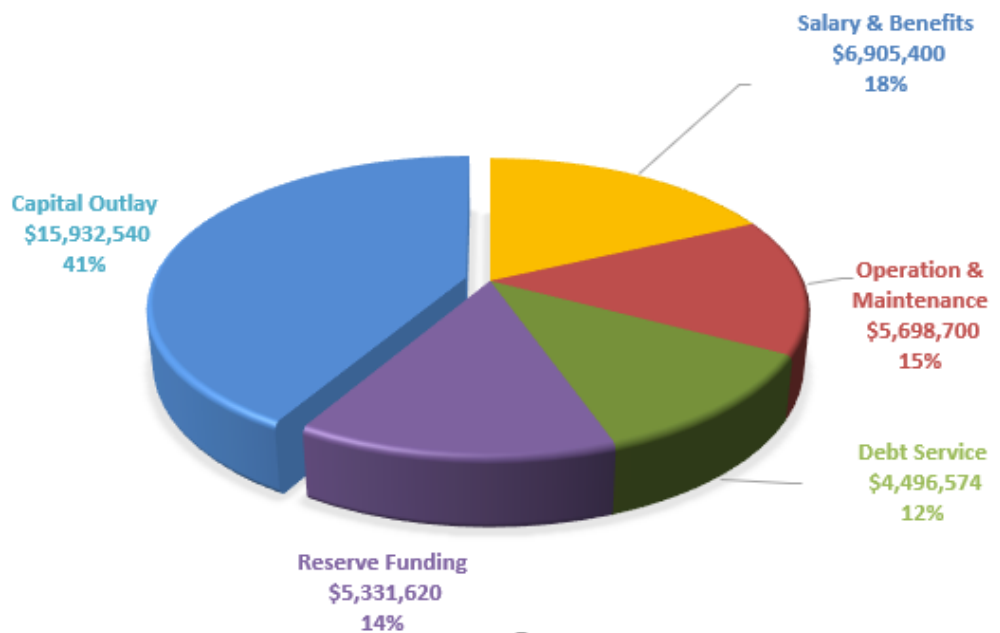
Modified accrual accounting is an alternative bookkeeping method that combines accrual-basis accounting with cash-basis accounting. It recognizes revenues when they become available and measurable and, with a few exceptions, records expenditures when liabilities are incurred.

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

DRAFT BUDGET FY 2023-2024



The District’s largest expenditure category is Capital Outlay followed by Operations and Maintenance. The operations 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 can review its reserve policy and establish reserve funding targets for the Operating & Rate Stabilization Reserve, Emergency Repair, Capital Reserves, and Vehicle and Equipment Reserve as part of the budget process.

Las Gallinas Valley Sanitary District

Proposed Budget – 2023-2024

Operations and Maintenance Expenses

Employee Expenses:

Staff salaries are projected to increase but the actual increase is not yet known. The current Memorandum of Understanding (“MOU”) between the District and Operating Engineers Local 3 (“OE3”) unrepresented employees will expire June 30, 2023. Bargaining sessions are underway and a cost-of-living adjustment is anticipated. The budget includes funding for one additional full-time position being proposed for 2023-2024. Vacant positions in 2022-23 resulted in actual salary expenses to be lower than budgeted. The budget for 2023-24 is based on the District maintaining full-staffing levels throughout the year.

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 15.95% for classic members (up slightly from 14.03%) and 7.68% (up from 7.49%) for PEPRAs in 2023-2024. Staff who became CalPERS members after 2013 are covered by the PEPRAs plan which requires lower retirement contributions by the District. PEPRAs employees are required to contribute 8% towards their retirement per MOU. The District’s share of CalPERS contributions in 2023-2024 is projected to increase 1.4% over prior year actuals.

Health insurance is projected based on the known rates for July through December 2023 and the application of an estimated health insurance trend rate of +1% for the remainder of 2023-2024. CalPERS Health will set the coverage rates for 2024 in the summer of 2023. The expense also reflects costs associated with one new proposed position for 2023-2024. 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, 2021 are included under health benefit expenses.

The Auto Allowance is a vehicle allowance benefit for management employees who have this benefit included in their contracts. Managers who opt to use a District vehicle are not be entitled to the auto allowance. A cost-of-living adjustment for the vehicle Auto Allowance will be made on July 1, 2023, subject to Board approval.

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 a review of operational needs management is recommending the addition of one new staff position, increasing the full-time equivalent positions from 30 to 31. The following position is proposed:

Grant Management and Purchasing Procurement Specialist

In today’s dynamic and resource-constrained environment, organizations, especially those with limited staff and shared responsibilities, often find themselves overwhelmed by the administrative burden associated with grant writing and purchasing procurement. To alleviate this strain and maximize efficiency, the need for a dedicated Grant Management and Purchasing Procurement Specialist becomes crucial. This specialized role will not only relieve current staff of these time-consuming tasks, but also ensure a streamlined process, increased competitiveness in securing grants, and effective management of procurement procedures. Currently the District is dependent on outside consultants to identify grant funding. By investing in a professional with expertise in

Las Gallinas Valley Sanitary District

Proposed Budget – 2023-2024

these areas, the organization can focus on its core mission and goals while leveraging the specialist's skills to drive success.

The Grant Management and Purchasing Procurement Specialist would be responsible for managing grant writing activities and overseeing the purchasing procurement process. Reporting to the Administrative Services Manager, this junior or senior-level position would require strong skills in accounting, grant writing, and procurement to support the District's financial operations and funding acquisition goals.

The proposed budget includes \$108,000 in salary and \$46,000 for benefits for this new position. The total cost of \$154,000 is estimated based on filling the position with a junior-level grant specialist who takes advantage of the District's offered CalPERS Health family benefit option. Actual salary will be higher if the position is filled by a senior-level candidate.

The development of the job classification, establishment of compensation for our market, and creation of salary range would be initiated upon Board approval of the budget and authorization to increase staff count.

Insurance:

Workers compensation insurance is based on projected wages for 2023-2024, plus the addition of full-time positions being filled, and a decrease in the experience modification factor from 0.94 to 0.89 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. The increase in the projected 2022-2023 actuals is attributable to new employee positions filled in 2022-2023.

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 2022 has been calculated for liability insurance. Budget is to be adjusted once the invoice for actual July 1, 2023 to June 30, 2024 insurance is received, usually in late May or early June.

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 have further aggravated market conditions and the firming trend is expected to continue. Property insurance rates are estimated to increase 20% or an additional \$23,550 because of market conditions. In addition, the new construction values related to the STPURWE Project will be added to the Schedule of Values (SOV) upon Notice of Completion which will increase the Total Insurance Value by an additional 7.5%, resulting in a significant premium increase at renewal estimated at an additional \$32,380 for 2023-2024. Once the property insurance invoice is received this budget line item will be revised with the final budget presented in June.

Repairs and Maintenance:

Most repairs and maintenance expenses are coordinated by the Maintenance Supervisor, but actual expenses related to assets are allocated to the respective financial class Collection System, Pump Station, Treatment Plant, or Recycled Water 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 2023. It is anticipated that continued inflationary factors will influence costs into 2024. The Repair and Maintenance budget for 2023-2024 is projected to decrease \$130,100 over the prior year budget (equal to 12.48%) but increase \$145,928 over the projected actual expenses (equal to 19.05%).

Las Gallinas Valley Sanitary District

Proposed Budget – 2023-2024

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. A large expense is expected for algae control at the reclamation area storage pond.

Power generation maintenance and repairs consists of work performed on the photovoltaic system and its conversion to a new solar farm managed through a power purchase agreement (PPA), a maintenance contract for the BERS turbines, and maintenance of the CNG fill stations at the treatment plant and the Smith Ranch Road pump station. Costs will decrease once the Solar PV System Replacement project is complete in late 2024.

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 reduced from prior years anticipating fewer capital replacement projects.

Other Operating Expenses:

Chemical costs will be substantially higher in 2023-2024. 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 82% and bisulfite 25%. 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 services related to personnel and HR services such as CPS HR consultants, 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 cost for injecting digested biosolids in the District's dedicated disposal site is not required over the next few years while the biosolids feasibility study is underway, which requires land disposal of solids as part of the test study period. 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 studies include projects such as biogas, compost feasibility, sea level rise adaptation and drought contingency planning. A total of \$100,000 is budgeted for 2023-2024 for continuing and additional studies. The Biosolids Program Monitoring Research Support & Flood Protection program is a capital project as it is part of an EPA biosolids project and is budgeted separately in the District's Capital Improvement Program.

Financial services include actuarial valuations, sewer rate studies, and arbitrage compliance services. Actual prior year costs plus anticipated incidental financial services in 2023-2024 is the basis for this budget item.

Las Gallinas Valley Sanitary District

Proposed Budget – 2023-2024

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 Services and Software includes annual software renewals, outside computer network support, Zoom video conference, and other incidental computer software products. 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 Caselle Accounting Enterprise Resource Planning (“ERP”) software all follow SaaS licensing models. Computer equipment below the capital asset threshold is replaced as needed under the Office Supplies & Equipment cost center.

Public education and outreach expenses are for the joint efforts with other Marin County wastewater 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.

Rents and leases include the annual administration office lease at 101 Lucas Valley Road (\$125,900), lease of the postage machine, off-site records storage, railroad easements and copiers. The District must still prepare for Public Safety Power Shutoffs (PSPS) events from PG&E initiated by high-risk weather conditions. While the risk is lower this year for wildfire related outages because of the winter rains, events such as high heat may still trigger power outages in our area and will require that we have standby generators and fuel ready for power outages. Rents and leases assigned to pump stations are for portable standby generators for PSPS events and is budgeted at \$27,200.

Employee training and education includes the cost for the District to participate in the Liebert Cassidy Whitmore employment relations consortium and other offsite training. The District expects an increase in offsite training conferences in 2023 and 2024 now that COVID-19 related restrictions have been lifted, and the budget reflects this increase over the current year actuals but are slightly lower than last year’s budget.

Debt Service

The District has five 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 \$2,068,800 as of July 1, 2023.
- 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 \$2,254,100 as of July 1, 2023.
- 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 \$2,279,776 as of July 1, 2023.

Las Gallinas Valley Sanitary District

Proposed Budget – 2023-2024

- 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 \$32,265,000 as of July 1, 2023.
- 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 through August 1, 2043. The interest rate on the loan is 3.0% per annum. The principal balance remaining is scheduled to be \$10,623,024 as of July 1, 2023. An annual service fee, \$31,869 for 2023-2024, 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 will continue to be transferred to capital reserves. If the Board chooses to recognize debt service payments from MMWD as a reimbursement to the general operating account for debt service payments, rather than funding of the capital reserve, the District's 2017 Revenue Bonds debt obligation would be lower.

The Debt Service Coverage Ratio (DSCR) for the District for 2023-2024, based on the presented budget and debt service, is determined by dividing the Net Operating Income (\$9,111,573) by Total Debt Service (\$4,496,574). The calculated DSCR for 2023-2024 is therefore 2.03. 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. 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 a target of a minimum balance equal to 7 months of average annual budgeted expenses. Based on reserve fund policy the reserve target for 2023-2024 is therefore \$10,007,000 but the reserve only has balance \$3,608,771 at the beginning of the upcoming fiscal year. The budget includes adding \$639,823, one-tenth of the reserve target shortfall, to the budget for 2023-2024. 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 increasing this reserve to \$1,500,000 to adjust for inflation and construction price increases, to be built up over 2-3 years. The budget is proposing \$166,667 be added to the reserve in 2023-2024.
- The Capital Reserves has held funds for use towards the Secondary Treatment Plant Upgrade and Recycled Water Expansion (STPURWE) project since 2017. It included payments from MMWD required to service the 2017 Revenue Bonds. With the project complete, the Board authorized transferring the remaining STPURWE designated Capital Reserves to the general operating account as reimbursement for project payments paid from the general fund. In addition, the Board designated \$3,000,000 to be transferred to the District's Capital Reserve fund for the purpose of constructing an Operating Control

Las Gallinas Valley Sanitary District

Proposed Budget – 2023-2024

Center (OCC). The proposed budget for 2023-2024 includes adding an additional \$3,000,000 to the OCC Designated Capital Reserve and \$535,025 additional undesignated funding.

- Vehicle and Equipment Reserve (VERF) was established in fiscal year 2019-2020 to fund vehicle and equipment replacements. The reserve was established at \$1,000,000 and was set up with funds held in the District's LAIF account. The Board authorized the purchase of new vehicles mid-year, reducing the projected end of year balance. The Vac-Con collection truck was not replaced in 2022-2023 and therefore less authorized reserve was used in 2022-2023. Staff suggest restoring the VERF target balance over 2 to 3 years while a VERF Replacement Program and Schedule is developed. A total of \$58,148 is therefore budgeted for 2023-2024 to replenish the VERF to its target before anticipated withdraws for additional new vehicles in 2026-2027.
- 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 \$1,453,365 to the fund over two years, with 60% (\$872,019) to be received in 2023-2024.
- Captains Cove and Marin Lagoon are restricted reserves built up when there is an 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 surcharge rate study was undertaken as part of the 2023 Sewer Service Rate Study, and it determined that Captains Cove and Marin Lagoon contributions are sufficient to continue the ongoing operations and maintenance needs of the pump stations serving these communities. Larger capital improvement projects may require an increase in the surcharge in a future fiscal year budget.
- Recycled Water Capital Repair and Replacement restricted reserve fund was created in May 2023. LGVSD and MMWD are required to contribute 10% of the total annual recycled water O&M costs into this restricted fund for future capital expenditures to the Recycled Water Treatment Facility. A total of \$22,348 will be added to the restricted fund in 2023-2024.

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 at minimum a 5-Year Capital Improvement Program ("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. The District has prepared a 7-Year CIP to address larger projects that have been identified for 2028 through 2030. 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 7-Year CIP for 2023-2024 through 2029-2030 plus miscellaneous capital needs that change yearly. The 2024-2030 years are rough estimates

Las Gallinas Valley Sanitary District

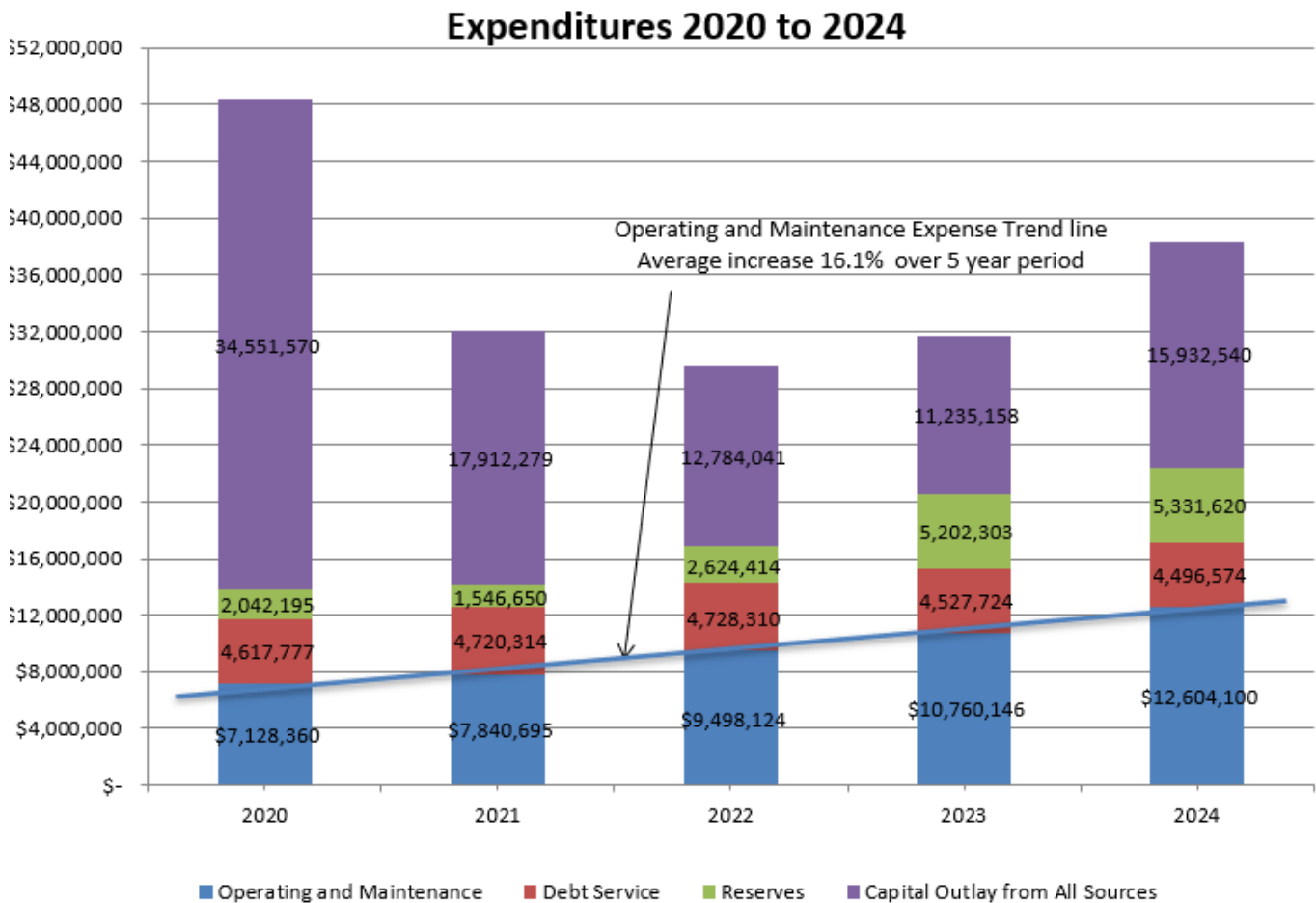
Proposed Budget – 2023-2024

that will be updated as the District’s Integrated Wastewater Master Plan is finalized over the next year. The proposed 2023-2024 Budget only includes funding approval for projects identified in the first year of the CIP.

The Capital Outlay Budget is attached at the end of this report and contains the list of projects to be funded with the adoption of this budget. The additional projects listed in the Capital Improvement Programs are proposed for future years and they will require their own funding approval as part of their respective yearly budget.

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 2023-2024. Collection system projects, including the restarting of the Sewer Main Collection System Rehabilitation Program, will comprise most of the capital budget in 2023-2024, with total collection system project costs budgeted at \$5,612,245.

The following is a graph showing the composition of District expenditures for the past 4 fiscal years plus the budget for 2023-2024.



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

**LAS GALLINAS VALLEY SANITARY DISTRICT
BALANCE STATEMENT & ACCOUNT INFORMATION
DRAFT BUDGET - JUNE 1, 2023**

BALANCE STATEMENT		2022-23 Adopted Budget	2022-23 Projected Actuals	2023-24 Draft Budget
Beginning Balance (July 1):		\$ 35,050,306	\$ 35,050,306	\$ 29,160,891
Revenue:				
Rate Revenues	(1)	\$ 16,910,508	\$ 17,102,767	\$ 18,984,072
Other Operating revenue	(1)	248,770	350,136	255,835
Non-operating revenue	(1)	2,223,923	2,391,092	2,475,766
Capital / Capacity Related		2,933,936	789,617	1,508,200
Expenditures:				
Operating expense	(2)	(11,458,900)	(10,760,146)	(12,604,100)
Debt Service	(3)	(4,527,723)	(4,527,724)	(4,496,574)
Capital outlay		(23,318,068)	(11,235,158)	(15,932,540)
Ending Balance (June 30):		\$ 18,062,752	\$ 29,160,891	\$ 19,351,549
Reserves and Restricted Funds		\$ 7,821,358	\$ 12,154,310	\$ 16,992,054
Unrestricted Funds		\$ 10,241,394	\$ 17,006,581	\$ 2,359,496

NOTE:

IBank Installment Sale Agreement retention of \$567,460 included in the beginning balance, it is considered cash for accounting purposes while held by IBank until disbursement occurs.

DEBT SERVICE COVERAGE RATIO (DSCR)		2022-23 Adopted Budget	2022-23 Projected Actuals	2023-24 Draft Budget
Net Operating Income (NOI) = ⁽¹⁾ - ⁽²⁾		\$ 7,924,301	\$ 9,083,849	\$ 9,111,573
Total Debt Service = ⁽³⁾		\$ 4,527,723	\$ 4,527,724	\$ 4,496,574
DSCR = NOI / Debt Service (Estimate *)		1.75	2.01	2.03

Hildegard Consulting used 3% inflation factor in 2023 Sewer Charge Rate Study. Actual annual inflation rate of 4.2% as of April 2023

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

**LAS GALLINAS VALLEY SANITARY DISTRICT
REVENUE
PROPOSED BUDGET FY 2023-2024 - JUNE 1, 2023**

Revenue Description	2021-22 Final Audited Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Draft Budget	% Change Over Prior Year Budget
OPERATING REVENUE					
Sewer Service User Charges	\$ 15,491,846	\$ 16,910,508	\$ 17,102,767	\$ 18,984,072	10.92%
Recycled Water (MMWD / NMWD)	127,742	172,000	165,352	165,400	-3.99%
Inspections/Permits/Application Fee	67,176	75,520	83,500	75,150	-0.49%
Miscellaneous Operating Revenue	500	1,250	101,284	15,285	
Total Operating Revenue	15,687,264	17,159,278	17,452,903	19,239,907	10.81%
NON-OPERATING REVENUE					
Property Tax	1,106,077	1,262,092	1,193,601	1,229,409	-2.66%
Suppl. Property Tax Assess.	36,265	27,695	34,530	32,501	14.79%
Educational Revenue Augmentation Fund	559,681	584,867	486,032	507,904	-15.15%
Homeowner Property Tax Relief	4,323	4,453	2,302	2,371	-87.81%
Franchise Fees Marin Sanitary Service	162,382	169,776	182,480	197,991	14.25%
Private Sewer Lateral Assistance Program	109,527	79,300	95,875	81,700	2.94%
Interest Income	4,067	2,640	3,991	2,790	5.38%
Interest on Reserves and LAIF	101,501	68,100	360,130	396,100	82.81%
Reimbursements / Pass thru	-	25,000	32,151	25,000	
	2,083,822	2,223,923	2,391,092	2,475,766	10.17%
CAPITAL CONTRIBUTIONS / CAPACITY RELATED					
Annex, Capital Facility Charges, Connection Fees	468,273	1,740,572	396,606	870,286	
Interest on Connection Fee Fund	750	964	1,155	1,733	
Interest on Bond Funds	7	7	3	4	
Marin Municipal Water District Inter-Governmental	463,269	619,633	388,733	631,177	
IBank Loan Disbursements	5,124,515	567,760	-	567,760	
Federal Grants	-	-	-	-	
State Grants	645,535	5,000	3,120	5,000	
	6,702,350	2,933,936	789,617	2,075,960	-41.33%
TOTAL REVENUES	\$ 24,473,435	\$ 22,317,137	\$ 20,633,612	\$ 23,791,633	6.20%
UTILIZATION OF BOND FUNDS AND RESERVES					
	<i>2021-22 Actual Use</i>	<i>Adopted Available</i>	<i>2022-23 Projected Use</i>	<i>Budgeted</i>	
Operating Reserves / Rate Stabilization	-	-	-	-	
Private Sewer Lateral Assistance Funds	-	59,800	68,045	60,500	
PY Capital Outlay Carryover Utilized	8,673,100	16,268,568	10,982,043	8,751,119	
Capital Construction Project Reserve	3,389,949	800,000	2,196,165	-	
Interest Earned on Unspent IBank Funds	5,104	-	1,578	6,495	
Transfers from Marin Lagoon Restricted Fund	142,989	107,700	23,304	26,600	
Transfers from Captains Cove Restricted Fund	63,793	12,400	8,324	24,800	
Transfers from Capacity Connection Fee Fund	200,000	-	-	-	
SUB TOTAL	12,474,935	17,248,468	13,279,458	8,869,514	-94.47%
TOTAL FUNDS AVAILABLE FOR EXPENDITURES	\$ 36,948,370	\$ 39,565,605	\$ 33,913,070	\$ 32,661,147	

**LAS GALLINAS VALLEY SANITARY DISTRICT
BUDGET SUMMARY
PROPOSED BUDGET FY 2023-2024 - JUNE 1, 2023**

	2021-22 Final Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Draft Budget	% Change Over Prior Year Budget
OPERATING EXPENSES					
EMPLOYEE WAGES	3,984,223	4,618,500	4,082,263	4,846,200	4.93%
EMPLOYEE BENEFITS	2,002,674	2,014,700	1,981,304	2,059,200	2.21%
INSURANCE EXPENSE	256,721	304,000	407,170	473,100	55.63%
REPAIRS AND MAINTENANCE	684,288	1,042,200	766,172	912,100	-12.48%
SUPPLIES & SMALL TOOLS	481,347	624,700	727,532	1,250,400	100.16%
CONTRACTED SERVICES	999,513	1,459,300	1,146,083	1,345,300	-7.81%
UTILITIES	643,438	567,400	834,227	873,300	53.91%
GENERAL & ADMINSTRATIVE	445,919	828,100	815,396	844,500	1.98%
OPERATING EXPENSE TOTALS	\$ 9,498,124	\$ 11,458,900	\$ 10,760,146	\$ 12,604,100	9.99%
DEBT SERVICE					
DEBT SERVICE TOTALS	\$ 4,728,310	\$ 4,527,723	\$ 4,527,724	\$ 4,496,574	-0.69%
RESERVE FUNDING					
OPERATING & RATE STABILIZATION	787,964	635,195	635,195	636,623	0.22%
EMERGENCY REPAIR	-	-	-	166,667	
CAPITAL RESERVES	864,274	336,464	3,977,802	3,535,025	950.64%
VEHICLE & EQUIPMENT (VERF)	379,090	150,755	150,755	58,148	-61.43%
CAPACITY (RESTRICTED FUND)	470,689	1,741,536	397,761	872,019	-49.93%
CAPTAINS COVE (RESTRICTED FUND)	48,025	16,025	16,003	16,010	-0.09%
MARIN LAGOON (RESTRICTED FUND)	74,372	21,106	24,787	24,780	17.41%
RECYCLED WATER (RESTRICTED FUND)	-	-	-	22,348	
RESERVE FUNDING TOTALS	\$ 2,624,414	\$ 2,901,081	\$ 5,202,303	\$ 5,331,620	83.78%
CAPITAL OUTLAY					
CAPITAL OUTLAY	\$ 12,784,041	\$ 23,318,068	\$ 11,235,158	\$ 15,932,540	-31.67%
TOTAL BUDGET					
TOTAL BUDGET	\$ 29,634,889	\$ 42,205,772	\$ 31,725,331	\$ 38,364,834	-9.10%

**LAS GALLINAS VALLEY SANITARY DISTRICT
OPERATING AND MAINTENANCE EXPENSE
PROPOSED BUDGET FY 2023-2024 - JUNE 1, 2023**

Acct. Num.	Expense Description	2021-22 Final Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Draft Budget	% Change Over Prior Year Budget	Notes
EMPLOYEE WAGES							
1003	Regular Staff Salaries (1901)	\$ 3,364,837	\$ 4,072,400	\$ 3,487,332	\$ 4,154,700	2.02%	Vacancies in FY 22-23 resulted in lower actual salary
1004	Extra Hire (1005)	107,039	5,200	47,693	17,400	234.62%	Temp help from OTS for EIT, Plant Ops, and Lab
1008	Over Time (1011)	148,502	165,700	120,910	170,400	2.84%	
1010	Stand By	84,048	92,500	84,864	120,800	30.59%	9/80 weekend coverage began in April 2023
1014	Emergency Response Stipend	45,626	46,900	55,357	65,100	N/A	
1015	Certification Stipend	88,416	84,000	118,460	137,000	N/A	More employees obtaining Dual and Triple Cert
1016	Longevity Pay	66,350	71,200	100,076	103,200	N/A	Increased along with salary for long term employees
1036	Directors Fees	79,405	80,600	67,572	77,600	-3.72%	
	TOTAL EMPLOYEE WAGES	3,984,223	4,618,500	4,082,263	4,846,200	4.93%	
EMPLOYEE BENEFITS							
1009	Vacation and Sick Accrual	79,455	64,000	64,000	64,000	N/A	Actual to be calculated as of June 30
1901	COVID-19 Leave	11,466	-	27,430	-	N/A	Federal program ended, use of sick leave now
1037	Directors Benefits	9,438	9,700	10,858	10,900	12.37%	
1404	Payroll Taxes (SSI)	270,260	287,100	271,281	308,700	7.52%	
1502	Group Life Insurance	6,802	8,700	11,435	19,200	120.69%	
1507	PERS	839,477	787,500	712,444	722,400	-8.27%	
1509	Health Insurance	723,307	787,000	790,071	873,800	11.03%	
1510	Dental Insurance	21,459	16,500	48,177	61,600	273.33%	
1514	Vision Insurance	2,786	3,300	3,787	8,200	148.48%	
1516	Long Term Disability	24,045	34,100	31,991	43,000	26.10%	
2006	Auto Allowance	9,582	16,800	9,831	11,400	-32.14%	
2007	Commute Vehicle Stipend	4,597	-	-	-		Program no longer exists
	TOTAL EMPLOYEE BENEFITS	2,002,674	2,014,700	1,981,304	2,059,200	2.21%	

**LAS GALLINAS VALLEY SANITARY DISTRICT
OPERATING AND MAINTENANCE EXPENSE
PROPOSED BUDGET FY 2023-2024 - JUNE 1, 2023**

Acct. Num.	Expense Description	2021-22 Final Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Draft Budget	% Change Over Prior Year Budget	Notes
INSURANCE							
1701	Workers' Comp Insurance	65,489	72,900	138,848	156,200	114.27%	New employees in 22-23 and 1 new proposed in 23-24
2060	Pooled Liability & Property Insurance	190,185	230,000	267,222	315,800	37.30%	Prop insurance will increase once STPURWE is complete
2061	Fidelity Bond	1,047	1,100	1,100	1,100	0.00%	
	TOTAL INSURANCE EXPENSE	256,721	304,000	407,170	473,100	55.63%	
REPAIRS AND MAINTENANCE							
2083	Vehicle Parts & Maintenance	32,106	31,600	52,155	55,400	75.32%	
2096	Building maintenance	26,506	96,300	60,634	63,100	-34.48%	
2097	Grounds Maintenance	62,964	109,300	49,798	156,700	43.37%	Reclamation storage pond algae control
2331	Reclamation Pasture and Pond Maint. (23)	99,738	193,400	158,453	181,400	-6.20%	
2538	Power Generation Maint & Repair	26,528	32,800	24,846	26,000	-20.73%	Solar PV, BERS, and CNG stations
2365	Equipment Maintenance	65,152	81,500	76,245	93,000	14.11%	
2366	Equipment Repair	311,717	174,900	200,024	153,100	-12.46%	
2367	Capital Repairs/Replacements	59,578	322,400	144,018	183,400	-43.11%	
	TOTAL REPAIRS AND MAINTENANCE	684,288	1,042,200	766,172	912,100	-12.48%	
SUPPLIES & SMALL TOOLS							
2107	Hypochlorite	117,444	206,900	281,520	536,600	159.35%	Hypo prices up and increase use over wet weather periods
2110	Bisulfite	62,299	85,400	162,868	203,600	138.41%	Bisulfite price up 25% plus higher use during wet weather
2109	Miscellaneous Chemicals	45,670	73,100	43,860	69,300	-5.20%	
2362	General Operating & Lab Supplies (2115)	87,564	85,300	61,903	76,600	-10.20%	
2501	Fuel, Oil, and CNG for Vehicles (2501-2506)	44,383	43,000	49,113	56,100	30.47%	Increase in fuel costs
2389	Safety Equipment & Supplies	47,240	49,000	58,339	50,800	3.67%	Satellite phones, new AEDs, new employees
2397	Safety Services	58,825	57,400	56,736	60,000	4.53%	Du-All
2249	Small Tools	17,923	24,600	13,194	19,200	-21.95%	
	TOTAL SUPPLIES & SMALL TOOLS	481,347	624,700	727,532	1,072,200	71.63%	

**LAS GALLINAS VALLEY SANITARY DISTRICT
OPERATING AND MAINTENANCE EXPENSE
PROPOSED BUDGET FY 2023-2024 - JUNE 1, 2023**

Acct. Num.	Expense Description	2021-22 Final Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Draft Budget	% Change Over Prior Year Budget	Notes
CONTRACTED SERVICES							
2117	Lab Contract Services	50,271	54,400	57,744	70,600	29.78%	New ELAP and TNI Standards
2119	Pollution Prevention Program	15,451	16,600	20,737	21,600	30.12%	
2320	Outside Services (2321, 2322, 2323, 2326)	164,626	310,700	114,605	280,900	-9.59%	
2324	Janitorial	23,507	22,500	22,760	23,700	5.33%	
2327	Uniform Service	13,112	13,600	14,939	15,500	13.97%	
2330	Damage Claim	-	20,000	-	20,000	0.00%	
2334	Sludge Disposal Inject	96,919	102,700	102,650	2,000	-98.05%	
2354	SCADA Engineering Support	-	67,200	66,934	69,600	N/A	
2357	Regulatory Consultant	163,593	186,400	152,337	163,900	-12.07%	EOA
2358	Pass-thru & Gen. Small Projects (2355)	14,411	15,900	55,912	57,600	262.26%	Increase in general small engineering projects
2359	Feasibility Studies	75,711	91,600	82,000	100,000	9.17%	Sea Level Rise and Drought Contingency
2360	Consultants - Other	112,538	198,700	246,979	374,900	88.68%	
2713	Legal	190,966	186,600	87,642	179,600	-3.75%	
2717	Audit	27,160	27,200	22,710	22,700	-16.54%	
2718	Financial Services	4,849	35,400	28,622	35,400	0.00%	Specify and update
2801	Private Lateral Rehab Assist. Program	46,400	59,800	68,045	60,500	1.17%	
2802	Low-Income Rate Assistance Program	-	50,000	1,468	25,000	N/A	
	TOTAL CONTRACTED SERVICES	999,513	1,459,300	1,146,083	1,523,500	4.40%	
UTILITIES							
2533	Internet	7,905	7,800	10,456	11,000	41.03%	Adjusted costs between internet and telephone
2534	Telephone	48,177	49,600	41,729	44,600	-10.08%	Adjusted costs between internet and telephone
2535	Utility Power	557,748	476,100	732,103	765,700	60.83%	Increased electrical costs until solar PV installed
2536	Water	29,609	33,900	49,939	52,000	53.39%	Increase of water to actual is 4.13% higher
	TOTAL UTILITIES	643,438	567,400	834,227	873,300	53.91%	

**LAS GALLINAS VALLEY SANITARY DISTRICT
OPERATING AND MAINTENANCE EXPENSE
PROPOSED BUDGET FY 2023-2024 - JUNE 1, 2023**

Acct. Num.	Expense Description	2021-22 Final Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Draft Budget	% Change Over Prior Year Budget	Notes
GENERAL & ADMINSTRATIVE							
1006	Payroll Processing	23,438	24,900	20,525	24,900	0.00%	
2477	Conferences	21,592	52,600	57,258	71,200	35.36%	Rise in 2022-23 after COVID Emergency lifted
2479	Mileage and Travel	920	4,600	2,583	5,200	13.04%	
2129	Election	-	25,000	250	25,300	N/A	
2133	Office Supplies & Equipment	37,887	42,800	64,350	69,800	63.08%	New employee equipment, new computers and monitors
2134	Meeting Supplies	2,689	2,100	4,614	5,800	176.19%	Increase in in-person meetings
2716	Computer Services and Software	50,065	97,600	91,233	157,300	61.17%	Includes CORE IT services, SaaS annual licenses
2135	Bank Charges	1,850	200	1,850	1,900	850.00%	US Bank 2017 Bond Fee
9778	User Charge Collection Fee	35,363	36,900	36,762	38,300	3.79%	County Property Tax and SSC Collection Fees
2221	Publication and Legal Ads	13,079	12,800	11,969	11,300	-11.72%	
2223	Public Education and Outreach ⁽¹⁾	45,975	74,700	69,287	55,200	-26.10%	Ribbon cutting for STPUWRE in 22/23, lower in 23/24
2264	Taxes, Other	1,949	1,900	1,397	1,400	-26.32%	Use tax, out of state sales tax
2272	Memberships (CASA, CSDA, NBWRA)	49,526	69,100	65,657	67,900	-1.74%	
2363	Permits (NPDES, Biosolids, BAAQCD)	64,320	119,300	80,248	83,500	-30.01%	NPDES, BAAQMD, Regional Monitoring, stormwater.
2364	Penalties & Fines	-	-	66,462	-		
2246	Rents and Leases	65,694	192,700	149,028	153,100	-20.55%	101 LVR rent, generators, copiers, postage meter
9786	Employee Recognition ⁽¹⁾	1,893	5,600	7,326	8,400	50.00%	
9787	Employee Training and Education ⁽¹⁾	13,373	49,400	15,319	45,300	-8.30%	
9999	Miscellaneous expense (2137, 2499)	16,305	15,900	69,280	18,700	17.61%	Includes \$56,700 JSilver settlement & COVID-19 expenses
	TOTAL GENERAL & ADMINSTRATIVE	445,919	828,100	815,396	844,500	1.98%	
OPERATING EXPENSE TOTALS		\$ 9,498,124	\$ 11,458,900	\$ 10,760,146	\$ 12,604,100	9.99%	

**LAS GALLINAS VALLEY SANITARY DISTRICT
DEBT SERVICE
PROPOSED BUDGET FY 2023-2024 - JUNE 1, 2023**

Expenditure	2021-22 Total Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Draft Budget
2005 Certificates of Participation/ Refunded 2014	\$ 709,125	\$ 708,665	\$ 708,665	\$ 717,380
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	39,224	39,225	-
2017 Revenue Bonds ^{(1) (2)}	2,447,800	2,445,000	2,445,000	2,445,600
2019 IBank Loan	717,892	716,688	716,688	715,448
	\$ 4,728,310	\$ 4,527,723	\$ 4,527,724	\$ 4,496,574

(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.

Debt Service Breakdown FY 2023-2024

Expenditure	Principal	Interest	Annual Fee
2005 Certificates of Participation/ Refunded 2014	\$ 660,000	\$ 57,380	\$ -
2010 State Revolving Fund Loan	224,604	60,860	-
2011 Bank of Marin Loan	247,186	85,495	-
2017 Revenue Bonds	1,155,000	1,290,600	-
2019 IBank Loan ⁽⁴⁾	370,445	313,134	31,869
	\$ 2,657,235	\$ 1,807,470	\$ 31,869

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

**LAS GALLINAS VALLEY SANITARY DISTRICT
RESERVES
PROPOSED BUDGET FY 2023-2024 - JUNE 1, 2023**

	2021-22 Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Draft Budget
Beginning Reserve Balance	\$ 7,911,256	\$ 5,715,213	\$ 5,715,213	\$ 11,142,222
Operating & Rate Stabilization Reserve				
Beginning Balance	\$ 2,185,612	\$ 2,973,576	\$ 2,973,576	\$ 3,608,771
<i>Plus: Additions</i>	787,964	635,195	635,195	639,823
<i>Less: Use of Funds</i>	-	-	-	-
Ending Balance	\$ 2,973,576	\$ 3,608,771	\$ 3,608,771	\$ 4,248,594
<i>Purpose: Insure minimum of 7 months of O&M + Debt Service is available</i>			<i>Target:</i>	\$ 10,007,000
Rate Stabilization (Final year FY 2021-22)				
Beginning Balance	\$ 300,000	\$ -	\$ -	\$ -
<i>Plus: Additions</i>	-	-	-	-
<i>Less: Use of Funds / Transfer to Ops Reserve</i>	(300,000)	-	-	-
Ending Balance	\$ -	\$ -	\$ -	\$ -
<i>Combined with Operating Reserve per Policy F-50 on 5-16-22</i>			<i>Target:</i>	\$ -
Emergency Repair				
Beginning Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
<i>Plus: Additions</i>	-	-	-	166,667
<i>Less: Use of Funds</i>	-	-	-	-
Ending Balance	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,166,667
<i>Purpose: Fund emergency repairs, replenish over 2 to 3 year period.</i>			<i>Target:</i>	\$ 1,500,000
Capital Reserves (STPURWE, OCC, and other CIP)				
Beginning Balance	\$ 3,425,644	\$ 899,969	\$ 899,969	\$ 5,649,747
<i>Plus: Undesignated</i>	229,727	336,464	336,464	535,025
<i>Plus: Operations Control Center Designated Reserve</i>	-	-	3,000,000	3,000,000
<i>Plus: STPURWE LGVSD Bond Reserve ⁽¹⁾</i>	222,915	-	225,715	-
<i>Plus: STPURWE MMWD Buy-In ⁽²⁾</i>	154,911	-	159,196	-
<i>Plus: 2017 Bond MMWD Debt Service Share ⁽³⁾</i>	256,720	-	256,427	-
<i>Plus: Corr. to incl. PY BoM MMWD Reserves ⁽⁴⁾</i>	-	-	2,968,141	-
<i>Less: Authorized Use of Funds</i>	(3,389,949)	(800,000)	(2,196,165)	-
Ending Balance	\$ 899,969	\$ 436,433	\$ 5,649,747	\$ 9,184,772
<i>Purpose: To provide capital for major capital projects.</i>			<i>Target:</i>	\$ 11,000,000
Vehicle and Equipment Reserve (VERF)				
Beginning Balance	\$ 1,000,000	\$ 841,668	\$ 841,668	\$ 883,704
<i>Plus: Additions</i>	379,090	150,755	150,755	58,148
<i>Less: Authorized Use of Funds</i>	(537,422)	(480,000)	(108,719)	(442,476)
Ending Balance	\$ 841,668	\$ 512,423	\$ 883,704	\$ 499,376
<i>Purpose: To fund large vehicle and equipment replacements, replenish over 2 to 3 years.</i>			<i>Target:</i>	\$ 1,000,000
Ending Reserve Balance	\$ 5,715,213	\$ 5,557,627	\$ 11,142,222	\$ 15,099,409
			<i>Target Total</i>	\$ 23,507,000

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

(2) MMWD quarterly buy-in payments down to \$26,890 beginning August 2023 - 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

(4) Bank of Marin (BoM) contributions from prior year MMWD buy-ins not included in Capital Reserve balance, corrected as of 12/31/22.

Authorized use of funds towards STPURWE project to draw down BoM MMWD account and LAIF held Capital Reserves in Spring 2023.

Total Budgeted New Reserve Funding: \$ 4,399,663

**LAS GALLINAS VALLEY SANITARY DISTRICT
RESTRICTED FUNDS
PROPOSED BUDGET FY 2023-2024 - JUNE 1, 2023**

	2021-22 Actual	2022-23 Adopted Budget	2022-23 Projected End of Year	2023-24 Draft Budget
Restricted Funds				
Capacity / Capital Facilities / Connection Fee Fund (#5025)				
Beginning Balance	\$ 316,998	\$ 587,687	\$ 587,687	\$ 985,449
Plus: Additions	470,689	1,741,536	397,761	872,019
Less: Use of Funds	(200,000)	-	-	-
Ending Balance	\$ 587,687	\$ 2,329,223	\$ 985,449	\$ 1,857,468
<i>Purpose: To pay for collection system and plant capacity improvements to serve new connections.</i>				

Captains Cove Fund (#5019)

Beginning Balance	\$ 17,266	\$ 1,498	\$ 1,498	\$ 9,178
Plus: Additions	48,025	16,025	16,003	16,010
Less: Use of Funds	(63,793)	(12,400)	(8,324)	(25,000)
Ending Balance	\$ 1,498	\$ 5,123	\$ 9,178	\$ 188
<i>Purpose: Special assessment fees in and class account 350 expenses out.</i>				

Marin Lagoon Fund (#5005)

Beginning Balance	\$ 84,595	\$ 15,978	\$ 15,978	\$ 17,462
Plus: Additions	74,372	21,106	24,787	24,780
Less: Use of Funds ⁽¹⁾	(142,989)	(107,700)	(23,304)	(27,200)
Ending Balance	\$ 15,978	\$ (70,616)	\$ 17,462	\$ 15,042
<i>Purpose: Special assessment fees in and class account 360 expenses out.</i>				

⁽¹⁾ Prior Year Capital Expenditures for Marin Lagoon Pump Station #1 to be recovered over multiple years as balance insufficient to cover entire cost of project.

Recycled Water Capital Repair and Replacement Fund (#5028) ⁽²⁾

Beginning Balance	-	-	-	\$ -
Plus: Additions	-	-	-	22,348
Less: Use of Funds	-	-	-	-
Ending Balance	-	-	-	\$ 22,348
<i>Purpose: Capital repair or replacement costs at the Recycled Water Treatment Facility. Fund shall not exceed \$500K.</i>				

⁽²⁾ Established May 2023 with first annual contribution by MMWD and LGVSD to be made in 2023-24. To be funded by LGVSD and MMWD by multiplying the total annual recycled water Operating & Maintenance producing costs by 10%.

Total Restricted Fund Reserve Funding: \$ 935,157

Line No.	Mgr.	Project No.	Project Name	Proposed Budget 2023-24	FUNDING SOURCES						
					PY CIP Carryover	Unrestricted Funds	Restricted Captains Cove	Restricted Marin Lagoon	Vehicle Replacement Fund	Capacity Connection Fees	Grants
PLANNING, SOFTWARE, ADMINISTRATION & OTHER ENGINEERING											
1	MC	20100-05	Integrated Wastewater Master Plan Phase 2 and Phase 3	100,000	100,000	-					
2	MC	21500-08	Biosolids Program Monitoring Research Support& Flood Protection	340,000	95,978	244,022					
3	GP	22600-03	Asset Management CMMS Centricity (Plant, PS, Rec Phases 2-4)	500,000	224,668	275,332					
4	MC	22125-01	Sea Level Rise Mitigation Program Planning	100,000	40,000	60,000					
5	MC	23200-01	Hydraulic and Flow Modeling of Collection System	75,000	72,707	2,293					
6	MC	21600-01	Emergency Bypass Pumping Analysis & Response Plan	35,000	35,000	-					
7	MC	20125-01	On-Call Engineering Contract	200,000	28,607	171,393					
8	MC	22125-03	On-Call Inspection Capital Projects	60,000	4,910	55,090					
9	MC	22125-04	On-Call Construction Contract (2021-2023)	250,000	-	250,000					
10	MC	22125-02	Standard Specifications and Drawings Update Project	35,000	35,000	-					
11	DM	20100-01	Accounting Caselle ERP Integration	20,000	20,000	-					
12	DM	22100-01	Website Improvement Design and Implementation	25,000	25,000	-					
13	MC	21300-07	Arc Flash Study	10,000	10,000	-					
14	ML	New	Lab Software LIMS for TNI Standards Reporting	45,000	-	45,000					
Subtotal:				1,795,000	691,870	1,103,130	-	-	-	-	-

FLEET & EQUIPMENT (To be procured through Vehicle Replacement Fund) and OTHER EQUIPMENT											
19	GP	VERF	Fleet Replacement Vehicles	100,000	-	-			100,000		
21	GP	VERF	Equipment for Collection System Response (trailers, hoses)	10,000	-	-			10,000		
22	MC	21300-03	Standby/Towable Generators for Minor Pump Stations	281,125	281,125	-			-		
23	GP	Pending	2023 Vac-Con Flusher Truck - clean diesel (upon Board approval)	332,476	-	-			332,476		
24	GP	Pending	2023 Ford Transit Cargo Van Hybrid for Camera	50,000	50,000	-			-		
Subtotal:				773,601	331,125	-	-	-	442,476	-	-

- Peach = Pump Station Capital Assets
- Blue = Force Main Sewer
- Green = Collection System Sewers
- Pink = Reclamation Capital Assets
- Purple = Reclamation Maintenance Programs

Line No.	Mgr.	Project No.	Project Name	Proposed Budget 2023-24	FUNDING SOURCES						
					PY CIP Carryover	Unrestricted Funds	Restricted Captains Cove	Restricted Marin Lagoon	Vehicle Replacement Fund	Capacity Connection Fees	Grants
COLLECTION SYSTEM (INCL. PUMP STATIONS "PS" & FORCE MAINS)											
40	MC	11200-03	John Duckett PS & HWY 101 Terra Linda Trunk Sewer Design	1,520,368	1,520,368	-					
41	GP	Pending	Electrical System VFD Upgrade & SCADA Integration for (7) PS	500,000	250,000	250,000					
42	MC	21350-01	Automatic Transfer Switches for Pump Stations	225,000	225,000	-					
43	MC	21300-04	Pump Station Site Lighting, Safety, & Security Improvements	206,877	206,877	-					
44	MC	22300-01	Rafael Meadows Pump Station - Fencing, full perimeter	150,000	-	150,000					
45	MC	21600-03	Annual Site Improvement - Paving, Fencing, Lighting	35,000	23,197	11,803					
46	GP	18350-01	Captains Cove Pump Station Upgrades ⁽²⁾	25,000	-	-	25,000	-			
47	MC	New	Marin Lagoon Pump Stations Upgrades ⁽²⁾	20,000	-	-		20,000			
50	MC	20200-01	Force Main Assessment, Install Ports, Cleaning, Location Marking, & Mapping	380,000	305,000	75,000					
53	MC	Ongoing	Sewer Main Collection System Rehabilitation Program	2,000,000	1,000,000	1,000,000					
54	MC	New	Sewer I&I Reduction Program (annual per SSMP)	500,000	-	500,000					
55	GP	19200-02	Manhole Frame & Cover Adjustment Allowance	50,000	50,000	-					
Subtotal:				5,612,245	3,580,442	1,986,803	25,000	20,000			

RECLAMATION											
78	GP	21500-01	Reclamation Pump Station Improvements - MCC, Pumps, Wet Well	150,000	150,000	-					
79	MC	22500-04	Solar PV System Replacement	265,000	265,000	-					
80	MC	23500-05	Center Pivot No. 1 Replacement	25,500	25,500	-					
81	MC	Pending	Sludge Lagoon Liner Replacement/Repair	75,000	70,000	5,000					
84	MC	11500-09	Miller Creek Vegetation Maintenance Repair & Maintenance	75,000	25,000	50,000					
Subtotal:				590,500	535,500	55,000					

TREATMENT PLANT (INCL. RECYCLED WATER)											
100	MC	New	Laboratory Building Design (Lab / Education Center / Boardroom)	750,000	750,000	-					
103	MC	22600-03	Primary Clarifier #1 Repair	1,000,000	295,000	705,000					
104	MC	New	Primary Clarifier Sludge Pump Addition	150,000	-	150,000					
105	MC	New	Treatment Plant Upgrade Phase 2 Design - Primary Clarifiers	400,000	300,000	100,000					
107	MC	21600-06	Digester Room MCC #2 Upgrade Design & Construction	1,400,000	625,988	774,012					
108	MC	New	TWAS Enclosure / Sludge Basin and Reception Pad	1,400,000	-	1,400,000					
109	MC	New	Fueling Station Project (diesel & gas)	300,000	-	300,000					
110	MC	21600-09	Plant Lighting Improvements and Other Electrical	110,000	50,000	60,000					
111	MC	21600-11	Annual Site Improvement - Paving, Fencing, Lighting	60,000	-	60,000					
Subtotal:				5,570,000	2,020,988	3,549,012					

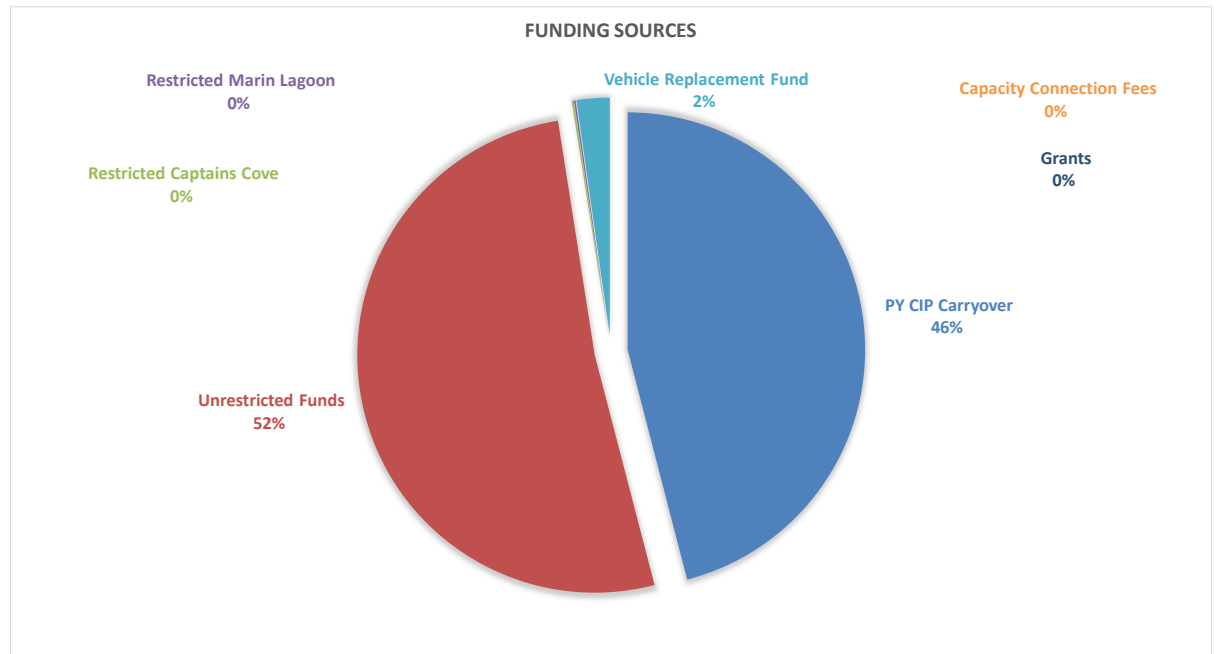
Line No.	Mgr.	Project No.	Project Name	Proposed Budget 2023-24	FUNDING SOURCES							
					PY CIP Carryover	Unrestricted Funds	Restricted Captains Cove	Restricted Marin Lagoon	Vehicle Replacement Fund	Capacity Connection Fees	Grants	
TOTAL PLANNING, FLEET, COLLECTION, RECLAMATION, & TREATMENT PROJECTS (Non-Financed)												
Total (Non-Financed):					14,341,346	7,159,925	6,693,945	25,000	20,000	442,476	-	-

FINANCED AND BOND PROJECTS											
125	MC	12600-07 & 16650-02	Secondary Treatment Plant Upgrade & Recycled Water Expan.	1,591,194	1,591,194	-					
129	MC		Operations Control Center (OCC) Building Construction & Soft Costs ⁽¹⁾	3,000,000	-	3,000,000					
Subtotal:				4,591,194	1,591,194	3,000,000	-	-	-	-	-
Total Financed				1,591,194							

GRAND TOTAL CAPITAL OUTLAY:	18,932,540	8,751,119	9,693,945	25,000	20,000	442,476	-	-
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⁽¹⁾ - Buildup of \$9M in cash reserves over 3 years, 2022-23 through 2024-25

⁽²⁾ - Funded by Captains Cove & Marin Lagoon HOA.



(Proposed Draft Budget - June 1, 2023)

Line No.	Mgr.	Project No.	Project Name	Year 1 Budget 2023-24	PROJECTED EXPEDITURES					Year 6 2028-29	Year 7 2029-30	7-Year Total Expenditures
					Year 2 2024-25	Year 3 2025-26	Year 4 2026-27	Year 5 2027-28				
PLANNING, SOFTWARE, ADMINISTRATION & OTHER ENGINEERING												
1	MC	20100-05	Integrated Wastewater Master Plan Phase 2 and Phase 3	100,000	-	-	-	-	-	-	-	100,000
2	MC	21500-08	Biosolids Program Monitoring Research Support& Flood Protection	340,000	350,200	-	-	-	-	-	-	690,200
3	GP	22600-03	Asset Management CMMS Centricity (Plant, PS, Rec Phases 2-4)	500,000	250,000	116,600	-	-	-	-	-	866,600
4	MC	22125-01	Sea Level Rise Mitigation Program Planning	100,000	-	-	-	-	-	-	-	100,000
5	MC	23200-01	Hydraulic and Flow Modeling of Collection System	75,000	77,250	79,500	81,750	84,000	86,250	88,500	-	572,250
6	MC	21600-01	Emergency Bypass Pumping Analysis & Response Plan	35,000	36,050	-	-	-	-	-	-	71,050
7	MC	20125-01	On-Call Engineering Contract	200,000	206,000	212,180	218,545	225,102	231,855	238,810	-	1,532,492
8	MC	22125-03	On-Call Inspection for Capital Projects	60,000	61,800	63,600	65,400	67,200	69,000	70,800	-	457,800
9	MC	22125-04	On-Call Construction Contract (2021-2023)	250,000	257,500	265,225	273,182	281,377	289,819	298,513	-	1,915,616
10	MC	22125-02	Standard Specifications and Drawings Update Project	35,000	-	-	-	-	-	-	-	35,000
11	DM	20100-01	Accounting Caselle ERP Integration	20,000	-	-	-	-	-	-	-	20,000
12	DM	22100-01	Website Improvement Design and Implementation	25,000	-	-	-	-	-	-	-	25,000
13	MC	21300-07	Arc Flash Study	10,000	-	-	-	-	-	-	-	10,000
14	ML	New	Lab Software LIMS for TNI Standards Reporting	45,000	-	-	-	-	-	-	-	45,000
Subtotal:				1,795,000	1,238,800	737,105	638,877	657,679	676,923	696,624	6,441,008	

FLEET & EQUIPMENT (To be procured through Vehicle Replacement Fund) and OTHER EQUIPMENT												
20	GP	VERF	Fleet Replacement Vehicles	100,000	-	-	109,000	-	115,000	118,000	-	442,000
21	GP	VERF	Utility Collection System Replacement Trucks	-	-	-	560,000	-	-	-	-	560,000
22	GP	VERF	Equipment for Collection System Response (trailers, hoses)	10,000	10,300	10,609	10,927	11,255	11,593	11,940	-	76,624
23	MC	21300-03	Standby/Towable Generators for Minor Pump Stations	281,125	-	-	-	-	-	-	-	281,125
24	GP	Pending	2023 Vac-Con Flusher Truck - clean diesel <i>(upon Board approval)</i>	332,476	-	-	-	-	-	-	-	332,476
25	GP	Pending	2023 Ford Transit Cargo Van Hybrid for Camera	50,000	-	-	-	-	-	-	-	50,000
Subtotal:				773,601	10,300	10,609	679,927	11,255	126,593	129,940	1,742,225	

- = Pump Station Capital Assets
- = Force Main Sewer
- = Collection System Sewers
- = Reclamation Capital Assets
- = Reclamation Maintenance Programs

(Proposed Draft Budget - June 1, 2023)

Line No.	Mgr.	Project No.	Project Name	Year 1 Budget 2023-24	PROJECTED EXPEDITURES					Year 6 2028-29	Year 7 2029-30	7-Year Total Expenditures
					Year 2 2024-25	Year 3 2025-26	Year 4 2026-27	Year 5 2027-28				
COLLECTION SYSTEM (INCL. PUMP STATIONS "PS" & FORCE MAINS)												
41	MC	11200-03	John Duckett PS & HWY 101 Terra Linda Trunk Sewer Design	1,520,368	-	-	-	-	-	-	-	1,520,368
42	GP	Pending	Electrical System VFD Upgrade & SCADA Integration for (7) PS	500,000	1,030,000	1,060,000	-	-	-	-	-	2,590,000
43	MC	21350-01	Automatic Transfer Switches for Pump Stations	225,000	-	-	-	-	-	-	-	225,000
44	MC	21300-04	Pump Station Site Lighting, Safety, & Security Improvements	206,877	-	-	-	-	-	-	-	206,877
45	MC	22300-01	Rafael Meadows Pump Station - Fencing, full perimeter	150,000	-	-	-	-	-	-	-	150,000
46	MC	21600-03	Annual Site Improvement - Paving, Fencing, Lighting	35,000	36,050	37,100	38,150	39,200	40,250	41,300	-	267,050
47	GP	18350-01	Captains Cove Pump Station Upgrades ⁽²⁾	25,000	-	-	-	-	-	-	-	25,000
48	MC	New	Marin Lagoon Pump Stations Upgrades ⁽²⁾	20,000	60,000	61,800	63,654	65,564	67,531	69,557	-	408,106
49	MC	New	Mulligan PS & 18" TS and Hwy 101 Undercrossing Capacity Upgrades	-	-	-	981,000	6,720,000	-	-	-	7,701,000
50	MC	New	Smith Ranch Pump Station Generator Diesel Conversion	-	-	-	109,000	560,000	-	-	-	669,000
51	MC	20200-01	Force Main Assessment, Install Ports, Cleaning, Location Marking, & Mapping	380,000	250,000	257,500	265,225	273,182	-	-	-	1,425,907
52	MC	14300-05	Smith Ranch Rd Combined Force Main	-	-	257,500	2,650,000	-	-	-	-	2,907,500
53	MC	New	Lower Marinwood TS Capacity Upgrade & Relocation	-	-	257,500	1,590,000	-	-	-	-	1,847,500
54	MC	Ongoing	Sewer Main Collection System Rehabilitation Program	2,000,000	1,030,000	1,060,000	1,090,000	1,122,700	1,156,381	1,191,072	-	8,650,153
55	MC	New	Sewer I&I Reduction Program (annual per SSMP)	500,000	515,000	530,000	545,000	560,000	575,000	590,000	-	3,815,000
56	GP	19200-02	Manhole Frame & Cover Adjustment Allowance	50,000	51,500	53,000	54,500	56,000	57,500	59,000	-	381,500
57	MC	New	Upper Terra Linda TS and Siphon Improvements	-	500,000	4,000,000	-	-	-	-	-	4,500,000
58	MC	New	Northgate Industrial Park 8" Hwy 101 Undercrossing	-	-	-	180,250	1,855,000	-	-	-	2,035,250
59	MC		IWMP Pump Station & Force Main Projects (Placeholder)	-	-	-	-	-	1,700,000	5,900,000	-	-
60	MC		Sea Level Rise Mitigation Construction (Placeholder)	-	-	-	-	-	-	1,090,000	-	-
Subtotal:				5,612,245	3,472,550	7,574,400	7,566,779	11,251,646	3,596,662	8,940,929	-	39,325,211

(Proposed Draft Budget - June 1, 2023)

Line No.	Mgr.	Project No.	Project Name	Year 1 Budget 2023-24	PROJECTED EXPEDITURES					Year 6 2028-29	Year 7 2029-30	7-Year Total Expenditures
					Year 2 2024-25	Year 3 2025-26	Year 4 2026-27	Year 5 2027-28				
RECLAMATION												
79	GP	21500-01	Reclamation Pump Station Improvements - MCC, Pumps, Wet Well	150,000	257,500	-	-	-	-	-	-	407,500
80	MC	22500-04	Solar PV System Replacement	265,000	-	-	-	-	-	-	-	265,000
81	MC	23500-05	Center Pivot No. 1 Replacement	25,500	-	-	-	-	-	-	-	25,500
82	MC	Pending	Sludge Lagoon Liner Replacement/Repair	75,000	77,250	79,500	-	-	-	-	-	231,750
83	MC	New	Storage Pond 1 Transfer Pipe Repair	-	-	-	-	100,000	-	-	-	100,000
84	MC	22300-03	St. Vincent's Pump Station Improvements	-	-	-	-	-	100,000	257,500	-	357,500
85	MC	11500-09	Miller Creek Vegetation Maintenance Repair & Maintenance	75,000	-	-	-	-	-	-	-	75,000
86	MC	20500-05	Marsh Pond Vegetation Removal & Long-Term Vegetation Management Plan	-	61,800	-	-	67,200	-	-	-	129,000
87	MC	Pending	Levee Road Restoration	-	-	63,600	-	67,200	-	-	-	130,800
88	MC	New	Reclamation Levee Capping - SLR mitigation	-	-	-	-	-	567,500	-	-	-
89	MC		Biosolids Program Implementation & Construction (Placeholder)	-	-	-	-	-	2,300,000	2,300,000	-	-
90	MC		Sea Level Rise Mitigation Construction (Placeholder)	-	-	-	-	-	-	-	1,090,000	-
Subtotal:				590,500	396,550	143,100	-	234,400	2,967,500	3,647,500	-	1,722,050

TREATMENT PLANT (INCL. RECYCLED WATER)												
101	MC	New	Laboratory Building Design (Lab / Education Center / Boardroom)	750,000	-	-	-	-	-	-	-	750,000
102	MC	21100-01	Operations & Admin Building Design	-	-	1,200,000	-	-	-	-	-	1,200,000
103	MC	New	Corporation Yard Design	-	500,000	-	-	-	-	-	-	500,000
104	MC	22600-03	Primary Clarifier #1 Repair	1,000,000	-	-	-	-	-	-	-	1,000,000
105	MC	New	Primary Clarifier Sludge Pump Addition	150,000	-	-	-	-	-	-	-	150,000
106	MC	New	Treatment Plant Upgrade Phase 2 Design - Primary Clarifiers	400,000	-	-	-	-	-	-	-	400,000
107	MC	20600-04	Treatment Plant Upgrade Phase 3 Design- Flow Eq, UV, Headworks	-	-	500,000	-	-	-	-	-	500,000
108	MC	21600-06	Digester Room MCC #2 Upgrade Design & Construction	1,400,000	-	-	-	-	-	-	-	1,400,000
109	MC	New	TWAS Enclosure / Sludge Basin and Reception Pad	1,400,000	-	-	-	-	-	-	-	1,400,000
110	MC	New	Fueling Station Project (diesel & gas)	300,000	-	-	-	-	-	-	-	300,000
111	MC	21600-09	Plant Lighting Improvements and Other Electrical	110,000	-	-	-	-	-	-	-	110,000
112	MC	21600-11	Annual Site Improvement - Paving, Fencing, Lighting	60,000	61,800	63,600	65,400	67,200	69,000	71,070	-	458,070
113	MC	New	Digester Replacement and Solids Improvement Design	-	-	-	-	1,300,000	-	-	-	1,300,000
114	MC	New	Vac Truck Recycled Water Filling Station & Wash Rack	-	-	-	63,600	-	-	-	-	63,600
115	MC	New	Boiler Relocation Project	-	-	-	-	-	515,000	-	-	-
116	MC		Sea Level Rise Mitigation Construction (Placeholder)	-	-	-	-	-	-	-	1,090,000	-
Subtotal:				5,570,000	561,800	1,763,600	129,000	1,367,200	584,000	1,161,070	-	9,531,670

(Proposed Draft Budget - June 1, 2023)

Line No.	Mgr.	Project No.	Project Name	Year 1 Budget 2023-24	PROJECTED EXPEDITURES					7-Year Total Expenditures
					Year 2 2024-25	Year 3 2025-26	Year 4 2026-27	Year 5 2027-28	Year 6 2028-29	

TOTAL PLANNING, FLEET, COLLECTION, RECLAMATION, & TREATMENT PROJECTS (Non-Financed)

Total (Non-Financed):	14,341,346	5,680,000	10,228,814	9,014,583	13,522,180	7,951,678	14,576,062	58,762,164
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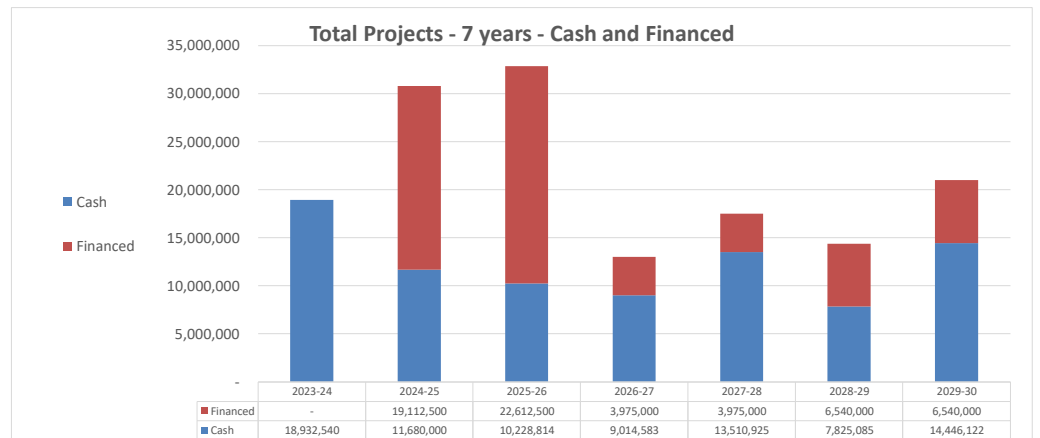
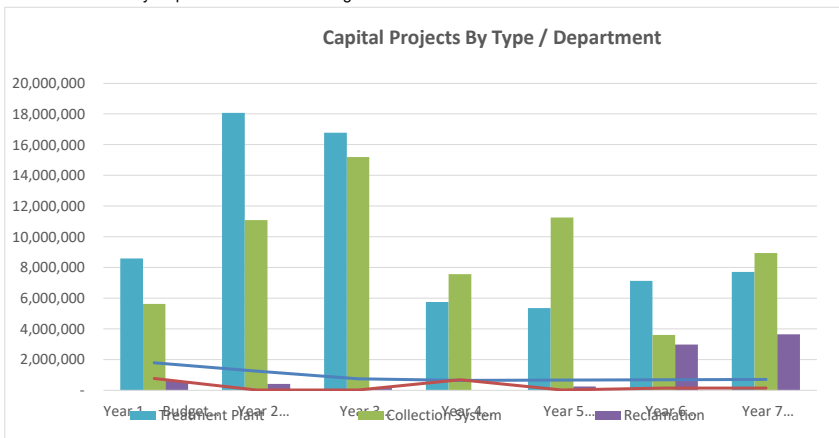
FINANCED AND BOND PROJECTS

125	MC	12600-07 & 16650-02	Secondary Treatment Plant Upgrade & Recycled Water Expan.	1,591,194	-	-	-	-	-	-	1,591,194
126	MC		John Duckett PS & HWY 101 Terra Linda TS Crossing Construction	-	7,612,500	7,612,500	-	-	-	-	15,225,000
134	MC	New	Laboratory Building Construction - (Lab / Education Center / Boardroom)	-	4,000,000	3,500,000	-	-	-	-	7,500,000
135	MC	New	Corporation Yard Construction	-	-	5,000,000	-	-	-	-	5,000,000
129	MC		Operations Control Center (OCC) Building Construction & Soft Costs (Cash) ⁽¹⁾	3,000,000	6,000,000	-	-	-	-	-	9,000,000
130	MC		Operations Control Center (OCC) Building Construction & Soft Costs (Financed)	-	-	6,500,000	-	-	-	-	6,500,000
138	MC	20600-04	Treatment Plant Upgrade Phase 2 Construction - Primary Clarifiers	-	7,500,000	-	-	-	-	-	7,500,000
139	MC	New	Treatment Plant Upgrade Phase 3 Construction - Flow Eq, UV, Headworks	-	-	-	3,975,000	3,975,000	-	-	7,950,000
140	MC	New	Digester Replacement and Solids Improvement Construction (Financed)	-	-	-	-	-	6,540,000	6,540,000	-
Subtotal:				4,591,194	25,112,500	22,612,500	3,975,000	3,975,000	-	-	60,266,194
Total Financed				1,591,194	19,112,500	22,612,500	3,975,000	3,975,000	-	-	51,266,194

GRAND TOTAL CAPITAL OUTLAY:	18,932,540	30,792,500	32,841,314	12,989,583	17,485,925	7,825,085	14,446,122	117,286,133
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⁽¹⁾ - Buildup of \$9M in cash reserves over 3 years, 2022-23 through 2024-25

⁽²⁾ - Funded by Captains Cove & Marin Lagoon HOA.





Item Number 4
GM Review CP

Agenda Summary Report

To: Board of Directors
From: Dale McDonald, Administrative Services Manager *M*
(415) 526-1519 dmcDonald@lqvsd.org
Meeting Date: June 1, 2023
Re: Resolution No 2023-2307 Setting Time and Place for Public Hearing on the Budget for the Fiscal Year 2023-2024
Item Type: Consent Action X Information Other
Standard Contract: Yes No (See attached) Not Applicable X

STAFF RECOMMENDATION

Staff recommends that the Board approve Resolution 2023-2307 setting the time and place of the Public Hearing for the Budget for the Fiscal Year 2023-2024.

BACKGROUND

One of the major steps in completing the annual budget is to allow the public an opportunity to review and make comments on the budget itself. While the State of California requires this procedure, it is also in the best interest of the community to be able to attend a public hearing so that the public can review and comment on how the District revenue is being calculated and how disbursements are proposed to be expended.

In that regard, the Board of Directors is requested to approve a date for a public hearing to review the 2023-2024 annual budget. The date for the budget hearing is proposed to coincide with the public hearing on the sewer service charge rate increases, since the rates are part of the process to complete the 2023-2024 Budget.

If approved, staff will publish once a week for two consecutive weeks a notice regarding the public hearing in the local newspaper.

PREVIOUS BOARD ACTION

None

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

None.

RESOLUTION No 2023-2307

**A RESOLUTION FIXING TIME AND PLACE FOR PUBLIC HEARING
ON THE DISTRICT BUDGET FOR THE FISCAL YEAR 2023-2024**

LAS GALLINAS VALLEY SANITARY DISTRICT

WHEREAS, this District is in the process of developing a budget for fiscal year 2023-2024; and

WHEREAS, it is in the best interest of the community to allow the public an opportunity be a part of the budget process, to see how the budget is calculated and how proposed disbursements are being expended, and to allow the public to comment on the budget.

NOW, THEREFORE, the Board of Directors of the Las Gallinas Valley Sanitary District herein shall at a special meeting place of said Board located at the San Rafael City Schools Board Room, 310 Nova Albion Way, on the 2nd Floor, San Rafael, California, is hereby set on Friday, June 30, 2023 at 4:30 p.m. as the time and place for a public hearing on the 2023-2024 Budget Report filed with the Secretary of this District, and the Board Secretary shall publish notice of said hearing and the filing of said report, once a week for two successive weeks prior to the date set for said hearing, in the Marin Independent Journal, a newspaper of general circulation, printed and published in Marin County, there being no other newspaper of general circulation printed and published in the District; post it at the District’s offices at 101 Lucas Valley Road, Suite 300, San Rafael, CA; and post it at its website at www.lgvsd.org.

* * * * *

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 the 1st day of June 2023, by the following vote of the members thereof:

- AYES, and in favor thereof, Members:
- NOES, Members:
- ABSTAIN, Members:
- ABSENT, Members:

Teresa L. Lerch, Board Secretary

Approved:

(seal)

Megan Clark, Board President



Item Number _____ 5 _____
GM Review _____ CP _____

Agenda Summary Report

To: Board of Directors
From: Michael P. Cortez, PE, District Engineer
(415) 526-1518; mcortez@lqvsd.org
Mtg. Date: June 1, 2023
Re: Proposed Ordinance 193 – Amendment to Title 3, Chapter 2, Sanitary Code of the Las Gallinas Valley Sanitary District
Item Type: Consent _____ Action X Information _____ Other _____
Standard Contract: Yes _____ No _____ (See attached) Not Applicable X .

STAFF RECOMMENDATION

Board to set a Public Hearing Date of July 6, 2023 for Ordinance No. 193, An Ordinance Amending Title 3, Chapter 2, An Ordinance Relating to Reimbursement for Public Sewer Main Extensions and/or Sewer Capacity Upgrades of the Ordinance Code of the Las Gallinas Valley Sanitary District.

BACKGROUND

The current District Ordinance only addresses reimbursement for sewer main extensions by land developers without referencing capacity upgrades, which both may be required to adequately serve new land developments. Each land development project will be reviewed by the District Engineer and capacity upgrade requirements will be determined on a case-by-case basis.

District staff discussed proposed revisions with the Land Development Ad Hoc Committee on April 3, 2023, and legal counsel has prepared the attached memorandum outlining the revisions. Attached is the existing Ordinance (“Exhibit A”) for reference. Also attached are the proposed revisions (“Exhibit B”) and draft Ordinance (“Exhibit C”) for Board to review.

PREVIOUS BOARD ACTION

Board adopted Ordinance No. 164 incorporating revisions to the various sections of the District’s Ordinance Code on May 28, 2015.

ENVIRONMENTAL REVIEW

N/A

FISCAL IMPACT

N/A

MEMORANDUM

TO: Board of Directors LGVSD

FROM: Patrick M.K. Richardson District Counsel

DATE: June 1, 2023

SUBJECT: Proposed Ord. No. 193 - Amendment to Title 3, Chap. 2, “An Ordinance Relating to Reimbursement for Public Sewer Main Extensions,” of the Ordinance Code of the Las Gallinas Valley Sanitary District

This Memorandum is meant to inform the Board regarding Staff’s proposal to amend Title 3, Chap. 2, of the Ordinance Code of the Las Gallinas Valley Sanitary District.

BACKGROUND:

Title 3, Chap. 2 relates to the District requiring a developer or seeking reimbursement from said developer for necessary expenses to increase in size and/or capacity of other upgrades to the District’s existing gravity sewers/sewer mains, trunk lines, pump stations and/or force mains etc. due to a proposed land development within the District’s boundaries.

Currently, there are several proposed developments that District Staff are working on with the developers and the City of San Rafael, some of which include 245 Nova Albion Way and Northgate Mall Redevelopment.

AMENDMENT TO TITLE 3, CHAP. 2:

A copy of the current copy of Title 3, Chap. 2, is attached as Ex. “A” for reference. As currently written, Chap. 2 only refers to a situation that would require an extension of a District’s sewer main in order to service a parcel of land. The expense of such an expense would be borne by the landowner/developer. Chap. 2 further provides that the District may enter into a “Reimbursement Agreement” with the landowner/developer for reimbursement of the proportional costs for the main line extension from later developers or landowners that wish to have the District provide service subsequent to the original extension construction. The District Engineer would calculate the proportional cost to any later applicants for service. At this time, a Reimbursement Agreement would last for a period of ten (10) years.

Proposed Amendment: A copy of the proposed Amendment to Title 3, Chap. 2, is attached hereto as Ex. “B.” This copy shows the edits made to the existing Ordinance. A clean copy of the proposed Ordinance 193 amending Title 3, Chapter 2 is attached hereto as Ex. “C.”

The proposed amendment seeks to address the situation where the costs of providing service to a new development extends beyond just the extension of the sewer main, but encompasses any potentially required upgrades to the size of existing sewer mains or the capacity of said mains or trunk lines. In addition, it envisions the potential upgrades that may be necessary to any pump stations, force mains, or the sewer collection system. This is not intended to be an exhaustive list of needed upgrades.

The District also reserves the right to perform the work itself and then bill the owner, in lieu of having the owner/developer perform the necessary work. The option, at the discretion of the District, to enter into a Reimbursement Agreement, remains in place for a ten (10) year period (the period can be extended by the District).

Potential Effect of Prop 218 on these Development Fees:

Proposition 218 specifically excludes two kinds of fees from its provisions, more specifically, “Developer fees”:

- **Developer fees** (“Nothing in this article or Article XIII C shall be construed to . . . [a]ffect existing laws relating to the imposition of fees or charges as a condition of property development”), Cal. Const., art. XIII D, § 1(b); . . .”¹

RECOMMENDATION:

From a legal standpoint, any such reasonable fees associated with a necessary increase in size, capacity or upgrades to the District’s system in order to serve a new development should pass muster as long as the evidence supports such system upgrades. And as noted above, there should not be any Prop 218 effect upon the imposition of these types of “developer fees.”

Therefore, Counsel recommends that the Board pass Ordinance No. 193.

CHAPTER 2

AN ORDINANCE RELATING TO REIMBURSEMENT FOR PUBLIC SEWER MAIN EXTENSIONS

ARTICLE I. PURPOSE. The extension of a public sewer to serve any parcel or tract of land shall be done by and at the expense of the owner, although, the District reserves the right to perform the work and bill the owner for the cost, to perform the work itself, or to perform the work pursuant to special assessment proceedings.

Where the public sewer is more than four hundred (400) feet from the exterior wall of a proposed structure to the main sewer line the District may enter into a Reimbursement Agreement with the applicant to reimburse the applicant when others connect to the new main sewer line. The Reimbursement Agreement shall be valid for ten (10) years. Other applicants who connect to this main sewer line will contribute their proportionate share of the construction costs which shall be paid to the original applicant. The District Engineer in his sole discretion shall determine the relevant proportionality analysis to be used in a repayment calculation. No interest shall be due any applicant.

CHAPTER 2

AN ORDINANCE RELATING TO REIMBURSEMENT FOR PUBLIC
SEWER MAIN EXTENSIONS AND/OR SEWER CAPACITY UPGRADES

ARTICLE I. PURPOSE. ~~Where t~~The extension of a public sewer and/or sewer capacity upgrades, to include but not limited to the increase in size and/or capacity of gravity sewers/sewer mains, -trunk lines or lateral extensions, the increase in size of sewer main lines or lateral extensions, pump stations, and/or force mains and/or gravity sewers, -to the existing sewer collection system that to- are necessary in order to serve any parcel or tract of land, the expense of such public sewer extension and/or sewer capacity upgrades shall be done by and borne by at the expense of the owner of said parcel or tract of land. However, ~~although,~~ the District reserves the right to perform the work and bill the owner for the cost, to perform the work itself, or to perform the work pursuant to special assessment proceedings. ~~Where the public sewer is more than four hundred (400) feet from the exterior wall of a proposed structure to the main sewer line~~ The District, in its sole discretion, ~~-may enter into a Reimbursement Agreement with the applicant to reimburse the applicant when others connect to the new main sewer line. The Reimbursement Agreement shall be valid for ten (10) years~~ but may be extended at the discretion of the District. Other applicants who connect to this main sewer line will contribute their proportionate share of the construction costs which shall be paid to the original applicant. The District Engineer in his sole discretion shall determine the relevant proportionality analysis to be used in a repayment calculation. No interest calculation shall be part of the relevant proportionality analysis ~~due any applicant.~~

**BOARD OF DIRECTORS OF THE
LAS GALLINAS VALLEY SANITARY DISTRICT**

**ORDINANCE NO. 193
AN ORDINANCE AMENDING TITLE 3, CHAPTER 2,
OF THE ORDINANCE CODE OF THE
LAS GALLINAS VALLEY SANITARY DISTRICT**

**AN ORDINANCE RELATING TO REIMBURSEMENT
FOR PUBLIC SEWER MAIN EXTENSIONS AND/OR SEWER CAPACITY
UPGRADES**

The Board of Directors of the Las Gallinas Valley Sanitary District, Marin County, California, does ordain as follows:

Section 1. Title 3, Chapter 2, An Ordinance Relating to Reimbursement for Public Sewer Main Extensions, is amended to read as follows:

ARTICLE I. PURPOSE. Where the extension of a public sewer and/or sewer capacity upgrades, to include but not limited to the increase in size and/or capacity of gravity sewers/sewer mains, trunk lines , pump stations, and/or force mains, to the existing sewer collection system that are necessary in order to serve any parcel or tract of land, the expense of such public sewer extension and/or sewer capacity upgrades shall be done by and borne by the owner of said parcel or tract of land. However, the District reserves the right to perform the work and bill the owner for the cost, to perform the work itself, or to perform the work pursuant to special assessment proceedings. The District, in its sole discretion, may enter into a Reimbursement Agreement with the applicant to reimburse the applicant when others connect to the new main sewer line. The Reimbursement Agreement shall be valid for ten (10) years but may be extended at the discretion of the District. Other applicants who connect to this main sewer line will contribute their proportionate share of the construction costs which shall be paid to the original applicant. The District Engineer in his/her sole discretion shall determine the relevant proportionality analysis to be used in a repayment calculation. No interest calculation shall be part of the relevant proportionality analysis.

Section 2. Upon adoption of this Ordinance, it shall be entered in full in the minutes of the Board of Directors, shall be posted in one place in the District, shall be published once in the Marin

Independent Journal, and shall take effect immediately upon the expiration of one (1) week of said publication and posting.

I hereby certify that the foregoing is a full, true and correct copy of the Ordinance duly and regularly passed and adopted by the Board of Directors of the Las Gallinas Valley Sanitary District of Marin County, California, at a meeting hereof held on July 6, 2023, by the following vote of members thereof:

AYES:
NOES:
ABSENT:
ABSTAIN:

Teresa Lerch, Board Secretary
Las Gallinas Valley Sanitary District

APPROVED:

Megan Clark, Board President

(seal)

6/1/2023

BOARD MEMBER REPORTS

CLARK

NBWA Board Committee, 2023 Operations Control Center Ad Hoc Committee, Other Reports

FORD

NBWRA, 2023 Operations Control Center Ad Hoc Committee, 2023 GM Evaluation Ad Hoc Committee, 2023 McInnis Marsh Ad Hoc Committee, 2023 Fleet Management Ad Hoc Committee, 2023 SF Bay Trail Ad Hoc Committee, Other Reports

MURRAY

Marin LAFCO, CASA Energy Committee, 2023 Biosolids Ad Hoc Committee, 2023 Development Ad Hoc Committee, 2023 SF Trail Ad Hoc Committee, Other Reports

ROBARDS

Gallinas Watershed Council/Miller Creek, 2023 Engineering Ad Hoc Committee re: STPURWE, 2023 McInnis Marsh Ad Hoc Committee, 2023 GM Evaluation Ad Hoc Committee, 2023 Development Ad Hoc Committee, Other Reports

YEZMAN

Flood Zone 7, CSRMA, Marin Special Districts Association, 2023 Ad Hoc Engineering Sub-Committee re: STPURWE, 2022 Biosolids Ad Hoc Committee, Other Reports



**BOARD MEMBER
MEETING ATTENDANCE REQUEST**

Date: _____ Name: _____

I would like to attend the _____ Meeting
of _____

To be held on the _____ day of _____ from _____ a.m. / p.m. to
_____ day of _____ from _____ a.m. / p.m.

Location of meeting: _____

Actual meeting date(s): _____

Meeting Type: (In person/Webinar/Conference) _____

Purpose of Meeting: _____

Meeting relevance to District: _____
YES NO

Request assistance from Board Secretary to register for Conference:

Frequency of Meeting: _____

Estimated Costs of Travel (if applicable): _____

Date submitted to Board Secretary: _____

Board approval obtained on Date: _____

Please submit this form to the Board Secretary no later than 1 week prior to the Board Meeting.

6/1/2023

BOARD AGENDA ITEM REQUESTS

Agenda Item 7B

- Separate Item to be distributed at Board Meeting
- Separate Item to be distributed prior to Board Meeting
- Verbal Report
- Presentation

Agenda Item 8
Date June 1, 2023

MMWD

Agency defends big hike in rates

Utility: Pay and benefits small part of 20% boost

BY WILL HOUSTON

WHOUSTON@MARINIJ.COM

The Marin Municipal Water District is poised to adopt one of its largest rate hikes in decades on Tuesday — a move that will increase water costs for customers by about 20% — but staff costs are not the driver, utility officials said.

Agency staff and governing board members said one of the primary reasons behind the increase is to create new water supplies to avoid what occurred in 2021, when the agency faced the possibility of depleting its reservoirs amid a historic drought.

“Here in Marin, we’re faced with a lot of catch-up because there has been underinvestment in water supply for decades,” said Ranjiv Khush, vice president of the district board. “We are paying the consequences for that.”

A common point of debate among ratepayers is how much of their water bills are going to staff wages, pensions and other benefits.

Staffing costs account for about 40% of the district’s overall budget, but only comprise 4% of the proposed rate hike set to go before the board on Tuesday, said Bret Uppendahl, the district finance director. In 2022-2023, the district operated on a \$116.1 million budget, which includes an operating budget of \$92.2 million and a capital budget of \$23.9 million.

If approved, the rate hike would take effect July 1.

The majority of the millions of dollars in new annual rate revenue would be used to fund new water supply projects, address a backlog of repairs to its

existing water delivery system and rebuild emergency reserves that were significantly depleted during the drought, he said.

“I think those are really critical components for the long-term water security here at the district, as well as our financial stability,” Uppendahl said.

Currently, the district has a budget for 243 full-time employees, which is 20 fewer than it had in 2013, according to Uppendahl. Only about 205 positions are filled. Uppendahl said the rate increases will allow the district to fill those positions to begin work on its backlog of maintenance.

The district plans to add two new positions: a watershed ranger trainee position and a training specialist to oversee staff certifications. The agency plans to add two more positions in the 2024-2025 budget that would be responsible for turning the many valves in the water supply system to prevent them from freezing and corroding.

“I think the ambitions in terms of new recruitment are still pretty tempered or moderate compared to where we used to be with staffing,” Khush said.

The district pays an average salary of about \$118,152 and a median salary of about \$112,560, according to Uppendahl. Salary negotiations are ongoing between the district and its employee unions for a new contract beginning July 1.

Larry Minikes, board secretary of the Marin Conservation League and former member of the water district’s citizen oversight committee, supports the rate increase. He said complaints about salaries in relation to rate hikes have been happening for decades.

“In all areas, including the water business, you have to pay competitive salaries. When you pay below, what occurs is you become a training ground,” Minikes said. “We are simply paying at a competitive rate and for good reason. For running a water district, institutional knowledge is critical and maintaining that institutional knowledge is critical.”

Even with the wages, about 75% of the district’s staff lives outside of Marin County, Khush said. Cutting staff or keeping salaries stagnant would only lead to higher turnover and prompt employees to look at other water suppliers in the Bay Area, he said.

“If 75% of your staff don’t live in the county, they are more likely to go to jobs more closer to where they live,” Khush said.

Similar to other public agencies, the water district also faces significant pension expenses.

Bob Bunnell, a Novato resident and founding member of the Citizens for Sustainable Pension Plans, said two factors play into pension costs. One is the normal cost of benefits that an agency must cover each year, and the other is the unfunded liability, which is prior benefits that the California Public Employees’ Retirement System, known as CalPERS, did not have enough assets to cover.

“So many of these public plans just promised way more benefits than the contributions and investment returns have kept up, so that’s why they have these huge unfunded liabilities,” Bunnell said.

The average pension benefit for a retired Marin Municipal Water District employee is about \$42,121, which is up from \$38,102 in 2017, Uppendahl said.

The Marin Municipal Water District’s share of unfunded liabilities was at \$85.8 million as of July 2022, a \$22 million reduction from the prior year, Uppendahl said. The decrease was largely driven by CalPERS’ improved investment earnings in 2021. The district is required to pay about \$8.6 million annually toward its unfunded pension liability.

Both employers and employees are required to make contributions to the pension system. For the district, its normal yearly pension benefit payments make up about 12% of its payroll expenses, while unfunded liabilities from previous years make up another 32% of its payroll expenses, Bunnell said.

Combined, about 44% of the district’s payroll expenses are for pensions, with ratepayers as the funding source, he said.

“That’s incredibly high,” Bunnell said. “I would say it’s borderline abusive to taxpayers.”

With poorer stock market returns in 2022, the unfunded liability is likely to increase this year, Bunnell said.

Said Khush: “I think with legacy employees we’re very limited in what we can do with their pension benefits. There is always an interest now with new

employment MOUs to try to reduce those pension burdens. I hope we'll make progress with that with this new collective bargaining agreement."

Water district board members also receive compensation and health care benefits through the district. For each board or committee meeting they attend, board members receive \$200 and receive compensation for up to 10 meetings per month, Uppendahl said.

Board members can also elect to receive the same health care coverage as other district staff. The district pays premiums of \$1,035 or \$2,070 per month based on the number of dependents under the plan. Board members Larry Russell and Monty Schmitt receive health care coverage.

A compensation report for the 2021-2022 fiscal year showed board member benefits ranged from about \$22,000 at the lowest paid to Schmitt to about \$50,000 paid to Russell. These benefit totals also include attendance to other advisory committees, councils and forums as well as to conferences and training sessions.

The meeting is set for at 6:30 p.m. at 220 Nellen Ave. in Corte Madera. Teleconference access is available by dialing 1-669-444-9171 and entering Zoom ID 881 3485 2296.

More information is at: marinwater.org/2023RateSetting.

INFRASTRUCTURE

Water system in state vulnerable to hacks, failure

BY HAYLEY SMITH

LOS ANGELES TIMES

On a February morning in 2021, a water treatment plant operator in Oldsmar, Florida, noticed something unusual: An unidentified user had remotely accessed the plant's computer system and was moving the mouse around the screen.

The operator watched as the intruder clicked into various software programs before landing on a function that controls the amount of sodium hydroxide, or lye, in the plant's water system. The hacker then increased the amount of lye — a potentially dangerous substance used to control acidity — from 100 parts per million to 11,100 parts per million.

The plant operator reversed the change almost immediately, and officials said there was never any threat to public safety. But the incident has highlighted the threats facing major drinking water systems across the country.

“Water systems, like other public utility systems, are part of the nation's critical infrastructure and can be vulnerable targets when someone desires to adversely affect public safety,” Sheriff Bob Gualtieri of Pinellas County, Florida, said at the time.

In California, where epic Sierra Nevada snowpack and “the Big Melt” have substantially increased the stakes for reservoir managers, officials say they're taking steps to protect the state's water systems from hackers, terrorist attacks and natural disasters, such as the flooding that temporarily severed the Los Angeles Aqueduct — the city's water lifeline to the Owens Valley.

But experts say the challenges are numerous. Many of the systems in California and nationwide are still operating with outdated software, poor passwords,

aging infrastructure and other weaknesses that could leave them at risk.

“We’ve seen a steady rise in both the prevalence and the impact of cyberintrusions, as well as an extraordinary increase in ransomware attacks, which have become more destructive and more expensive,” said Joe Oregon, chief of cybersecurity for Region 9 of the federal Cybersecurity & Infrastructure Security Agency.

Andrew Reddie, an assistant professor of practice in cybersecurity at UC Berkeley’s School of Information, said much of the problem is “driven by the fact that the infrastructure is really, really old, and ultimately predates the era that we find ourselves in now, where we actually bake cybersecurity into these ... systems by design.”

“You can point to any number of critical infrastructure, including things like dams and water treatment plants, that are not terribly well-protected in terms of passwords,” he said.

A lot of older infrastructure is not “air gapped” from the internet, he said, referring to a separation between operational technology and internet technology. That could enable a bad actor to do things like change chemical levels or open sluices to manipulate flows in water channels or dams.

Compounding the problem is a lack of central regulation or uniform protocols. Multiple agencies — including the Environmental Protection Agency, the National Institute of Standards and Technology, the American Water Works Association and the Department of Homeland Security and CISA — provide some degree of risk management oversight, or offer frameworks and recommendations. But many of the day-to-day decisions are left up to individual operators.

“A lot of the responsibility does certainly fall on the stakeholders’ shoulders to manage their own information systems effectively to prevent any type of cyber compromise or cyber incidents,” said Oregon, of CISA.

The agency estimates that about 63% of the nation’s 91,000 dams are privately owned. Federal, state, and local governments and utilities own 35%, and the remaining 2% have “undetermined ownership.”

Despite the risks, experts said it’s important for water systems to be networked in order to expedite maintenance and monitoring. In California, reservoirs are often intentionally spread far apart to maximize rainwater capture and other

benefits, so sending physical crews to respond to every potential problem would be time-consuming and expensive, said Ethan Schmertzler, chief executive of Dispel, a cyberdefense firm.

“It all depends upon how water systems are connected, and most water systems in the United States are not — it’s not one national water system,” he said. “The good news is each community is divided into their own command and control systems. The downside is, they’re all divided into their own command and control systems.”

Though most standards are not mandatory, cybersecurity recommendations — and spending — have vastly improved in recent years, he said. Recent legislation through the National Defense Authorization Act will soon compel utilities to report cybersecurity threats to CISA, which will help the federal agency better spot trends, share information and render a response.

John Rizzardo, security coordinator with the State Water Project at the California Department of Water Resources, said the agency operates with an ethos of “layers upon layers of security,” for both physical and cyber threats. Because the agency is also an energy provider in the state, “we probably employ more security features than a lot of just the water industry,” he said.

That doesn’t mean it is immune, however. CISA pointed to the Oroville dam crisis of 2017 as an example of the nation’s need for “comprehensive oversight and guidance over dam resilience.” During that incident, hillside erosion on the dam’s emergency spillway threatened a major flood event and prompted the evacuation of about 200,000 people, though disaster was ultimately averted.

Rizzardo said the agency has since shored up the spillway and made significant security upgrades, and is working to implement the same standards across all State Water Project facilities. The Department of Homeland Security runs national security drills for the dam sector every two years, he said, which the agency also participates in.

But even with the best protocols in place, “there’s still going to be a risk of a cyber or physical attack,” Rizzardo said. “It could happen — we’re doing our best to prevent it — but if it does happen, we do practice our emergency action plans regularly so that we’re prepared if there is some kind of attack that we can try to mitigate, to reduce the consequences.”

Indeed, the Oldsmar incident was not a one-off. Only weeks later, a ransomware attack on the Colonial Pipeline — a vital U.S. oil conduit between the Gulf of Mexico and the East Coast — spurred fuel shortages, flight cancellations and state of emergency declaration from President Biden.

Earlier this year, Biden unveiled a national strategy for cybersecurity that calls for a “more intentional, more coordinated and more well-resourced approach to cyberdefense.”

Similar attacks have threatened other water systems, including an Iranian attack on a New York dam in 2016, in which hackers tried but failed to take control of a sluice gate.

In January 2021, an unnamed water treatment plant in the Bay Area also suffered a cyberattack, NBC News first reported. Hackers accessed the plant’s system through a remote access TeamViewer account and deleted programs used to treat drinking water. The programs were reinstalled the next day and no failures were reported. (The Northern California Regional Intelligence Center, which compiled a report on the incident, said it could not provide more details as an investigation is ongoing.)

One of the largest water providers in the country is the Metropolitan Water District of Southern California, a massive regional wholesaler that supplies 26 agencies serving 19 million people, including the Los Angeles Department of Water and Power.

General manager Adel Hagekhalil said in an email that America’s Water Infrastructure Act of 2018 served as a “catalyst for utilities to evaluate their resilience to risk and create emergency plans for responding to all hazards.”

“We are constantly taking steps to ensure the security of our water supplies against physical and cybersecurity threats,” Hagekhalil said.

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PUBLIC HEALTH

County: 'Tranq' found in sewage

Tests show drug linked to fentanyl, heroin use

BY RICHARD HALSTEAD

RHALSTEAD@MARINIJ.COM

Xylazine, a veterinary tranquilizer that is increasingly being mixed with fentanyl, heroin and other illicit drugs, has been detected in Marin County's wastewater.

Although xylazine, also known as "tranq," use has been common on the East Coast for some time, this is the first positive evidence of its presence in Marin. Dr. Matt Willis, Marin County's public health officer, made the announcement in a recent update on levels of COVID-19 infection in Marin.

Since most people now rely on at-home antigen tests to determine if they're infected, instead of a polymerase chain reaction (PCR) test that must be processed through a lab, health officials have come to rely on wastewater testing to determine infection levels in their communities.

"We have almost no visibility on transmission through test results," Willis said. "We estimate that less than 5% of our cases are getting reported."

The amount of virus in Marin's wastewater is fairly low — about the same as it was a year ago, although not as low as it was in December 2021 before cases spiked the following month. Nevertheless, Willis said that deaths from COVID-19 in Marin are lower now than they were previously, when there were comparable levels of the virus detected in the wastewater.

"It's objective evidence that the severity of illness on average continues to decline among people who are infected," Willis said. "It's a good story. If you look back a year ago, the mortality rates were almost 10 times higher."

Willis attributes the lower mortality rate to the effect of vaccines; an increase in herd immunity due to the number of people who have already contracted the disease; and treatments such as Paxlovid.

Speaking on Friday, Willis noted that it was the first day in years that Marin wasn't operating under any sort of public health emergency status at either the local state, federal or global level.

The county and the state ended their states of emergency on Feb. 28. The World Health Organization lifted its state of emergency on May 5. On Thursday, the federal health emergency declaration concluded.

"There is a remarkable alignment between that change and what we're seeing in virus levels," Willis said. "Last week we shifted from a medium COVID level in Marin to low based on declining hospitalizations and declining virus levels in wastewater."

Willis said hospitalizations because of COVID-19 in Marin are at their lowest levels in six months, and the county's wastewater levels are about the lowest they've been in a year.

On May 4, eight people in Marin hospitals tested positive for COVID-19, but only four of them were hospitalized because of the virus. There was only one person with COVID in a hospital intensive care unit.

Despite lower mortality levels, however, an average of one Marin resident dies from COVID every two weeks, Willis said.

"Relative to the past we're doing much better," he said, "but it certainly is not over."

Last month, the Centers for Disease Control and Prevention authorized an additional dose of the bivalent COVID-19 vaccine for adults ages 65 and older and people who are immunocompromised.

"That is also our local recommendation," Willis said. "Immunity is like a battery. It slowly diminishes over time."

Willis said older adults are definitely at a higher risk. The average age of Marin residents who have died from the virus this year is 89. An updated vaccine that will be authorized for the entire population is expected this fall.

Wastewater proved so useful in tracking COVID-19 infections that in February the county launched a new initiative to test for the presence of certain drugs: fentanyl, cocaine, nicotine, methamphetamine and most recently xylazine.

Willis said Marin is one of the first jurisdictions in the nation to test for xylazine in wastewater. The test is new and doesn't yet provide any insight into the amount of the drug present.

Xylazine is sometimes added to fentanyl to extend the euphoric effects of the synthetic opioid. It is important for medical providers treating people who have overdosed to know that xylazine could be involved. Because xylazine is not an opioid, naloxone, commonly known as Narcan, does not reverse its effects.

Todd Schirmer, director of Marin County Behavioral Health and Recovery Services, said he had asked the county's substance use treatment providers to disseminate the information to both staff and clients.

"Our goal is to help raise awareness that xylazine is here in Marin and presents unique challenges," Schirmer wrote.

Roger Fielding, the county's chief deputy coroner, said, "I do not recall any deaths in Marin specifically related to xylazine as the primary cause of death and/or contributing cause of death despite becoming more prevalent nationwide."

Marin County Sheriff Jamie Scardina said xylazine has not turned up in any Marin County investigation or arrest.

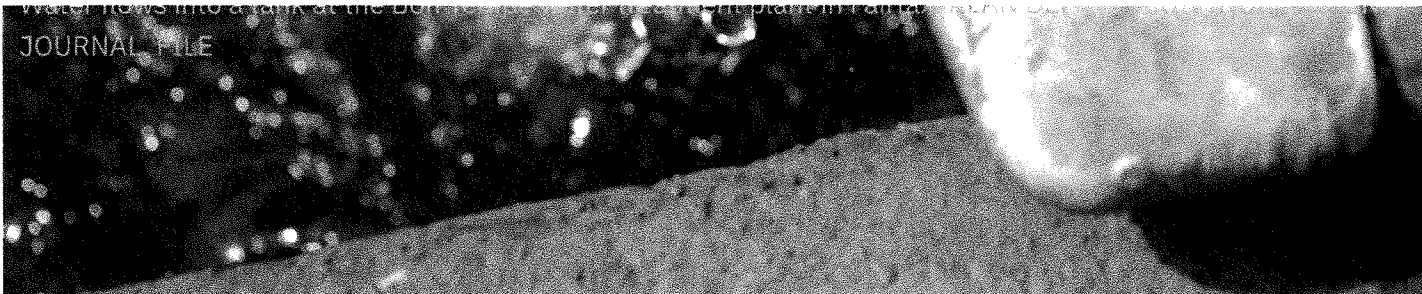
Willis said wastewater sampling has also detected fentanyl and a level of methamphetamine that is higher than in other countries where testing is being done.

Rate increases approved for water supply projects



Water flows over the spillway from Bon Tempe Lake towards Alpine Lake in the Mount Tamalpais watershed. The Marin Municipal Water District board approved a plan to hike water rates and fees for the next four years. SHERRY LAVARS — MARIN INDEPENDENT JOURNAL, FILE





The agency's board of directors voted 4-1, with Director Larry Russell dissenting, on Tuesday to approve a plan to hike water rates and fees for the next four years.

The rate increases will be the largest the district has passed in recent memory. A typical single-family home should expect to see about a 20% increase in water bill costs beginning July 1. Bimonthly water bill amounts for these customers are estimated to increase from about \$139 to about \$171 in the first year, according to district estimates.

Agency staff and board members said the rate hikes are vital to begin making the district's water supply more resilient after the recent two-year drought demonstrated the vulnerability of the agency's water supply.

The district and the 191,000 central and southern Marin residents it serves had faced the dire possibility of depleting its main reservoirs supplies as soon as mid-2022 — something that last occurred during the infamous drought of 1976-1977.

Of the four board members who supported the rate hikes on Tuesday, three directors — Ranjiv Khush, Matthew Samson and Jed Smith — were newly elected to the board in November. These directors replaced longtime board members whom they said had failed to adequately invest in water supplies during the past decades.

"I believe that we must take this difficult path so that once and for all MMWD can get out of the ongoing cycle of water shortages and to make sure that we are all well prepared to face the risks to our water supply and environment that are definitely in our uncertain climate future," Khush said before the vote on Tuesday.

"I feel like we're starting a new chapter with the water district and its history," Samson said before the vote. The district is proposing to spend \$34.7 million on new water supply projects in the next four years. The new rate revenue is also meant to begin recovering from financial losses incurred during the drought as well as from ongoing low water sales and inflation pressures. The district also plans to begin significantly higher investments to address a \$200 million backlog in the maintenance of its aging water system.

Most of the residents who attended the Tuesday meeting online or at the district's Corte Madera headquarters protested the rate changes. Many of them stated the agency was asking too much of ratepayers too soon and should instead spread the costs out over a longer period of time.

"A case can be made for some increase but not this humongous boost," Larkspur resident James Holmes told the board. "This increase seems intended to finance a wishlist years in the making that is more aggressive and all-encompassing than realistic and reasonable for ratepayers — Christmas in July for Marin Water."

Other speakers called on the district to make cuts to staffing, salaries, benefits or departmental budgets before turning to ratepayers.

These concerns found an ally through Director Larry Russell, who said he empathized with the affordability concerns.

"With all due respect, I've done a lot of thinking here and I believe we have not achieved the affordability and equity issues that I've been talking about since we started all this," Russell said before casting his dissenting vote.

Board President Monty Schmitt said the investments the district plans to make are not asking too much, but are essential to the future viability of the district and its water supply.

"With a backlog of maintenance of over \$200 million, it is not too soon, it is actually really a dire situation that we need to be investing in," Schmitt said. "Even at the rates we are investing in, it will take decades for us to catch up to where we would ultimately want to reside in."

increases and avoid a repeat of the 2021 water supply threats.

“We need to quit kicking the can down the road to the next two generations of Marin homeowners to pay for our insufficiently maintained water infrastructure,” Larkspur resident Ed Jameson said during the meeting.

The new rate plan is meant to overhaul the district’s existing rates and history of rate increases. The new rate structure lowers the amount of water a customer can use before they are bumped into a higher rate tier. Additionally, seasonal rates that allowed for more water use during the summer months when water use typically peaks have been eliminated. The district has also adjusted its fixed fees to tie them more closely to local water usage and to lower the proportion of fixed fees on customers’ water bills.

The district has had an inconsistent approach to rate changes in the past three decades. In the years since 1992, there were 16 years when rates were held flat and three years when rates spiked by more than 10%. In 1993, the district had reduced rates by 25%, with the rates held flat for 11 of the 14 following years.

The district faces a growing deficit without the rate changes in the face of rising expenses and sustained low water sales, Uppendahl said. No changes would result in a \$27 million deficit at the end of the 2023-2024 fiscal year, which would steadily grow to a \$38 million budget deficit by the end of the 2026-2027 fiscal year, according to district projections.

Emergency reserve funds that would cover these shortfalls were significantly depleted during the two-year drought. The reserve fund balance dropped from \$63 million in 2021 to \$28 million as of this year as a result of lost revenue from water conservation and from needing to purchase more imported water from Sonoma County, Uppendahl said. The district receives 25% of its water from Russian River imports, with the remainder coming from the district’s seven local reservoirs.

If the district did not raise rates, the reserve would shrink to about \$5 million at the end of the 2023-2024 fiscal year.

Before the vote, Smith said rate hikes are never popular but also that he and other ratepayers have benefitted from “fairly remarkably low rates for decades.”

“We walked into our position, at least for me, less than six months ago to an agency that’s losing \$1 million per month,” Smith said during the meeting. “It has over two dozen unfilled hires not able to do the work that needs to get done, an aging infrastructure that is in need of drastic repair. And this is a board that’s willing to make some difficult decisions and hopefully set ourselves up for a future that will meet our community’s important needs to have safe clean drinking water and this remarkable watershed we’re here to protect.”

More information about the rate plan can be found at marinwater.org/2023RateSetting.

SVNA Community Meeting – Past March 29, 2023

• Linda Levey, linda@santavenetia.org

Gina introduced our SVNA Board Members and reminded members about upcoming meetings. She thanked members who have renewed their annual SVNA membership and reminded those who have not to do so. Gina thanked Jim and Monica Walsh who retired this year after hosting the Easter Egg Hunt in Castro Park for 30 years! She spoke about this and other SVNA events and thanked past volunteers for helping create great memories for us all. Other SVNA business was discussed including Zoom vs in-person meetings.

Our first speaker, Matt Hartzell, represented WTB-TAM, local transportation advocates that have been involved for the last 30 years with most of the bicycle and pedestrian projects in Marin County. Much of their work explores how to bring local, national, and international transportation and design practices to our communities. They have taken Marin County officials on study trips to Europe to observe this work in action.

Currently they are advocating for two projects in our area:

- The San Rafael Connection – a piece of the North-South Greenway Bikeway from the top of Puerto Suelo Hill to North San Pedro Road. The pathway they are advocating for will be for all ages and abilities – much safer than the current route.
- The Civic Center Multi-Modal Transportation Hub – a group of small projects centered around the Civic Center Station that tie together both sides of the freeway.

Matt described the network of walkways, pathways, bikeways, and roadways connecting our neighborhoods. Now is the time to support these projects as funding will hopefully be coming down the pipeline soon. A very robust Q&A followed his presentation.

If you'd like to write an individual letter of support for these projects, or want more information, please contact Matt at mhartzell@wtb.com or visit: www.wtb-tam.org

Next, we were joined by Curtis Paxton, the new General Manager of the Las Gallinas Valley Sanitary District (LGVSD) with an update on their ongoing projects. The "Secondary Treatment Plant and Recycled Water Expansion" has been going on for about 4 ½ years and should be wrapped up by the time you get this newsletter. Part of the Recycled Water Expansion, this runs a portion of their treated wastewater through the recycled water plant. They are a wholesaler to Marin Water District and North Marin Water District who pump and distribute the water.

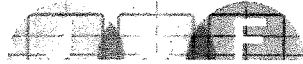
New Building: The Operations Control Center (OCC), has been in the works since about 2016. Current status: preliminary design work has gone to the City of San Rafael in pre-application; it hasn't gone to formal Design Review yet. In current form, it's a 3-story, 36' maximum height glass building with an education and science center, boardroom, offices, and new laboratory. As construction costs have gone up tremendously, they are discussing if they can adequately fund the project.

Regional Composting Project: When they treat the wastewater, the solid material is removed and put in a "digester" which removes the organic material. That sludge, aka biosolids, is pumped out to the storage ponds north of the treatment plant. After six months or so, it moves to the property north of the Reclamation Ponds. They are currently in a 3-year EPA Study for unregulated contaminant monitoring to find the effects of putting biosolids on land. Concerns including odors related to composting and traffic will be addressed when this project goes through CEQA. With so much land north of the reclamation ponds, there is an opportunity to provide services on a regional basis to several other sanitary districts that will need a place to dispose of their

biosolids as they move from "disposal" to "beneficiary use." They are in the beginning stages but looking at the feasibility of this.

Noise, lighting, odor, waterways and testing, composting, and the ongoing McInnis Marsh restoration project were raised during Q&A. Curtis can be reached at cpaxton@lqvsd.org

The entire audio presentation of this meeting is available on our website or by visiting the direct link: <https://tinyurl.com/4t5v7wzc>



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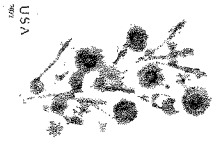
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The Communicator

May/June 2023 Issue

Santa Venetia Neighborhood Association
P.O. Box 4047, San Rafael, CA 94913-4047
SVNA@SantaVenetia.org ~ www.TheSVNA.org



Neighborhood Notes

Compiled by Tes Lazzarini, tesarini@yahoo.com

Congratulations to first time grandparents, Tom and Crista Cheap. On February 28, their daughter, **Kendall Cheap Roark**, had a baby girl who will go by Joey.

Barbara Perkins enjoyed the warm sunny weather of Southern California while spending some time amid desert surroundings when she traveled to Palm Springs last month.

The Venetia Valley K-8 School's 4th Annual 5K Run was a huge success, with about 90 participants. Congratulations to Venetia Valley students **Andre Sente** and **Alex Grijalba** who placed among the top 5 runners.

The O'Hares were on the go again. With Shannon's mother **Pam** visiting from North Carolina, the family took time out and flew to Southern California to spend a few days celebrating Disney 100 at Disneyland.

Congratulations to two seniors who were part of Terra Linda's first NorCal Division III Championship Soccer Team in the Fall of 2022. Both **Christopher Maldonado** who will be attending University of San Francisco and **Tavi Stafford** who will be attending the University of Vermont in the Fall will be playing on their respective university's Division 1 Soccer teams.

There is a new band in Santa Venetia that played its first gig in Oakland. Comprised of students who attended Venetia Valley together, the **Pinkos** include **Trinidad Gallegos** and **Leo Berghoff** who live in Santa Venetia along with three of their friends who live nearby.

The Dipsea Kids from Venetia Valley School are back in the Santa Venetia neighborhood as they prepare for the upcoming Dipsea Race on Sunday, April 11. If you see a group of about 20 students running in the streets or Santa Margarita Island as part of their training, don't forget to give them shouts of encouragement.

Did you know? The majority of Marin County Parks require an entrance/parking fee to enjoy their facilities. The Marin County Public Library has entrance/parking passes that you can check out for a week at a time and allow one vehicle entry and parking. They are very popular, so do reserve them like you would a book online to be sure one is available. The 3 different passes are listed here along with what park/s they include:

1. **The Marin County Park Pass** for use at McNear's Beach, Paradise Beach Park, Stafford Lake, Black Point Boat Launch, or Miller Point Launch.
2. **The Marin Municipal Water District Pass** for use at Sky Oaks Gateway or Bon Tempe
3. **Mount Tamalpais State Park Pass**

The Northridge Pool is open and ready to welcome you. A change was made over the winter: the former Tiny Tots Pool was filled in, covered with artificial green turf, and has become a play area for the kids. New to the agenda is the start of a 45-minute Water Aerobics class on Tuesday mornings at 10am. The classes

Calling All SVNA Photographers

We'll be hanging out the pictures at the top of the newsletter each issue. If you are interested in having us feature your local (SV) pictures, let us know.

Featured in this issue: The Art of Neighbor Joyce Clements

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 One Foot at a Time/Laurie Steese • Osher Marin JCC • Santa Venetia Market
 Shirin Zehrfabard, Realtor

will begin on Tuesday, July 11. The pool is open daily from 8am to dusk, with lifeguards on duty weekends-only until Summer Vacation begins for the school children. Then they are there on weekday afternoons. Information on the pool can be found on its website www.northbridgepool.org. If you cannot find the information you are looking for, you can call 415-479-2544.

Compiled by Linda Levey, linda@santavenetia.org

Volunteer Spotlight: Neighbor **Sean O'Leary**, Trail Ambassador, was highlighted in the Friends of China Camp's (FOCC) Volunteer Spotlight this month. Sean is a longtime SVNA Member and resident. To read about his volunteer work with FOCC, visit <https://tinyurl.com/4pwfvejib>

SVNA VP Gary Robards was included in a group of top Volunteers celebrated by the Supervisors on May 2. He is a member of the 2022-2023 "Volunteer Team of the Year," the Anne T. Kent California Room Team, whose 10 members serve with the Marin County Free Library. To read about Gary and our other wonderful volunteers and interns, visit <https://tinyurl.com/ysanwrkv>

Mary Hughes, aka Futon Mary, Comedy: In April, we attended her Comedy Show at Trek Winery and had a great time. There were more than 100 people there and everyone was laughing heartily. Thanks to Mary for entertaining the masses!

From Bill Hale

The Venetia Valley School just had a fundraising run/walk event at Lagoon Park on April 1st. Happy to say that they used white chalk to mark their route, while others in the past such as the Human Race, opted to use red spray paint over the course. I don't think that the latter will be re-occurring. Way to go Venetia Valley!

From Jim Higgins

My short story was selected for publication in the anthology "Made in LA - Volume 5" which will be available "wherever books are sold." This is the second time one of my stories was included in this annual series of short fiction. For more info: www.madeinlawriters.com

From Kitty Walker (via Nextdoor)

I wanted to let everyone know that every Tuesday Venetia Valley School has a great food bank from 3pm to 4pm. It is open to all – all they ask is the number in your household. This food bank is filled with seasonal fruits and vegetables and more! It's amazing and local and fresh!! It's a good way to get inspired to cook seasonally and appreciate our abundant fertile surroundings. Bring a bag and please stop by!

Class of 2023

Congratulations Graduates.....

• Tes Lazzarini, tesarini@yahoo.com

We have watched them grow up; the Santa Venetia kids that we remember are now young adults beginning a new phase of their life. We wish them success as they proceed forward.

Our College Graduates

Kameelah Amilcar-San Francisco State College, BS Psychology

Ethan Burak-University of Oregon, BA Business Management

Jane Casto-University of California Davis, BA Womens' Studies and Political Science

Katherine (Katie) Hurley- University of Arizona, BS Public Health, Minor Spanish

Lisa Muithya-Howard University, BS Nursing Administration

Gary Mitchell (Mitch)Robards-San Diego State University, BS Computer Science

Raymond Robards-University of Minnesota Twin Cities, BA Computer Science, Minor Business Management

Walter Robards-University of South Carolina, BS Economics, Minor Business Administration & Spanish

Terra Linda High School Graduates

Beckett Klock-University of Utah, Major: Industrial Design

Christopher Maldonado- University of San Francisco

Timothy Muithya-College of Marin

Jasmine Rodas

Octavio (Tavi) Stafford-University of Vermont, Major: Computer Science

Make New Friends and Have Fun

Sarah Zykanov, sarahz2@yahoo.com



Reducing isolation and supporting the material needs of our neighbors are two main goals of Christ Presbyterian Church (CPC) in Terra Linda.

In March, we hosted a concert by **Kyle Athayde Dance Party**, an 18-piece big band led by our Sunday morning Accompanist **Kyle Athayde**. We raised money to pay the band, hosted about 125 of our neighbors, supported local businesses, and sent a donation

to local school music programs. We will host more bands in our beautiful front yard on weekends this summer.

Our third Give and Take: Kids Gear on Earth Day 2023 brought together neighbors who gave gently used kids clothes, toys, and gear and then at least 150 neighbors who came to take what they needed for their family. We plan to do this every October and April going forward.

Upcoming events include Music Camp for rising K through 8th Grade children (June 12 - 16 from 9am to noon), a Family Fun Juggling Show on our front lawn June 17 at 11am, plus Monthly Game Nights, Music Jams, and more. These are all secular events coordinated by CPC members. Everyone in the community is welcome to join us. Come make new friends and have fun. About 10 Santa Venetians, including **Sarah Zykanov** and **Sue Anderson**, are members of CPC in TL. See website for details: www.cpcinterralinda.org/events

Missing our Friends and Neighbors

Lynn Payton: 1932 - 2023

• Linda Levey, linda@santavenetia.org



It was with great sadness that I heard about the loss of Lynn. She and Georgie were fixtures in our neighborhood until she left for The Redwoods in 2015.

Lynn served on the SVNA Board of Directors and volunteered to help with local issues as needed. Before she moved, she lived on Adrian Way, her backyard garden had steps to the levee where she often walked.

Per her request, a Memorial will be held on Mount Tamalpais this summer. To learn more about Lynn, you can read her going away note in the 2015 newsletter on page 12: <https://tinyurl.com/394t4t6n> and her obituary in the Pacific Sun: <https://tinyurl.com/4v677ds4>

The Celebration of Life for Judy Schriebman

was held in early May. Judy was an amazing woman who worked tirelessly for the environment and to promote a better life for all of Marin and the outpouring of love and respect for her was amazing. As one speaker said, **"Let's do good things in her memory."**

Or as Judy said... "I hope everyone can figure out how to mediate conflict non-violently, how to treasure and love each lovely and unlovely thing that crawls and creeps and swims and climbs and grows and flowers and smiles and growls on the face of the earth so that this place can become the paradise as well as the training ground it was designed to be."



Also, in April, Judy was posthumously awarded **The Ted Wellman Water Award** from **Marin Conservation League**. This award is given to an individual or organization that has made a significant contribution to the conservation and protection of Marin County's water resources. You can read more about Judy and the other award recipients in the MCL Press Release: <https://tinyurl.com/32txvpa4>

You can also read more about Judy by visiting our January newsletter, page 11: <https://tinyurl.com/4zkvpjc9>

Memorial Day Services

Monday, May 29, 2023, 9am

The Marin County Memorial Day observance, conducted by Marin County United Veterans Council, will feature music, a remembrance program, flag displays, and wreath-laying ceremonies. Meet at the Marin Veterans' Memorial Auditorium, 10 Avenue of the Flags. Admission is free. For more information or updates: <https://tinyurl.com/y3b97azc>

Visit www.nextdoor.com for community discussions, announcements, services, sales, and more – all in our neighborhood!